



CLARIS LIFESCIENCES LIMITED

Our Company was originally incorporated as Oracle Laboratories Limited on July 19, 1994 under the Companies Act, 1956, as a public limited company. For more details on the changes in the name and registered office of our Company, please see the chapter on "History and Certain Corporate Matters" on page 145 of this Red Herring Prospectus.

Registered and Corporate Office: Claris Corporate Headquarters, Near Parimal Railway Crossing, Ellisbridge, Ahmedabad – 380 006.

Tel: +91 79 26563331; Fax: +91 79 26565879; Website: www.clarislifesciences.com; Email: ipo.corp@clarislifesciences.com

Promoters of the Company: Mr. Arjun S. Handa and Sarjan Financial Private Limited

Company Secretary and Compliance Officer: Mr. Pradyotsen Shukla; Tel: +91 79 26563331; Fax: +91 79 26408053/26565879; Email: ipo.corp@clarislifesciences.com

PUBLIC ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF RS. 10 EACH (THE "EQUITY SHARES") OF CLARIS LIFESCIENCES LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. [●]) AGGREGATING UP TO RS. 3,000 MILLION (THE "ISSUE"). THE ISSUE WILL CONSTITUTE [●]% OF THE POST-ISSUE PAID UP SHARE CAPITAL OF THE COMPANY.				
THE FACE VALUE OF OUR EQUITY SHARES IS RS. 10 EACH AND THE ISSUE PRICE IS [●] TIMES THE FACE VALUE				
THE PRICE BAND AND THE MINIMUM BID LOT SIZE WILL BE DECIDED BY THE COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND ADVERTISED AT LEAST TWO BUSINESS DAYS PRIOR TO THE BID/ISSUE OPENING DATE.				
In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional Business Days (other than Saturdays) after such revision of the Price Band subject to the Bidding/Issue Period not exceeding 10 Business Days (other than Saturdays). Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to the Bombay Stock Exchange Limited (the "BSE") and National Stock Exchange of India Limited (the "NSE"), by issuing a press release, and also by indicating the change on the website of the Book Running Lead Managers ("BRLMs") and at the terminals of the Syndicate Members.				
The Company is undertaking the Issue in accordance with the first proviso to Rule 19(2)(b)(ii) of the Securities Contracts (Regulations) Rules, 1957 (the "SCRR"). This being an Issue for less than 25%, but not less than 10%, of the post-Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue shall be allocated to Qualified Institutional Buyers ("QIBs") on a proportionate basis, out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. Our Company may allocate up to 30% of the QIB Portion to the Anchor Investors on a discretionary basis. The remaining QIB portion shall be available for allocation on a proportionate basis to QIBs including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price. Any Bidder (excluding Anchor Investors) may participate in this Issue through the ASBA process by providing the details of their respective bank accounts in which the corresponding Bid Amounts will be blocked by Self Certified Syndicate Banks ("SCSBs"). For details in this regard, please refer to the section titled "Issue Procedure" on page 282 of this Red Herring Prospectus.				
RISKS IN RELATION TO FIRST ISSUE				
This being the first public issue of the Issuer, there has been no formal market for our Equity Shares. The face value of the Equity Shares is Rs. 10 each and the Floor Price is [●] times of the face value and the Cap Price is [●] times of the face value. The Issue Price (as determined and justified by the Company and the BRLMs, as stated in the section titled "Basis for Issue Price" on page 101 of this Red Herring Prospectus) 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 nor 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 this Issue 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 this Issue. For taking an investment decision, investors must rely on their own examination of the Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" given on page 18 of Red Herring Prospectus.				
ISSUER'S ABSOLUTE RESPONSIBILITY				
The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to the Company and the Issue which is material in the context of the Issue, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this 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.				
IPO GRADING				
This Issue has been graded by Fitch Ratings India Private Limited and has been assigned the "IPO Grade 3/5" indicating average fundamentals, in its letter dated July 22, 2010. The Issue grading is assigned on a five point scale from 1 to 5 with "IPO Grade 5" indicating strong fundamentals and "IPO Grade 1" indicating poor fundamentals. For more information on the Issue grading, please refer to the section titled "General Information" given on page 60 of this Red Herring Prospectus.				
LISTING				
The Equity Shares being offered through this Red Herring Prospectus are proposed to be listed on the BSE. We have received the in-principle approval from the BSE for the listing of the Equity Shares pursuant to letter dated June 3, 2010. For the purposes of this Issue, BSE shall be the Designated Stock Exchange.				
BOOK RUNNING LEAD MANAGERS				REGISTRAR TO THE ISSUE
ENAM SECURITIES PRIVATE LIMITED 801/ 802, Dalamal Towers, Nariman Point, Mumbai 400 021 Tel: +91 22 6638 1800 Fax: +91 22 2284 6824 Email: cll.ipo@enam.com Investor Grievance Email: complaints@enam.com Website: www.enam.com Contact Person: Mr. Harish Lodha SEBI Registration No.: INM000006856	EDELWEISS CAPITAL LIMITED 14th Floor, Express Towers, Nariman Point, Mumbai 400 021 Tel: +91 22 4086 3535 Fax: +91 22 4086 3610 Email: cll.ipo@edelcap.com Investor Grievance Email: customerservice.mb@edelcap.com Website: www.edelcap.com Contact Person: Mr. Chitrag Gandhi / Mr. Jibi Jacob SEBI Registration No.: INM0000010650	JM FINANCIAL CONSULTANTS PRIVATE LIMITED** 141, Maker Chambers III, Nariman Point, Mumbai 400 021 Tel: +91 22 6630 3030 Fax: +91 22 2204 7185 Email: cll.ipo@jmfinancial.in Investor Grievance Email: grievance.ibd@jmfinancial.in Website: www.jmfinancial.in Contact Person: Ms. Lakshmi Lakshmanan SEBI Registration No.: INM000010361	ICICI SECURITIES LIMITED ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai 400 020 Tel: +91 22 2288 2460 Fax: +91 22 2282 6580 Email: project.tonic@icicisecurities.com Investor Grievance Email: customercare@icicisecurities.com Website: www.icicisecurities.com Contact Person: Mr. Vishal Kanjani / Mr. Sumit Agarwal SEBI Registration No.: INM000011179	LINK INTIME INDIA PRIVATE LIMITED C 13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400 078 Tel: +91 22 2596 3838 Fax: +91 22 2594 6979 Email: cll.ipo@linkintime.co.in Website: www.linkintime.co.in Contact Person: Mr. Sachin Achar SEBI Registration No.: INR000004058
BID/ISSUE PROGRAM*				
BID/ISSUE OPENS ON NOVEMBER 24, 2010			BID/ISSUE CLOSES ON NOVEMBER 26, 2010	

* The Company may consider participation by Anchor Investors. The Anchor Investor Bidding Date shall be on November 23, 2010 i.e. one Business Day (other than Saturdays) prior to the Bid/Issue Opening Date i.e. November 24, 2010.

** In compliance with the proviso to regulation 21A(1) and explanation (iii) to regulation 21A(1) of SEBI (Merchant Bankers) Regulations, 1992, read with Regulation 110 and Schedule XX of the SEBI ICDR Regulations, JM Financial would be involved only in the marketing of the Issue.

TABLE OF CONTENTS

SECTION 1 : GENERAL	2
DEFINITIONS AND ABBREVIATIONS.....	2
CERTAIN CONVENTIONS - PRESENTATION OF FINANCIALS, INDUSTRY AND MARKET DATA...	15
FORWARD LOOKING STATEMENTS	17
SECTION 2 : RISK FACTORS	18
SECTION 3 : INTRODUCTION	46
SUMMARY OF INDUSTRY	46
SUMMARY OF OUR BUSINESS, STRENGTHS AND STRATEGIES	48
THE ISSUE	54
SUMMARY FINANCIAL INFORMATION	55
GENERAL INFORMATION.....	60
CAPITAL STRUCTURE	72
OBJECTS OF THE ISSUE	88
BASIS FOR ISSUE PRICE.....	101
STATEMENT OF TAX BENEFITS.....	104
SECTION 4 : ABOUT US.....	114
INDUSTRY OVERVIEW	114
OUR BUSINESS.....	122
REGULATIONS AND POLICIES IN INDIA.....	141
HISTORY AND CERTAIN CORPORATE MATTERS.....	145
OUR MANAGEMENT.....	161
OUR PROMOTERS AND GROUP COMPANIES.....	176
DIVIDEND POLICY	207
SECTION 5 : FINANCIAL INFORMATION.....	208
SECTION 6 : MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.....	209
SECTION 7 : LEGAL & OTHER INFORMATION.....	236
OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS	236
GOVERNMENT AND OTHER APPROVALS	257
SECTION 8 : OTHER REGULATORY AND STATUTORY DISCLOSURES.....	264
SECTION 9 : ISSUE INFORMATION.....	274
TERMS OF THE ISSUE	274
SECTION 10: ISSUE STRUCTURE.....	277
ISSUE PROCEDURE	282
SECTION 11 : MAIN PROVISIONS OF OUR ARTICLES OF ASSOCIATION	319
SECTION 12 : OTHER INFORMATION	336
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION.....	336
DECLARATION.....	338
ANNEXURE 1	340

SECTION 1 : GENERAL DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise implies or requires, the terms and abbreviations stated hereunder shall have the meanings as assigned therewith. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

Conventional and general terms

Term	Description
Act / Companies Act	The Companies Act, 1956, as amended.
Air Pollution Act	The Air (Prevention and Control of Pollution) Act, 1981, as amended.
Consolidated FDI Policy	Consolidated FDI Policy (Circular 1 of 2010) notified by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, dated April 1, 2010.
Depositories Act	The Depositories Act, 1996, as amended.
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended.
Depository Participant / DP	A depository participant as defined under the Depositories Act.
Environment Act	The Environment Protection Act, 1986, as amended.
EPF Act	The Employees Provident Fund and Miscellaneous Provisions Act, 1952, as amended.
IFRS	International Financial Reporting Standards.
Indian GAAP	Generally accepted accounting principles in India.
IT Act	The Income Tax Act, 1961, as amended.
SARFAESI	The Securitisation and Reconstruction of Financial Asset and Enforcement of Security Interest Act, 2002, as amended.
SCRA	The Securities Contracts (Regulation) Act, 1956, as amended.
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended.
SEBI	The Securities and Exchange Board of India, as established under the SEBI Act.
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended.
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.
Securities Act / U.S. Securities Act	The U.S. Securities Act, 1933, as amended.
SICA	The Sick Industrial Companies (Special Provisions) Act, 1985, as amended.

Term	Description
US GAAP	Generally accepted accounting principles in the United States.
VCF Regulations	The SEBI (Venture Capital Fund) Regulations, 1996, as amended.
Water Pollution Act	The Water (Prevention and Control of Pollution) Act 1974, as amended.

Issuer related terms

Term	Description
Articles / Articles of Association	The articles of association of the Company, as amended.
Auditors	The statutory auditors of the Company, M/s. Deloitte Haskins & Sells.
Board/Board of Directors	The board of directors of the Company as constituted, including any committees thereof.
Bonus Act	Payment of Bonus Act, 1965, as amended.
Carlyle	First Carlyle Ventures III.
“CLL”, “our Company”, “the Company” or “the Issuer”	Claris Lifesciences Limited, a public limited company incorporated under the Companies Act, and having its registered office at Claris Corporate Headquarters, Near Parimal Railway Crossing, Ellisbridge, Ahmedabad – 380 006, India.
Clarion facilities / Clarion manufacturing facilities	Refers to the Company’s facilities situated at Chacharwadi Vasana, Taluka Sanand, Ahmedabad, Gujarat, which comprise of the “Clarion I”, “Clarion II”, “Clarion III” and “Clarion IV” manufacturing facilities as well as the “Clarion V” manufacturing facility, R&D and other facilities of the Company.
Corporate Office / Registered Office	Claris Corporate Headquarters, Near Parimal Railway Crossing, Ellisbridge, Ahmedabad – 380 006, India.
Director(s)	Director(s) on the Board of the Company, as appointed from time to time.
Equity Shares	Equity Shares of the Company of face value of Rs. 10 each.
ESI Act	The Employees State Insurance Act, 1948, as amended.
Factories Act	The Factories Act, 1948, as amended.
Group Companies	Companies, firms, ventures, etc. promoted by the Promoters of the Issuer, as enumerated in the section titled “Our Promoters and Group Companies” beginning on page 176 of this Red Herring Prospectus.
Memorandum/Memorandum of Association	The memorandum of association of the Company, as amended.
Promoter Group	The Promoter Group of the Company are the entities / persons related to the Promoters as per the definition of “promoter group” in Regulation 2 (1)(zb) of the SEBI ICDR Regulations and are enumerated in the section titled “Our Promoters and Group Companies” beginning on page 176 of this Red Herring Prospectus.
Promoters / our Promoters	Promoters of the Company, <i>i.e.</i> Mr. Arjun S. Handa and Sarjan Financial Private Limited.
Public Act	Public Liability Insurance Act, 1991, as amended.
Subsidiary / Subsidiaries	The subsidiaries of the Company listed in the section titled “History and Certain Corporate Matters” beginning on page 145 of this Red Herring Prospectus.

Term	Description
“We”, “us”, “our” or the “CLL Group”	The Company and its Subsidiaries.

Issue related terms

Term	Description
Allotment/Allot/Allotted	The issue and allotment of the Equity Shares, pursuant to the Issue.
Allottee	The successful Bidder to whom the Equity Shares are/have been issued / allotted.
Anchor Investor	A Qualified Institutional Buyer who applies under the Anchor Investor Portion with a minimum Bid of Rs. 100 million.
Anchor Investor Bid(s)	Bids made by the Anchor Investor(s).
Anchor Investor Bid Amount	The amount at which an Anchor Investor Bid is made.
Anchor Investor Bidding Date	The day, which is one Business Day (other than Saturdays) prior to the Bid/Issue Opening Date, prior to or after which the BRLMs will not accept any Bids from Anchor Investors and on which the Equity Shares shall be allocated to Anchor Investors.
Anchor Investor Confirmation of Allocation Note	Note or advice or intimation of allocation of Equity Shares sent to the Anchor Investors who have been allocated Equity Shares on the Anchor Investor Bidding Date.
Anchor Investor Portion	Up to 30% of the QIB Portion, equal to a maximum of [●] Equity Shares to be allocated to Anchor Investors on a discretionary basis, out of which [●] Equity Shares shall be reserved for domestic Mutual Funds subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Issue Price.
Anchor Investor Issue Price	<p>The final price at which Equity Shares will be issued and Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be a price equal to or higher than the Issue Price but not higher than the Cap Price.</p> <p>The Anchor Investor Issue Price will be decided by our Company in consultation with the BRLMs.</p>
ASBA / Application Supported by Blocked Amount	Application supported by blocked amount, i.e., the application (whether physical or electronic) used by ASBA Bidders to authorize an SCSB to block the Bid Amount in their specified bank account with such SCSB.
ASBA Account	Account maintained by an ASBA Bidder with an SCSB which will be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder, as specified in the ASBA Form.
ASBA Bidder	Any Bidder, other than Anchor Investors, intending to apply through the ASBA process.
ASBA Form	The application form (whether physical or electronic) in terms of which an ASBA Bidder can make a Bid and which contains an authorisation to block the

Term	Description
	Bid Amount in an ASBA Account and which will be considered an application for Allotment, for the purposes of this Red Herring Prospectus. ASBA Forms will be available on the websites of the BSE and the NSE.
ASBA Revision Form	The forms used by the ASBA Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their ASBA Forms.
Banker(s) to the Issue	HDFC Bank Limited, The Hongkong and Shanghai Banking Corporation Limited, ICICI Bank Limited and Standard Chartered Bank
Basis of Allotment	The basis on which the Equity Shares will be Allotted to Bidders under the Issue and which is described in “Issue Procedure – Basis of Allotment” on page 304 of this Red Herring Prospectus.
Bid	<p>An indication to make an offer during the Bid/Issue Period by a Bidder (other than an ASBA Bidder or an Anchor Investor) or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to submission of a Bid cum Application Form to subscribe to the Equity Shares at a price within the Price Band, including all revisions and modifications thereto.</p> <p>With regard to ASBA Bidders, Bid means an indication to make an offer during the Bidding/Issue Period by an ASBA Bidder pursuant to the submission of an ASBA Form to subscribe to the Equity Shares of the Company.</p>
Bid/Issue Closing Date	The date after which the Syndicate and the SCSBs (in case of ASBA Bidders) will not accept any Bids for the Issue, which shall be notified in an English national newspaper and a Hindi national newspaper, each with wide circulation, and a Gujarati newspaper of wide circulation in the place where our Registered Office is situated.
Bid/Issue Opening Date	Except in relation to Anchor Investors, the date on which the Syndicate and the SCSBs shall start accepting Bids for the Issue, which shall be the date notified in an English national newspaper and a Hindi national newspaper, each with wide circulation, and a Gujarati newspaper of wide circulation in the place where our Registered Office is situated.
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder at the time of submission of such Bidder’s Bid in the Issue.
Bid cum Application Form	The form, including an ASBA form, used by a Bidder to make a Bid and which will be considered an application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of this Red Herring Prospectus and the Bid cum Application Form including an ASBA Bidder and an Anchor Investor.
Bidding/Issue Period	Except in relation to Anchor Investors, the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof. The Bidding/Issue Period will comprise Business Days other than Saturdays.
Book Building Process	Book building process as provided in Schedule XI of SEBI ICDR Regulations, in terms of which this Issue is being made.

Term	Description
BRLMs / Book Running Lead Managers	The book running lead managers to the Issue, in this case being Enam, Edelweiss, JM Financial and I-Sec.
Business Day	All days other than Sunday and bank holidays.
CAN / Confirmation of Allotment Notice	<p>Except in relation to Anchor Investors, the notice of Allotment of the Equity Shares sent to the Bidders who have been Allotted the Equity Shares after discovery of the Issue Price in accordance with the Book Building Process, including any revision thereof.</p> <p>In relation to Anchor Investors, the notice or advice or intimation of Allotment of the Equity Shares sent to the successful Anchor Investors who have been Allotted Equity Shares at the Anchor Investor Issue Price.</p>
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalized and above which no Bids will be accepted, including any revision thereof.
Controlling Branches	Such branches of the SCSBs which coordinate Bids under this Issue by the ASBA Bidders with the BRLMs, the Registrar to the Issue and the Stock Exchange and a list of which is available at the following website: http://www.sebi.gov.in .
Cut-Off Price	The Issue Price finalized by the Company in consultation with the BRLMs which shall be any price within the Price Band. Only Retail Individual Bidders are entitled to Bid at the Cut-Off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-Off Price.
Designated Branches	Branches of the SCSBs which can collect ASBA Forms from the ASBA Bidders, a list of which is available at the following website: http://www.sebi.gov.in .
Designated Date	The date on which the Escrow Collection Bank(s) transfer the funds from the Escrow Account to the Public Issue Account and the Refund Account and the Registrar gives instructions to the SCSBs to transfer the funds blocked in the bank accounts of the ASBA Bidders to the Public Issue Account, as the case may be, following which the Board of Directors shall Allot the Equity Shares to the successful Bidders.
Designated Stock Exchange	BSE.
Draft Red Herring Prospectus	The Draft Red Herring Prospectus dated April 19, 2010 filed with SEBI and issued in accordance with Section 60B of the Companies Act and the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares are offered.
Edelweiss	Edelweiss Capital Limited.
Eligible NRIs	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom this Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein.
Enam	Enam Securities Private Limited.
Escrow Account(s)	Account(s) opened with the Escrow Collection Bank(s) for the Issue and in

Term	Description
	whose favour the Bidders (excluding the ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid.
Escrow Agreement	An agreement to be entered into by the Company, the Registrar, the BRLMs, the Syndicate Members, the Registrar and the Escrow Collection Bank(s) for collection of the Bid Amounts and where applicable, remitting refunds of the amounts collected, to the Bidders (excluding the ASBA Bidders) on the terms and conditions thereof.
Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Banker(s) to the Issue with whom the Escrow Account will be opened, comprising HDFC Bank Limited, The Hongkong and Shanghai Banking Corporation Limited, ICICI Bank Limited and Standard Chartered Bank.
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form or ASBA Form or ASBA Revision Form, as applicable.
Floor Price	The lower end of the Price Band, below which the Issue Price will not be finalized and below which no Bids will be accepted.
GIR Number	General index registration number.
IPO Grading Agency	Fitch Ratings India Private Limited.
I-Sec	ICICI Securities Limited.
Issue	Public issue of [●] Equity Shares of Rs. 10 each for cash at a price of Rs. [●] per Equity Share (including a share premium of Rs. [●] per Equity Share) aggregating up to Rs. 3,000 million.
Issue Price	The final price at which the Equity Shares will be Allotted in the Issue, which will be decided by the Company, in consultation with the BRLMs, on the Pricing Date.
Issue Proceeds	The proceeds of this Issue that are available to the Company.
Issue Size	Issue Price multiplied by the number of Equity Shares offered to the public.
JM Financial	JM Financial Consultants Private Limited.
Mutual Fund Portion	5% of the Net QIB Portion or at least [●] Equity Shares available for allocation to Mutual Funds from the QIB Portion, but does not include any reservation for Mutual Funds in the Anchor Investor portion.
Mutual Funds	Mutual funds registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended.
Net Proceeds	The Issue Proceeds less the Issue expenses. For further information on the use of Issue Proceeds and Issue expenses, please refer to the section titled “Objects of the Issue” given on page 88 of this Red Herring Prospectus.
Net QIB Portion	The portion of the QIB Portion, less the number of the Equity Shares allocated to the Anchor Investors.
Non Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for the Equity Shares for an amount greater than Rs. 200,000, subject to valid Bids

Term	Description
	received at or above the Issue Price.
Non Institutional Portion	The portion of the Issue being not less than 10% of the Issue consisting of [●] Equity Shares of the Issue available for allocation to Non Institutional Bidders.
Pay-in Date	(i) The Bid/Issue Closing Date with respect to Bidders including Anchor Investors (in the event that the Anchor Investor Issue Price is greater than or equal to the Issue Price); and (ii) with respect to Anchor Investors, in the event that the Anchor Investor Issue Price is lower than the Issue Price, not later than two days after the Bid/Issue Closing Date.
Price Band	The price band with the minimum (Floor Price) of Rs. [●] per Equity Share and the maximum (Cap Price) of Rs. [●] per Equity Share including revisions thereof. The Price Band and the minimum bid lot as decided by the Company in consultation with the Book Running Lead Managers, including the relevant financial ratios computed for both the Cap Price and the Floor Price shall be published at least two Business Days prior to the Bid/Issue Opening Date in an English national newspaper and a Hindi national newspaper, each with wide circulation, and in a Gujarati newspaper of wide circulation in the place where our Registered Office is situated.
Pricing Date	The date on which the Company, in consultation with the BRLMs, finalizes the Issue Price.
Prospectus	The Prospectus to be filed with the RoC in terms of Section 60 of the Companies Act, containing, <i>inter alia</i> , the Issue Price that is determined at the end of the Book Building Process, the Issue Size and certain other information and including any corrigendum thereof.
Public Issue Account	The bank account opened with the Bankers to the Issue by the Company under Section 73 of the Companies Act to receive money from the Escrow Accounts on the Designated Date and where the funds shall be transferred by the SCSBs from the ASBA Accounts.
QIBs / Qualified Institutional Buyers	Public financial institutions as specified in Section 4A of the Companies Act, FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, scheduled commercial banks, Mutual Funds, multilateral and bilateral development financial institutions, VCFs, FVCIs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with a minimum corpus of Rs. 250 million, pension funds with a minimum corpus of Rs. 250 million, the National Investment Fund and insurance funds set up and managed by the Army, Navy or Air Force of the Union of India, and insurance funds set up and managed by the Department of Posts, India eligible for bidding in this Issue.
QIB Portion	The portion of the Issue being at least 60% of the Issue, consisting of [●] Equity Shares and to be allotted to QIBs on a proportionate basis.
Refund Account	The account opened with the Escrow Collection Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to Bidders shall be made to Bidders (excluding ASBA Bidders).
Refund Bank	HDFC Bank Limited.
Refunds through electronic transfer of funds	Refunds through ECS, NECS, NEFT, direct credit or RTGS, as applicable.

Term	Description
Registrar to the Issue	Link Intime India Private Limited.
Resident Retail Individual Bidder(s)	A Retail Individual Bidder who is a person resident in India as defined under the FEMA and who is eligible to apply for the Equity Shares in this Issue through ASBA.
Retail Individual Bidder(s)	Individual Bidders (including HUFs applying through their <i>Karta</i> and Eligible NRIs) and ASBA Bidders who have Bid for the Equity Shares of an aggregate amount not more than Rs. 200,000.
Retail Portion	The portion of the Issue being not less than 30% of the Issue consisting of [●] Equity Shares available for allocation to Retail Individual Bidders.
Revision Form	The form used by Bidders, excluding 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).
RHP / Red Herring Prospectus	This red herring prospectus dated November 18, 2010 filed with the RoC in terms of Section 60B of the Companies Act and the SEBI ICDR Regulations and which does not contain, <i>inter alia</i> , complete particulars of the price at which the Equity Shares are offered.
Self Certified Syndicate Bank / SCSB	Banks which are registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994, and offers ASBA services, including blocking of bank accounts and a list of which is available at http://www.sebi.gov.in .
Stock Exchange	BSE.
Syndicate / members of the Syndicate	The BRLMs and the Syndicate Members.
Syndicate Agreement	An agreement amongst members of the Syndicate, the Company and the Registrar in relation to the collection of Bids in this Issue (excluding Bids from ASBA Bidders).
Syndicate Members	Edelweiss Securities Limited and JM Financial Services Private Limited
Takeover Code	The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended.
TRS / Transaction Registration Slip	The slip or document issued by any of the members of the Syndicate or the SCSB on demand, as the case may be, to any Bidder as proof of registration of such Bidder's Bid.
Underwriters	The BRLMs and the Syndicate Members.
Underwriting Agreement	An agreement among the Underwriters and the Company, to be entered into on or after the Pricing Date.
VCFs	Venture Capital Funds as defined in and registered with SEBI under the VCF Regulations.

Abbreviations

Term	Description
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Term	Description
AGM	Annual general meeting.
ARCIL	Asset Reconstruction Company (India) Limited.
AS	Accounting standards issued by the Institute of Chartered Accountants of India.
AY	Assessment year.
BSE	The Bombay Stock Exchange Limited.
BRL	Brazilian Real.
BMW Rules	Bio-Medical Waste (Management and Handling) Rules, 1998.
CAGR	Compounded Annual Growth Rate.
CDSL	Central Depository Services (India) Limited.
CEO	Chief Executive Officer.
CFO	Chief Financial Officer.
CHL	Core Healthcare Limited.
CIBIL	Credit Information Bureau (India) Limited.
CLRA	Contract Labour (Regulation and Abolition) Act, 1970, as amended.
DCA	Drugs and Cosmetics Act, 1940, as amended.
DPCO	Drugs (Prices Control) Order, 1995, as amended.
EBITDA	Earnings before interest, tax, depreciation and amortisation.
ECA	Essential Commodities Act, 1955, as amended.
ECS	Electronic Clearing System.
EGM	Extraordinary general meeting.
EOU	Export oriented unit.
EPS	Earnings per share (as calculated in accordance with AS-20).
FCNR Account	Foreign Currency Non Resident Account.
FDI	Foreign direct investment.
FEMA	The Foreign Exchange Management Act, 1999, and the related rules and regulations framed thereunder, as amended.
FII(s)	Foreign institutional investors as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, registered with SEBI under applicable laws in India.

Term	Description
FIPB	Foreign Investment Promotion Board, Ministry of Finance, Government of India.
Financial Year / Fiscal / FY	Period of twelve months ending on December 31 of that particular year, unless otherwise stated.
FVCI	Foreign venture capital investors, as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended.
GCC	Gulf Cooperation Council.
GDP	Gross domestic product.
GoI	Government of India.
HNI	High Net Worth Individual.
HUF	Hindu Undivided Family.
IPO	Initial Public Offering.
IPC	Indian Penal Code, 1860, as amended.
MAT	Minimum Alternate Tax.
MICR	Magnetic Ink Character Recognition.
Mn/mn	Million.
MoU	Memorandum of Understanding.
N.A.	Not applicable.
NAV	Net asset value being paid up equity share capital plus free reserves (excluding reserves created out of revaluation) less deferred expenditure not written off (including miscellaneous expenses not written off) and debit balance of profit & loss account, divided by weighted average number of issued equity shares.
NECS	National Electronic Clearing System.
NEFT	National Electronic Fund Transfer Service.
NOC	No-objection certificate.
NPPA	The National Pharmaceutical Pricing Authority.
NR	Non-resident.
NRE Account	Non resident external account.
NRI / Non Resident Indians	Non resident Indian is a person resident outside India, as defined under FEMA and who is a citizen of India or a person of Indian origin as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended.
NRO Account	Non resident ordinary account.

Term	Description
NSDL	National Securities Depository Limited.
NSE	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 was eligible to undertake transactions pursuant to the general permission granted to OCBs under FEMA.
P/E Ratio	Price/earnings ratio.
PA	Pharmacy Act, 1948, as amended.
PAN	Permanent Account Number allotted under the IT Act.
RBI	The Reserve Bank of India.
RoC / ROC	Registrar of Companies, Gujarat, Dadra and Nagar Haveli.
RONW	Return on net worth.
Re. / Rs. / Rupee(s)	Indian Rupee(s).
RTGS	Real time gross settlement.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992.
Sec.	Section.
SIA	Secretariat for Industrial Assistance.
u/s	Under section.
USD or \$ or US \$	United States Dollar.

Industry related terms

Term	Description
AFFS	Aseptic form fill seal (technology).
ANDA	Abbreviated New Drug Application, USA.
ANVISA	<i>Agencia Nacional de Vigilância Sanitária</i> (National Health Surveillance Agency), Brazil.
API	Active pharmaceutical ingredient.
BPOM	<i>Badan Pengawas Obat dan Makanan</i> (The Food and Drug Control Agency), Indonesia.

Term	Description
CAPD	Continuous Ambulatory Peritoneal Dialysis.
CIS	Commonwealth of Independent States.
DMF	Drug Master File.
Emerging markets	Semi-regulated markets, including developing countries such as Brazil, Russia, India and China.
EN	Enteral nutrition.
GAFO	<i>Grupo de Avaliação e Qualificação de fornecedores</i> (Group of Hospitals for Vendor evaluation & qualification), Brazil.
GI	Gastrointestinal.
HES	Hydroxy ethyl starch.
IDMA	Indian Drugs Manufacturers Association.
Innovator Drug	A pharmaceutical drug (medicine) which is introduced into the market for the first time.
INVIMA	<i>Instituto Nacional De Vigilancia De Medicamentosy Alimentos</i> (The National Institute for the Surveillance of Drugs & Food), Colombia.
ISO	International organization for standardization.
IV	Intravenous.
IVIG	Intravenous immunoglobulin.
MHRA	Medicines and Healthcare Products Regulatory Agency, UK.
MOH	Ministry of Health.
NAM	<i>Laakelaitos lakemedelsverket</i> (National Agency for Medicines), Finland.
NDDS	Novel Drug Delivery System.
Pharmacokinetic and pharmacodynamic properties	Properties relating to study of movement of drugs and its action on the human body.
Pharmacopoeial	That which is mentioned in “Pharmacopoeia” – a book of product specifications and testing procedures published by pharmaceutical regulatory body of a respective country.
PN	Parenteral nutrition.
PNA	Parenteral nutrient admixture.
PVC	Poly-vinyl chloride.
PVE	Plasma volume expander.

Term	Description
Regulated markets	Developed countries, such as the United States, the UK, Germany, France, Italy, Canada, Japan and Australia.
SSA	<i>Secretaría de Salud</i> (Secretariat of Health), Mexico.
TGA	Therapeutic Goods Administration, Australia.
TNA	Total nutrient admixture.
UK	United Kingdom.
US / USA / United States	United States of America.
USFDA	United States Food and Drug Administration.
WHO GMP	World Health Organization Good Manufacturing Practices.

CERTAIN CONVENTIONS – PRESENTATION OF FINANCIALS, INDUSTRY AND MARKET DATA

Financial Data

Unless stated otherwise, the financial data and other financial information in this RHP is derived from our restated standalone and consolidated financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations.

The fiscal year of the Company commences on January 01 and ends on December 31 of each year. Accordingly, unless the context otherwise implies or requires, all references to a particular fiscal year of the Company are to the twelve-month period ended December 31 of that year.

There are significant differences between Indian GAAP, US GAAP and IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this RHP will provide meaningful information to a particular reader is entirely dependent on the reader's level of familiarity with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI ICDR Regulations on the financial statements and other financial information presented in this RHP should accordingly be limited. The Company has not attempted to quantify any such differences or their impact on the financial statements and other financial information included herein, and you should consult your own advisors regarding such differences and their impact on the financial statements and other financial information included herein.

For more information on the results of operations and financial condition of the Company, see the section titled "Financial Information" beginning on page 208 of this Red Herring Prospectus.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this RHP has been obtained from industry publications and certain public sources. Industry publications generally state that the information contained in those publications have been obtained from sources believed to be reliable, but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although the Company believes that the industry and market data used in this RHP is reliable, it has not been verified by us or any independent sources. Further, the extent to which the market and industry data presented in this RHP is meaningful depends on the readers' familiarity with and understanding of methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

Presentation of Currency

This RHP contains translations of certain U.S. Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of Clause 2(VIII)(G) of Part A of Schedule VIII of the SEBI ICDR Regulations. These convenience translations should not be construed as a representation that those U.S. Dollar or other currency amounts could have been, or can be, converted into Indian Rupees, at any particular rate, at the rates stated to below or at all.

In this RHP, all references to "India" are to the Republic of India, all references to "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India, all references to "US\$", "U.S. Dollar(s)" or "USD" are to United States Dollars, the official currency of the United States of America, all references to "€" or to "Euro" are to Euros, the official currency of the European Union, all references to "BRL" are to Brazilian Real the official currency of Brazil, all references to "MXN" are to Mexican Peso the official currency of Mexico, all references to CLP are to Chilean Pesos, the official currency of Chile, all references to COP are references to Colombian Pesos, the official currency of Colombia, all references to BsF are references to Venezuelan Bolivar Fuerte, the official currency of Venezuela, all references to IDR are references to Indonesian Rupiah the official currency of Indonesia, all references to PHP is to Philippines Peso, the official currency of Philippines, all references to GBP are references to the British Pound, the official currency of United Kingdom, all references to AUD or AU\$ are references to Australian Dollar, the official currency of Australia, all references to JPY are references to the Japanese Yen, the official currency of Japan.

In this RHP, any discrepancies in any table between the total and the sums of the amounts listed are due to

rounding off.

Conversion of Foreign Currency Transactions

Revenue items of non-integral foreign operations are consolidated at the average rate prevailing during the period. All assets and liabilities of non-integral foreign operations are converted at the rates prevailing at the end of the period. Exchange gains and losses arising on conversion are recognised under Foreign Currency Translation Reserve.

As at November 12, 2010, the official exchange rate of BRL, USD and Euro according to www.oanda.com was Rs. 25.9326, Rs. 44.5766 and 61.2376, respectively, for each unit of such currency. It is clarified that the amounts mentioned in the section “Objects of the Issue” are based on management estimates and the rates mentioned herein do not apply to such amounts.

Since 2009, we have used the exchange rates found at www.oanda.com, whereas prior to 2009 we sourced the rates from www.gocurrency.com.

FORWARD LOOKING STATEMENTS

This 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”, “future”, “plan”, “propose”, “seek to”, “project”, “should”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. All forward-looking statements are based on our current plans and expectations and are subject to a number of uncertainties and risks and assumptions that could significantly and materially affect our current plans and expectations and our future financial condition and results of operations. Important factors that could cause actual results, including our financial conditions and results of operations to differ from our expectations include, but are not limited to, the following:

- general political and economic conditions in India;
- change in government regulations;
- competition from our existing as well as new competitors; and
- our ability to compete with and adapt to technological advances.

For further discussion of factors that could cause our actual results to differ, see the sections titled “Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 18, 122 and 209 of this Red Herring Prospectus, respectively.

Neither our Company, its Directors and officers, any member of the Syndicate nor any of their respective affiliates or associates 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, the Company and the BRLMs will ensure that investors in India are informed of material developments between the date of filing this RHP with the RoC and the date of allotment of the Equity Shares.

SECTION 2 : RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares of our Company. To obtain a better understanding, you should read this section in conjunction with the sections titled “Our Business” on page 122 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 209. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, financial condition and results of operations could suffer materially, the trading price of our Equity Shares could decline, and all or part of your investment may be lost.

The risks set out in this Red Herring Prospectus may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future. Further, some events may have a material impact from a qualitative perspective rather than a quantitative perspective and may be material collectively rather than individually. This Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. The Company’s actual results could differ materially from those anticipated in such forward-looking statements as a result of certain factors, including the considerations described below and in the section titled “Forward-Looking Statements” on page 17 of this Red Herring Prospectus.

Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. Unless otherwise stated, the financial information of the Company used in this section is derived from our restated standalone and consolidated financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations.

Risk Factors Internal to the Company

Risks Related to Our Business

- 1. Our Company, one of our Subsidiaries, one of our Promoters, our Directors and group companies of Mr. Aditya S. Handa are party to certain legal proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business financial condition and results of operations.***

We are involved in certain legal proceedings and claims. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. We can give no assurance that these legal proceedings will be decided in our favour. The Food Inspector has filed a criminal complaint (C.C. No. 113 of 2005) against our Company and 6 persons, including one of our independent directors and Mr. Sushil Kumar Handa, one of our erstwhile promoters and a relative of our individual Promoter (included in our Promoter Group) and one distributor of the company for an offense alleged to be committed under the Prevention of Food Adulteration Act, 1954. Additionally, the Food Inspector filed a criminal case (no. PFA 167/2010) against our Company for an offense alleged to be committed under the Prevention of Food Adulteration Act, 1954. These offenses are punishable under the Prevention of Food Adulteration Act, 1954, with varying terms of imprisonment as well as fines based on the nature and gravity of the offense. We may not be able to quantify all the claims in relation to these litigations. Additionally, 7 tax demands and other government claims have been filed against our Company amounting to Rs. 8.36 million in aggregate. All these matters are currently pending and have been outstanding for less than five years. One of our subsidiaries is involved in 1 tax demand amounting to BRL 2.12 million i.e. approximately Rs. 54.90 million. This matter is currently pending and has been outstanding since 2009. Further, a complaint has been filed before the State Consumer Disputes Redressal Commission at Ahmedabad against, amongst others, the Managing Director of our Company, who is also our Promoter, alleging grave negligence and defective goods under the provisions of the Consumer Protection Act, 1986. Additionally, the USFDA brought forth claims of certain regulatory non-compliances by our Company and our subsidiary in the United States, Claris Lifesciences, Inc., in relation to the Current Good Manufacturing Practise (“CGMP”) violations, the field alert reporting violations, the unapproved new drug violations and adverse drug experience reporting violations. We cannot assure you that similar action will not be taken by other regulators on account of these and other detected regulatory non-compliances. Any adverse decision may have a significant effect on our business, financial condition and results of operations. The details of the outstanding litigations are provided below:

Cases filed against the Company, Subsidiaries, Promoters, Directors, Group Companies and group companies of Mr. Aditya S. Handa

Sr. No.	Name of entity /person	Criminal cases	Civil cases	Revenue cases/ demands	Others	Amount Claimed
1.	Company	2	11	7	Nil	Rs. 16.28 million
2.	Subsidiaries	Nil	16	1	Nil	BRL 2.52 million (approx Rs. 65.29 million)
3.	Promoters	Nil	1	Nil	Nil	Rs. 2.50 million
4.	Directors	1	1	Nil	1	Rs. 2.50 million
5.	Group Companies	Nil	Nil	Nil	Nil	Nil
6.	Group companies of Mr. Aditya S. Handa	Nil	2	4	Nil	Rs. 42.62 million

For more information regarding all of the above litigations and tax demands and claims, see the section titled “Outstanding Litigation and Material Developments” on page 236 of this Red Herring Prospectus.

2. *One of our erstwhile promoters and relative of our individual Promoter (included in our Promoter Group), Mr. Sushil Kumar Handa, the Ex-Chairman and Managing Director of the erstwhile Core Healthcare Limited, was included in the list of wilful defaulters, in his capacity as a director of such company, maintained by the Credit Information Bureau (India) Limited, until August 2010. Further, there were certain criminal investigations against him relating to alleged economic offences, being investigated by the Central Bureau of Investigation. Furthermore, there also subsist certain criminal investigations including an investigation initiated by the Anti Corruption Bureau, and offences under the Drugs and Cosmetics Act, 1940, and he was declared a proclaimed offender due to non appearance at hearings in one such instance.*

Mr. Sushil Kumar Handa, one of our erstwhile promoters and a relative of our individual promoter (included in our Promoter Group), had promoted a company, Core Healthcare Limited (“CHL”), which became unable to repay its debt under certain term and working capital loans granted to it by various lenders, including the Bank of Baroda (“BoB”). CHL and its directors, including Mr. Sushil Kumar Handa, were included in the list of wilful defaulters maintained by the Credit Information Bureau (India) Limited (“CIBIL”) for loan default of Rs. 25 lacs and above at the behest of BoB. With effect from August 12, 2010, Mr. Sushil Kumar Handa’s name stands removed from the list of wilful defaulters by CIBIL.

ARCIL took over the possession of CHL’s assets in 2005 u/s 13(2) of SARFAESI. Subsequently, the Gujarat High Court, by its order dated March 1, 2007, sanctioned a scheme of demerger of the erstwhile CHL and transferred the Sachana unit to Nirma Limited. The Rajpur unit was subsequently sold by ARCIL in the year 2008. CHL was subsequently wound up by an Order of the Gujarat High Court dated June 24, 2009.

However, during the pendency of the above settlement, the Central Bureau of Investigation initiated certain investigations against the erstwhile CHL and Mr. Sushil Kumar Handa in his capacity as the Chairman and Managing Director of CHL alleging misappropriation of funds disbursed to the erstwhile CHL by certain lenders. In this matter, CBI has submitted its final closure report bearing no. 05/2009/EOU-1 dated October 12, 2009 under Section 173 of the Cr. P.C before the court of the Chief Metropolitan Magistrate, Tis Hazari Court, New Delhi, which was accepted by the Additional Chief Metropolitan Magistrate (South Extension), New Delhi, in its order dated April 26, 2010, and the matter stands closed.

Additionally, certain complaints and proceedings were filed before the Additional Principal City Sessions and Special Judge Court, Ahmedabad and the Anti Corruption Bureau, Ahmedabad commenced investigations in the matter. The above proceedings are pending as on the date of this Red Herring Prospectus.

Furthermore, there are certain criminal cases pending under the Drugs and Cosmetics Act, 1940 against Mr. Sushil Kumar Handa, relating to product liability, on account of various products allegedly being of substandard quality, adulterated and failing to comply with statutorily prescribed quality standards. He was declared as a proclaimed offender due to non appearance at hearings in one such instance.

For more details on these proceedings, please refer page 246 to 250 of this Red Herring Prospectus.

3. ***Core Healthcare Limited, a Company promoted by Mr. Sushil Kumar Handa, one of our erstwhile promoters and a relative of our individual Promoter (included in our Promoter Group), is listed on www.watchoutinvestors.com in relation to certain regulatory non-compliances, on account of which regulatory action and penalties have been initiated and imposed by SEBI for certain violations of securities laws, by the BSE and NSE for certain violations of the listing agreement, and by the CDSL and NSDL in relation to dematerialization requests .***

Core Healthcare Limited (“CHL”), a company promoted by Mr. Sushil Kumar Handa, one of our erstwhile promoters and a relative of our individual Promoter (included in our Promoter Group), is listed on the Ministry of Corporate Affairs’ sponsored site www.watchoutinvestors.com for certain violations of securities and other laws. The regulatory charges and actions listed against CHL include:

- A contravention of section 15C of the SEBI Act, 1992 on account of failure to redress investor grievances. In letters dated July 30, 2004 and September 2, 2004, SEBI informed CHL that 81 investor complaints were pending against it for a period of more than six months. SEBI passed an order dated November 28, 2004, for initiation of adjudication proceedings in relation to the company’s failure to address investor grievances. A show cause notice dated December 4, 2004, was sent to CHL in relation to the 81 investor complaints wherein the company was asked to show cause as to why an enquiry should not be commenced against it and why no penalty should be imposed. The company appeared for hearing on January 25, 2005 and February 10, 2005 in relation to the show cause notice. On an analysis of the complaints, the adjudicating officer of relevant jurisdiction found that a majority of complaints related to non-payment of interest on debentures and redemption amounts. Certain complaints were also pending in relation to non-issue of share certificates. Due to the lack of response by CHL in relation to investor complaints, a penalty of Rs. 100,000 was imposed. Subsequently, on appeal by CHL, the Securities Appellate Tribunal reduced the penalty to Rs. 50,000 by an order dated December 14, 2005.
 - Penalty imposed by SEBI for failure to appoint common share registrar for handling share registry work of demat and physical securities.
 - Suspension of trading of its securities on BSE and NSE for non-compliance with the listing agreement(s).
 - Notices from CDSL and NSDL in relation to pending dematerialisation requests.
 - Public notice from BSE and NSE for various non-compliances such as non-submission of corporate governance report, failure to submit shareholding patterns.
4. ***We are susceptible to product liability claims and associated risks of litigation that could expose us to material liabilities, loss in revenues and increased expenses and thus may have a material adverse effect on our business and financial condition. Failure to obtain product liability insurance may result in our Company being compelled to pay substantial sums.***

We face the risk of loss resulting from, and the adverse publicity associated with, product liability lawsuits, especially in the regulated markets, including the United States. For FY 2009, our revenue from regulated markets accounted for 18.97% of our total sales. For the five months ended May 2010, our revenue from regulated markets accounted for 36.06% of our total sales.

We may also be subject to claims resulting from manufacturing defects or negligence in storage and handling leading to the deterioration of our pharmaceutical products. For example, our products sold by our distributors may have expired or cause side-effects to consumers or lack adequate efficacy. Moreover, since many of our products are directly injected into the blood-stream of the person, the consequences of expired or faulty pharmaceutical products are significantly more harmful for human health. In foreign jurisdictions, such as the United States, in which we intend to expand further for future sale and distribution of our products, precedents show that the quantum of damages, especially punitive, awarded in cases of product liability is extremely high. Deterioration in our quality controls could also result in product liability claims against us. Our contracts with our distributors and business partners require us to indemnify the opposite party for any losses suffered by them due to any inherent defects in products supplied by us.

Actual or claimed defects in our Company’s manufacturing facilities and/or pharmaceutical quality could give rise to claims, liabilities, costs and expenses, relating to loss of life, personal injury, damage to property, damage to equipment and facilities, pollution, inefficient operating processes, loss of production or suspension of operations. Some of our suppliers limit their pecuniary liability for defective supplies with contractual ceilings on their obligation to indemnify us in the event of any losses suffered by us on account of the same. In addition, certain contracts stipulate that our suppliers shall be responsible only in case of gross negligence or wilful

misconduct attributable to them. If a supplier fails to meet quality standards, it could expose us to the risk of product liability claims. Moreover, defending claims against our Company diverts the management's time, adversely affects our reputation and the marketability of our products. The consequential liabilities and costs could have a material adverse effect on our business, financial condition and results of operations.

In the event that we are called upon by the other contracting party to make good a loss suffered by that party arising from inherent defects of products supplied by us, we may not be able to do so upon demand and may be subject to further claim for damages from the other party. In regulated markets especially, the chances of damages being awarded for compensation on account of defective products is considerable, whereas, the cost of defending such claims is high. Even unsuccessful product liability claims would likely require us to spend money on litigation, divert management's time, damage our reputation and impair the marketability of our products. Our failure to obtain product liability insurance may result in our Company being compelled to pay substantial sums. Our Company is party to several product liability claims on account of alleged defective products, negligence and unfair trade practices on the part of our Company. At present, the following product liability suits are pending against us:

- Mr. Korat Kuldip Vatsalkumar through his father, Mr. Korat Vatsalkumar J. and Rajkot Seher / Jilla Grahak Suraksha Mandal, (the “**Plaintiffs**”) have filed a complaint before the Consumer Disputes Redressal State Commission, at Ahmedabad being Complaint No. 58 of 2008 against (1) the Managing Director of our Company and (2) Krishna Medical Stores, Sabarkantha alleging grave negligence and defective goods under the provisions of Section 2(1)(f) and (g) of the Consumer Protection Act, 1986.
- Ms. Kalavati Devi has filed a consumer complaint bearing complaint no. 855/09 against our Company before the District Consumer Protection Forum, Jaipur, alleging that her husband expired due to negligence and unfair trade practice of our Company.
- A consumer case (Case No. 162/06) has been filed against our Company before the Consumer Dispute Redressal Forum (“**the Forum**”) at Akola by Dr. Satyanarayan Agarwal for the refund of a cost of machine bought by the doctor. The case of the complainant was dismissed by the Forum and an appeal against such dismissal has been preferred by the Complainant before the Consumer Dispute Redressal Commission.
- Mr. M. H. Zaidy along with his mother viz., Mrs. M. A. Zaidy (the patient), filed a Complaint bearing Consumer Case No. 1267 of 2008 before the District Consumer Forum at Sangli, wherein it was contended, among other things, that the CAPD bags supplied by us contained fungus, foreign bodies and hair and other substances harmful to the patient.

The total amount involved in these product liability claims is Rs. 5,820,000. For further details, please refer page 237 and 238 of this Red Herring Prospectus.

5. *The USFDA issued a warning letter to us pursuant to an inspection carried out at our manufacturing facilities at Ahmedabad. Such warnings and any future warnings to us and/or in relation to our products has had and may have an adverse effect on our business, financial condition and results of operations, as well as adversely affect our reputation and the demand for our products.*

The USFDA carried out an inspection at our manufacturing facilities at Ahmedabad, in addition to earlier inspections carried out at the premises of our wholly owned subsidiary, Claris Lifesciences Inc., subsequent to which a warning letter dated November 1, 2010 (the “**Warning Letter**”) was issued to us mentioning the following:

- The Company violated the Current Good Manufacturing Practice (“**CGMP**”) regulations for Finished Pharmaceuticals (Title 21 Code of Federal Regulations), which caused our drug products to be adulterated within the meaning of the Federal Food, Drug and Cosmetic Act (the “**FFDC Act**”).
- We failed to submit field alert reports to the USFDA in order to comply with the USFDA regulations as required under the FFDC Act.
- Based on a review of the labeling/misbranding of Sodium Bicarbonate Injection drug products manufactured by us and marketed through our subsidiary, Claris Lifesciences Inc., we had marketed, introduced or delivered for introduction an unapproved new drug product into inter-state commerce within the United States, which was in violation of the provisions of the FFDC Act and was subject to an import detention in the United States.
- Violations of the post-marketing adverse drug experience reportings; which are required under the Code of Federal Regulations as well as the FFDC Act.
- Despite various responses from us and Claris Lifesciences, Inc., to the USFDA in relation to the CGMP violations, the field alert reporting violations, the unapproved new drug violations and adverse drug

experience reporting violations, the USFDA has stated in the Warning Letter that these responses lack sufficient corrective actions.

Additionally, the USFDA requested for information relating to the discontinuance of certain of our products including, amongst others, Ciprofloxacin, Metronidazole, Ondansetron, Fluconazole and Levofloxacin, by way of the Warning Letter. For the five month period ended May 31, 2010, the revenue from the sale of our products, both international and domestic, from these products amounted to Rs. 451.43 million constituting 13.9% of our total consolidated revenue during that period.

The Warning Letter is available on the website of the USFDA at <http://www.fda.gov/ICECI/EnforcementActions/WarningLetters/ucm233010.htm> and is available for inspection at the Registered Office of our Company, as set out in the section titled "Material Contracts and Documents for Inspection" on page 336 of this Red Herring Prospectus.

A non-compliance of the FFDC Act may result in the FDA issuing warning letters, filing injunctions, seizing our products and pursuing civil and criminal prosecution for violations of the Act. Under applicable United States law, individuals who violate the Act can be fined \$100,000 per count (\$250,000 if a death occurs) and corporations can be fined USD 200,000 per count (U.S. \$500,000 if a death occurs). Jail time can result if convicted of the criminal charges, corporations can be excluded from participating in Federal Health Care Programs and if serious enough violations occur, individuals and firms may be debarred (excluded from working in the pharmaceutical industry). We cannot assure you that any penalty imposed by the USFDA will not exceed the amounts quantified in this paragraph.

We cannot ensure that no legal proceedings will be brought against us in the future in connection with such warnings, and any future warnings to us and/or in relation to our products. Further, such warnings, and any future warnings to us and/or in relation to our products may have an adverse effect on our business, financial condition and results of operations as well as adversely affect our reputation and the demand for our products.

6. The USFDA imposed an import alert on us and our products pursuant to receipt of a number of complaints, in relation to certain of our products, by us and certain of our partners, which is subsisting. Such import alert, and any future import alerts to us and/or in relation to our products, has had and may have an adverse effect on our business, financial condition and results of operations as well as adversely affect our reputation and the demand for our products.

We and certain of our partners received a number of complaints in relation to certain of our products, namely, ciprofloxacin, metronidazole and ondansetron that were contaminated or suspected to be contaminated; pursuant to which, the USFDA imposed an import alert on us and our products, which is subsisting. As a result, we are unable to sell our products in the United States until the import alert is withdrawn. Our revenue from the sale of our products in the United States during the five month period ended May 31, 2010 amounted to Rs. 95.08 million, which constituted 2.93% of our total consolidated revenue during this period. The import alert notification is available on the website of the USFDA at http://www.accessdata.fda.gov/cms_ia/importalert_189.html.

The present import alert and/or any future import alerts to us and/or in relation to our products may have an adverse effect on our business, financial condition and results of operations as well as adversely affect our reputation and the demand for our products.

7. The registration of our Company and its products were suspended by the Drug and Food Control, Ministry of Health, State of Kuwait. Such suspension and/or any future suspensions to us and/or in relation to our products has had and may have an adverse effect on our business, financial condition and results of operations as well as adversely affect our reputation and the demand for our products.

Pursuant to the recommendation by the USFDA and the Gulf Cooperation Council meeting no. 49, the registration of the Company and its products were suspended by the Drug and Food Control, Ministry of Health, State of Kuwait from June 8, 2010 till August 22, 2010, as a result of which the Company's products were not marketed in Kuwait during that period.

We cannot ensure that no legal proceedings will be brought against us in Kuwait in the future in connection with the administration or use of these products, or the suspension of the registration of the Company or its products,

which may in turn result in an adverse effect on our business, financial condition and results of operations as well as adversely affect our reputation and the demand for our products.

- 8. *We and certain of our partners received a number of complaints in relation to certain of our products pursuant to which we and our partners/distributors recalled some or all of our products from certain countries. Such complaints and/or recalls, and any future complaints and/or recalls to us and/or in relation to our products has had and may have an adverse effect on our business, financial condition and results of operations as well as adversely affect our reputation and the demand for our products.***

We and certain of our partners received a number of complaints in relation to certain of our products, namely, ciprofloxacin, metronidazole and ondansetron that were contaminated or suspected to be contaminated; pursuant to which we and our partners/distributors recalled some or all of our products from the United States, Denmark, Finland, Canada, Australia and New Zealand. The recalls were initiated by us and by certain of our partners in Australia and the United States pursuant to receipt of complaints of contamination in some of our products, which could have posed risks if administered to patients, and in certain circumstances, could prove to be fatal. We cannot assure you that similar action will not be taken by other regulators on account of these and other detected regulatory non-compliances.

The cost of the recall for the five month period ended May 31, 2010 amounted to Rs. 74.35 million in aggregate, including the cost of product replacement of Rs. 55.01 million and the write-offs of affected inventory of Rs. 19.34 million. The revenues from the recalled products comprised 3.68% of our aggregate revenues *i.e.* Rs. 119.44 million, and 66.14% of our revenues from the jurisdictions where the products were recalled, *i.e.*, Rs. 116.95 million for the five month period ended May 31, 2010. We cannot ensure that no legal proceedings will be brought against us in the future in connection with the administration or use of the recalled products. There can be no assurance that such complaints and/or recalls, and any future complaints and/or recalls in relation to us and/or in relation to our products may have an adverse effect on our business, financial condition and results of operations as well as adversely affect our reputation and the demand for our products.

- 9. *Our business is dependent on approvals from both Indian and foreign governmental authorities and health regulatory bodies. If there is any failure or delay in obtaining necessary permits or approvals, or if such permits or approvals are revoked or we fail to renew them for any reason, our business, financial condition and results of operations may be adversely affected.***

We require product registrations, marketing authorisations and other approvals granted by Indian and various foreign governmental authorities and health regulatory bodies. The cost of acquiring such authorisations and approvals is substantial. Governmental authorities in India, the United States, Europe and other countries regulate research, development, manufacture, and testing to ensure the safety of pharmaceutical products. The regulations applicable to our existing and future products may change. There can be long delays in obtaining required clearances from regulatory authorities in any country after applications are filed. Our products, as well as the facilities where we manufacture them, require extensive testing, government reviews and approvals before they can be marketed. Whether or not a product is approved in India, regulatory authorities in many of the markets to which we export products must approve that product before we can begin to market it in those countries. The time required to obtain such approvals may be longer than we anticipate. Any failure or delay in obtaining regulatory approvals, or any implementation of new standards or conditions that have to be met in order to obtain such approvals, could impact the marketing of our products and, in turn, affect our financial condition and results of operations. The Company's sterile injectable manufacturing facility, Clarion I, received approval from the USFDA in March 2007. In March 2010, the Company also received a letter from the USFDA in relation to the approval of its aseptic manufacturing line in Clarion I. The USFDA had previously informed the Company of certain deficiencies in the facilities for which the Company provided explanations. These explanations were accepted by the USFDA subject to the next routine inspection. Failure by us to renew, maintain or obtain the required permits or approvals may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

Our manufacturing expansion plans require various government and statutory approvals. Any delay in getting these approvals or inability to obtain them may adversely affect the implementation of such projects, resulting in a cost and time overrun, and accordingly adversely affect our operations and profitability.

- 10. *The success of our strategy of expanding presence in regulated markets is dependent on a number of factors, some of which are beyond our control. Failure to expand our presence in such markets could adversely affect our business, financial condition and results of operations.***

One of our business strategies is to expand our sales and distribution activities in a number of markets which are considered to be heavily regulated, including the United States, Canada, Europe and Australia. The success of such expansion is dependent upon our obtaining the approval of the USFDA and other regulatory authorities for the products which we intend to sell, as well as timely renewal of existing accreditations. Any change in foreign governments or in foreign governmental policies, regulations, practices or focus that results in a slowdown or inability to obtain government approvals or product registrations could adversely affect this strategy, which in turn could adversely affect our business, financial condition and results of operations.

Furthermore, our growth strategy in the regulated markets may not result in additional revenue or operating income as anticipated. The costs involved in expanding our presence in these markets may be higher than expected and we may face significant competition in these regions. Furthermore, regulated markets such as the United States and Europe have experienced significant decreases in recent years in the prices of generic formulations, as well as strong competition among local and international players. Continuous price erosion could adversely affect our sales revenue and profit potential in these regulated markets. These, as well as other changes in our business environment, may adversely affect our business, financial condition and results of operations.

11. Our indebtedness and the conditions and restrictions imposed on us by our financing agreements could adversely affect our ability to conduct our business.

As of May 31, 2010, we had total indebtedness aggregating to Rs. 3,705.22 million comprising exclusively of secured loans. Our ratio of debt and equity as at May 31, 2010 amounted to 0.65:1. Post this issue, our equity base will further increase, and we may avail additional debt in the future. The number of Equity Shares held by our Promoters, Mr. Arjun S. Handa and Sarjan Financial Private Limited, immediately post listing of our Company's Equity Shares on the Stock Exchange would be 7,800,507 Equity Shares and 23,780,172 Equity Shares, respectively. Our indebtedness could have several important consequences, including but not limited to, the following:

- failure to meet debt obligations could put us in default under our financing arrangements, which could lead to cross-defaults under other arrangements or cause the maturity of obligations to be accelerated;
- a portion of our cash flow will be used towards repayment of our existing debt, which will reduce the availability of cash to fund working capital needs, capital expenditures, acquisitions and other general corporate requirements;
- our ability to obtain additional financing in the future at reasonable terms may be restricted;
- fluctuations in market interest rates may affect the cost of our borrowings, as some of our loans are at variable interest rates; and
- we may be more vulnerable to economic downturns, may be limited in our ability to withstand competitive pressures and may have reduced flexibility in responding to changing business, regulatory and economic conditions.

Most of our financing arrangements are secured by our movable and immoveable assets. For further details, please refer to the section titled "Financial Information" on page 208 of this Red Herring Prospectus. Our accounts receivable and inventories are subject to charges created in favour of specific secured lenders. Many of our financing agreements also include various conditions and covenants that require us to obtain lenders' consents prior to carrying out certain activities and entering into certain transactions. For example, we may require lenders' consent before we may:

- create any charge, encumbrance or otherwise dispose of or remove assets offered as security,
- declare any dividend on our share capital except out of profits relating to that year after making all due and necessary provisions and we should not have failed to meet our obligations to pay the interest and/or commission and/or instalment or other money payable to the said bank,
- make any major change in the management involving transfer of ownership; and
- enter into any scheme of merger, amalgamation, reconstruction or consolidation or any scheme of arrangement or compromise for the benefit of our creditors.

Failure to meet these conditions or obtain these consents could have significant consequences for our business. Specifically, we must seek, and may be unable to obtain, lenders' consents to incur additional debt, change our capital structure, increase or modify our capital expenditure plans, create additional charges on or further encumber our assets or merge with or acquire other companies, whether or not there is any failure by us to comply with the other terms of such agreements.

Compliance with the various terms of our loans is, however, subject to interpretation and we cannot assure you that we have requested or received all consents from our lenders that would be advisable under our financing documents. As a result, it is possible that a lender could assert that we have not complied with all the terms under our financing documents. Any failure to service our indebtedness, comply with a requirement to obtain a consent or perform any condition or covenant could lead to a termination of one or more of our credit facilities, acceleration of amounts due under such facilities and cross-defaults under certain of our other financing agreements, any of which may adversely affect our ability to conduct our business and have a material adverse effect on our financial condition and results of operations.

12. If we do not successfully commercialise our products under development, or if our commercialisation is delayed, our business, financial condition and results of operations may be adversely affected.

Our future results of operations depend, to a significant degree, upon our ability to successfully commercialise additional products in our key therapeutic areas. To develop our product pipeline, we commit substantial efforts, funds and other resources towards research and development. Our planned investments in new plant and equipment for future expansion could result in higher costs, especially in the event of cost overruns, without a proportionate increase in revenues. If we are unable to develop and manufacture new products or if the commercialisation of our new products is delayed, our business, financial condition and results of operations may be adversely affected.

13. Our success is dependent on our distribution and marketing arrangements, including the one with Pfizer, for the sale and distribution of our products and on our relationship with our customers. If any of these arrangements is terminated for any reason, our business, financial condition and results of operations may be adversely affected.

We have been marketing our products in 75 countries worldwide as well as in the domestic market. We market and distribute our products to hospitals through third parties by way of marketing, distribution and agency arrangements. These arrangements may be terminated by either party providing the other with notice of the termination; or upon breach of contractual obligations or change in management or control; or when the contract regarding the arrangement expires. We may not be able to renegotiate these third party arrangements on reasonable terms or find suitable partners in the future.

The success of our business relies, in part, on relationships with our customers, which are mainly hospitals. A deterioration of our relationship with such hospitals, either through the termination of the abovementioned arrangements or otherwise, may have an adverse effect on our business, financial condition and results of operations.

We have entered into a business arrangement with Pfizer whereby we license certain products to Pfizer, and Pfizer markets, distributes and sells them in certain regulated markets. The arrangement with Pfizer covers markets in the United States of America, Austria, Belgium, Bulgaria, Czech Republic, Denmark, Germany, Estonia, Greece, Spain, France, Ireland, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Hungary, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Finland, Sweden, Switzerland, United Kingdom, Australia, Canada and New Zealand. For more details of the arrangement with Pfizer, see “***Our Business – Overview – Our Competitive Strengths – Established sales, marketing and distribution network across 76 countries, Our Business – Sales, Marketing and Distribution Network***” at page 124.

If this business arrangement or any of the abovementioned arrangements is terminated for any reason, our business, financial condition and results of operations may be adversely affected.

14. While our Company has compounded certain offences under the Companies Act in the past, there may still subsist certain non-compliances which may have a material adverse effect on our business, financial condition or results of operations.

Our Company had filed four petitions under Section 621A of the Companies Act with the Company Law Board and a petition under the same section with the Regional Director, Western Region Ministry of Company Affairs in connection with compounding of certain irregularities/defaults under the Companies Act. The brief particulars of the orders passed are as follows.

Sr. No.	Section of Companies Act for violation of which the application was made	Brief particulars of the orders	Date	Penalty imposed
1.	Section 211 read with AS18	Failure to disclose transactions with related parties <i>i.e.</i> Medical Technologies Limited, Matrix Logistics Limited and CHL in the audited balance sheet of our Company for the Financial Years 2005, 2006, 2007 and 2008	July 12, 2010	Rs. 4,000
2.	Section 233B	Failure to audit the cost accounting records for bulk drugs and formulations by a qualified cost accountant and submit the report of the cost auditors for the Financial Years 2006, 2007 and 2008	July 12, 2010	Rs. 9,500
3.	383A	Non-employment of a whole time company secretary for the period from January 1, 1996 to November 9, 2006	December 4, 2008	Rs. 2,000
4.	212	Non-attachment of the annual report and the balance sheet of 16 subsidiaries of our Company for the periods from September 30, 1999, June 30, 2000, June 30, 2001, December 31, 2002, December 31, 2004, December 31, 2005 and December 31, 2006	December 4, 2008	Rs. 3,500
5.	212	Failure to prepare the balance sheets of five foreign wholly owned subsidiaries of our Company in accordance with Section 212 of the Companies Act for the year ended December 31, 2003 and failure to represent the financial figures in the currency of the respective country for the balance sheet for the year ended December 31, 2003	March 7, 2007	Rs. 6,000

There were procedural lapses relating to the appointment of a consultant related to Directors of our Company, pursuant to Section 314(1B) of the Companies Act. The consultancy fees paid to the said consultant has been refunded, on the knowledge of the said lapse. For further details, please refer to the section titled “Outstanding Litigation and Material Developments” on page 236 of this Red Herring Prospectus.

While our Company has sought to address these non-compliances of the Companies Act by filing the aforesaid compounding applications, the Company Law Board and the Regional Director may not have compounded each instance of non-compliance. Further, there may still subsist certain non-compliances of the Companies Act by our Company. Any subsisting non-compliances by the Company may individually, or in the aggregate, have a material adverse effect on our business, financial condition or results of operations.

15. Although our Company has multiple manufacturing plants, they are all located at a single facility, and all of the Company’s manufactured products are produced from such facility in village Chacharwadi Vasana, Taluka Sanand, Ahmedabad, Gujarat. Any delay in production at, or shutdown of, these facilities may in turn adversely affect our business, financial condition and results of operations

Although our Company has multiple manufacturing plants, they are all located at a single facility, and all of the Company’s manufactured products are produced from such facility in village Chacharwadi Vasana, Taluka Sanand, Ahmedabad, Gujarat. If the Company experiences delays in production or shutdowns at any or all of

these facilities due to any reason, including disruptions caused by disputes with its workforce or due to its employees forming a trade union, the Company's operations will be significantly affected, which in turn would have a material adverse effect on its business, financial condition and results of operations.

16. Our profitability and results of operations may be adversely affected in the event of increases in the price of raw materials, fuel costs, labour or other inputs, and our pharmaceutical contracts are dependent on adequate and timely supply of key raw materials.

The cost of raw materials, fuel, labour and other inputs constitutes a significant part of our total expenses. Our pharmaceutical manufacturing operations require various pharmaceutical raw materials such as APIs and packing material. Energy costs for operating our plants and other equipment also constitute a significant part of our operating expenses. Our ability to pass on increases in the purchase price of raw materials, fuel and other inputs may be limited in the case of fixed-price contracts or contracts with limited price escalation provisions. Under the terms and conditions of our contracts, we generally agree to provide products for a fixed price for a defined time period. While we generally fix the price for such raw materials in our contracts with our suppliers, certain of these contracts contain provisions which allow an increase in price upon the occurrence of specific events.

Our actual expense may vary substantially from the assumptions underlying our fixed price contractual commitment for several reasons, including:

- unanticipated increases in the cost of raw materials, fuel, labour or other inputs;
- unforeseen distribution conditions, including the inability of our Company or the distributor to obtain requisite approvals, product registrations and marketing authorisations, resulting in delays and increased costs; and
- suppliers', distributors' or subcontractors' failure to perform.

Timely and cost-effective execution of our contracts is dependant on the adequate and timely supply of key raw materials. A majority of our contracts with suppliers are short term in nature and generally do not exceed five years in their term. Moreover, our supply contracts permit termination by either party providing the other with notice of intended termination or upon breach of contractual obligations, change in management or control or when the supply contract expires. We may not be able to renegotiate these supply contracts on reasonable terms or find suitable alternative suppliers in the future, which may affect our business, financial condition and results of operations.

Risk Factors Specific to the Project

17. We have not entered into any definitive agreements to use the Net Proceeds of the Issue. Further, the utilisation of the Issue proceeds is not subject to monitoring by any independent agency.

We intend to use the Net Proceeds of the Issue for setting up manufacturing facilities, utility infrastructure, setting up of research and development facilities, prepayment of an identified term loan and general corporate purpose. We have not entered into any definitive agreements to utilise the Net Proceeds of the Issue. The purposes for which the Net Proceeds are to be utilised have not been appraised by an independent entity and are based on our estimates and on third-party quotations. In addition, our capital expenditure plans are subject to a number of variables, including possible cost overruns and changes in management's views of the desirability of current plans, among others. There can be no assurance that we will be able to conclude definitive agreements on commercially acceptable terms. Furthermore, we have currently not placed any orders for plant and machinery in relation to our expansion programme sought to be funded by the Net Proceeds of the Issue. The value of such plant and machinery is estimated at Rs. 1,433.78 million. In addition, the cost of certain plant and machinery in relation of our expansion programme may escalate due to them being imported and due to being subject to foreign exchange fluctuations. For further details on the above, see the section titled "Objects of the Issue" on page 88 of this Red Herring Prospectus. As a result, our planned use of the proceeds of the Issue, or the estimated price of plant and machinery relating to such expansion plans, may change.

Other Risks Related to Our Business

18. We have issued Equity Shares in the year prior to the date of the Red Herring Prospectus and the price of such Equity Shares may be lower than the Issue Price.

We have issued Equity Shares to our shareholders, through the conversion of preference shares held by them, in the year prior to the date of the Red Herring Prospectus at a price that may be lower than the Issue Price. Details

of such issuances are in the table set out in the section titled “Capital Structure” on page 72 of this Red Herring Prospectus.

19. Certain of our Subsidiaries, Group Companies and group companies of Mr. Aditya S. Handa have incurred losses or have had negative net worth in the last three fiscal years.

As set forth below, some of our Subsidiaries and Group Companies have incurred losses or have had negative net worth during the last three fiscal years (as per their respective standalone financial statements). They may continue to incur losses in future periods, which could have an adverse effect on our results of operations.

The details of our Subsidiaries and Group Companies which have incurred losses in last three fiscal years are provided in the following tables:

(Rs. in million)

Sr. No.	Name of Subsidiary	Profit/(Loss) after tax		
		For the year ended December 31		
		2007	2008	2009
1.	Claris Produtos Farmaceutico Do Brazil LTDA	41.16	(53.78)	0.11
2.	Claris Lifesciences Colombia LTDA	0.09	(21.28)	0.01
3.	Claris Lifesciences De Mexico Sa de CV	(5.58)	(27.61)	0.05
4.	Claris Lifesciences Venezuela C.A.	(8.17)	(12.73)	22.40
5.	Claris Lifesciences Indonesia, PT	(11.75)	8.59	0.37
6.	Claris Lifesciences Philippines Inc.	0.15	(9.33)	0.04
7.	Claris Lifesciences Inc.	(0.00)	(0.10)	0.10
8.	Claris Lifesciences (UK) Limited	-	(0.12)	0.13
9.	Claris Lifesciences (Aus) Pty Limited	-	(0.06)	0.10
10.	Catalys Venture Cap Limited	(0.21)	(0.77)	490.75
11.	Claris Lifesciences International Limited	(0.27)	(0.18)	(0.06)
12.	Claris Biosciences Limited	(0.12)	(0.64)	(0.06)
13.	Claris Infrastructure Limited	(0.08)	(0.19)	(0.01)
14.	Claris SteriOne	-	-	(0.01)

(Rs. in million)

Sr. No.	Name of Group Company	Profit/(Loss) after tax		
		For the year ended March 31,		
		2008	2009	2010
1	Darshnil Financial Private Limited	(0.20)	11.13	(0.30)
2	Accelarar Technologies Limited	(1.34)	(1.19)	(15.92)

The details of the group companies of Mr. Aditya S. Handa which have incurred losses in last three fiscal years are provided in the following tables:

(Rs. in million)

Sr. No.	Name of group companies of Aditya S. Handa	Profit/(Loss) after tax		
		For the year ended March 31		
		2008	2009	2010
1.	Abellon Agrisciences Limited	-	(0.10)	0.42

Sr. No.	Name of group companies of Aditya S. Handa	Profit/(Loss) after tax		
		For the year ended March 31		
		2008	2009	2010
2.	Xcellon Education Limited	-	-	(37.27)
3.	Redbricks Junior Education Limited	-	-	(15.08)
4.	Abellon Agni One Limited	-	(0.03)	(0.02)
5.	Abellon Energy Limited	-	(0.05)	(0.17)
6.	Abellon Power Limited	-	(0.58)	0.10
7.	Cygnus Laboratories	-	(0.43)	(13.05)
8.	Enthrills Infotech Limited	(0.53)	(0.06)	(0.16)
9.	Levana Financial Services Limited	-	(0.04)	(0.03)
10.	Prarabdh Financial Private Limited	(0.01)	(0.20)	(0.95)
11.	Abellon EPC & Technology Limited	-	(0.03)	(0.01)
12.	Abellon Windenergy Limited	-	(0.05)	(0.01)
13.	Aventure Riverview Projects Limited	-	(0.04)	(0.02)
14.	Aventure Multipark Limited	-	(0.04)	(0.02)
15.	Aventure Worldpark Limited	-	(0.04)	(0.02)
16.	Abellon Infrastructure Limited	-	(0.04)	(0.01)
17.	Aventure Infrabuild Limited	-	(0.04)	(0.01)

Sr. No.	Name of group companies of Aditya S. Handa	Profit/(Loss) after tax		
		For the year ended December 31		
		2007	2008	2009
1.	Matford Limited	-	(0.50)	0.50
2.	Xcelris Labs Limited	(8.95)	1.97	3.48

The details of our Subsidiaries and Group Companies which have had negative net worth during the last three fiscal years are provided in the following tables:

(Rs. in million)

Sr. No.	Name of Subsidiary	Negative net worth as at December 31		
		2007	2008	2009
1.	Claris Lifesciences Colombia LTDA	(0.24)	(22.09)	32.63
2.	Claris Lifesciences De Mexico Sa de CV	(33.23)	(59.74)	174.48
3.	Claris Lifesciences Venezuela C.A.	(7.68)	(23.95)	(1.07)
4.	Claris Lifesciences Indonesia, PT	(24.44)	(16.53)	(18.34)
5.	Claris Lifesciences Inc	(2.84)	(3.10)	200.65
6.	Claris Lifesciences (UK) Limited	0.01	(0.11)	0.01
7.	Claris Lifesciences (Aus) Pty Limited	(0.04)	(0.10)	(0.01)
8.	Claris Lifesciences International Limited	0.19	0.01	(0.06)

Sr. No.	Name of Subsidiary	Negative net worth as at December 31		
		2007	2008	2009
9.	Clarix Biosciences Limited	0.38	(0.26)	(0.32)
10.	Clarix SteriOne	-	-	(0.01)

(Rs. in million)

Sr. No.	Name of Group Company	Negative net worth as at March 31		
		2008	2009	2010
1.	Darshnil Financial Private Limited	(19.13)	(8.01)	(8.31)
2.	Accelarix Technologies Limited	(0.26)	(1.45)	(17.37)

The details of the group companies of Mr. Aditya S. Handa which have had negative net worth during the last three fiscal years are provided in the following tables:

(Rs. in million)

Sr. No.	Name of group companies of Aditya S. Handa	Negative net worth as at March 31		
		2008	2009	2010
1.	Prarabdh Financial Private Limited	(0.78)	10.41	9.47
2.	Abellon Power Limited	-	(0.08)	0.02
3.	Redbricks Junior Education Limited	-	0.48	(14.58)

Sr. No.	Name of group companies of Aditya S. Handa	Negative net worth as at December 31		
		2007	2008	2009
1.	Matford Limited	-	(0.50)	0.50
2.	Xcelris Labs Limited	(12.05)	106.36	157.43

For further details on these Subsidiaries, Group Companies and group companies of Mr. Aditya S. Handa, please see the sections titled “History and Certain Corporate Matters” and “Our Promoters and Group Companies” on pages 145 and 176, respectively, of this Red Herring Prospectus.

20. We experienced net negative cash flow for the year ended December 31, 2007 and the five month period ended May 31, 2010. Any negative cash flows in the future could adversely affect our results of operations and financial condition.

For the fiscal year ended December 31, 2007, we had a net negative cash flow of Rs. 620.04 million. Further, for the five month period ended May 31, 2010, we had a net negative cash flow of Rs. 807.31 million. If we experience any negative cash flow in the future, this could adversely affect our results of operations and financial condition. For further details, please refer to the section titled “Financial Information” on page 208 of this Red Herring Prospectus.

21. Contingent liabilities, if crystallized, and/or the performance of our commitments and obligations could adversely affect the financial condition of our Company since there is no provision made in the books of accounts of our Company.

Our contingent liabilities as on May 31, 2010 were as follows:

(Rs. in million)

Nature of liability	Amount
Claims against the Company not acknowledged as debts in respect of sales tax and other matters	86.16
Guarantees given by the bankers on behalf of the Company	8.50
Disputed demand under income tax	7.06
Bills discounted	263.19
Letters of credit outstanding	676.27
Total	1041.18

If any of these contingent liabilities materialise, fully or partly, the financial condition of our Company could be materially and adversely affected.

Our commitments and obligations as on May 31, 2010 were as follows:

(Rs. in million)

Particulars of commitments and obligations	Amount
Estimated amount of contracts remaining to be executed on capital account and not provided for	219.04
Outstanding obligation to export goods within the stipulated period as per the export promotional capital goods scheme, failing which, additional customs duty payable would amount to	459.93 ⁽¹⁾
Total	678.97

Our performance of the commitments and obligations set out above may materially and adversely affect our financial condition or results of operations.

- (1) For a break-up of the export obligation on a year on year basis, on standalone and consolidated basis, please see the financial statements on pages F-12 and F-51 respectively of the Red Herring Prospectus.

For more information regarding our contingent liabilities, and commitments and obligations, please refer to the section titled “Financial Information” on page 208 of this Red Herring Prospectus.

22. A significant portion of our income is dependent on sales of propofol. If the sales volume or pricing of such product declines in the future, or if we can no longer sell propofol under the “Profol” brand, our business, financial condition and results of operations could be materially adversely affected.

Sales of propofol constituted approximately 14.84% of our gross sales for the financial year ended December 31, 2009 and for the five month period ended May 31, 2010 the sale of propofol constituted approximately 12.52% of our gross sales. As a result of increased competition, pricing pressures or fluctuation in the demand or supply of this product, the Company’s sales and margins from this product may decline in the future. Propofol is marketed by our Company, namely, under the brand name of “Profol”. “Profol” is not registered as a trademark of the Company and there is ongoing litigation with another party with regard to the use of such name. For further details, please refer to the section titled “Outstanding Litigation and Material Developments” on page 236 of this Red Herring Prospectus. If the sales volume or pricing of such product declines in the future, or if we are unable to use the name “Profol” in the future, our business, financial condition and results of operations could be materially adversely affected.

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

We are dependent on our management team and key employees, including our scientific staff, for the smooth running of our business. We may not be able to continuously attract qualified personnel or retain such personnel

on acceptable terms, given the rising demand for such personnel and compensation levels among pharmaceutical and healthcare companies, universities and research institutions. If we are unable to attract and retain qualified personnel, our results of operations may be adversely affected.

24. Timely and successful implementation of our contracts, including our business arrangements, is dependent upon our performance and, in case of certain contracts, cooperation from our sub-contractors. Delay or failure in delivery of our products, whether on our part or on the part of a sub-contractor, may adversely affect our business, financial condition and results of operations.

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

- delayed payment to us for our products;
- liquidated damages may become payable by us;
- performance guarantees may be invoked against us;
- claims may be brought against us for losses suffered as a result of our non-performance;
- our client(s) may terminate our contract(s); and
- our reputation may be damaged.

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

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

In the case of certain contracts, we sub-contract part of the work to sub-contractors and distributors. Namely, we use the services of sub-contractors to process packaging materials and complete contract manufacturing. In those instances, the performance of the contract for our client or distributor depends partly on our performance and partly on that of our sub-contractors. Delay or failure on the part of a sub-contractor to complete its work, for any reason, could also result in one or a number of the above listed consequences. Additionally, our sub-contractors may not have adequate financial resources to meet their indemnity obligations to us. The occurrence of any of these possibilities may adversely affect our business, financial condition and results of operations.

25. Certain necessary approvals for marketing our products in foreign territories are neither in our name nor in the name of our Subsidiaries. In the event that we are unable to acquire entities holding these registrations in time or at all or if the parties that are holding such approvals default in transferring the approvals, we would not be able to market our products in those countries, which in turn would have a material adverse effect on our business, financial condition and results of operations.

The local laws in certain countries impose restrictions on the grant of product registrations. These laws compel us to enter into agreements with distributors and/or acquire subsidiaries holding these registrations, authorising the distributor or the subsidiary, as the case may be to obtain the necessary approvals in their name. In relation to our distributors, we have a stipulation that they are to transfer the registrations either to us or to an entity nominated by us on the termination of the primary marketing or distribution agreements. However, there is no guarantee that these distributors will transfer the approvals in the stipulated manner upon termination of the relevant marketing or distribution agreement.

Out of 75 countries to which the Company exports its products, in 17 countries, the necessary approvals for marketing our products are held by third party entities. These entities contributed 11.14% to our aggregate revenues in the year ended December 31, 2009 and 11.47% for the five month period ended May 31, 2010. In the event that these parties default in transferring these approvals, we would not be able to market our products in those countries, which in turn would have a material adverse effect on our business, financial condition and results of operations. Furthermore, if we are unable to acquire subsidiaries on reasonable terms or at all, our business, financial condition and results of operations may be adversely affected.

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

Our production and distribution processes require us to anticipate the demand for our products based on the feedback received from our own marketing personnel as well as our distributors. Accurate assessment of market demand requires significant investment in the creation of a sales and marketing network and training of marketing personnel. There is no guarantee that our estimate of market demand in India or in foreign countries will be accurate. In the event that we overestimate the demand for our products, we will have expended resources in manufacturing excess products, taxes on manufacture, export costs, insurance costs, distribution expenses, storage and warehousing and other allied expenditures. Our products have a limited expiry period and in the event of excess production, we might have to bear the cost of expiry and destruction of these goods. In the event that we underestimate the market demand, we will have lost out on sales opportunities that our competitors will capitalise on and thereby increase their respective market shares. Any incorrect assessment of the demand for our products may adversely affect our business, financial condition and results of operations.

27. If we fail to keep pace with advancements in technology in the pharmaceutical industry, create new intellectual property, or respond to changes in market demand or client requirements, our business and financial results could be adversely affected.

The pharmaceutical industry is characterised by frequent advancements in technology fuelled by high expenses incurred on research and development. To meet our clients' needs as well as keep pace with our competitors, we regularly update existing technology and acquire or develop new technology for our pharmaceutical manufacturing activities. 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. Our competitors may have filed patent applications, or hold patents, relating to products or processes which compete with those we are developing, or their patents may impair our ability to do business in a particular geographic area. We have been granted three patents and have fifteen patent applications pending in India. There is no guarantee that our pending applications will result in any patent being granted, or that the patents we have been granted will result in the commercialisation of products. In the future, we may not be able to obtain valuable intellectual property rights as we may not have the resources to continually improve our technology by investing in research and development. For more information relating to our research and development, please see the section titled "Our Business" on page 122 of this Red Herring Prospectus. Our failure to anticipate or to respond adequately to advancements in technology, changes in market demand or client requirements could adversely affect our business and financial results.

28. We operate in a competitive business environment, both globally and domestically. Competition from existing players and new entrants and consequent pricing pressures may adversely affect our business, financial condition and results of operations.

We operate in a competitive business environment. Growing competition in the domestic and/or the international markets may subject us to pricing pressures and require us to reduce the prices of our products and services in order to retain or attract customers, which may have a material adverse effect on our revenues and margins. While we are focused on research and development to develop cost and time efficiencies and to broaden our product range, in the event our competitors develop better process technology or improved process yield or are able to source raw materials at competitive prices, and are therefore able to create new products or substitutes for our products at competitive prices, we may not be able to maintain our growth rate and revenues and our profitability may decline. We presently compete with various companies, including the Baxter group, the Fresenius group, the Hospira group and the B. Braun group, in both domestic and international markets. For more information concerning our competition, please see the section titled "Our Business" on page 122 of this Red Herring Prospectus. Some of our competitors may be increasing their capacities and targeting the same products as us. Some of our competitors, especially multinational pharmaceutical companies, have greater experience in various facets of the business as compared to us and may be able to develop or acquire technology or partner with innovators or customers at terms which are not presently feasible for us due to our current scale of operations. We may be unable to compete with other pharmaceutical companies for complex, high-value contracts as well as contracts and tenders that are of comparatively lesser value. There can be no assurance that we can continue to effectively compete with our competitors in the future, and failure to compete effectively may have an adverse effect on our business, financial condition and results of operations.

29. Our Company is involved in certain tax demands and claims. Any adverse decision in such demands may have a material adverse effect on our business financial condition and results of operations.

Our Company is involved in 12 tax matters and other government claims amounting to Rs. 12.05 million in aggregate. These include seven demands raised by the tax authorities against the Company, wherein the aggregate liability as on date of filing this Red Herring Prospectus stands at Rs. 8.36 million, and five demands against which our Company has appealed aggregating to Rs. 3.69 million. All these matters are currently pending. Any adverse decision may have a significant effect on our business, financial condition and results of operations. For more information regarding all of the above tax demands and claims, see the section titled “Outstanding Litigation and Material Developments” on page 236 of this Red Herring Prospectus.

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

Our business requires a significant infusion of working capital. In certain cases, significant amounts of working capital are required to finance the purchase of materials and the performance of manufacturing, distribution and other work before payments are received from our clients.

Our working capital requirements may increase if, under certain contracts, payment terms do not include advance payments or such contracts have payment schedules that shift payments toward the end of a contract or otherwise increases our working capital burdens. In addition, our working capital requirements have increased in recent years due to the growth of our Company’s business. All of these factors may result, and have resulted, in increases in our working capital needs.

It is customary in the industry in which we operate to provide bank guarantees or performance bonds in favour of government authorities and government hospitals to secure tenders. In addition, letters of credit are often required to satisfy payment obligations to suppliers and sub-contractors. If we are unable to provide sufficient collateral to secure the letters of credit, bank guarantees or performance bonds, our ability to obtain tenders and enter into new contracts or obtain adequate supplies could be limited. Providing security to obtain letters of credit, bank guarantees and performance bonds increases our working capital needs. We may not be able to continue obtaining letters of credit, bank guarantees, and performance bonds in sufficient quantities to match our business requirements. Any such situation would adversely affect our business and results of operations. For further details, please refer to the section titled “Financial Information” on page 208 of this Red Herring Prospectus.

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

As at September 30, 2010, we owned 154 registered trademarks and 3 patents. We may not always be able to safeguard the same from infringement or passing off, both domestically and internationally, since our operations are spread over several countries and we may not be able to respond to infringement or passing off activity occurring without our knowledge. Further, due to our marketing and distribution activities in many parts of the world, we may manufacture or sell products that infringe intellectual property rights of others. This will subject us to potentially high-value claims for infringement. Our insurance cover may not extend to these claims or sufficiently cover them. Moreover initiating or defending claims made by or against our Company diverts the management’s time, adversely affects our reputation and the marketability of our products as well as increases our costs. For more information relating to our intellectual property and to legal proceedings relating to it, filed by our Company as well as against our Company, please see the section titled “Our Business” and “Outstanding Litigation and Material Developments” on pages 122 and 236, respectively, of this Red Herring Prospectus. The consequential liabilities and costs could have a material adverse effect on our business, financial condition and results of operations.

32. *Our buyers prescribe various standards, which we are required to comply with, and they conduct regular audits to check customer regulatory compliance. If we do not comply with these standards, this may adversely affect our business and results of operations.*

Our customers prescribe stringent standards and guidelines in relation to timeliness of deliveries, quality, confidentiality, labour standards and conduct periodic audits to ensure compliance with these standards. Any non-compliance on our behalf with respect to such customer requirements and dissatisfaction by customers during their audit checks can lead to loss of customers or decrease in their volume of business to us, which may adversely affect our business and results of operations.

33. *We may not be able to sustain effective implementation of our business and growth strategy, including our expansion plans and the financing of such expansion, which may adversely affect our business and results of operations.*

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. There can be no assurance that we will be able to execute our strategy within the estimated budget, or that we will meet the expectations of targeted customers. Our inability to manage our business and growth strategy may have a material adverse effect on our business, financial condition and results of operations.

One of our business strategies is to expand our manufacturing facilities to take advantage of growth opportunities in the export markets. The construction and equipping of new plants and the expansion of existing plants are subject to certain risks that could result in delays or cost overruns, which could require us to expend additional capital and adversely affect our business and operating results. Such potential events include: shortages and late delivery of building materials and facility equipment; delays in the delivery, installation, commissioning and qualification of our manufacturing equipment; seasonal factors, such as a long and intensive wet season that limits construction; labour disputes; design or construction changes with respect to building spaces or equipment layout; delays or failure in securing the necessary governmental approvals, building sites or land use rights; and technological capacity and other changes to our plans for new plants necessitated by changes in market conditions. Furthermore, we may not be able to procure funding for such expansion in time or at all due to various external factors such as change in tariff regulation, rising interest rates, increased insurance costs and lending restrictions, amongst others. Delays in the construction and equipping or expansion of any of our plants could result in the loss or delayed receipt of earnings and an increase in financing costs and would adversely affect our business and results of operations.

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

Our business operations require us to obtain and renew, from time to time, certain approvals, licenses, permits, registrations and permissions for operating our business, such as under the Factories Act and under the Workmen's Compensation Act, 1923, for which we may have either made or are in the process of making an application to obtain such approval or its renewal. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, our business may be adversely affected. Furthermore, government approvals and licenses are subject to numerous conditions, some of which are onerous and require the Company to make substantial expenditures. If we fail to comply or a regulator claims we have not complied with these conditions, our business, prospects, financial condition and results of operations may be materially affected.

For more information about the approvals and licences required in our business and the approvals and licenses applied for, see the section titled "Government and Other Approvals" beginning on page 257 of this Red Herring Prospectus.

35. *We will be controlled by our Promoters for so long as they own a majority of our Equity Shares and our other shareholders may be unable to affect the outcome of shareholders' votes during such time; if they take actions that are not in your best interests, it may harm the value of your investment.*

The substantial majority of our issued share capital is currently owned and held by our Promoters. Immediately following the completion of this Issue, and assuming no other changes in shareholding, our Promoters will own and hold [●] Equity Shares (or [●]%) of our issued share capital. The Promoters can exercise significant influence over our business policies and affairs and all matters requiring a shareholders' vote, including the composition of our Board of Directors; the adoption of amendments to our certificate of incorporation; the approval of mergers, strategic acquisitions or joint ventures or the sale of undertaking or assets; and lending and investment policies, capital expenditures and dividend policies. This concentration of ownership may delay, defer or even prevent a change in control of the Company and may make some transactions more difficult or impossible without the support of these shareholders. The interests of these shareholders may conflict with your interests; if they take actions that are not in your best interests, it may harm the value of your investment.

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

We are exposed to the risk that our products could be pirated and marketed illegally. This would not only result in losses in revenues for our products, but could also harm the reputation of our brand name. In the event that spurious products are manufactured using the “Clarix” brand, we may have to establish that the spurious products are not manufactured and/or marketed by us so that we are able to limit our liability. In order to do so, we mark our products with specific batch numbers and manufacturing and expiry dates, which are maintained in an internal database at our Clarion manufacturing facilities. We cannot provide any assurance whether these will be replicated by the manufacturer of the spurious products, and therefore, may suffer financial losses as well as loss to our reputation, which may in turn result in a material adverse effect on our business, financial condition and results of operations.

37. We rely extensively on our systems, including quality assurance systems, products processing systems and information technology systems, the failure of which could adversely affect our business, financial condition and results of operations.

We depend extensively on the capacity and reliability of the quality assurance systems, product processing systems and information technology systems, supporting our operations. There can be no assurance that we will not encounter disruptions in the future. Our systems are also subject to damage or incapacitation by natural disasters, human error, power loss, sabotage, computer viruses, hacking, acts of terrorism and similar events or the loss of support services from third parties. Any disruption in the use of, or damage to, our systems may adversely affect our business, financial condition and results of operations.

38. Our operations are subject to environmental, workers’ health and safety and employee laws and regulations. If we are unable to comply with such laws and regulations, it may have a material adverse effect on our business, financial condition and results of operations.

Our operations are subject to environmental laws and regulations relating to environmental protection in India, such as the Water Pollution Act, Air Pollution Act and the Environment Act, as well as internationally. For example, the discharge or emission of chemicals, dust or other pollutants into the air, soil or water that exceed permitted levels and cause damage to others may give rise to liabilities towards the government and third parties, and may result in our incurring costs to remedy any such discharge or emissions. There can be no assurance that compliance with such environmental laws and regulations will not result in a curtailment of production or a material increase in the costs of production or otherwise have a material adverse effect on our financial condition and results of operations. Environmental laws and regulations in India have become increasingly stringent, and it is possible that they will become significantly more stringent in the future. If any of our plants or the operations of such plants are shut down, we may continue to incur costs in complying with regulations, appealing any decision to close our facilities, maintaining production at our existing facilities and continuing to pay labour and other costs which may continue even if the facility is closed. Stricter laws and regulations, or stricter interpretation of the existing laws and regulations may impose new liabilities on us or result in the need for additional compliance requirements and additional investment in environmental protection equipment, either of which could adversely affect our business, financial condition or prospects.

We are also subject to laws and regulations governing relationships with employees in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees, contract labour, work permits and health and safety. In some of the territories in which we operate, environmental and workers’ compensation liability may be assigned to us as a matter of law.

If we are unable to comply with various regulatory requirements, it may have a material adverse effect on our business, financial condition and results of operations. For more information regarding our regulations in India, see the section titled “Regulations and Policies in India” on page 141 of this Red Herring Prospectus.

39. We have entered into transactions with related parties, which may have an adverse effect on our business, prospects, results of operations and financial condition.

We have entered into and may continue to enter into certain transactions with related parties, including our Promoter Group, Group Companies, Directors and our employees. Failure by related parties to meet their obligations to our Company may adversely affect our business and prospects. For detailed information on our related party transactions, see the section titled “Financial Information - Related Party Transactions” on page 208 of this Red Herring Prospectus. While we believe that all our related party transactions have been conducted on an arm’s length basis, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise.

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

Our Company has obtained insurance coverage in respect of certain risks. Our significant insurance policies consist of, among others, transit policy, special contingency policy for plant, machinery and equipments, fire policy for buildings, furniture and fixtures, workmen's compensation policy group and personal accident policy. In addition, we have obtained separate insurance coverage for personnel-related risks, motor-vehicle risks and loss of movable assets risks. Under certain of our contracts and sub-contracts, we are required to obtain insurance for the obligations undertaken by us towards the other party as well as third parties, which, in some cases, we have not obtained or we permitted such insurance policies to lapse prior to the completion of the contracts. While we believe that the insurance coverage we maintain would reasonably be adequate to cover all normal risks associated with the operation of our business, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, nor that we have taken out sufficient insurance to cover all material losses. Furthermore, there can be no assurance that we will be able to maintain adequate insurance coverage in the future at acceptable costs. Further, we have not obtained insurance cover for some of our contracts that require us to maintain insurance e.g., product liability insurance. To the extent that we suffer loss or damage for which we do not obtain or maintain insurance or exceeds our insurance coverage, the loss would have to be borne by us and our results of operations and financial performance could be adversely affected.

41. *We do not own all the property where our corporate headquarters are situated. If we are unable to renew certain of our leases or licenses, this could adversely affect our business and financial condition.*

Save and except for 3rd Floor, A & B Wing, Claris Corporate Headquarters, Near Parimal Railway Crossing, Ellisbridge, Ahmedabad 380 006, the premises at our corporate headquarters have been taken on lease or license by us. Whilst the terms of the lease and license agreements permit us to renew the contracts, there is however no guarantee that the respective owners will agree to renegotiate the lease or license agreements on terms acceptable to us. If we lose the leases or licenses at our corporate headquarters, we may have to relocate to an alternate location. Moreover, the alternative premises may come at a high cost and subsequent leases or licenses may not be for long terms, which could adversely affect our business and financial condition.

42. *The Company's financial results may be subject to seasonal variations.*

The Company's revenues and results may be affected by seasonal factors. For example, certain of the products manufactured by us, such as infusion therapy products, are more in demand in India during the summer months as compared to their demand in the winter months. For further details, please refer to the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 209 of this Red Herring Prospectus.

Risk Factors to an Investment in our Equity Shares:

1. *Investors will not be able to sell immediately on an Indian stock exchange any of the Equity Shares investors purchase in the Issue.*

The Equity Shares are intended to be listed on the BSE. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading of them may commence. Investors' book entry or "demat" accounts with depository participants in India are expected to be credited within two Business Days of the date on which the Issue and Allotment is approved by our Board. Thereafter, upon receipt of final approval of the Stock Exchange, trading in the Equity Shares is expected to commence within approximately one Business Day. There can be no assurance that the Equity Shares allocated earlier to investors will be credited to their demat accounts, or that trading will commence, within six Business Days of the Issue and Allotment being approved by our Board, or at all. Additionally we are liable to pay interest at 15.00% per annum if Allotment is not made, refund orders are not dispatched or demat credits are not made to investors within 12 Business Days from the Bid/Issue Closing Date.

2. *The price of Equity Shares may be volatile, which could result in substantial losses for the investors acquiring Equity Shares in the Issue.*

The prices of the Equity Shares on the Indian stock exchange may fluctuate after this Issue as a result of several factors, including: volatility in the Indian and global securities market, our operations and performance, the performance of our competitors, the perception in the market about investments in the pharmaceutical industry,

adverse media reports about us or the pharmaceutical 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 regulations.

3. *There is no guarantee that the Equity Shares will be listed on the BSE in a timely manner.*

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

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

Our ability to pay dividends in the future will depend on our earnings, financial condition and capital requirements. Dividends distributed by us will attract dividend distribution tax at rates applicable from time to time. We cannot assure you that we will generate sufficient income to cover our operating expenses and pay dividends to our shareholders, or at all. Our ability to pay dividends could also be restricted under certain financing arrangements that we may enter into. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements, financial condition and results of operations.

5. *The Equity Shares have never been publicly traded and the Issue may not result in an active or liquid market for the Equity Shares.*

Prior to the Issue, there has been no public market for the Equity Shares and an active public market for the Equity Shares may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a trading market for the Equity Shares will develop or, if a market does develop, the liquidity of that market for the Equity Shares. Although we currently intend that the Equity Shares will remain listed on the BSE, there is no guarantee of the continued listing of the Equity Shares. Failure to maintain our listing on the BSE or other securities markets could adversely affect the market value of the Equity Shares.

6. *Conditions in the Indian securities market may affect the price and liquidity of our Equity Shares.*

Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. Any volatility in the price of our Equity Shares due to market conditions may affect the marketability of such securities, and there can be no assurance that a liquid market will develop for the Equity Shares, that shareholders will be able to sell their Equity Shares, or that such shareholders will be able to sell their Equity Shares for a price that reflects their value.

7. *There are, and will continue to remain, restrictions on daily movements in the price of Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, our Equity Shares at a particular point in time.*

The price of our Equity Shares could be subject to a daily circuit breaker imposed by all stock exchanges in India which does not allow transactions beyond a certain level of volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by the SEBI on Indian stock exchanges. The percentage limit on our circuit breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker from time to time, and may change it without our knowledge. This circuit breaker effectively limits upward and downward movements in the price of the Equity Shares. As a result, shareholders' ability to sell the Equity Shares, or the price at which they can sell the Equity Shares, may be adversely affected at a particular point in time.

8. *Any future issuance of Equity Shares may dilute your shareholding and sales of our Equity Shares by our Promoter or other major shareholders and dilution in net tangible book value may adversely affect the trading price of Equity Shares.*

Any future issuance of our Equity Shares by our Company could dilute your shareholding. Any such future issuance of our Equity Shares or sales of our Equity Shares by any of our significant shareholders may also adversely affect the trading price of our Equity Shares, and could impact our ability to raise capital through an offering of our securities.

Furthermore, under the Securities Contract (Regulation) Rules, 1957, as amended (SCRR), listed companies are required to maintain public shareholding of at least 25% of their issued share capital. Pursuant to the Securities Contracts (Regulation) (Amendment) Rules, 2010, notified on June 4, 2010 and the notification of the Ministry of Finance, Government of India dated August 9, 2010, the SCRR were amended to define ‘public shareholding’ to refer to equity shares held by persons other than a company’s promoter and Promoter Group and subsidiaries and associates, and excluding shares held by a custodian against which depository receipts have been issued overseas. Companies, such as ours, whose draft offer documents were filed with the SEBI on or prior to the commencement of the Securities Contracts (Regulation) (Amendment) Rules, 2010, are required, on listing, to increase their public shareholding to at least 25% of its issued share capital within three years of the commencement of the Securities Contracts (Regulation) (Amendment) Rules, 2010, i.e. June 4, 2010. Failure to comply with the minimum public shareholding provision would require a listed company to delist its shares and may result in penal action being taken against the listed company pursuant to the SEBI Act. This may require us to issue additional Equity Shares or require our Promoters or Promoter Group to sell their Equity Shares, which may adversely affect our trading price.

In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares. Upon completion of the Issue, the entire post-Issue paid-up capital held by our Promoters will be locked up for a period of one year and 20% of our post-Issue paid-up capital held by certain of our Promoters will be locked up for a period of three years from the date of allotment of Equity Shares in the Issue. For further information relating to such Equity Shares that will be locked up, please see the section titled “Capital Structure” on page 72 of this Red Herring Prospectus.

Purchasers of our Equity Shares will experience an immediate dilution in net tangible book value per share from the initial public offering price per Equity Share. After giving effect to the issuance of [●] Equity Shares in this Issue, and following the deduction of underwriting discounts and commissions and estimated offering expenses payable by us and the application of the Net Proceeds, our *pro forma* as adjusted net tangible book value as of [●], would have been Rs. [●] million, or Rs. [●] per Equity Share. This represents an immediate dilution in *pro forma* net tangible book value of Rs. [●] per Equity Share to new investors purchasing Equity Shares in this Issue. Any future equity issuances by us or sales of our Equity Shares by our Promoter or other major shareholders may also adversely affect the trading price of the Equity Shares.

External Risk Factors

1. Certain of our business transactions are entered into with government or government-funded entities in India as well as globally and any change in the government policies, practices or focus may adversely affect our business and results of operations.

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

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

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

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

3. Due to our specialisation in a limited number of therapeutic categories, our business, financial condition and results of operations may be materially adversely affected if recent levels of market growth in these therapeutic categories are not maintained or if substitute products become available.

We garner most of our revenue from the sale of injectable sterile parenteral products within the pharmaceutical industry. If recent levels of market growth in this segment are not maintained or if profit margins for products sold declined, our results of operations could be adversely affected. Similarly, in the event of any breakthroughs in the development or invention of alternative drugs or formulations for this category of products, we may be exposed to the risk of our products becoming obsolete or being substituted, to a greater or lesser extent, by these alternatives. Any such development or invention in these therapeutic categories could have a material adverse effect on our business, financial condition and results of operations.

4. Exchange rate fluctuations may adversely affect our business.

Our financial statements are prepared in Indian rupees. Most of our exports and some of our imports are made in U.S. dollars and in other foreign currencies. Although our exposure to exchange rate fluctuations is in part naturally hedged by the fact that we export formulations and import raw materials and equipment, and although we hedge a portion of our open net foreign exchange position, we are still affected by fluctuations in exchange rates between the U.S. dollar, the Indian rupee and other currencies. Any significant fluctuation in exchange rates may adversely affect our business, financial condition and results of operations.

5. We are exposed to government price controls which could negatively affect our results of operations.

In addition to normal price competition in the marketplace, the prices of our pharmaceutical products are or may be restricted by price controls imposed by governments and healthcare providers in several countries including India. Price controls operate differently in different countries and can cause wide variations in prices between markets. Currency fluctuations can aggravate these differences. The existence of price controls can limit the revenues we earn from our products. For example, in India, prices of certain pharmaceutical products are determined by the Drug Prices Control Order (“DPCO”), promulgated by the Indian government and administered by the National Pharmaceutical Pricing Authority (“NPPA”). The trend in India is for the market prices of such products to be at par or lower than NPPA prescribed prices. If the prices of more of our products are administered or determined by the DPCO / NPPA or other similar authorities outside India, it would have an adverse impact on our profitability.

Increasing expenditures for healthcare have been the subject of considerable public debate in India, the United States and other countries in which we sell our products. Both private and governmental entities are seeking to find ways to reduce or limit healthcare costs. We currently sell our products in the United States and in European countries and we look to expand our sales in these regulated markets. In India, the government has been actively reviewing prices for pharmaceuticals and margins offered to trade which has resulted in certain segments of the industry agreeing to a price-freeze for a certain period of time. The government recently permitted non-governmental entities to offer private healthcare insurance in India, which may lead to increased pressure on pharmaceutical prices. We cannot predict the nature of the measures that may be adopted by governmental and private organisations or their impact on our revenues. If healthcare legislation or third-party payer influence results in lower pharmaceutical prices, our overall revenues may decrease and our profits could be adversely affected.

6. Our business is subject to a significant number of tax regimes and changes in legislation, accounting policies or policies related to tax applicable to us could adversely affect our results of operations.

We currently have operations and staff spread across many states of India and abroad. Consequently, we are subject to the jurisdiction of a number of tax authorities and regimes. The revenues recorded and income earned in these various jurisdictions are taxed on differing bases, including net income actually earned, net income deemed earned and revenue-based tax withholding. The final determination of our tax liabilities involves the interpretation of local tax laws and related authorities in each jurisdiction as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. We are involved in disputes with various tax authorities. For more details, see the section titled “Outstanding Litigation and Material Developments” on page 236 of this Red Herring Prospectus. Changes in the operating environment, including changes in tax law, could impact the determination of our tax liabilities for any financial year.

New or revised accounting policies or policies related to tax, cess, duties or other such levies promulgated from time to time by relevant authorities may significantly affect our reported results of operations.

Taxes and other levies imposed by the central or state governments in India and by foreign authorities that affect our industry include customs duties, excise duties, value added tax, income tax, service tax and other taxes, duties or surcharges introduced from time to time. The central and state tax scheme in India is extensive and subject to change from time to time. New types of taxes, stamp duties and service and other value added taxes, such as the proposed goods and services tax legislation, may be introduced which may increase our overall costs. A change in the law, including the proposed migration to the direct tax code or to the excise duty structure applicable to our business, or in the interpretation of the law or in any of the taxes levied by the central or state governments or foreign authorities may adversely affect our competitive position, profitability, financial condition and results of operations.

7. We are receiving certain tax benefits, which may not be available to us in the future. Loss of this tax benefit in the future may result in a decrease in our margins, which could in turn result in a material adverse effect on our business, financial condition and results of operations.

We are registered under the export oriented unit scheme of the Government of India, which entitles us to an income tax exemption, under Section 10B of the Income Tax Act, 1961, on our business profits derived from export of goods manufactured at our manufacturing facilities in village Chacharwadi Vasana, Taluka Sanand, Ahmedabad, Gujarat. We are currently eligible for this exemption up to assessment year 2011 - 12. Furthermore, we are eligible to write off additional amounts from our profit and loss statement based on our research and development expenditure under section 35(2AB) of the Income Tax Act. Loss of any of these tax benefits in the future may result in a decrease in our margins, which could in turn result in a material adverse effect on our business, financial condition and results of operations. For details of the tax benefits available to us, see the section titled “Statement of Tax Benefits” on page 104 of this Red Herring Prospectus.

8. Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect financial markets and our business.

Terrorist attacks and other acts of violence or war may adversely affect the Indian markets on which our Equity Shares trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, making travel and other services more difficult and ultimately adversely affecting our business.

India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have an adverse impact on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares.

Other acts of violence or war outside India, including those involving the United States, the United Kingdom or other countries, may adversely affect worldwide financial markets and could adversely affect the world economic environment, which could adversely affect our business, financial condition, results of operations and cash flows, and more generally, any of these events could lower confidence in India.

9. Any disruption in global or domestic logistics could adversely affect our operations.

As a manufacturing business, our success depends on the smooth supply and transportation of various materials and inputs from different domestic and global sources to our plants, and of our products from our plants to our customers located globally, logistics of all of which are subject to various uncertainties and risks. Disruption of transportation services because of weather related problems, strikes, lock-outs, terrorisms, inadequacies in the road infrastructure and port facilities, or other events could impair our ability to receive materials and other inputs and supply products to our customers. Although we have not encountered any significant disruptions in such logistics to date, we cannot assure you that such disruptions will not occur in the future.

Additionally, we typically use third-party transportation providers for the supply of most of our raw materials. Transportation strikes by, for example, members of various Indian and foreign truckers’ unions and various legal or regulatory restrictions placed on transportation providers have had in the past, and could have in the future, an adverse effect on our receipt of supplies. Further, transportation costs have been steadily increasing, and the prices of raw materials themselves can fluctuate. In addition, the availability of supplies may not be commensurate with the rate of growth being experienced by the pharmaceutical sector. If we are unable to procure the requisite quantities of raw materials in time and at commercially acceptable prices, the performance of our business and results of operations may be adversely affected.

10. We are subject to the risk of loss due to fire, explosions and other similar events as well as the risk of natural calamities or general disruptions adversely affecting our production facilities or distribution chain, which could have a material adverse effect on our business, financial condition and results of operations.

Unanticipated or unforeseen risks may materialise due to adverse weather conditions, geological conditions, specification changes and other reasons. Additionally, our operations are subject to hazards inherent in providing bio-chemical engineering and pharmaceutical manufacturing activities, such as risk of equipment failure, work accidents, fire or explosion, including hazards that may cause injury and loss of life, severe damage to and destruction of property and equipment, and environmental damage.

In the event of a drought, the government could cut or limit the supply of water to our manufacturing facilities, resulting in a material adverse effect on our production capabilities, reduction in the volume of products we can manufacture and consequently a reduction in our revenues. In the event of floods, our distribution channels may be adversely affected.

We use highly flammable materials, such as hydroxy ethyl starch and iso propyl alcohol, in our manufacturing processes and are therefore subject to the risk of loss arising from fires or explosions. The risk of fire associated with these materials cannot be completely eliminated. In the past, we have had minor interruptions in production as a result of fire at our production facilities. Also, we handle dangerous materials including explosive, toxic and combustible materials. If improperly handled or subjected to the wrong conditions, these materials could injure our employees and other persons, cause damage to our properties and harm the environment. Such events in turn could subject us to significant litigation which could lower our profits in the event we were found liable.

In addition, natural calamities such as earthquakes, rains and heavy downpours could disrupt our distribution chain and damage our storage facilities. Our insurance coverage for damages to our properties and disruption of our business due to these events may not be sufficient to cover all of our potential losses.

The occurrence of fire, explosions or natural calamities affecting our manufacturing processes or distribution channels, could have a material adverse effect on our business, financial condition and results of operations.

11. Our transition to IFRS reporting could have a material adverse effect on our reported results of operations or financial condition.

Public companies in India, including us, may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for the adoption of, and convergence with, the IFRS announced by the Ministry of Corporate Affairs, Government of India through a press note dated January 22, 2010 (the “**IFRS Convergence Note**”). Pursuant to the IFRS Convergence Note, all companies which (i) are a part of the Nifty 50 index of the NSE, (ii) of the Sensex 30 index of the BSE, or (iii) which have a net worth in excess of Rs. 1,000 crores will be required to convert their opening balance sheets as at April 1, 2011 in compliance with the notified accounting standards which are convergent with IFRS. As our Company’s net worth was not in excess of Rs. 1,000 crores as at May 31, 2010, it will not be required to report financial information and prepare interim and annual financial statements under the notified accounting standards which are convergent with IFRS as at and for periods commencing on April 1, 2011. Further, according to the IFRS Convergence Note, companies which have a net worth of over Rs. 500 crores but less than Rs. 1,000 crores will be required to convert their opening balance sheets as at April 1, 2013 in compliance with the notified accounting standards which are convergent with IFRS. Since our Company’s net worth was in excess of Rs. 500 crores as at May 31, 2010, the Company will be required to report financial information and prepare its financial statements as at and for periods commencing on January 1, 2013 under the notified accounting standards which are convergent with IFRS. We have not yet determined with certainty what impact the adoption of IFRS will have on our financial reporting.

Our financial condition, results of operations, cash flows or changes in shareholders’ equity may appear materially different under IFRS than under Indian GAAP or our adoption of IFRS may adversely affect our reported results of operations or financial condition. This may have a material adverse effect on the amount of income recognised during that period and in the corresponding (restated) period in the comparative fiscal year/period.

In addition, in our transition to IFRS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. Moreover, our transition may be hampered by increasing competition for the relatively small number of IFRS-experienced accounting personnel available as more Indian companies begin to prepare IFRS financial statements.

12. Political instability or changes in the government could delay the liberalisation of the Indian economy and adversely affect economic conditions in India generally and our business in particular.

Our business and the market price and liquidity of the Equity Shares may be affected by changes in exchange rates and controls, interest rates, government policies, taxation and other political, economic or other developments in or affecting India. The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Since 1991, successive Indian governments have pursued policies of economic liberalisation, including significantly relaxing restrictions on the private sector. The governments have usually been multi-party coalitions with differing agendas. Any political instability could affect the rate of economic liberalisation and specific laws and policies affecting foreign investment, currency exchange, the pharmaceutical industry and other matters affecting investment in our services. Changes in India's policy of economic liberalisation and deregulation, such as where new restrictions on the private sector are introduced or if existing restrictions are increased, could adversely affect business and economic conditions in India generally and consequently also adversely affect our business.

13. Hostilities with neighbouring countries and civil unrest in India may have a material adverse effect on the market for securities in India.

Regional conflicts in South Asia could adversely affect the Indian economy, disrupt our operations and cause our business to suffer. South Asia has from time to time experienced instances of hostilities among neighbouring countries. Military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult. Such terrorist acts could destabilise India and increase internal divisions within the government as it considers responses to such instability and unrest, thereby adversely affecting investors' confidence in India and the Indian economy. Any terrorist attack, including damage to our infrastructure or that of our customers, could cause interruption to parts of our businesses and materially and adversely affect our financial condition, results of operations and prospects. Such political tensions could create a greater perception that investments in Indian companies involve a higher degree of risk. This, in turn, could have a material adverse effect on the market for securities of Indian companies, including our Equity Shares, and on the business of our Company.

14. Any downgrading of India's debt rating by an international rating agency could have an adverse impact on our business.

Any adverse revision by international rating agencies to the credit ratings of the Indian national government's sovereign domestic and international debt may adversely affect our ability to raise financing by resulting in a change in the interest rates and other commercial terms at which we may obtain such financing. This could have a material adverse effect on our business and financial performance, our ability to obtain financing to fund our future expansion and growth and the trading price of our Equity Shares. A downgrading of the Indian national government's debt rating may occur, for example, upon a change of government tax or fiscal policy, which are outside our control.

15. A slowdown in economic growth in India could cause our business to suffer.

Our performance and the quality and growth of our business are necessarily dependent on the health of the overall Indian economy. The Indian economy has grown significantly over the past few years. However, there have been periods of slowdown in economic growth during the 1990s. In the past, such economic slowdowns have harmed manufacturing industries including the pharmaceutical manufacturing industry. India's economy could be adversely affected by a general rise in interest rates, inflation, natural calamities, such as earthquakes, tsunamis, floods and drought, increases in commodity and energy prices, and protectionist efforts in other countries or various other factors. In addition, the Indian economy is in a state of transition. It is difficult to gauge the impact of these fundamental economic changes on our business. Any future slowdown in the Indian economy could harm us, our customers and other contractual counter-parties.

16. Our business could be disrupted as a result of any financial instability occurring in other countries.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries. Financial turmoil in Asia, Russia and elsewhere in the world in the past has affected the Indian economy. Recently, financial turmoil in the United States has affected the Indian economy. Since mid-2007, and particularly during the second half of 2008 and the first quarter of 2009, the global banking and financial services industry and the securities markets generally were materially and adversely affected by significant declines in the values of nearly all asset classes, including mortgages, real estate assets, leveraged bank loans and equities, and by a serious lack of liquidity. Business activity across a wide range of industries and regions

was greatly reduced and local governments and many companies were in serious difficulty due to the lack of consumer spending and the lack of liquidity in the credit markets. Unemployment increased significantly in many countries. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, our future financial performance and the price of our shares.

17. Our ability to freely raise foreign capital may be constrained by Indian law, which could adversely affect our business, financial condition and results of operations.

As a pharmaceutical company, while we are classified by the Indian government for automatic approval of foreign direct equity investment, we do require regulatory approvals to raise more than US\$500 million of foreign currency denominated indebtedness outside India in a single transaction. The need to obtain such regulatory approval could constrain our ability to raise the most cost effective funding for our optimisation, modernisation, acquisition and other strategic transactions, which may adversely affect our future growth. We cannot assure you that any required approvals will be given when needed or at all or that such approvals if given will not have onerous conditions.

Current Indian government policy allows 100% foreign ownership of Indian companies in the pharmaceutical sector. However, the Indian government may change this policy in the future, and restrict foreign investor from holding in excess of a prescribed amount of ownership of an Indian pharmaceutical company. If such change restricted our ability to issue and foreign investors' ability to hold shares above such specified limited, we may be restricted in our ability to raise additional funding through equity issuances in the future, which could adversely affect our business, financial condition and results of operations.

18. We are subject to risks arising from interest rate fluctuations, which could adversely affect our business, financial condition and results of operations.

Changes in interest rates could significantly affect our financial condition and results of operations. As of May 31, 2010, Rs. 2,348.29 million or 63.38% of our total borrowings from banks and financial institutions were at floating rates of interest. If the interest rates for our existing or future borrowings increase significantly, our cost of servicing such debt will increase. This may adversely impact our results of operations, planned capital expenditures and cash flows.

Prominent Notes:

1. Public issue of [●] Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share (including a share premium of Rs. [●] per Equity Share) aggregating to Rs. 3,000 million. The Issue will constitute [●]% of the fully diluted post issue paid up capital of the Company.
2. The Company's net worth on a consolidated basis as at May 31, 2010 was Rs. 5718.59 million.
3. The net asset value per Equity Share, post issuance of bonus shares, was Rs. 111.72 as at May 31, 2010 as per the Company's consolidated financial statements.
4. The average cost of acquisition per Equity Share by the Promoters is (i) Rs. 0.16 per Equity Share acquired by Mr. Arjun S. Handa and (ii) Rs. 5.29 per Equity Share acquired by Sarjan Financial Private Limited. The average cost of acquisition per Equity Share by Mr. Aditya S. Handa is Rs. 0.16. The average cost of acquisition has been calculated by dividing the aggregate amount paid by the Promoters to acquire the Equity Shares held by them by the aggregate number of Equity Shares held by the Promoters. For further details, see the section titled "Capital Structure" on page 72 of this Red Herring Prospectus.
5. For details of the related party transactions entered into by the Company with the Subsidiaries and the Group Companies, please refer to the section titled "Financial Information - Related Party Transactions" on page 208 of this Red Herring Prospectus.
6. There are no financing arrangements whereby the Promoter Group, our Directors or their relatives have financed the purchase by any other person of securities of the Issuer other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of filing the Red Herring Prospectus.

7. Investors may contact any of the BRLMs for complaints, information or clarifications pertaining to the Issue.

SECTION 3 : INTRODUCTION

SUMMARY OF INDUSTRY

GLOBAL INJECTABLES INDUSTRY

Introduction

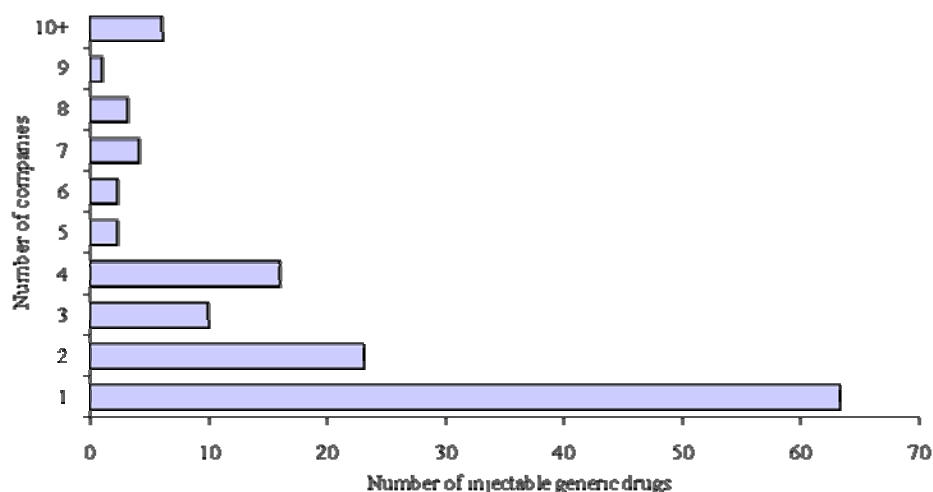
A significant proportion of pharmaceutical products are delivered to the human body as tablets or capsules, orally. However, there are many drugs that are available only in injectable format due to issues of safety and efficacy. There are also products which are available in oral and injectable forms, where the injectable form is preferred when the patient is in a critical situation. These injectables by their very name cannot be consumed orally and need to be injected or infused into the body. Due to this, injectables have certain specific characteristics compared to oral dosage forms:

- They are more difficult to formulate and have multiple technology and delivery platforms
- They are more capital intensive to produce
- They are governed by tougher regulations
- They require specialised skills to formulate and produce
- The customer segments are almost exclusively hospitals where the decision making process and criteria is distinct from individual doctors

(Source: Avalon Global Research, *The Global Generic Injectables Business*, December 2009)

The injectables industry, in comparison to the orals industry, is characterised by less competitive intensity, low price erosion and higher profit margins. One of the major attractions of injectable generics is the potential for companies to compete in a relatively exclusive market. A small number of injectable drugs have received significant attention from generic companies, resulting in the approval of numerous versions following patent expiry. For more than half of the injectable generics approved since 2004, just one or two manufacturers have received ANDA approvals and 86% of molecules in the market have fewer than five injectable generic competitors. Hence injectables are considered to be a specialty segment of the pharma market. (Source: *Epicom Business Intelligence, Injectable Generic Drugs: Prospects & Opportunities to 2014*, December 2009)

Competition for Generic Injectables



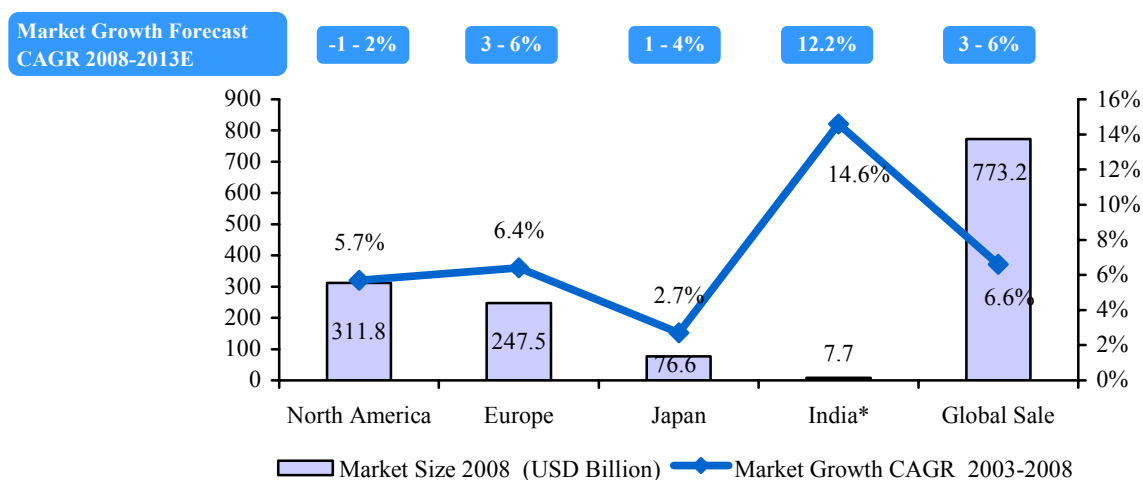
Source: Epicom Business Intelligence, *Injectable Generic Drugs: Prospects & Opportunities to 2014*, December 2009

This is a very lucrative industry segment because there is less competition in these products which reduces scope for price reductions and enables players to obtain high profitability margins than have traditionally been available for oral generics. (Source: *Epicom Business Intelligence, Injectable Generic Drugs: Prospects & Opportunities to 2014*, December 2009)

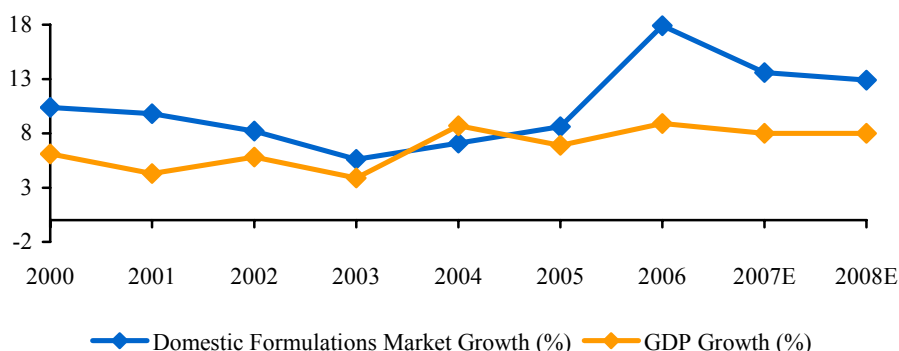
THE INDIAN PHARMACEUTICAL INDUSTRY

Market Size and Growth Trends

The Indian pharmaceuticals market was valued at USD 7.7 billion in 2008 and has grown at a CAGR of 14.6% between 2003 and 2008 as against the global average of 6.6% during the same period:



The domestic pharmaceutical industry has been typically growing at approximately 1.5-1.6 times the GDP growth as can be seen from the chart below:



The Indian pharmaceutical market is dominated by generic drugs as generic drugs accounted for approximately 88% of the market share in value terms and around 90-95% in volume terms of the market in India in 2008. In 2008, the generics market in India was valued at USD 6.11 billion, registering a growth of 9% compared with the previous year. The generics market in India grew at a CAGR of 10.49% from 2004 to 2008. (Sources: Cygnus, Industry Insight – Global Generics, March 2009)

SUMMARY OF OUR BUSINESS, STRENGTHS AND STRATEGIES

OVERVIEW

We are one of the largest Indian sterile injectables pharmaceutical companies with a presence in 76 countries worldwide. Our products offering comprises 128 products across multiple markets and therapeutic areas. All of our products are off-patent products, a significant majority of which are capable of being directly injected into the body and are predominantly used in the treatment of critical illnesses.

Our products range across various therapeutic segments, including anaesthesia, critical care, anti-infectives, renal care, infusion therapy, enteral nutrition, parenteral nutrition and oncology. We offer injectables in various delivery systems, such as glass and plastic bottles, vials, ampoules, pre-filled syringes and non-PVC and PVC bags. Our customer base primarily includes government and private hospitals, aid agencies and nursing homes.

For the five month period ended May 31, 2010, we recorded total sales of Rs. 3,249.53 million and net profit of Rs. 577.27 million. For the financial years ended December 31, 2009, 2008, and 2007, we recorded total sales of Rs. 7,435.25 million, Rs. 7,521.55 million and Rs. 5,971.52 million, respectively, and net profit of Rs. 1,248.93 million, Rs. 1,078.98 million, and Rs. 893.22 million, respectively.

Since the Company's inception, we have made efforts to grow our business in international markets. For the five month period ended May 31, 2010 our revenue from our international businesses amounted to Rs. 1,989.62 million, which accounted for 61.23% of total sales during the period. For the financial years ended December 31, 2009, 2008, and 2007, our revenue in international business amounted to Rs. 4,068.18 million, Rs. 3,772.74 million and Rs. 2,174.44 million, respectively, which accounted for 54.71%, 50.16% and 36.41% of total sales, respectively. We believe we have an established presence and offer a large product portfolio in emerging markets, such as regions of Latin America, the Middle East, Africa and Central, South East and Far East Asia. For the five month period ended May 31, 2010, our revenue from emerging markets amounted to Rs. 817.90 million which accounted for 25.17% of our total sales during this period. For the financial years ended December 31, 2009, 2008 and 2007, our revenue in emerging markets amounted to Rs. 2,658.08 million, Rs. 3,445.01 million and Rs. 1,858.87 million, respectively, which accounted for 35.75%, 45.80%, and 31.13% of our total sales, respectively. We also have a presence in certain regulated markets and one of our key growth strategies going forward is to further expand our distribution network and product offerings in markets such as the United States, Western Europe, Australia, New Zealand, Canada and South Africa, as potential sales and profit margins are higher than those in the emerging markets. In order to achieve growth in the regulated markets, we have filed 280 applications for product registrations in regulated markets up to September 30, 2010, including 36 applications in the United States, out of which we have obtained 145 product registrations, including 25 in the United States.

We and certain of our partners received a number of complaints in relation to certain of our products pursuant to which we and our partners/distributors recalled some or all of our products from certain countries. Further, the USFDA imposed an import alert on us and our products, which is subsisting. Furthermore, the USFDA carried out an inspection of our manufacturing facilities at Ahmedabad, subsequent to which it has issued a warning letter to us. Additionally, the registration of the Company and its products was suspended by the Drug and Food Control, Ministry of Health, State of Kuwait from June 8, 2010 till August 22, 2010. For more details, please see “– Recent Developments”, “Management's Discussion and Analysis of Financial Condition and Results of Operations –Significant Developments since May 31, 2010”, “Risk Factors - *The USFDA issued a warning letter to us pursuant to an inspection carried out at our manufacturing facilities at Ahmedabad. Such warnings and any future warnings to us and/or in relation to our products has had and may have an adverse effect on our business, financial condition and results of operations, as well as adversely affect our reputation and the demand for our products*”, “Risk Factors – *The USFDA imposed an import alert on us and our products pursuant to receipt of a number of complaints, in relation to certain of our products, by us and certain of our partners, which is subsisting. Such import alert, and any future import alerts to us and/or in relation to our products, has had and may have an adverse effect on our business, financial condition and results of operations as well as adversely affect our reputation and the demand for our products*”, “Risk Factors – *The registration of our Company and its products were suspended by the Drug and Food Control, Ministry of Health, State of Kuwait. Such suspension and/or any future suspensions to us and/or in relation to our products has had and may have an adverse effect on our business, financial condition and results of operations as well as adversely affect our reputation and the demand for our products*” and “Risk Factors – *We and certain of our partners received a number of complaints in relation to certain of our products pursuant to which we and our partners/distributors recalled some or all of our products from certain*

countries. Such complaints and/or recalls, and any future complaints and/or recalls to us and/or in relation to our products has had and may have an adverse effect on our business, financial condition and results of operations as well as adversely affect our reputation and the demand for our products". For the five month period ended May 31, 2010, our revenue in regulated markets amounted to Rs. 1,171.72 million which accounted for 36.06% of our total sales during this period. For the financial years ended December 31, 2009, 2008 and 2007, our revenue in regulated markets amounted to Rs. 1,410.10 million, Rs. 327.73 million and Rs. 315.56 million, respectively, which accounted for 18.97%, 4.36%, and 5.28% of our total sales, respectively.

In addition to growing our international business, we continue to maintain our focus on the domestic business. For the five month period ended May 31, 2010 our revenue in our domestic business was Rs. 1,259.91 million which accounted for 38.77% of our total revenues during this period. For the financial years ended December 31, 2009, 2008, and 2007, our revenue in our domestic business was Rs. 3,367.07 million, Rs. 3,748.81 million and Rs. 3,797.08 million, respectively, which accounted for 45.29%, 49.84%, and 63.59%, respectively, of our total revenues.

Our manufacturing facilities are located in Ahmedabad, India. Certain of these facilities have been approved by foreign regulatory authorities including the USFDA, MHRA (UK), TGA (Australia), NAM (Finland), GCC FDCA (Gulf Cooperation Council, including Saudi Arabia, U.A.E. and other countries in the Middle East) and INVIMA (Colombia). One of our facilities, Clarion V, is currently under construction and we expect it to be operational by the third quarter of 2011. Our manufacturing facilities are ISO 9001-2000 and WHO GMP certified. In addition, the Company has won the Indian Drug Manufacturer Association's Quality Excellence Award in 2007 and 2008 and the Frost & Sullivan India Manufacturing Excellence Award in 2007, 2008 and 2009 in recognition of the quality of its practices. The Company has also been given a certificate of excellence by the State Pharmaceuticals Corporation of Sri Lanka at the 13th SPC Suppliers Convention 2010. The Company has also been awarded the Silver Award in the Pharmaceutical Sector by Greentech Foundation for the Company's outstanding achievement in safety management in respect of its manufacturing operations. In addition to manufacturing our own products which we sell under our own brands, we use our facilities to manufacture products which are sold to Indian and international companies who market such products under their own brands.

Out of our products offering, one of our key products, propofol, represented approximately 14.84% of our total sales for the financial year ended December 31, 2009 and for the five month period ended May 31, 2010 represented approximately 12.52% of our total sales in that period. We hold patents for APIs for our hydroxyl ethyl starch product. Our regulatory team has developed capabilities and processes to file product registrations in regulated and emerging markets; as of September 30, 2010, we had obtained over 1,100 registrations worldwide and approximately 324 applications were pending approval.

We adopt three different distribution models for the supply of our products across international markets. In certain countries, we register, import and store products as well as market them to customers through entities owned and controlled by us. In certain other countries, we partner with local distributors who import and distribute our products and, under our supervision, carry out marketing activities. In the rest of the countries where we operate, distributors and marketing partners are responsible for marketing our products. In March 2009, we entered into a business arrangement with the Pfizer group of companies ("Pfizer") with a view to strengthen our presence in regulated markets. We believe Pfizer's ability to market our products will extend the reach of our products and enable our business to grow in regulated markets in which Pfizer has a significant presence. In addition to the seven ANDAs in relation to four products granted by the USFDA, we have, pursuant to an asset purchase and technology license agreement entered into with a pharmaceutical company, acquired 24 ANDAs for 16 products, out of which four ANDAs for two products were granted to us prior to this agreement, and two ANDAs for two products are yet to be granted by the USFDA. Accordingly, as of September 30, 2010, we have been granted 25 ANDAs in relation to 16 products by the USFDA in aggregate. For further details in relation to the asset purchase and technology license agreement please see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Recent Developments" on page 209 of this Red Herring Prospectus.

Our domestic business is driven by our own sales and marketing network. As of September 30, 2010, we had a sales division of approximately 422 people covering various territories across India. We also had a network of approximately 43 clearing and forwarding agents, 40 distributors, 16 consignee agents and 1,120 stockists in the country.

For the financial years ended December 31, 2009, 2008, and 2007, we incurred Rs. 1,065.95 million, Rs. 1,945.29 million and Rs. 1,444.70 million, respectively, in capital expenditure to expand our production capacity and upgrade technology in our manufacturing facilities. For the five month period ended May 31, 2010, we incurred Rs. 565.44 million in capital expenditure to further expand our production capacity and upgrade technology in our manufacturing facilities. We expect to incur significant capital expenditures in 2010, 2011 and 2012 to set up new production lines as well as a research and development facility. For further details on our planned capital expenditures, please see the sections titled “Objects of the Issue” and “History and Certain Corporate Matters” on pages 88 and 145, respectively, of this Red Herring Prospectus.

Fitch Ratings India Private Limited granted our Company long-term and short-term debt ratings of ‘A-(ind)’ and ‘F2+(ind)’, respectively, on June 23, 2010.

OUR COMPETITIVE STRENGTHS

The following are our key strengths which we believe enable us to be competitive in our business:

Complex product portfolio

We believe we have a differentiated business model among Indian pharmaceutical companies due to our focus on a range of complex injectable products. We have established a portfolio of injectable products across various therapeutic segments, technologies and delivery systems. We have developed 98 products formulated from our portfolio of approximately 57 molecules. Our product portfolio comprises complex molecules, such as propofol and iron sucrose. Further, we believe our portfolio of injectables is one of the largest amongst Indian pharmaceutical companies. Our products span multiple technology platforms, including aqueous solutions as well as complex colloidal solutions, liposomal products and emulsions. These products are available across delivery systems, such as ampoules, vials, bottles ranging from 1 ml to 2000 ml, multi-chamber bags in PVC and non-PVC material. Hospitals are our key customers for injectables. Sales to hospitals are driven by a combination of width and depth in product range. By increasing the size of our product portfolio, we have been able to achieve sales growth in various markets.

Manufacturing competence across multiple drug delivery systems

Our products require an understanding of sophisticated technical processes and quality assurance methods to be able to maintain sterility. We believe we are one of the few manufacturers in India and in other emerging markets to have manufacturing facilities for large volume parenterals in glass bottles, emulsions manufacturing facilities and bag manufacturing facilities which are approved by multiple regulatory authorities in the regulated markets.

We have purchased technologies from international suppliers, such as double pass reverse osmosis system from Christ (Switzerland); distillation columns from Stillmas (Italy); manufacturing vessels from Diesel (Germany); glass vials washing and sterilization tunnels from Groninger (Germany); glass filling lines and form fill seal automatic bag manufacturing lines from Plumat (Germany); SVP manufacturing lines from Robert Bosch (Germany); sterilizers from SBM (Austria); leak testing machines from Breviti (Italy); and cleanrooms from Clestra (France).

Our manufacturing facilities are ISO 9001-2000 and WHO GMP certified. In addition, the Company has won the Indian Drug Manufacturer Association’s Quality Excellence Award in 2007 and 2008 and the Frost & Sullivan India Manufacturing Excellence Award in 2007, 2008 and 2009 in recognition of the quality of its practices. The Company has also been awarded the Silver Award in the Pharmaceutical Sector by Greentech Foundation for the Company’s outstanding achievement in safety management in respect of its manufacturing operations.

Established sales, marketing and distribution network across 76 countries

We have entered into business arrangements with the Pfizer group as well as with other local companies in regulated markets to grow our distribution network and to strengthen our sales and marketing presence across 76 countries.

As of September 30, 2010, we had a sales team of approximately 422 people who primarily sold our products to hospitals in India. We employed a total sales force of about 107 people for the international markets.

As of September 30, 2010, we had a network of approximately 43 clearing and forwarding agents, 40 distributors, 16 consignee agents and 1,120 stockists in India, enabling us to reach a significant number of hospitals, institutions and doctors. We also have existing business relationships with institutional public and private hospitals in the international markets. Our products are on the list of approved products maintained by certain hospitals in India and abroad to which we market our products.

Integrated business model

We believe that our capabilities and experience span across all business verticals in the generic injectables industry. We have a trained workforce across business divisions, such as R&D for product development, regulatory affairs for obtaining product registrations, manufacturing, supply chain management, and sales and marketing, and their understanding of the injectables business will allow us to better control variables in our business processes.

While we are dependent on various third parties such as distributors, consignee agents, clearing and forwarding agents, etc., for the marketing and distribution of our products, we believe our integrated business model allows us to reduce our dependence on third parties. For further details please refer to the section titled '*Risk Factors - Our success is dependent on our distribution and marketing arrangements, including the one with Pfizer, for the sale and distribution of our products and on our relationship with our customers. If any of these arrangements is terminated for any reason, our business, financial condition and results of operations may be adversely affected*' please refer to page 25 of this Red Herring Prospectus.

R&D capabilities

We believe our expertise in developing complex and difficult to develop products such as propofol, iron sucrose, hydroxyl ethyl starch and glutamine IV and complex and difficult to develop delivery systems, such as multichamber bags, provides us with a competitive advantage. For example, we believe we were one of first companies' in India to have developed a unibag non-PVC infusion system, which provides us with a competitive advantage as non-PVC bags are the preferred delivery system in regulated markets. Additionally, as of September 30, 2010, we had three registered patents and fifteen patent applications pending in India.

Total expenditures for our research and development ("R&D") activities relating to continuing operations, including product development costs, were Rs. 633.40 million, Rs. 368.08 million and Rs. 218.53 million for the financial years ended December 31, 2009, 2008 and 2007, respectively. Total expenditures for our R&D activities relating to continuing operations, including product development costs, were Rs. 335.72 million for the five month period ended May 31, 2010.

We have the R&D capability and experience to develop, manufacture and register products across various delivery systems to increase the efficiency of drug delivery and make our products better suited to market requirements. As of September 30, 2010, we employed approximately 75 scientists and specialists in India for our R&D activities. The size of our R&D team has grown approximately 74% since December 31, 2008 in line with our regulated markets strategy.

Committed senior management team and a well-qualified workforce

Our management team includes senior executives, a majority of whom have worked with the Company for over five years. We believe our management team has a long-term vision and provides stability and continuity to our business. We also believe that the strength of our management team in our business divisions, such as R&D for product development, regulatory affairs for obtaining product registrations, manufacturing, and sales and marketing, and their understanding of the injectables market will enable our business to grow in a focused and constructive manner.

As of September 30, 2010, approximately 493 of our employees in India were post-graduates and around 805 held graduate degrees. We believe we benefit from a well-qualified workforce. Selling and marketing injectables involves developing capabilities to cater to multiple levels within hospitals. We believe we have developed a close association with hospitals as a result of our sales and marketing network. Our regulatory team has significant capabilities and experience in filing product registrations in regulated and emerging markets. We have obtained over 1,100 registrations across 76 countries.

For the risks relating to dependence on our senior management team and a well-qualified workforce, please see "*Risk Factors – We are dependent upon the experience and skill of our management team and key employees.*" On page 31 of this Red Herring Prospectus.

Cost advantage

A significant majority of our products are manufactured in India. This, coupled with the process efficiencies which we have developed in our Clarion facilities, we believe contributes to our production cost advantage over those of our competitors which manufacture their products in high cost developed markets.

OUR STRATEGY

Our business objective is to grow our revenues and profits through increased market presence. We intend to do so by increasing our product offerings in key emerging and regulated markets, through strategic business arrangements as well as by maintaining our focus on our domestic business. Our business strategy focuses on the following elements:

Increase our product range across existing and new technology platforms and delivery systems

As of September 30, 2010, we had filed 280 applications for product registrations in regulated markets, including 36 applications in the United States, out of which we had obtained 145 product registrations, including 25 in the United States. We intend to apply for additional approvals from the USFDA and from various other regulatory authorities for our manufacturing facilities and products to enable us to sell more of our products in these markets. We are primarily targeting injectable products which have or are due to go off-patent in regulated markets.

We are expanding our manufacturing facilities and plan to build a new facility for research and development in order to increase our product development and manufacturing capabilities and our product registrations in regulated markets. These products will be across existing technology platforms, such as aqueous, emulsion and colloidal solutions, as well as new technology platforms, such as lyophilized, and delivery systems, including pre-filled syringes. We have also initiated our foray into the oncology segment.

Grow sales in regulated markets through business arrangements

We have a presence in regulated markets such as the United States, Western Europe, Australia, New Zealand, Canada and South Africa and plan to establish our business presence in Japan. We plan to further grow our business in the United States and other regulated markets by expanding our sales and distribution network through our business arrangement with the Pfizer group. We plan to grow our business in other regulated markets through license and supply arrangements with companies that have an established presence in the relevant markets.

Establish and expand our presence in key emerging markets

We also plan to increase our presence in emerging markets, such as Brazil, Mexico, South Korea and Saudi Arabia, as well as to establish our business presence in new emerging markets, such as China, Russia, Turkey, Egypt and Argentina. We believe that demand for our products in these markets will continue to grow in line with changes in healthcare standards, insurance penetration and government spending on healthcare. Increased sales in such countries would allow us to achieve economies of scale. We plan to expand our presence in these markets by increasing our portfolio of product registrations and filings and by increasing our customer and distributor base through marketing arrangements with local pharmaceutical companies.

Focus on increasing market share for certain key and high potential products

Certain of our key products, such as propofol, iron sucrose and hydroxyl ethyl starch, ciprofloxacin and metronidazole and have large markets worldwide. Based on our internal management estimates, these products are manufactured in India only by a few companies for the global markets. We plan to focus our sales and marketing efforts on these product groups to capture larger market shares.

We believe we are currently the only company in India that possesses the technology to produce unibag non-PVC infusion system. This constitutes a unique competitive advantage domestically and, as non-PVC bags are the preferred delivery system for certain products in regulated markets, this gives us a competitive advantage over our Indian competitors. We expect our sales for products such as hydroxyl ethyl starch, ciprofloxacin and metronidazole to increase significantly once we obtain product registrations for this delivery system in the regulated markets.

Maintain cost leadership by expanding capacities

We plan to expand our Clarion manufacturing facilities in Ahmedabad, India. These facilities are in a low-cost location as compared to the facilities set up by our international competitors in North America or Western Europe. We aim to ensure that we continue to maintain and grow margins and maintain our cost leadership in the generic injectables business.

THE ISSUE

Issue of Equity Shares⁽¹⁾	[●] Equity Shares
QIB Portion⁽²⁾	At least [●] Equity Shares
<i>Of which⁽³⁾:</i>	
Mutual Fund Portion	[●] Equity Shares
Balance for all QIBs, including Mutual Funds	[●] Equity Shares
Non-institutional Portion	Not less than [●] Equity Shares available for allocation
Retail Portion	Not less than [●] Equity Shares available for allocation
Pre and Post Issue Equity Shares	
Equity Shares outstanding prior to the Issue	51,185,288 Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
Use of Issue proceeds	See the section titled “Objects of the Issue” beginning on page 88 of this Red Herring Prospectus.

Notes:

- (1) The Issue currently comprises of up to [●]% of our post-Issue share capital. The Issue has been authorised by our Board by their resolution dated February 23, 2010 and by the shareholders of our Company at AGM held on April 7, 2010.
- (2) Out of the QIB Portion, the Company may consider participation by Anchor Investors for up to [●] Equity Shares.
- (3) In terms of Rule 19 (2)(b) of the SCRR as it existed prior to the coming into effect of the Securities Contract (Regulation) (Amendment) Rules, 2010, this is an Issue for less than 25%, but not less than 10%, of the post Issue capital, therefore, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue shall be Allotted to QIBs on a proportionate basis. Our Company may, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price on a discretionary basis, of which at least one-third will be available for allocation to domestic Mutual Funds. 5% of the Net QIB Portion shall be available for allocation to Mutual Funds on a proportionate basis. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% and 30% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and Retail Individual Bidders, respectively, subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange.

SUMMARY FINANCIAL INFORMATION

The following tables set forth our selected historical financial information derived from the restated consolidated financial information as at and for the years ended December 31, 2005, 2006, 2007, 2008 and 2009 and for the five month period ended May 31, 2010 prepared in accordance with Indian GAAP, the Companies Act and the SEBI ICDR Regulations. The restated consolidated summary financial information presented below should be read in conjunction with the restated financial information included in this Red Herring Prospectus, the notes thereto and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 209.

SUMMARY OF RESTATED CONSOLIDATED STATEMENT OF ASSETS & LIABILITIES

(Rs. in million)

PARTICULARS	As at December 31					As at May 31, 2010
	2005	2006	2007	2008	2009	
A. FIXED ASSETS						
Gross Block	1,386.02	2,584.36	3,568.44	5,847.13	6,280.10	6,517.12
Less: Accumulated Depreciation	172.07	335.11	588.96	936.44	1,360.82	1,544.36
Net Block	1,213.95	2,249.25	2,979.48	4,910.69	4,919.28	4,972.76
Less: Revaluation Reserve	-	-	-	-	-	-
Net Block after Revaluation Reserve	1,213.95	2,249.25	2,979.48	4,910.69	4,919.28	4,972.76
Intangible Asset (Net of Amortization)	-	4.14	38.77	34.58	23.35	18.71
Capital work-in-progress (Including Capital Advances)	150.35	718.54	1,124.05	735.35	1,232.29	1,556.94
Total	1,364.30	2,971.93	4,142.30	5,680.62	6,174.92	6,548.41
B. GOODWILL ON CONSOLIDATION	-	0.32	0.32	0.32	0.32	0.32
C. INVESTMENTS	0.20	0.20	0.20	0.19	0.19	0.19
D. CURRENT ASSETS, LOANS & ADVANCES						
Interest accrued on deposits	2.39	2.98	0.63	1.48	0.99	1.55
Inventories	490.19	751.73	864.04	1,192.88	1,352.02	1,455.09
Sundry Debtors	257.70	990.29	2,486.11	2,708.41	2,647.75	2,630.80
Cash & Bank Balances	110.87	770.99	150.95	169.06	2,369.42	1,562.11
Loans & Advances	243.43	312.69	352.44	677.79	1,035.49	1,196.44
Total	1,104.58	2,828.68	3,854.17	4,749.62	7,405.67	6,845.99
E. LIABILITIES & PROVISIONS						
Secured Loans	473.53	1,431.11	2,033.36	3,125.58	2,968.80	3,705.22
Unsecured Loans	282.08	283.28	223.02	182.64	171.26	-
Deferred Tax Liability (Net)	137.99	219.60	314.80	516.86	510.97	502.10
Current Liabilities	598.35	1,506.69	2,067.03	2,156.86	4,456.62	3,213.59
Provisions	124.81	158.06	372.16	424.92	302.35	255.41
Total	1,616.76	3,598.74	5,010.37	6,406.86	8,410.00	7,676.32
F. Minority Interest	10.82	-	-	-	-	-
Net Worth (A+B+C+D-E-F)	841.50	2,202.39	2,986.62	4,023.89	5,171.10	5,718.59
G. Share Capital	291.14	896.93	896.93	896.93	341.24	511.85
H. Reserves & Surplus	552.09	1,305.46	2,089.69	3,126.96	4,829.86	5,234.08
I. Miscellaneous Expenditure (To the extent not written off)	(1.73)	-	-	-	-	(27.34)
Net Worth (G+H+I)	841.50	2,202.39	2,986.62	4,023.89	5,171.10	5,718.59

SUMMARY OF RESTATED CONSOLIDATED STATEMENT OF PROFITS AND LOSSES

(Rs. in million)

PARTICULARS	For the year ended December 31					For the five month Period ended May 31,2010
	2005	2006	2007	2008	2009	
INCOME :						
Turnover						
Sales	2,269.07	3,236.93	3,591.99	5,118.97	6,241.42	2,968.01
Less: Excise Duty	68.94	85.11	144.48	81.63	32.96	10.10
Net Sales	2,200.13	3,151.82	3,447.51	5,037.34	6,208.46	2,957.91
Sales of Traded Products	667.31	765.72	2,524.01	2,484.21	1,226.79	291.62
Total Sales	2,867.44	3,917.54	5,971.52	7,521.55	7,435.25	3,249.53
Other Income	56.17	109.20	266.64	117.45	158.76	129.71
A. Total Income	2,923.61	4,026.74	6,238.16	7,639.00	7,594.01	3,379.24
EXPENDITURE :						
Increase in Stock	(129.99)	(195.52)	(133.03)	(345.20)	(62.42)	(34.36)
Material Consumed	968.68	1,087.12	897.54	1,544.70	1,590.50	809.41
Purchase of Finished Goods	332.23	439.92	1,421.73	1,664.81	908.42	195.65
Personnel Cost	190.05	379.66	555.83	532.05	425.60	229.82
Operating & Other Expenses	1,172.71	1,434.58	1,876.58	2,141.79	2,437.06	1,147.35
B. Total Expenditure	2,533.68	3,145.76	4,618.65	5,538.15	5,299.16	2,347.87
Profit Before Interest, Depreciation, Prior Period Items and Tax (A-B)	389.93	880.98	1,619.51	2,100.85	2,294.85	1,031.37
Interest (Net)	57.82	55.54	154.72	322.35	409.57	148.83
Depreciation	84.96	163.84	268.05	365.97	448.07	189.19
Prior period items	(1.84)	9.06	-	-	-	-
Total	140.94	228.44	422.77	688.32	857.64	338.02
Profit Before Taxation and Exceptional Items	248.99	652.54	1,196.74	1,412.53	1,437.21	693.35
Exceptional Items						
Profit on disposal of Subsidiary	-	-	-	10.30	-	-
Profit Before Taxation and After Exceptional Items	248.99	652.54	1,196.74	1,422.83	1,437.21	693.35
Provision for Taxation						
Current tax	26.23	90.79	259.71	174.76	189.40	77.72
Fringe Benefit Tax	4.00	4.85	6.40	10.93	1.72	-
Deferred Tax	33.00	89.97	95.25	202.21	(4.64)	(11.65)
Current Tax of Earlier Periods	6.46	-	2.66	(49.02)	(53.07)	-

PARTICULARS		For the year ended December 31					For the five month Period ended May 31,2010
		2005	2006	2007	2008	2009	
	Total	69.69	185.61	364.02	338.88	133.41	66.07
	Net Profit After Taxation and Before Minority Interest and Adjustments	179.30	466.93	832.72	1,083.95	1,303.80	627.28
	Minority Interest	(0.21)	-	-	-	-	-
	Net Profit After Taxation and Before Adjustments	179.09	466.93	832.72	1,083.95	1,303.80	627.28
	Adjustments	6.18	40.75	60.50	(4.97)	(54.87)	(50.01)
	Net Profit After Taxation, As Restated	185.27	507.68	893.22	1,078.98	1,248.93	577.27
	Add :						
	Balance Brought Forward from Previous year	241.18	356.53	757.78	1,458.03	2,399.95	3,439.11
	Amount available for appropriation	426.45	864.21	1,651.00	2,537.01	3,648.88	4,016.38
	Appropriations						
	Transferred to General Reserve	12.50	47.50	76.00	105.00	90.00	-
	Proposed Dividend	50.36	50.36	99.98	27.28	102.37	-
	Tax on Dividend	7.06	8.57	16.99	4.78	17.40	-
	Balance Carried to Balance Sheet	356.53	757.78	1,458.03	2,399.95	3,439.11	4,016.38
	Total	426.45	864.21	1,651.00	2,537.01	3,648.88	4,016.38

SUMMARY OF RESTATED CONSOLIDATED STATEMENT OF CASHFLOWS

(Rs. in million)

PARTICULARS		For the year ended December 31					For the five month Period ended May 31,2010
		2005	2006	2007	2008	2009	
A.	CASHFLOW FROM OPERATING ACTIVITIES						
	Net Profit Before Taxation	248.99	652.54	1,196.74	1,422.83	1,437.21	693.35
	Add: Adjustments on account of Restatements	4.84	46.27	15.48	(12.69)	(1.80)	(60.95)
	Profit Before Taxation and After Exceptional Items, As Restated	253.83	698.81	1,212.22	1,410.14	1,435.41	632.40
	Adjustments for :						
	Depreciation	85.92	164.42	269.29	367.86	449.87	189.91
	(Profit)/Loss on Sale of Fixed Assets	0.07	(0.65)	1.51	2.69	72.60	0.36
	Deferred Revenue Expenses Amortized	-	-	-	6.49	-	-
	Preliminary Expenses Written off	0.18	3.27	-	-	-	-
	Provision for Doubtful Debt/advances	0.85	37.61	72.76	77.85	66.24	-

PARTICULARS		For the year ended December 31					For the five month Period ended May 31,2010
		2005	2006	2007	2008	2009	
	Provision for Product Recall	-	-	-	-	-	74.35
	Bad Debts written off	-	1.26	53.82	5.07	-	-
	Unrealized exchange Profit	-	(21.81)	(110.11)	(136.19)	27.44	(21.52)
	Exchange (Gain)/Loss on Restatement of Foreign Currency Loan	(3.35)	-	(122.49)	321.74	(41.57)	(33.84)
	(Gain) on Swap Cancellation of Forward Covers	-	-	-	(55.39)	-	-
	Interest Income	(3.95)	(15.67)	(4.46)	(11.80)	(6.10)	(3.03)
	Interest Expenses	60.41	71.22	159.18	334.15	415.67	151.86
	Operating Profit before Working Capital Changes	393.96	938.46	1,531.72	2,322.61	2,419.56	990.49
	Adjustments for :						
	Increase/Decrease in Trade & Other receivables	(138.07)	(708.03)	(1,547.97)	(495.11)	(371.75)	(171.36)
	Increase/Decrease in Inventories	(231.23)	(261.54)	(112.31)	(328.84)	(159.14)	(103.07)
	Increase/Decrease in Trade, Other Payables, etc	148.73	549.67	915.74	(127.49)	2,343.49	(1,148.55)
	Cash Generated from Operating Activities	173.39	518.56	787.18	1,371.17	4,232.16	(432.49)
	Less: Direct Taxes Paid	(10.05)	(95.66)	(294.69)	(8.77)	(424.19)	(95.02)
	Net Cash Generated from Operating Activities	163.34	422.90	492.49	1,362.40	3,807.97	(527.51)
B.	CASHFLOW FROM INVESTING ACTIVITIES						
	Purchase of Fixed Assets	(444.48)	(1,775.75)	(1,441.19)	(1,951.31)	(1,066.45)	(564.66)
	Proceeds from Sales of Fixed Assets	0.20	2.52	-	35.96	49.66	0.91
	Purchase/Sale of Investments	-	-	-	0.01	-	-
	Interest Received	3.95	15.67	6.81	11.80	6.10	2.47
	(Decrease)/Increase in Trade Payables (For Capital Expenditure)	-	324.75	40.88	(114.63)	(27.39)	(67.19)
	Net Cash from Investing Activities	(440.33)	(1,432.81)	(1,393.50)	(2,018.17)	(1,038.08)	(628.47)
C.	CASHFLOW FROM FINANCING ACTIVITIES						
	Proceeds/(Repayment) from / of Borrowings	422.17	891.34	541.19	1,052.63	(126.58)	597.19
	Gain on Swap Cancellation of Forward Covers	-	-	-	55.39	-	-
	Dividend Paid	-	(57.43)	(99.98)	(99.98)	(27.28)	(102.37)
	Share Premium received (Net of Utilization)	-	301.55	-	-	-	-
	Proceeds from issue of Equity Shares	-	2.43	-	-	-	-
	Proceeds from issue of Pref. Shares	-	603.36	-	-	-	-

PARTICULARS		For the year ended December 31					For the five month Period ended May 31,2010
		2005	2006	2007	2008	2009	
	Interest Paid	(60.41)	(71.22)	(160.24)	(334.16)	(415.67)	(146.15)
	Net Cash from Financing Activities	361.76	1,670.03	280.97	673.88	(569.53)	348.67
	Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	84.77	660.12	(620.04)	18.11	2,200.36	(807.31)
	Cash and Cash Equivalents at beginning of the year	26.10	110.87	770.99	150.95	169.06	2,369.42
	Cash and Cash Equivalents at the end of the year	110.87	770.99	150.95	169.06	2,369.42	1,562.11

GENERAL INFORMATION

Our Company was incorporated on July 19, 1994 in Ahmedabad as Oracle Laboratories Limited under the Companies Act as a public limited Company. We received the certificate for commencement of business on July 28, 1994. Subsequently, the name of Oracle Laboratories Limited was changed to Core Laboratories Limited pursuant to a special resolution passed by the shareholders at a general meeting held on May 28, 1996. The name of Core Laboratories Limited was changed to Claris Lifesciences Limited pursuant to a special resolution passed by the shareholders at a general meeting held on March 31, 1999 and a fresh certificate of incorporation was issued to our Company on April 1, 1999.

For further details please refer to the section titled “History and Certain Corporate Matters” beginning on page 145 of this Red Herring Prospectus.

Registered and Corporate Office

The Company’s registered and corporate office is situated at:

Claris Corporate Headquarters,
Near Parimal Railway Crossing,
Ellisbridge, Ahmedabad – 380 006, India
Tel: +91 79 26563331
Fax: +91 79 26565879
Website: www.clarislifesciences.com
Email: ipo.corp@clarislifesciences.com

For details of change in our registered office, please refer to the section titled “History and Certain Corporate Matters” beginning on page 145 of this Red Herring Prospectus.

Company Registration Number

04 22543

Corporate Identification Number

U85110GJ1994PLC022543

Address of the RoC

The Company is registered with the:

The Registrar of Companies, Gujarat, Dadra & Nagar Haveli
ROC Bhavan, CGO Complex
Opposite Rupal Park Society
Near Ankur Bus Stand, Naranpura
Ahmedabad – 380 013, India.

Board of Directors of the Company

Name, designation and occupation	Age (Years)	Directors Identification Number	Address
Dr. Pravin P. Shah Designation: Non – Executive Chairman, Independent Director Occupation: Chartered Accountant	66	00112544	502, Doli Chambers, 5 th floor, Strand Cinema Road, Colaba, Mumbai 400 005
Mr. Arjun S. Handa Designation: Managing Director and	31	00159413	“Sharanya”, High Court Judges Bungalow Road, Bodakdev, Ahmedabad

Name, designation and occupation	Age (Years)	Directors Identification Number	Address
CEO Occupation: Business			380 054
Mr. Aditya S. Handa Designation: Non-Executive Non-Independent Director Occupation: Business	25	00308513	“Sharanya”, High Court Judges Bunglow Road, Bodakdev, Ahmedabad 380 054
Mr. Chetan S. Majmudar Designation: Executive Director Occupation: Service	58	00166936	B-201, Suryaketu Tower, Near Sambhav Press, Judges Bunglow Road, Bokadev, Ahmedabad 380 054
Mr. T. V. Ananthanarayanan Designation: Independent Director Occupation: Consultant	60	00109197	“Maitri”, 2/544, 4th Street, Sriram Avenue, Natesan Colony, Kottivakkam, Chennai 600 041
Mr. Surrinder Lal Kapur Designation: Independent Director Occupation: Consultant	73	00033312	161 A/1, Western Avenue, Sainik Farms, New Delhi 110062
Mr. Chandrasingh Purohit Designation: Executive Director and President - Finance Occupation: Service	37	00199651	17, Rajvi Emerald, Nr. Gala Gym Khana, Bopal, Ahmedabad – 380 054
Mr. Amish Vyas Designation: Executive Director Occupation: Service	40	00168292	89/400, Saraswati Nagar, Nr. Azad Society, Ambawadi, Ahmedabad – 380 015
Mr. Nikhil Mohta Designation: Non-executive Director and a nominee of Carlyle Occupation: Service	32	00932030	11, Mohan Apts., Yari Road, Versova, Andheri (W), Mumbai – 400 061

For further details of the Directors, please refer to the section titled “Our Management” beginning on page 161 of this Red Herring Prospectus.

Company Secretary and Compliance Officer

Mr. Pradyotsen Shukla
Address : Claris Corporate Headquarters, Near Parimal Railway Crossing,
Ellisbridge, Ahmedabad- 380 006, India
Tel: 079 - 26563331

Fax: 079 - 26408053/26565879
Email: ipo.corp@clarislifesciences.com

Book Running Lead Managers

Enam Securities Private Limited

801/ 802, Dalamal Towers,
Nariman Point,
Mumbai 400 021, India
Tel: +91 22 6638 1800
Fax: +91 22 2284 6824
Email: cll.ipo@enam.com
Investor Grievance Email: complaints@enam.com
Website: www.enam.com
Contact Person: Mr. Harish Lodha
SEBI Registration No.: INM000006856

Edelweiss Capital Limited

14th Floor, Express Towers,
Nariman Point,
Mumbai 400 021, India
Tel: +91 22 4086 3535
Fax: +91 22 4086 3610
Email: cll.ipo@edelcap.com
Investor Grievance Email: customerservice.mb@edelcap.com
Website: www.edelcap.com
Contact Person: Mr. Chitrang Gandhi / Mr. Jibi Jacob
SEBI Registration No. INM0000010650

JM Financial Consultants Private Limited

141, Maker Chambers III,
Nariman Point,
Mumbai 400 021, India
Tel: + 91 22 6630 3030
Fax: +91 22 2204 7185
Email: cll.ipo@jmfinancial.in
Investor Grievance Email: grievance.ibd@jmfinancial.in
Website: www.jmfinancial.in
Contact Person: Ms. Lakshmi Lakshmanan
SEBI Registration Number: INM000010361

ICICI Securities Limited

ICICI Centre, H.T. Parekh Marg,
Churchgate, Mumbai 400 020
Tel: +91 22 2288 2460
Fax: +91 22 2282 6580
Email: project.tonic@icicisecurities.com
Investor Grievance Email: customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact Person: Mr. Vishal Kanjani / Mr. Sumit Agarwal
SEBI Registration No.: INM000011179

Syndicate Member(s)

Edelweiss Securities Limited

2nd floor, MB Towers
Plot No. 5, Road No. 2
Banjara Hills
Hyderabad 500 034, India
Tel: +91 22 6747 1342
Fax: +91 22 6747 1347

E-mail: ell.ipo@edelcap.com
Website: www.edelcap.com
Contact Person: Mr. Prakash Boricha / Ms Pinki Dodhia
SEBI registration number: NSE: INB231193310
BSE: INB011193332

JM Financial Services Private Limited

Apeejay House, 3 Dinshaw Waccha Road
Churchgate, Mumbai 400 021
Tel: +91 22 6704 3184
Fax: +91 22 6654 1511/6654 1512
E-mail: claris.ipo@jmfinancial.in
Website: www.jmfinancial.in
Contact Person: Mr. Deepak Vaidya
SEBI Registration no: NSE: INB/F231054835
BSE: INB/F011054831

Domestic Legal Advisor to the Company

Rajani Associates

Advocates & Solicitors

204-207, Krishna Chambers
59, New Marine Lines
Mumbai 400 020, India
Telephone: +91 22 4096 1000
Fax: +91 22 4096 1010
Email: info@rajaniassociates.net

Domestic Legal Advisor to the Underwriters

AZB & Partners

23rd Floor, Express Towers,
Nariman Point,
Mumbai 400 021, India
Tel: +91 22 6639 6880
Fax: +91 22 6639 6888

Registrar to the Issue

Link Intime India Private Limited

C 13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West),
Mumbai 400 078
Tel: +91 22 2596 3838
Fax: +91 22 2594 6979
Email: ell.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Mr. Sachin Achar
SEBI Registration No: INR00000 4058

Investors can contact the Compliance Officer or the Registrar to this Issue in case of any pre-Issue or post-Issue related problems, such as with respect to non receipt of letters of allotment, credit of allotted Equity Shares in the respective beneficiary accounts and refund orders.

Bankers to the Issue and Escrow Collection Banks

HDFC Bank Limited

Address: 3rd Floor, HDFC Bank House, Near Mithakali Six Roads, Navrangpura, Ahmedabad – 380 009
Contact person: Mr. Vishal Kothari/ Mr. Mahesh Taparia
Telephone number: 079 6600 1247

Fax number: 079 6631 7777

Email id: vishal.kothari@hdfcbank.com / Mahesh.taparia@hdfcbank.com

Website: www.hdfcbank.com

SEBI Registration Number: INBI00000063

The Hongkong and Shanghai Banking Corporation Limited

Address: Shiv Building, Plot No. 139-140B, Western Express Highway, Sahar Road Junction, Vile Parle (E), Mumbai – 400 057

Contact person: Mr. Swapnil Pavale

Telephone number: 022 4035 7458

Fax number: 022 4035 7657

Email id: swapnilpavale@hsbc.co.in

Website: www.hsbc.co.in

SEBI Registration Number: INBI000000274

ICICI Bank Limited

Address: 30, Mumbai Samachar Marg, Fort, Mumbai – 400 001

Contact person: Mr. Viral Bharani

Telephone number: 022 6631 0312 / 6631 0311

Fax number: 022 6631 0350 / 2261 1138

Email id: viral.bharani@icicibank.com

Website: www.icicibank.com

SEBI Registration Number: INBI00000004

Standard Chartered Bank

Address: 270 D.N. Road, Fort, Mumbai – 400 001

Contact person: Mr. Joseph George

Telephone number: 022 2269 3955

Fax number: 022 2209 2216

Email id: Joseph.George@sc.com

Website: www.standardchartered.co.in

SEBI Registration Number: INBI000000885

Self Certified Syndicate Banks

The list of banks which have been notified by the SEBI to act as SCSBs for ASBA applications and details relating to the designated branches of the SCSBs collecting the ASBA Forms are available at <http://www.sebi.gov.in>.

Bankers to our Company

Allahabad Bank S.P. Nagar Branch, Behind Sardar Patel Seva Samaj Bhavan C.G. Road, Ahmedabad – 380 006 Tel: (91 79) 26442199 Fax: (91 79) 26400946 Email: ahmspnagar@allahabadbank.com Website: www.allahabadbank.com	Canara Bank Bhadra Branch, Opposite Advance Complex Bhadra, Ahmedabad – 380 001 Tel: (91 79) 25507884, (91 79) 25507535, (91 79) 25508771 Fax: 079-25507736 Email: ahd0317@canbank.co.in Website: www.canbank.co.in
HDFC Bank Ltd. 304, 3rd floor Prerna Arcade, Near Parimal Garden C.G. Road, Ahmedabad – 380 006 Tel: (91 79) 30074938, (91 79) 30074940 Fax: (91 79) 30074934 Email: maresh.taparia@hdfcbank.com Website: www.hdfcbank.com	Indian Overseas Bank C.G. Road Branch, Mardia Plaza Complex Nr. Associated Petrol Pump C.G. Road, Ahmedabad – 380 006 Tel: (91 79) 26445319, (91 79) 26445923 Fax: (91 79) 26445327 Email: cgroadbr@ntserver.iobnet.co.in Website: www.iob.com

Punjab National Bank Large Corporate Branch, A wing, Pelican Building, Ashram Road, Ahmedabad – 380009 Tel: (91 79) 26586404 Fax: (91 79) 26586405 Email: bo4441@pnb.co.in Website: www.pnb.co.in	Central Bank of India Gulbai Tekra Branch, Sears Tower, Gulbai Tekra Ahmedabad – 380 006 Tel: (91 79) 2646 9399 Fax: (91 79) 2644 6451 Email: bmahme1629@centralbank.co.in Website: www.centralbank.co.in
Andhra Bank 41, Parimal Society, Ellisbridge, C.G. Road, Ahmedabad – 380 006 Tel: (079) 26460945 Fax: (079) 26460947 Email: bmahm004@andhrabank.co.in Website: www.andhrabank.co.in	The Lakshmi Vilas Bank Limited 1 st floor, Blue Star Complex, Nr. Old High Court, Railway Crossing, Navrangpura, Ahmedabad – 380 014 Tel: (079) 26430787 Fax: (079) 26563686 Email: ahamadabad_bm@lvbank.in Website: www.lvbank.com
United Bank of India United Bank of India Building Lal Darwaja, Ahmedabad – 380 001 Tel: (079) 25506957 Fax: (079) 25506272 Email: bmahb@unitedbank.co.in Website: www.unitedbankofindia.com	Barclays Bank PLC 801/808 Ceejay House, Shivsagar Estate, Dr. A. Besant Road, Worli, Mumbai – 400 018 Tel: (91 22) 6719 6000 Fax: (91 22) 6719 6100 Email: pushkaraj.gumaste@barclayscapital.com Website: www.barclays.com

Statutory Auditors

Deloitte, Haskins & Sells

‘Heritage’, 3rd Floor,
Near Gujarat Vidhyapith,
Off Ashram Road, Ahmedabad – 380014
Tel: (91 79) 27582542, (91 79) 27582543
Fax: (91 79) 27582551
Email: gshah@deloitte.com
Website: www.deloitte.com
Contact Person: Mr. Gaurav Shah
Membership Number: 35701
Firm Registration Number : 117365W

Inter-se Responsibilities of the BRLMs

The responsibilities and co-ordination roles for various activities in this Issue have been distributed among Enam, Edelweiss, JM Financial and I-Sec in their capacity as Book Running Lead Managers as under:

Sr. No.	Activity	Responsibility	Coordination
1.	Capital structuring with relative components and formalities such as type of instruments, etc.	Enam Edelweiss	Enam

Sr. No.	Activity	Responsibility	Coordination
		I-Sec	
2.	Due diligence of the Company including its operations / management / business / plans / legal, etc. Drafting and design of the Red Herring Prospectus and of statutory advertisements including a memorandum containing salient features of the Prospectus. The Book Running Lead Manager shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchange, the RoC and SEBI including finalization of the Prospectus and RoC filing. Drafting and approval of all statutory advertisements.	Enam Edelweiss JM Financial* I-Sec	Enam
3.	Drafting and approval of all publicity material other than statutory advertisements as mentioned above, including road show presentations, corporate advertising, brochures, etc.	Enam Edelweiss I-Sec	Enam
4.	Appointment of Registrar to the Issue.	Enam Edelweiss I-Sec	Edelweiss
5.	Appointment of other intermediaries including printers, advertising agency and Bankers to the Issue.	Enam Edelweiss I-Sec	Enam
6.	Non-institutional and Retail Marketing of the Issue, which will cover <i>inter alia</i> : <ul style="list-style-type: none"> Formulating marketing strategies, preparation of publicity budget; Finalizing media and public relations strategy; Finalizing centre for holding conferences for press and brokers, etc.; Follow-up on distribution of publicity and Issue material including forms, the Prospectus and deciding on the quantum of Issue material; and Finalizing collection centres. 	Enam Edelweiss JM Financial I-Sec	Enam
7.	Institutional marketing of the Issue, 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; Finalizing the road show schedule and the investor meeting schedules; and Finalizing road show presentation and FAQs. 	Enam Edelweiss JM Financial I-Sec	Enam
8.	Finalization of pricing in consultation with the Company.	Enam Edelweiss I-Sec	Enam
9.	Managing the book, co-ordination with the Stock Exchange for book building software, bidding terminals and mock trading.	Enam Edelweiss I-Sec	Edelweiss
10.	Post-Bidding activities including management of escrow accounts, co-coordinating underwriting, co-ordination of non-institutional allocation, announcement of allocation and dispatch of refunds to	Enam Edelweiss	Edelweiss

Sr. No.	Activity	Responsibility	Coordination
	Bidders, etc. The post-Issue activities will involve essential follow up steps, including the finalization of trading, dealing of instruments, and demat of delivery of shares with the various agencies connected with the work such as the Registrars to the Issue, the Bankers to the Issue, the SCSBs and the bank handling refund business. The Book Running Lead Manager shall be responsible for ensuring that these agencies fulfil their functions and discharge this responsibility through suitable agreements with the Company.	I-Sec	

** JM Financial has signed the due diligence certificate and accordingly has been disclosed as a BRLM. Further, in compliance with the proviso to regulation 21A(1) and explanation (iii) to regulation 21A(1) of SEBI (Merchant Bankers) Regulations, 1992, read with Regulation 110 and Schedule XX of the SEBI ICDR Regulations, JM Financial would be involved only in the marketing of the Issue.*

Please note that Dr. Pravin P. Shah is the non-executive chairman and an independent director on the Board of our Company and also a non-executive independent director on the board of directors of JM Financial. Accordingly, in compliance with proviso to regulation 21A(1) and explanation (iii) to regulation 21A (1) of the SEBI (Merchant Bankers) Regulations, 1992, read with Regulation 110 and Schedule XX of the SEBI ICDR Regulations, JM Financial would be involved only in the marketing of the Issue.

Credit Rating

As this is an Issue of equity shares, a credit rating is not required for this Issue.

IPO Grading

This Issue has been graded by Fitch Ratings India Private Limited and has been assigned a grade of 3/5 through its letter dated July 22, 2010 indicating average fundamentals. The rationale furnished by the IPO Grading Agency for its grading has been included in this Red Herring Prospectus.

The IPO grading is assigned on a five point scale from 1 to 5 with an “IPO Grade 5” indicating strong fundamentals and an “IPO Grade 1” indicating poor fundamentals. A copy of the report provided by Fitch Ratings India Private Limited, furnishing the rationale for its grading is annexed to this Red Herring Prospectus and will be available for inspection at our Registered Office from 10:00 am to 4:00 p.m. on Business Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

Trustees

As this is an Issue of equity shares, the appointment of trustees is not required.

Monitoring Agency

As this Issue is for less than Rs. 5,000 million, the appointment of the monitoring agency as per Regulation 16 of the SEBI ICDR Regulations is not required.

Appraising Entity

The objects of this Issue have not been appraised by any agency. The objects of this Issue and means of finance therefore are based on our management’s estimates.

Book Building Process

Book building refers to the collection of Bids from investors within the Price Band, on the basis of the Red Herring Prospectus and the Bid-cum-Application forms. The principal parties involved in the Book Building Process are:

1. our Company;
2. the Book Running Lead Managers;

3. the Syndicate Members who are intermediaries registered with SEBI or registered as brokers with any of the Stock Exchange and eligible to act as underwriters;
4. the Registrar to the Issue;
5. the Escrow Collection Banks; and
6. the SCSBs.

The Company is undertaking the Issue in accordance with the first proviso to Rule 19(2)(b)(ii) of the SCRR. This Issue is being made for less than 25%, but not less than 10%, of the post Issue capital. Therefore, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue shall be Allotted to QIBs on a proportionate basis. Our Company may allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. 5% of the Net QIB Portion shall be available for allocation to Mutual Funds on a proportionate basis. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to QIBs (including Mutual Funds), subject to valid Bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% and 30% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and Retail Individual Bidders, respectively, subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange.

QIBs are not allowed to withdraw their Bid(s) after the Bid/Issue Closing Date. For further details, please see “Terms of the Issue” on page 274.

The Book Building Process is subject to change. Investors are advised to make their own judgment about investment through this process prior to making a Bid or Application in the Issue. Please refer to the section titled “Terms of the Issue” beginning on page 274 of this Red Herring Prospectus for more details. QIBs are not allowed to withdraw their Bid(s) after the Bid/Issue Closing Date. For further details, please refer to the section “Terms of the Issue” beginning on page 274 of Red Herring Prospectus.

Steps to be taken by the Bidders for making a Bid or application in this Issue:

- Check eligibility for making a Bid. For further details, see the section titled “Issue Procedure” beginning on page 282 of this Red Herring Prospectus. Specific attention of ASBA Bidders is invited to the section titled “Issue Procedure – Issue Procedure for ASBA Bidders” on page 308 of this Red Herring Prospectus;
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- Ensure that the Bid cum Application Form is duly completed as per the instructions given in the Red Herring Prospectus and in such form;
- Ensure that you have mentioned your PAN in the Bid cum Application Form (see the section titled “Issue Procedure” beginning on page 282 of this Red Herring Prospectus);
- Ensure the correctness of your demographic details (as defined in the section titled “Issue Procedure – Bidder’s Depository Account and Bank Account Details” on page 295 of this Red Herring Prospectus), given in the Bid cum Application Form or ASBA Form, with the details recorded with your Depository Participant;
- Bids by ASBA Bidders will only have to be submitted to the SCSBs at the Designated Branches. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission of the ASBA Form to the SCSB to ensure that their ASBA is not rejected; and
- Bids by QIBs (other than ASBA Bids) will only have to be submitted to the BRLMs.

Illustration of Book Building Process and the Price Discovery Process

(Investors should note that the following is solely for the purpose of illustration and is not specific to this Issue. Further, Anchor Investor Bids do not form part of the Book Building Process.)

Bidders (excluding Retail Individual Bidder(s) bidding at Cut-Off Price) can bid at any price within the Price Band. For instance, assuming a Price Band of Rs. 20 to Rs. 24 per share, an 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 the bidding centres during the bidding period. The illustrative book as shown below indicates the demand for the shares of the issuer company at various prices and is collated from bids from various investors.

Bid Quantity	Bid Price (Rs.)	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 shares is the price at which the book cuts off, i.e., Rs. 22 in the above example. The Company, in consultation with the BRLMs, will finalize the issue price at or below such cut-off, i.e., at or below Rs. 22. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Withdrawal of the Issue

The Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before the Board meeting for Allotment. If the Company withdraws from the Issue, it shall issue a public notice within two days of the closure of the Issue. The public notice shall be issued in the same newspapers where the pre-Issue advertisements had appeared and the Company shall also promptly inform the BSE and the NSE. If the Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with an initial public offering of its Equity Shares, it shall file a fresh draft red herring prospectus with the SEBI.

We are also required to obtain final acknowledgement of the Prospectus from the RoC after it is filed with the RoC. Notwithstanding the foregoing, subsequent to Allotment, the Issue is also subject to obtaining the final listing and trading approval of the Stock Exchange, which the Company shall apply for only after Allotment.

Bid/Issue Programme

Bidding/Issue Period

BID/ISSUE OPENS ON	November 24, 2010
BID/ISSUE CLOSES ON	November 26, 2010

Anchor Investors shall submit their Bid on November 23, 2010 i.e. one Business Day (other than Saturdays) prior to the Bid/Issue Opening 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) during the Bidding/Issue Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form, however, on the Bid/Issue Closing Date, Bids by all Bidders shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until (i) 4.00 p.m. (Indian Standard Time) in case of Bids by QIB Bidders and Non-Institutional Bidders where the Bid Amount is in excess of Rs. 200,000 and (ii) until 5:00 p.m. (Indian Standard Time) or such time as may be extended by BSE and NSE, in case of Bids by Retail Individual Bidders, where the Bid Amount is up to Rs. 200,000. Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date, and, in any case, no later than 3:00 p.m. (Indian Standard Time) or such time as may be extended by BSE and NSE on the Bid/Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, the Company, the BRLMs, the Syndicate Members and the SCSBs will not be responsible. Bids will only be accepted on days, other than Saturdays or Sundays or days on which commercial banks in Mumbai, India are open for business. Bids by ASBA Bidders shall be uploaded by the SCSBs, in the electronic system to be provided by the BSE and NSE.

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 (other than ASBA Bidders), the details in the physical Bid cum Application Form of that Bidder will prevail for the purpose of Allotment. In case of any 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 Issue will request rectified data from the relevant SCSB. .

On the Bid/Issue Closing Date, extension of time will be granted by the BSE and the NSE only for uploading the Bids received by Retail Individual Bidders after taking into account the total number of Bids received up to the closure of the time period for acceptance of Bid-cum-Application Forms as stated herein and reported by the BRLM and the Syndicate Members to the BSE and the NSE within half an hour of such closure.

The Company reserves the right to revise the Price Band during the Bidding/Issue Period in accordance with the SEBI ICDR Regulations provided that the Cap Price is less than or equal to 120% of the Floor Price. The Floor Price can be revised upwards or downwards to a maximum of 20% of the Floor Price advertised at least one day before the Bid/Issue Opening Date. In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain [●] Equity Shares, irrespective of whether the Bid Amount payable on such minimum application is not in the range of Rs. 5,000 to Rs. 7,000.

In case of revision of the Price Band, the Bidding/Issue Period will be extended for three additional Business Days (other than Saturdays) after revision of the Price Band, subject to the total Bidding/Issue Period not exceeding 10 Business Days (other than Saturdays). Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to the BSE and NSE, by issuing a press release and also by indicating the changes on the web sites of the BRLMs and at the terminals of the Syndicate Members.

Underwriting Agreement

After the determination of the Issue Price and allocation of our Equity Shares but prior to the filing of the Prospectus with RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered under the Non-institutional Portion and Retail Portion under this Issue. 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. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions to closing, as specified therein.

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

(This portion has been intentionally left blank and will be filled in before the filing of the Prospectus with the RoC)

Name and Address of the Underwriters	Indicative number of Equity Shares to be underwritten	Amount underwritten (Rs. in million)
Book Running Lead Managers		
Enam Securities Private Limited 801/ 802, Dalamal Towers, Nariman Point, Mumbai 400 021 Tel: +91 22 6638 1800 Fax: +91 22 2284 6824 Email: cll.ipo@enam.com	[●]	[●]
Edelweiss Capital Limited 14th Floor, Express Towers, Nariman Point, Mumbai 400 021 Tel: +91 22 4086 3535 Fax: +91 22 4086 3610 Email: cll.ipo@edelcap.com	[●]	[●]

Name and Address of the Underwriters	Indicative number of Equity Shares to be underwritten	Amount underwritten (Rs. in million)
JM Financial Consultants Private Limited 141, Maker Chambers III, Nariman Point, Mumbai 400 021 Tel: + 91 22 6630 3030 Fax: +91 22 2204 7185 Email: cll.ipo@jmfinancial.in	[●]	[●]
ICICI Securities Limited ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai 400 020 Tel: +91 22 2288 2460 Fax: +91 22 2282 6580 Email: project.tonic@icicisecurities.com	[●]	[●]
Syndicate Member(s)		
Edelweiss Securities Limited 2 nd Floor, MB Towers, Plot No. 5, Road No. 2, Banjara Hills, Hyderabad 500 034 Tel: +91 22 6747 1342 Fax: +91 22 6747 1347 Email: cll.ipo@edelcap.com	[●]	[●]
JM Financial Services Private Limited Apeejay House, 3 Dinshaw Waccha Road Churchgate, Mumbai 400 021 Tel: +91 22 6704 3184 Fax: +91 22 6654 1511/6654 1512 E-mail: claris.ipo@jmfinancial.in	[●]	[●]

The above mentioned amounts are provided for indicative purposes only and will be finalized after determination of the Issue Price and actual allocation of the Equity Shares. The Underwriting Agreement is dated [●], 2010.

In the opinion of the Board of Directors (based on certificates given to them by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations. All the above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the stock exchanges.

Allocation among underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the Underwriters will be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors procured by them. In the event of any default, the respective Underwriter, in addition to other obligations to be defined in the underwriting agreement, will be required to procure or subscribe to the extent of the defaulted amount.

CAPITAL STRUCTURE

Our Equity Share capital, as at the date of filing of this Red Herring Prospectus with SEBI, immediately prior to and after the proposed Issue is set forth below:

(Rs. in million, except share data)

		Aggregate value at face value	Aggregate value at Issue Price
A	AUTHORISED SHARE CAPITAL		
	120,510,000 Equity Shares of Rs. 10 each	1,205.10	[●]
B	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE		
	51,185,288 Equity Shares of Rs. 10 each	511.85	[●]
C	PRESENT ISSUE IN TERMS OF THIS RED HERRING PROSPECTUS		
	Public Issue of [●] Equity Shares		
D	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE		
	[●] Equity Shares	[●]	[●]
E	SECURITIES PREMIUM ACCOUNT		
	Before the Issue	794.42	
	After the Issue		[●]

- (1) The Issue has been authorised by the Board at its meeting held on February 23, 2010, and by the shareholders of our Company at an AGM held on April 7, 2010.
- (2) Out of the QIB Portion, the Company may consider participation by Anchor Investors for up to [●] Equity Shares in accordance with the SEBI ICDR Regulations at the Anchor Investor Issue Price of Rs. [●] per Equity Share, out of which at least one third shall be allocated to domestic Mutual Funds
- (3) The Mutual Fund Portion would be 5% of the Net QIB Portion.

For further details, please refer to the section titled “Issue Procedure” on page 282 of this Red Herring Prospectus.

Details of increase in Authorised Share Capital since incorporation

Sr. No.	Particulars of increase	Date of Shareholders' meeting	AGM/EGM
1.	Increase in authorised share capital from Rs. 5,000,000 divided into 500,000 Equity Shares of Rs. 10 each to Rs. 120,000,000 divided into 12,000,000 Equity Shares of Rs.10 each	December 8, 1994	EGM
2.	Reorganisation of authorised share capital from Rs. 120,000,000 divided into 12,000,000 Equity Shares of Rs.10 each to Rs. 120,000,000 divided into 7,000,000 Equity Shares of Rs.10 each and 5,000,000 redeemable preference shares of Rs. 10 each	December 10, 1999	AGM
3.	Reorganisation of authorised share capital from Rs. 120,000,000 divided into 7,000,000 Equity Shares of Rs.10 each and 5,000,000 redeemable preference shares of Rs. 10 each to Rs. 120,000,000 divided into 12,000,000 Equity Shares of Rs. 10 each	November 30, 2000	AGM

Sr. No.	Particulars of increase	Date of Shareholders' meeting	AGM/EGM
4.	Increase in authorised share capital from Rs. 120,000,000 divided into 12,000,000 Equity Shares of Rs. 10 each to Rs. 300,000,000 divided into 30,000,000 Equity Shares of Rs. 10 each	June 26, 2004	AGM
5.	Increase in authorised share capital from Rs. 300,000,000 divided into 30,000,000 Equity Shares of Rs. 10 each to Rs. 1,205,100,000 divided into 60,174,000 Equity Shares of Rs. 10 each and 603,360 cumulative preference shares of Rs. 1,000 each	March 7, 2006	EGM
6.	Amendment in the MoA to reflect a reorganisation in the authorised share capital from Rs. 1,205,100,000 divided into 60,174,000 Equity Shares of Rs. 10 each and 603,360 cumulative preference shares of Rs. 1,000 each to Rs. 1,205,100,000 divided into 120,510,000 Equity Shares of Rs.10 each	April 7, 2010	AGM

Notes to capital structure

1. Share capital history of our Company

A. The following is the history of the equity share capital history of the Company:

Date of allotment	No. of Equity Shares	Face value (Rs.)	Issue price (Rs.)	Nature of consideration	Reasons for allotment	Cumulative no. of Equity Shares	Cumulative paid-up share capital (Rs.)	Cumulative share premium (Rs.)
July 19, 1994	70	10	10	Cash	Subscribers to the Memorandum of Association	70	700	Nil
December 16, 1994	10,000,000	10	10	Cash	Further allotment ⁽¹⁾	10,000,070	100,000,700	Nil
June 12, 1999	70	10	N.A	Shares issued pursuant to amalgamation of Nova Laboratories Limited with our Company	Equity Shares issued on amalgamation of Nova Lifesciences Limited with CLL ⁽²⁾	10,000,140	100,001,400	Nil
December 21, 1999	(5,000,000)	10	Nil	Conversion into Preference Shares	Conversion of Equity Shares in to 10% Redeemable Preference Shares ⁽³⁾	5,000,140	50,001,400	Nil
December 25, 2000 ⁽³⁾	5,000,140	10	Nil	Bonus	Bonus Equity Shares issued in the ratio of 1:1 ⁽⁴⁾	10,000,280	100,002,800	Nil
August 21, 2004	1,197,480	10	100	Cash	Preferential allotment to Sarjan Financial Private Limited	11,197,760	111,977,600	107,773,200
September 22, 2004	17,916,416	10	Nil	Bonus	Bonus Equity Shares issued in the ratio of 8:5 ⁽⁵⁾	29,114,176	291,141,760	107,773,200
March 3, 2006	242,080	10	100	Cash	Preferential allotment to Medical Technologies Limited	29,356,256	293,562,560	129,560,400
March 13,	1,000	10	20	Cash	Issue of Equity	29,357,256	293,572,560	129,570,400

Date of allotment	No. of Equity Shares	Face value (Rs.)	Issue price (Rs.)	Nature of consideration	Reasons for allotment	Cumulative no. of Equity Shares	Cumulative paid-up share capital (Rs.)	Cumulative share premium (Rs.)
2006					Shares to Carlyle ⁽⁶⁾			
September 4, 2009	4,766,269	10	189.88*	Conversion of preference shares into Equity Shares	Conversion of Series A cumulative preference shares issued to Carlyle and other individuals into Equity Shares ⁽⁷⁾	34,123,525	341,235,250	965,034,179
April 7, 2010	17,061,763	10	Nil	Bonus	Bonus Equity Shares issued in the ratio of 1:2 ⁽⁸⁾	51,185,288	511,852,880	794,416,549**

* Issue price rounded off to two decimal places.

** The share premium includes the amount of Rs. 301,680,000 transferred to the share premium account upon the issuance of 603,360 preference shares on March 13, 2006 mentioned above.

- (1) Allotment of 2,500,000 Equity Shares to each of Growth Financial Private Limited, Rajbal Financial Private Limited, Genesis Consultants Private Limited and Stumbh Financial Private Limited aggregating to 10,000,000 Equity Shares.
- (2) Allotment of 70 Equity Shares to Mr. A. Vasudevan, Mr. Dipak Joshi, Mr. Amit Dave, Mr. Ameet Desai, Mr. Prashant Parikh, Mr. Rammohan V. Chari and Mr. Jatin Jalundhwala pursuant to amalgamation of Nova Life Sciences with our Company on June 12, 1999 pursuant to the High Court order dated May 12, 1999. For further details of the scheme please refer to the section titled “History and Certain Other Corporate Matters” on page 145 of this Red Herring Prospectus.
- (3) On December 21, 1999, 2,500,000 redeemable preference shares issued to each of Growth Financial Private Limited and Stumbh Financial Private Limited aggregating to 5,000,000 preference shares pursuant to conversion of 5,000,000 Equity Shares by the Board resolution dated December 21, 1999 and a shareholders resolution dated December 10, 1999.
- (4) 5,000,140 bonus shares were issued to eligible shareholders in the ratio of 1:1 by way of capitalisation of free reserves.
- (5) 17,916,416 bonus shares were issued to eligible shareholders in the ratio of 8:5 by way of capitalisation of free reserves.
- (6) Allotment of 1,000 Equity Shares to Carlyle at Rs. 20 per share.
- (7) Conversion of 603,360 Series A compulsorily convertible preference shares of Rs. 1,000 each into 4,766,269 Equity Shares of Rs. 10 each. Accordingly, First Carlyle Ventures III, Mr. Madhava Menon Shankar Narayanan, Mr. Mahesh Parasuraman, Mr. Nikhil Mohta and Mr. Manish Gaur was allotted 4,739,730; 23,698; 947; 947; and 947 Equity Shares, respectively. Further, post issuance of bonus shares, the shareholding of First Carlyle Ventures III, Mr. Madhava Menon Shankar Narayanan, Mr. Mahesh Parasuraman, Mr. Nikhil Mohta and Mr. Manish Gaur stands at 7,111,095; 35,547; 1,421; 1,421 and 1,420 respectively.
- (8) 17,061,763 bonus shares were issued to eligible shareholders in the ratio of 1:2 by way of capitalisation of the share premium account.

B. The following is the preference share capital history of our Company:

Date of Allotment / fully paid up	Number of Preference shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration	Reasons for Allotment	Cumulative number of Preference Shares	Cumulative preference share capital	Cumulative Share Premium	Date of Conversion into Equity Shares / redemption
December 21,	5,000,000	10	10	Conversion	Conversion	5,000,000	50,000,000	Nil	December 27,

Date of Allotment / fully paid up	Number of Preference shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration	Reasons for Allotment	Cumulative number of Preference Shares	Cumulative preference share capital	Cumulative Share Premium	Date of Conversion into Equity Shares / redemption
1999					of fully paid up Equity Shares ⁽¹⁾				1999 ⁽²⁾
March 13, 2006	603,360	1000	1500	Cash	Issued to Carlyle ⁽³⁾	603,360	603,360,000	279,766,469 ⁽⁴⁾	September 4, 2009

- (1) Allotment of 2,500,000 redeemable preference shares of Rs. 10 each to each of Growth Financial Private Limited and Stumbh Financial Private Limited aggregating to 5,000,000 redeemable preference shares of Rs. 10 each pursuant to a conversion of 5,000,000 Equity Shares by a Board resolution dated December 21, 1999 and a shareholders resolution dated December 10, 1999.
- (2) The redeemable preference shares of the Company were redeemed by the Company at a price of Rs. 10 for each Preference Share.
- (3) The convertible preference shares of the Company were allotted on March 13, 2006 to Carlyle pursuant to a share subscription cum shareholders agreement dated March 7, 2006, and were converted into Equity Shares at the meeting of the Board of Directors of the Company held on September 4, 2009.
- (4) Share issuance expenses amounting to Rs. 21,913,531 has been written-off from the share premium account in relation to the acquisition of Equity Shares and preference shares by First Carlyle Ventures III, comprising Rs. 1,537,106 paid as professional charges to a chartered accountant in relation to due diligence, Stamp duty expenses of Rs. 4,525,500, legal expenses amounting to Rs. 1,641,742 and brokerage charges amounting to Rs. 14,209,183.

C. The following is the securities premium account history of our Company:

Date of allotment	Nature of instrument	No. of Equity / Preference Shares	Face value (Rs.)	Issue price (Rs.)	Cumulative share premium equity & preference (Rs.)
August 21, 2004	Equity Shares	1,197,480	10	100	107,773,200
March 3, 2006	Equity Shares	242,080	10	100	129,560,400
March 13, 2006	Equity Shares	1,000	10	20	129,570,400
March 13, 2006	Preference Shares	603,360	1,000	1,500	431,250,400*
Share premium account was debited for Rs. 21,913,531 on December, 2006 towards professional charges and fees paid to consultants and legal advisors, and stamp duty in relation to the acquisition of Equity Shares and preference shares by First Carlyle Ventures III. This included Rs. 1,537,106 paid as professional charges to a chartered accountant in relation to due diligence conducted on behalf of First Carlyle Ventures III, Stamp duty expenses of Rs. 4,525,500, legal expenses amounting to Rs. 1,641,742 and brokerage charges amounting to Rs. 14,209,183 in relation to the investment.					
As a result the share premium account was reduced to Rs. 409,336,869.					
September 4, 2009	Equity Shares	4,766,269	10	189.88*	965,034,179 [#]
April 7, 2010	Equity Shares	17,061,763	10	-	794,416,549

* Issue price rounded off to two decimal places.

[#] On account of conversion of preference shares issued to First Carlyle Ventures III into equity shares, share premium account was debited by Rs. 301,680,000

2. *Equity Shares issued for consideration other than cash*

Other than the issues made by us, details of which are set out in the table below, we have made no issues of

shares for consideration other than cash:

Date of allotment	No. of Equity Shares	Issue price (Rs.)	Reasons for allotment	Benefits accruing to the Company	Persons to whom the allotment were made
June 12, 1999	70	N.A.	Allotted pursuant to amalgamation of Nova Laboratories Limited with our Company	The Equity Shares were issued in consideration for the transfer of business, assets and liabilities of Nova Laboratories Limited to our Company pursuant to the scheme of amalgamation.	Shareholders of Nova Laboratories Limited
December 25, 2000	5,000,140	Nil	Bonus 1:1	Nil	Existing shareholders
September 22, 2004	17,916,416	Nil	Bonus 8:5	Nil	Existing shareholders
April 7, 2010	17,061,763	Nil	Bonus 1:2	Nil	Existing shareholders

3. Equity Shares allotted in the last year which may be at a price less than the Issue Price

Date of allotment	No. of Equity Shares	Face value (Rs.)	Issue price (Rs.)	Nature of consideration	Reasons for allotment
September 4, 2009	4,766,269	10	189.88	Conversion of preference shares in to Equity Shares	Conversion of Series A cumulative preference shares issued to Carlyle and other individuals into Equity Shares

4. Build-up of Promoters' capital, Promoter's contribution and lock-in

(a) History of Equity Share capital held by the Promoters:

Name of the Promoter	Date of Allotment/Transfer and Made Fully Paid-up	No. of Equity Shares issued / transferred	Cumulative No. of shares	Face Value	Issue/Transfer Price (in Rs.)	Name of transferor	% of Pre-Issue Paid-up Capital	% of Post Issue Paid-Up Capital	Nature of allotment / acquisition
Mr. Arjun S. Handa*	March 29, 2000	250,000	250,000	10	2.5	Rajbal Financial Private Limited	15.24%	[●]	Transfer
	December 25, 2000	250,000	500,000	10	Nil	N.A.			Bonus
	September 22, 2004	800,000	1,300,000	10	Nil	N.A.			Bonus
	April 26, 2007	26	1,300,026	10	10	Mr. Jatin Jalundhwala			Transfer
	February 18, 2008	3,875,312	5,175,338	10	Nil	Mrs. Beena S. Handa jointly with Sushil Kumar Handa			Gift
	November 20, 2009*	25,000	5,200,338	10	Nil	Mrs. Beena S. Handa			Gift
	April 7, 2010	2,600,169	7,800,507	10	Nil	N.A.			Bonus
Sarjan Financial Private Limited	March 29, 2000	1,950,000	1,950,000	10	2.5	Genesis Consultants Private Limited	46.46%	[●]	Transfer
	March 29, 2000	500,000	2,450,000	10	2.5	Rajbal Financial Private Limited			Transfer
	December 25, 2000	2,450,000	4,900,000	10	Nil	N.A.			Bonus
	August 21, 2004	1,197,480	6,097,480	10	100	N.A.			Cash
	September 22, 2004	9,755,968	15,853,448	10	Nil	N.A.			Bonus

Name of the Promoter	Date of Allotment/Transfer and Made Fully Paid-up	No. of Equity Shares issued / transferred	Cumulative No. of shares	Face Value	Issue/Transfer Price (in Rs.)	Name of transferor	% of Pre-Issue Paid-up Capital	% of Post Issue Paid-Up Capital	Nature of allotment / acquisition
	February 20, 2009	(1,860,000)	13,993,448	10	Nil	Crossborder Investments Private Limited			Transfer pursuant to invocation of a pledge ⁽¹⁾
	December 30, 2009	1,500,000	15,493,448	10	Nil	Crossborder Investments Private Limited			Equity Shares were transferred back ⁽¹⁾
	December 31, 2009	360,000	15,853,448	10	Nil	Crossborder Investments Private Limited			Equity Shares were transferred back ⁽¹⁾
	April 7, 2010	7,926,724	23,780,172	10	Nil	N.A.			Bonus

Note:

(1) These Equity Shares were pledged by Sarjan Financial Private Limited against an indebtedness. Such pledge was invoked and the Equity Shares were transferred. However, on re-payment of the debt these Equity Shares were transferred back to Sarjan Financial Private Limited.

* Until November 20, 2009, Mr. Arjun S. Handa, as the first holder, held 5,175,338 Equity Shares jointly with Mr. Sushil Kumar Handa.

(b) Details of Promoters' contribution locked in for three years:

Name of the Promoter	Date of Allotment/Transfer and made fully Paid-up	Nature of allotment/acquisition	No. of equity shares issued/transferred	No. of Equity Shares available for lock-in	% of Post-Issue Paid-Up Capital
Sarjan Financial Private Limited	March 29, 2000	Transfer	1,950,000	90,000	●
	March 29, 2000	Transfer	500,000	500,000	●
	December 25, 2000	Bonus	2,450,000	2,450,000	●
	August 21, 2004	Cash	1,197,480	1,197,480	●
	September 22, 2004	Bonus	9,755,968	9,755,968	●
	April 7, 2010	Bonus	7,926,724	6,996,724	●
Total			23,780,172	20,990,172	●

One of our Promoters, Sarjan Financial Private Limited, has, by a written undertaking dated April 19, 2010, given consent for Equity Shares held by it to be considered as Promoters' contribution to be locked in for a period of three years from the date of Allotment, consisting of 20% of the post-Issue equity share capital of our Company ("**Promoters' Contribution**").

The Promoters have pursuant to their undertaking dated April 19, 2010, agreed not to sell or transfer or pledge their shares or otherwise dispose off in any manner, the Equity Shares forming part of the Promoters' Contribution from the date of filing of the Draft Red Herring Prospectus until the commencement of the lock-in period specified above.

This being a book-building issue of up to an aggregate amount of Rs. 3000 million, it is not possible to ascertain the number of equity shares that will constitute 20% per cent of the post Issue Equity Share capital prior to discovery of price under the book building process set out in Schedule XI read with regulation 28(3) of the SEBI ICDR Regulations. The number of equity shares comprising the Promoters' contribution will be included in the final prospectus that will be filed with the Registrar of Companies, Ahmedabad. The Promoters have confirmed that they hold sufficient number of Equity Shares eligible for Promoters' contribution under regulation 33 of the SEBI ICDR Regulations.

The Equity Shares that are being locked-in are not ineligible for computation of Promoter's Contribution under Regulation 33 of the SEBI ICDR Regulations. In this connection, as per Regulation 33 of the SEBI ICDR Regulations, our Company confirms that the Equity Shares locked in do not consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and revaluation of

assets or capitalization of intangible assets or bonus shares out of revaluations reserves or unrealised profits or bonus shares which are otherwise ineligible for computation of Promoters' Contribution;

- ii. Equity Shares acquired during the preceding one year, at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;
- iii. Equity Shares issued to the Promoters upon conversion of a partnership firm;
- iv. Equity Shares held by the Promoters that are subject to any pledge; and
- v. Equity Shares for which specific written consent has not been obtained from the respective shareholders for inclusion of their subscription in the Promoters' Contribution subject to lock-in.

The Promoters' Contribution shall be brought in to the extent, not less than the specified minimum lot and from the persons defined as "Promoters" under Regulation 2 (za) of the SEBI ICDR Regulations.

The SEBI ICDR Regulations require that an aggregate of 20% of the post-Issue shareholding of the Promoters be considered as promoters' contribution and locked-in for a period of three years. Such lock-in is required to commence from the date of Allotment in the Issue and end on the date that is three years subsequent to the date of Allotment in the Issue.

Details of share capital locked in for one year

In addition to the lock-in of the Promoter's Contribution specified above, the entire pre-Issue share capital of the Company will be locked in for a period of one year from the date of Allotment of the Equity Shares in this Issue, except as provided below.

Pursuant to proviso (b) to Regulation 37 of the SEBI ICDR Regulations, Equity Shares held by VCFs or FVCI's for more than one year prior to filing the Draft Red Herring Prospectus with SEBI would not be subject to the above lock-in. Therefore, First Carlyle Ventures III being an FVCI, the Equity Shares held by it for more than one year prior to the date of filing of this Red Herring Prospectus would not be subject to the lock-in above. Carlyle has acquired 2,370,365 Equity Shares pursuant to a bonus issue within one year of the filing of the RHP. Therefore out of 7,111,095 Equity Shares currently held by Carlyle, 4,740,730 Equity Shares have been held by Carlyle (whether as convertible instrument or as Equity Shares) for a period of one year and will not be subject to any lock-in. 2,370,365 Equity Shares held by Carlyle pursuant to the aforementioned bonus issue will be locked in for a period of one year.

Therefore, 46,444,558 Equity Shares comprising the portion of the pre-Issue share capital of the Company which would be under lock-in for a period of one year.

Other requirements in respect of lock-in

Pursuant to Regulation 39 of the SEBI ICDR Regulations, the locked-in Equity Shares held by the Promoters, as specified above, can be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such scheduled commercial banks or public financial institution, provided that the pledge of the Equity Shares is one of the terms of the sanction of the loan.

Provided that securities locked in as Promoters' contribution for three years under Regulation 36(a) of the SEBI ICDR Regulations may be pledged only if, in addition to fulfilling the above requirement, the loan has been granted by such scheduled commercial bank or public financial institution for the purpose of financing one or more of the objects of the Issue.

Pursuant to Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by the Promoters may be transferred to and amongst the Promoters, the Promoter Group or to new promoters or persons in control of the Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code.

Further, pursuant to Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 37 of the SEBI ICDR Regulations, along with the Equity Shares proposed to be

transferred, provided that lock-in on such Equity Shares will continue for the remaining period with the transferee and such transferee shall not be eligible to transfer such Equity Shares till the lock-in period stipulated under the SEBI ICDR Regulations has ended, subject to compliance with the Takeover Code, as applicable.

In terms of Schedule XI of the SEBI ICDR Regulations, the Equity Shares allotted to Anchor Investors shall be locked in for a period of 30 days from the date of Allotment of such Equity Shares.

5. Build-up of Equity Share capital of Mr. Aditya S. Handa:

Name	Date of Allotment/ Transfer and Made Fully Paid-up	No. of Equity Shares issued / transferr ed	Cumulati ve No. of shares	Face Value	Issue/T ransfer Price (in Rs.)	Name of transfero r	% of Pre-Issue Paid-up Capital	% of Post Issue Paid-Up Capital	Nature of allotme nt / acquisiti on
Mr. Aditya S. Handa*	March 29, 2000	250,000	250,000	10	2.5	Rajbal Financial Private Limited	15.24%	[●]	Transfer
	December 25, 2000	250,000	500,000	10	-	-			Bonus issue
	September 22, 2004	800,000	1,300,000	10	-	-			Bonus issue
	April 26, 2007	26	1,300,026	10	10	Jatin Jalundhw ala			Transfer
	February 22, 2008	3,875,312	5,175,338	10	-	Beena Handa jointly held with Sushilku mar Handa			Gift
	November 20, 2009	25,000	5,200,338	10	-	Beena Handa			Gift
	April 7, 2010	2,600,169	7,800,507	10	-	-			Bonus issue

* In addition to these 7,800,507 Equity Shares amounting 15.24% holding in the Company, Mr. Aditya S. Handa indirectly holds 4,653,120 Equity Shares amounting to 9.09% of the pre-Issue equity share capital of the Company through Medical Technologies Limited, whose capital build-up is provided below.

Name	Date of Allotment/ Transfer and Made Fully Paid-up	No. of Equity Shares issued / transferr ed	Cumulati ve No. of shares	Face Value	Issue/T ransfer Price (in Rs.)	Name of transfero r	% of Pre-Issue Paid-up Capital	% of Post Issue Paid-Up Capital	Nature of allotme nt / acquisiti on
Medical Technologies Limited	March 29, 2000	550,000	550,000	10	2.5	Genesis Consultants Private Limited	9.09%	[●]	Transfer
	December 25, 2000	550,000	1,100,000	10	-	-			Bonus issue
	September 22, 2004	1,760,000	2,860,000	10	-	-			Bonus issue
	March 3, 2006	242,080	3,102,080	10	100	-			Allotme nt

Name	Date of Allotment/ Transfer and Made Fully Paid-up	No. of Equity Shares issued / transferred	Cumulative No. of shares	Face Value	Issue/Transfer Price (in Rs.)	Name of transferor	% of Pre-Issue Paid-up Capital	% of Post Issue Paid-Up Capital	Nature of allotment / acquisition
	October 23, 2009	(25,000)	3,077,080	10	25	Angot Chemicals Private Limited			Transfer
	October 23, 2009	(25,000)	3,052,080	10	25	Arcata Trade-Links Private Limited			Transfer
	November 6, 2009	(25,000)	3,027,080	10	25	Angot Chemicals Private Limited			Transfer
	November 6, 2009	(25,000)	3,002,080	10	25	Arcata Trade-Links Private Limited			Transfer
	April 7, 2010	1,501,040	4,503,120	10	-	-			Bonus issue
	July 1, 2010	75,000	4,578,120	10	16.66	Angot Chemicals Private Limited			Transfer
	July 1, 2010	75,000	4,653,120	10	16.66	Arcata Trade-Links Private Limited			Transfer

6. History of Equity Share capital held by Mr. Sushil Kumar Handa:

Name of the shareholder	Date of Allotment / Transfer and made fully paid-up	No. Of Equity Shares issued / transferred	Cumulative No. Of equity shares	Face Value	Issue/Transfer Price (in Rs.)	Name of Transferor / Transferee	Nature of allotment / acquisition
Sushilkumar Handa jointly with Beena Handa	February 19, 2000	10	10	10	10	A. Vasudevan	Transfer
	March 29, 2000	9,50,000	9,50,010	10	2.5	Rajbal Financial Private Limited	Transfer
	September 30, 2000	10	9,50,020	10	10	Saurabh Soparker	Transfer
	September 30, 2000	20	9,50,040	10	10	Dipak B. Joshi	Transfer
	September 30, 2000	10	9,50,050	10	10	Jatin Jalundwala	Transfer
	September 30, 2000	20	9,50,070	10	10	Rammohan Chari	Transfer
	September	20	9,50,090	10	10	Ameet	Transfer

Name of the shareholder	Date of Allotment / Transfer and made fully paid-up	No. Of Equity Shares issued / transferred	Cumulative No. Of equity shares	Face Value	Issue/Transfer Price (in Rs.)	Name of Transferor / Transferee	Nature of allotment / acquisition
	30, 2000					Desai	
	September 30, 2000	20	9,50,110	10	10	Prashant Parikh	Transfer
	September 30, 2000	10	9,50,120	10	10	Amit Dave	Transfer
	December 25, 2000	9,50,120	19,00,240	10	N.A.	N.A.	Bonus issue in the ratio of 1:1
	March 21, 2003	(19,00,240)	Nil	10	N.A.	Beena Handa jointly with Sushilkumar Handa	Transposition

Name of the shareholder	Date of Allotment / Transfer and made fully paid-up	No. Of Equity Shares issued / transferred	Cumulative No. Of equity shares	Face Value	Issue/Transfer Price (in Rs.)	Name of Transferor / Transferee	Nature of allotment / acquisition
Beena Handa jointly with Sushilkumar Handa*	March 29, 2000	5,50,000	5,50,000	10	2.5	Rajbal Financial Private Limited	Transfer
	December 25, 2000	5,50,000	11,00,000	10	N.A.	N.A.	Bonus issue in the ratio of 1:1
	March 21, 2003	19,00,240	30,00,240	10	N.A.	Sushilkumar Handa jointly with Beena Handa	Transposition
	September 22, 2004	48,00,384	78,00,624	10	N.A.	N.A.	Bonus issue in the ratio of 5:8
	February 18, 2008	(38,75,312)	39,25,312	10	Nil	Arjun S. Handa jointly with Sushilkumar Handa	Gift
	February 22, 2008	(38,75,312)	50,000	10	Nil	Aditya S. Handa	Gift

*With effect from November 20, 2009, Beena Handa became the sole owner of 50,000 equity shares.

Name of the shareholder	Date of Allotment / Transfer and made fully paid-up	No. Of Equity Shares issued / transferred	Cumulative No. Of equity shares	Face Value	Issue/Transfer Price (in Rs.)	Name of Transferor / Transferee	Nature of allotment / acquisition
Arjun S. Handa jointly	March 29, 2000	250,000	250,000	10	2.5	Rajbal Financial	Transfer

Name of the shareholder	Date of Allotment / Transfer and made fully paid-up	No. Of Equity Shares issued / transferred	Cumulative No. Of equity shares	Face Value	Issue/Transfer Price (in Rs.)	Name of Transferor / Transferee	Nature of allotment / acquisition
with Sushilkumar Handa*						Private Limited	
	December 25, 2000	250,000	500,000	10	N.A.	N.A.	Bonus issue in the ratio of 1:1
	September 22, 2004	800,000	1,300,000	10	N.A.	N.A.	Bonus issue in the ratio of 5:8
	April 26, 2007	26	1,300,026	10	10	Jatin Jalundhwala	Transfer
	February 18, 2008	38,75,312	5,175,338	10	Nil	Beena Handa jointly with Sushilkumar Handa	Gift

*With effect from November 20, 2009, Arjun S. Handa became the sole owner of 51,75,338 equity shares.

7. The list of shareholders of our Company and the Equity Shares held by them is as follows:

(a) Our top ten shareholders and the number of Equity Shares held by them as of the date of this Red Herring Prospectus, is as follows:

Sr. No.	Name	No. of Equity Shares (face value of Rs. 10 each)	% of pre-Issue Equity Share capital
1.	Sarjan Financial Private Limited	23,780,172	46.46
2.	Mr. Arjun S. Handa	7,800,507	15.24
3.	Mr. Aditya S. Handa	7,800,507	15.24
4.	First Carlyle Ventures III	7,111,095	13.89
5.	Medical Technologies Limited	4,653,120	9.09
6.	Mr. Madhava Menon Shankar Narayanan	35,547	0.07
7.	Mr. Mahesh Parasuraman	1,421	0.00
8.	Mr. Nikhil Mohta	1,421	0.00
9.	Mr. Manish Gaur	1,420	0.00
10.	Mr. Chetan S. Majmudar	78	0.00
	Total	51,185,288	100

(b) Our top ten shareholders and the number of Equity Shares held by them ten days prior to filing this RHP, is as follows:

Sr. No.	Name	No. of Equity Shares (face value of Rs. 10 each)	% of pre-Issue Equity Share capital
1.	Sarjan Financial Private Limited	23,780,172	46.46
2.	Mr. Arjun S. Handa	7,800,507	15.24
3.	Mr. Aditya S. Handa	7,800,507	15.24
4.	First Carlyle Ventures III	7,111,095	13.89

Sr. No.	Name	No. of Equity Shares (face value of Rs. 10 each)	% of pre-Issue Equity Share capital
5.	Medical Technologies Limited	4,653,120	9.09
6.	Mr. Madhava Menon Shankar Narayanan	35,547	0.07
7.	Mr. Mahesh Parasuraman	1,421	0.00
8.	Mr. Nikhil Mohta	1,421	0.00
9.	Mr. Manish Gaur	1,420	0.00
10.	Mr. Chetan S. Majmudar	78	0.00
	Total	51,185,288	100

(c) Our top ten shareholders and the number of Equity Shares held by them two years prior to date of filing of the Red Herring Prospectus with SEBI is as follows:

Sr. No.	Name	No. of Equity Shares (face value of Rs. 10 each)	%
1.	Sarjan Financial Private Limited	15,853,448	54.00
2.	Mr. Arjun S. Handa jointly with Mr. Sushil Kumar Handa	5,175,338	17.63
3.	Mr. Aditya S. Handa	5,175,338	17.63
4.	Medical Technologies Limited	3,102,080	10.57
5.	Mrs. Beena S. Handa jointly with Mr. Sushil Kumar Handa	50,000	0.17
6.	First Carlyle Ventures III	1,000	0.00
7.	Mr. Chetan S. Majmudar	52	0.00
	Total	29,357,256	100

The shareholding pattern of our Company prior to the Issue and as adjusted for the Issue as on the date of filing this RHP is as follows:

Category code	Category of Shareholder	Total Number of Shareholders	Total Number of Equity Shares	No. of Equity Shares held in dematerialized form	Total shareholding as a percentage of total number of Equity Shares		Equity Shares pledged or otherwise encumbered	
					As a percentage of (A + B)	As a percentage of (A+B+C)	Number of Equity Shares	As a percentage
I	II	III	IV	V	VI	VII	VIII	IX
(A)	Shareholding of Promoter and Promoter Group							
-1	Indian							
(a)	Individuals / HUF	2	15,601,014	15,601,014	30.48%	30.48%	-----	-----
(b)	Central Government / State Government(s)	-----	-----	-----	-----	-----	-----	-----
(c)	Bodies Corporate	2	28,433,292	28,433,292	55.55%	55.55%	-----	-----
(d)	Financial institutions / Banks	-----	-----	-----	-----	-----	-----	-----

Category code	Category of Shareholder	Total Number of Shareholders	Total Number of Equity Shares	No. of Equity Shares held in dematerialized form	Total shareholding as a percentage of total number of Equity Shares		Equity Shares pledged or otherwise encumbered	
					As a percentage of (A + B)	As a percentage of (A+B+C)	Number of Equity Shares	As a percentage
I	II	III	IV	V	VI	VII	VIII	IX
(e)	Any other (specify)	----	----	----	----	----	----	----
	Sub – Total (A)(1)	4	44,034,306	44,034,306	86.03%	86.03%	----	----
-2	Foreign							
(a)	Individuals)Non – Resident 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	44,034,306	44,034,306	86.03%	86.03%	----	----
(B)	Public Shareholding							
-1	Institutions							
(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 Investor	1	7,111,095	7,111,095	13.89%	13.89%	----	----
(h)	Any other (specify)	----	----	----	----	----	----	----
	Sub-Total (B)(1)	1	7,111,095	7,111,095	13.89%	13.89%	----	----
-2	Non Institutions							
(a)	Bodies Corporate	----	----	----	----	----	----	----

Category code	Category of Shareholder	Total Number of Shareholders	Total Number of Equity Shares	No. of Equity Shares held in dematerialized form	Total shareholding as a percentage of total number of Equity Shares		Equity Shares pledged or otherwise encumbered	
					As a percentage of (A + B)	As a percentage of (A+B+C)	Number of Equity Shares	As a percentage
I	II	III	IV	V	VI	VII	VIII	IX
(b)	I. Individual shareholders holding nominal share capital up to Rs. 1 lakh	5	39,887	39,887	0.08%	0.08%	----	----
	II. Individual Shareholders holding nominal share capital in excess of Rs. 1 lakh	----	----	----	----	----	----	----
(c)	Any Other (specify)		----	----				
	I. NRI – Individual Shareholders holding nominal share capital up to Rs. 1 lakh	----	----	----	----	----	----	----
	II. NRI – Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	----	----	----	----	----	----	----
	III. Foreign Nationals – Individual Shareholders holding nominal share capital up to Rs. 1 lakh	----	----	----	----	----	----	----
	Sub -Total (B)(2)	5	39,887	39,887	0.08%	0.08%	----	----
	Total Public Shareholding (B) = (B)(1)+(B)(2)	6	7,150,982	7,150,982	13.97%	13.97%	----	----
	TOTAL (A)+(B)	10	51,185,288	51,185,288	100.00%	100.00%	----	----
(C)	Shares held in Custodians and against which Depository Receipt has been issued	----	----	----	----	----	----	----
	Grand Total (A)+(B)+(C)	10	51,185,288	51,185,288	100.00%	100.00%	----	----

8. None of our Directors, directors of our corporate Promoter or Key Management Personnel hold Equity Shares in the Company, other than as set out below:

Name	No. of Equity Shares	% of pre-Issue equity share capital
Mr. Arjun S. Handa	7,800,507	15.24

Name	No. of Equity Shares	% of pre-Issue equity share capital
Mr. Aditya S. Handa	7,800,507	15.24
Mr. Chetan S. Majmudar	78	Negligible
Mr. Nikhil Mohta	1,421	Negligible

9. Our Company, Directors and the BRLMs have not entered into any buy-back or standby / safety net arrangements for the purchase of the Equity Shares of our Company from any person.
10. There are no financing arrangements wherein the Promoter Group, the directors of Sarjan Financial Private Limited, the Directors of our Company and relatives of the Directors of our Company have financed the purchase by any other person of securities of the Company, during the period of six months immediately preceding the date of filing the Draft Red Herring Prospectus.
11. As of the date of this Red Herring Prospectus, no shares of the Company have been pledged by the Promoter or the Promoter Group.
12. Our Company has not issued Equity Shares out of revaluation reserves. Further, other than set out in this section titled 'Capital Structure', our Company has not issued Equity Shares for consideration other than cash.
13. Except for (i) the transfer of 1,860,000 Equity Shares pursuant to invocation of a pledge by Crossborder Investments Private Limited on February 20, 2009 and subsequent transfer back of 1,860,000 Equity Shares to Sarjan Financial Private Limited on December 30, 2009 and December 31, 2009; (ii) the gift of 25,000 Equity Shares by Mrs. Beena S. Handa to Mr. Arjun S. Handa on November 20, 2009; and (iii) the gift of 25,000 Equity Shares by Mrs. Beena S. Handa to Mr. Aditya S. Handa on November 20, 2009 (iv) the purchase of 75,000 equity shares by Medical Technologies Limited from Angot Chemicals Private Limited on July 1, 2010 and (v) the purchase of 75,000 equity shares by Medical Technologies Limited from Arcata Trade Links Private Limited on July 1, 2010, there has been no purchase or sale of Equity Shares by the Promoters, the Promoter Group, our Directors and their immediate relatives during the six months immediately prior to the filing of the Draft Red Herring Prospectus / Red Herring Prospectus with SEBI.
14. In terms of Rule 19(2)(b) of the SCRR as it existed prior to the coming into effect of the Securities Contracts (Regulation) (Amendment) Rules, 2010, this is an Issue for less than 25%, but not less than 10%, of the post Issue capital, therefore, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue shall be allocated to QIBs on a proportionate basis. Our Company may allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. 5% of the Net QIB Portion shall be available for allocation to Mutual Funds on a proportionate basis. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% and 30% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and Retail Individual Bidders, respectively subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange.
15. The Equity Shares are fully paid up and there are no partly paid up Equity Shares as on the date of filing this Red Herring Prospectus.
16. The Equity Shares issued pursuant to the Issue shall be fully paid-up at the time of Allotment.
17. A Bidder cannot make a Bid for more than the number of Equity Shares offered through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of Bidder.
18. Our Company has not raised any bridge loan against the proceeds of the Issue.

19. As of the date of filing of this Red Herring Prospectus, the total number of holders of Equity Shares is 10.
20. Except as disclosed in this Red Herring Prospectus, there will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Red Herring Prospectus with SEBI until the Equity Shares issued/ to be issued pursuant to the Issue have been listed or all application moneys have been refunded on account of failure of the Issue.
21. Except as disclosed in this Red Herring Prospectus, we presently do not intend or propose to alter our capital structure for six months from the date of opening of the Issue, 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 preferential or otherwise, including any issue of bonus or rights and any further public issue of securities and any qualified institutions placement. However, during such period or at a later date, we may issue Equity Shares or issue Equity Shares or securities linked to Equity Shares to finance an acquisition, merger, strategic alliance or joint venture by us, or as consideration for such acquisition, merger or joint venture, or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by our Board to be in the best interests of the Company.
22. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by SEBI.
23. The Company, the Directors, the Promoters, the Promoter Group and the Group Companies shall not make any payments, direct or indirect, discounts, commissions, allowances or otherwise under this Issue.
24. Our Promoters, our Promoter Group and our Group Companies will not participate in this Issue.
25. The Company has not made any public issue since its incorporation.
26. The Company shall ensure that transactions in the Equity Shares by the Promoters and the relatives of the Promoters between the date of filing this Red Herring Prospectus with the Registrar of Companies and the Bid/Issue Closing Date are reported to the Stock Exchange within 24 hours of such transaction.
27. None of the Book Running Lead Managers hold any Equity Shares as on the date of filing of this Red Herring Prospectus.
28. An oversubscription to the extent of 10% of the Issue can be retained for the purposes of rounding off to the nearest multiple of minimum Allotment lot.
29. For change of promoters of our Company please refer to the section titled “History and Certain Corporate Matters” on page 145 of this Red Herring Prospectus.
30. The Company does not have any options, warrants or any other securities which are convertible into Equity Shares.
31. As of the date of this RHP, the Company does not have any employee stock option scheme.
32. The directors of Sarjan Financial Private Limited (our Company’s corporate Promoter), as on October 31, 2010, were Mr. Arjun S. Handa, Mr. Nirav Mehta and Mr. Kirit Shah.

OBJECTS OF THE ISSUE

We intend to utilise the Issue Proceeds for the following objects:

- Setting up of a new plant comprising a small volume parenterals line, a PVC bag line, a non-PVC bag line and a fat emulsion line.
- Setting up of a new manufacturing line for propofol and other fat emulsion products at our existing plant, Clarion IV.
- Construction of a facility for research and development at our Clarion manufacturing facilities.
- Prepayment of an identified term loan.
- General corporate purposes.

The details of the proceeds of the Issue (the “**Issue Proceeds**”) are summarized in the following table:

(Rs. in million)	
Description	Amount
Proceeds from the Issue	3,000.00
Issue Expenses	[●]
Net proceeds of the Issue* (the “ Net Proceeds ”)	[●]

**To be finalized upon determination of Issue Price.*

The main objects clause of our Memorandum of Association and the objects incidental to the main objects enables us to undertake our existing activities and the activities for which funds are being raised by us through the Issue.

We may have to revise our expenditure and fund requirements as a result of variations in cost estimates on account of a variety of factors such as changes in the cost of our planned expansion, incremental pre-operative expenses and external factors which may not be within the control of our management and may entail rescheduling and revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure at the discretion of our management. In case of any surplus after utilization of the Net Proceeds of the Issue for the stated objects, we may use such surplus towards general corporate purposes. In the event of any shortfall in funding requirements towards meeting the objects of the Issue, the extent of the shortfall will be met by way of such means available to the Company, including by way of incremental debt or internal accruals.

Utilisation of the Net Proceeds of the Issue

Requirements of funds

We intend to utilize the Net Proceeds of the Issue of Rs. [●] million to finance the objects set out below:

(Rs. in million)					
Sr. No.	Expenditure Items ⁽¹⁾	Estimated Utilization			Total
		Fiscal 2010	Fiscal 2011	Fiscal 2012	
1.	Setting up of a new plant comprising of a small volume parenterals line, a PVC bag line, a non-PVC bag line, and a fat emulsion line	210.00	836.82	269.03	1,315.85
2.	Setting up a new manufacturing line for propofol and other fat emulsion products at our existing plant, Clarion IV	165.07	99.61	-	264.68
3.	Construction of a facility for research and	66.36	317.72	-	384.08

Sr. No.	Expenditure Items ⁽¹⁾	Estimated Utilization			Total
		Fiscal 2010	Fiscal 2011	Fiscal 2012	
	development at our Clarion manufacturing facilities				
4.	Prepayment of an identified term loan ⁽²⁾	459.14	-	-	459.14
5.	General corporate purposes	[•]	[•]	-	[•]
	Total	[•]	[•]	269.03	[•]

Notes:

(1) We expect all of the objects to be funded entirely from the Issue Proceeds.

(2) The amount outstanding under the term loan as on March 31, 2010 has been certified by Mehul Khatsuriya & Associates, Chartered Accountants by their certificate dated April 16, 2010.

Means of finance

The projects mentioned above are proposed to be funded entirely from the Net Proceeds of the Issue.

The above fund requirements are based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to revisions in light of changes in external circumstances or costs, or other financial condition, business or strategy, as discussed further below.

The requirements of the objects detailed above are intended to be funded entirely from the Net Proceeds. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the proposed Issue.

DETAILS OF THE OBJECTS

Setting up of a new plant comprising of a small volume parenteral line, a PVC bag line, a non-PVC bag line, and a fat emulsion line

Due to a year-on-year increase in our capacity utilisation for the periods under review, other than for the year ended December 31, 2008, and in particular in our capacity utilisation for the year ended December 31, 2009 of our injectable products, our Company proposes to construct a new manufacturing plant, and set up manufacturing lines for small volume parenterals, PVC bags, non-PVC bags and fat emulsion products such as propofol. The Company has identified a plot of land admeasuring approximately 60,000 square metres adjacent to our Clarion Facilities, which is located at Taluka Sanand, Ahmedabad, Gujarat. The Company proposes to acquire this plot out of the Proceeds of the Issue.

Some of the key products of our Company include ondansetron and iron sucrose, which are manufactured in our small volume parenteral manufacturing line. In 2008, we obtained registrations for some of these products from the USFDA. Furthermore, these products are also registered in Europe. We plan to develop new small volume parenteral products and to commercialize them in the near future. We aim to increase our sales in regulated markets and to introduce new products in small volume parenterals. As our current manufacturing capacities may be insufficient to achieve this, we are required to increase them.

In injectables, the bag delivery system primarily comprises non-PVC bags and PVC bags. We offer various products in bags predominantly in anti-infectives, infusions, and other general injectable products. Our management expects that the demand for these bag products will increase in the near future due to the expected demand for infusions in India and anti-infectives in the United States. We intend to increase our existing capacity for the manufacture of PVC and non-PVC bags in line with such increased demand.

Propofol is one of the Company's key products in terms of sales. We are in the process of getting Profol, our brand of propofol in injectable form, registered in the regulated markets, such as the United States and Europe. Since we perceive an increase in the demand of Profol and other fat emulsion products in certain of the markets in which we sell our products as well as in the regulated markets (as and when we obtain registrations for such products), we propose to increase the existing capacities by installing an additional line in the new plant.

The costs involved for setting up the new plant are as follows:

(Rs. in million)

Sr. No.	Particulars	Amount
1.	Land and civil construction	295.76
2.	Setting up of common utilities	65.24
3.	Setting up of a small volume parenteral line	192.26
4.	Setting up of a PVC bag line	200.07
5.	Setting up of a non-PVC bag line	284.22
6.	Setting up of a fat emulsion line	278.30
	Total	1,315.85

Below is the detailed break-up of costs for setting up this new plant.

Land and civil construction

The Company has identified a plot of land admeasuring to approximately 60,000 square metres adjacent to our Clarion Facilities, which is located at Taluka Sanand, Ahmedabad, Gujarat, for the purposes of constructing the new plant. The Company proposes to acquire this plot out of the Proceeds of the Issue. The estimated cost of such land and of the civil works relating to the setting up of our new plant is as follows:

(Rs. in million)

Description	Estimated Cost ⁽¹⁾
Land	206.02
Civil work	89.74
Total	295.76

Note:

(1) As per the certificate dated March 30, 2010 provided by Deepak C. Shah, an independent Government-approved registered valuer and consulting chartered engineer.

Setting-up of common utilities

We intend to set up common utilities at our existing facilities so that we can cater to the requirements of utilities such as electricity, water, compressed air and steam for our new plant. The details of the costs relating to these common utilities are as follows:

(Rs. in million)

Description	Estimated Cost(1)	Quotation Date
Civil construction	10.05 ⁽²⁾	
Boiler	18.89	September 2, 2010
Softner plant	0.15	August 19, 2010
Cooling tower	1.11	February 14, 2010
Air compressor	2.06	August 27, 2010
Nitrogen plant	1.47	March 20, 2010

Description	Estimated Cost(1)	Quotation Date
Pumps	0.38	September 3, 2010
Process piping	1.97	March 3, 2010
RO plant	7.64	March 24, 2010
HT cables	3.07	August 7, 2010
Panels	2.65	August 7, 2010
Transformer	1.03	August 7, 2010
DG set	7.77	August 11, 2010
Stabilizer	0.50	August 22, 2010
Pre-operative expenses ⁽³⁾	6.51	
Total	65.24	

Notes:

(1) All of the costs for the plant and machinery are based on estimates received from domestic suppliers.

(2) As per the certificate dated March 30, 2010 provided by Deepak C. Shah, an independent Government-approved registered valuer and consulting chartered engineer.

(3) The pre-operative expenses have been quantified based on management estimates. The pre-operative expenses include various expenses such as consulting fees for architects and chartered engineers, travelling expenses, insurance costs and others.

Setting up of small volume parenteral line

The details of the costs relating to the setting up of the small volume parenteral line are as follows:

(Rs. in million)

Description	Estimated Cost ⁽¹⁾	Quotation Date
<i>Imported Plant & Machinery⁽²⁾</i>		
SVP filling line	62.57	July 27, 2010
Cartoning machine	11.72	March 24, 2010
Stickering machine	3.51	March 18, 2010
Labelling machine	6.34	March 17, 2010
Over wrapping	26.47	August 27, 2010
Visual inspection	26.6	February 1, 2010
Clean room	16.46	March 15, 2010
Variable frequency drive	4.12	March 14, 2010
<i>Domestic Plant & Machinery</i>		
Interlocking	0.55	August 9, 2010
S.S. plate	0.17	February 20, 2010
S.S. box	0.08	March 1, 2010
S.S. trolley	4.26	March 24, 2010
S.S. misc. material	1.24	March 26, 2010
LAF units	1.12	March 28, 2010
Dispensing booth	0.64	March 26, 2010
Balances	0.44	August 2, 2010
Process piping	1.97	March 3, 2010
AHUs	2.93	March 9, 2010
Ducts	1.18	July 7, 2010
Leak test machine	2.82	March 23, 2010
QC instruments	1.89	August 17, 2010
Vertical autoclave	0.24	July 27, 2010
Lab instruments	0.28	July 27, 2010
Lab instruments	2.84	August 10, 2010
<i>Others</i>		

Description	Estimated Cost ⁽¹⁾	Quotation Date
Pre-operative expenses ⁽³⁾	3.27	
Electrification ⁽⁴⁾	2.9	
Data processing ⁽⁴⁾	0.67	
Furniture ⁽⁴⁾	1.27	
Contingency ⁽⁴⁾	3.71	
Total	192.26	

Notes:

(1) The estimates include all applicable taxes and duties, and transportation costs for plant and machinery.

(2) The quotations received for the imported machineries are in Euros or USD. The amounts represented above have been calculated based on the conversion rate of 1 Euro for Rs. 62 and 1 USD for Rs. 48.

(3) The pre-operative expenses have been quantified based on management estimates. The pre-operative expenses include various expenses such as consulting fees for architects and consulting engineers, travelling expenses, insurance costs and others.

(4) These costs have been quantified based on management estimates.

Setting up of a PVC bag line

The details of the costs relating to the setting up of the PVC bag line are as follows:

(Rs. in million)

Description	Estimated Cost ⁽¹⁾	Quotation Date
Imported Plant & Machinery⁽²⁾		
PVC bag line	59.01	July 17, 2010
Bag printing machine	4.19	March 26, 2010
Sterilizer	33.25	April 1, 2010
Variable frequency drive	3.22	March 14, 2010
Accusizer	3.35	July 17, 2010
Visual inspection	20.59	March 27, 2010
Clean room	12.74	March 15, 2010
Domestic Plant & Machinery		
Vessels (mixing)	4.77	March 2, 2010
S.S. items	0.17	February 20, 2010
S.S. misc. material	20.09	July 10, 2010
LAF units	1.12	March 28, 2010
Dispensing booth	0.64	March 26, 2010
Balances	0.72	March 26, 2010
Process piping	4.18	March 3, 2010
AHUs	2.23	March 9, 2010
Ducts	1.18	July 7, 2010
Packing line	4.90	March 24, 2010
Nitrogen plant	4.54	March 20, 2010
Air compressor	3.08	March 29, 2010
Air receiver tanks	0.46	July 26, 2010
Air dryer for bag	3.59	July 12, 2010
Door interlocking	0.55	August 9, 2010
QC instruments	1.89	August 17, 2010
QC instruments	0.24	July 27, 2010
Others		
Pre-operative expenses ⁽³⁾	3.19	
Electrification ⁽⁴⁾	1.70	
Data processing ⁽⁴⁾	0.64	

Description	Estimated Cost ⁽¹⁾	Quotation Date
Contingency ⁽⁴⁾	3.86	
Total	200.07	

Notes:

(1) The estimates include all applicable taxes and duties and transportation costs for plant and machinery.

(2) The quotations received for the imported machineries are in Euros or USD. The amounts represented above have been calculated based on the conversion rate of 1 Euro for Rs. 62 and 1 USD for Rs. 48.

(3) The pre-operative expenses have been quantified based on management estimates. The pre-operative expenses include various expenses such as consulting fees for architects and chartered engineers, travelling expenses, insurance costs and others.

(4) These costs have been quantified based on management estimates.

Setting up of a non-PVC bag line

The details of the costs relating to the setting up of the non-PVC bag line are as follows:

(Rs. in million)

Description	Estimated Cost ⁽¹⁾	Quotation Date
<i>Imported Plant & Machinery</i>⁽²⁾		
High-speed non-PVC bag line	105.1	July 7, 2010
Flexo printer	10.34	March 19, 2010
Magnetic stirrer	3.4	February 1, 2010
Sterilizer	14.96	March 31, 2010
Variable frequency drive	3.22	March 14, 2010
UPLC	24.56	March 11, 2010
Accusizer	3.35	July 17, 2010
Chiller	2.47	March 9, 2010
Clean room	16.46	March 15, 2010
<i>Domestic Plant & Machinery</i>		
Vessels (mixing)	4.72	March 1, 2010
Vessels (water system)	5.98	February 25, 2010
S.S. plate	0.17	February 20, 2010
S.S. box and collar	0.03	March 1, 2010
S.S. misc. material	35.46	July 10, 2010
LAF units	1.12	March 28, 2010
Dispensing booth	0.64	March 26, 2010
Balances	0.72	March 26, 2010
Pumps	0.38	September 3, 2010
Process piping	5.31	March 3, 2010
AHUs	2.36	March 9, 2010
Ducts	1.18	July 7, 2010
Packing line	4.9	March 24, 2010
Nitrogen plant	4.54	March 20, 2010
Air compressor	3.08	March 29, 2010
Air receiver tanks	0.46	July 26, 2010
Air dryer for bag	3.59	July 12, 2010
Door interlocking	0.55	August 9, 2010
QC instruments	2.81	August 10, 2010
Vertical autoclave	0.24	July 27, 2010
Lab instruments	0.28	July 27, 2010
QC instruments	1.89	August 17, 2010

Description	Estimated Cost ⁽¹⁾	Quotation Date
Others		
Pre-operative expenses ⁽³⁾	8.39	
Data processing ⁽⁴⁾	2.07	
Furniture ⁽⁴⁾	4.08	
Contingencies ⁽⁴⁾	5.41	
Total	284.22	

Notes:

(1) The estimates include all applicable taxes and duties, and transportation costs for plant and machinery.

(2) The quotations received for the imported machineries are in Euros or USD. The amounts set out in the table have been calculated based on the conversion rate of 1 Euro for Rs. 62 and 1 USD for Rs. 48.

(3) Pre-operative expenses have been quantified based on management estimates. These expenses include various expenses such as consulting fees for architects and consulting engineers, travelling expenses, insurance costs and others.

(4) All of these costs have been quantified based on management estimates.

Setting up of a fat emulsion line

The details of the costs relating to the setting up of a fat emulsion line are as follows:

(Rs. in million)

Description	Estimated Cost ⁽¹⁾	Quotation Date
<i>Imported Plant & Machinery⁽²⁾</i>		
Bottle filling stoppering machine	20.83	August 27, 2010
Inline mixer	3.46	July 10, 2010
Homogenizer	21.11	March 22, 2010
Sterilizer	26.61	March 17, 2010
Cartoning machine	11.72	March 24, 2010
Stickering machine	3.51	March 18, 2010
Labelling machine	6.34	March 17, 2010
Washing and DPT	56.67	March 2, 2010
Over wrapping	26.47	August 27, 2010
Visual inspection	26.6	February 1, 2010
Clean room	16.46	March 15, 2010
Variable frequency drive	4.12	March 14, 2010
<i>Domestic Plant & Machinery</i>		
Vessel and piping	17.22	March 18, 2010
Cold rooms	4.09	July 10, 2010
S.S. misc. material	2.51	July 10, 2010
SS plate	0.17	February 20, 2010
SS box and collar	0.03	March 1, 2010
LAF units	1.12	March 28, 2010
Dispensing booth	0.64	March 26, 2010
Balances	0.72	March 26, 2010
Process piping	5.31	March 3, 2010
AHUs	2.36	March 9, 2010
Ducts	1.18	July 7, 2010
Air receiver tanks	0.15	July 26, 2010
Leak test machine	2.82	March 23, 2010

Description	Estimated Cost ⁽¹⁾	Quotation Date
Door interlocking	0.55	August 9, 2010
QC instruments	2.07	August 10, 2010
Vertical autoclave	0.24	July 27, 2010
Lab instruments	0.28	July 27, 2010
Lab instruments	1.89	August 17, 2010
Others		
Pre-operative expenses ⁽³⁾	2.59	
Electrification ⁽⁴⁾	2.2	
Data processing ⁽⁴⁾	0.21	
Furniture ⁽⁴⁾	0.65	
Contingency ⁽⁴⁾	5.41	
Total	278.3	

Notes:

(1) The estimates include all applicable taxes and duties, and transportation costs for plant and machinery.

(2) The quotations received for the imported machineries are in Euros or USD. The amounts represented above have been calculated based on the conversion rate of 1 Euro for Rs. 62 and 1 USD for Rs. 48.

(3) The pre-operative expenses have been quantified based on management estimates. The pre-operative expenses include various expenses such as consulting fees for architects and consulting engineers, travelling expenses, insurance costs and others.

(4) These costs have been quantified based on management estimates.

Schedule of implementation

The expected schedule of implementation for our new plant is as follows:

		Small volume parenteral line	PVC bag line	Non-PVC bag line	Fat emulsion line
Sr. No.	Particulars	Expected date of completion			
1.	Land acquisition	February 2011			
2.	Construction of building for our new plant	December 2011			
3.	Construction of utilities building	September 2011			
4.	Completion of common utilities	December 2011			
5.	Installation of plant & machinery	October 2011	December 2011	January 2012	January 2012
6.	Trial production	December 2011	March 2012	March 2012	March 2012
7.	Commercial production	June 2012	September 2012	September 2012	September 2012

Setting up a new manufacturing line for propofol and other fat emulsion products at our existing plant, Clarion IV

Propofol is one of our key products. Our management expects an increase in the demand for Profol, our brand of propofol, in the near future. We intend to set up a manufacturing line at our existing Clarion IV facility for propofol fat emulsion so that we are able to cater to this increase in demand for Profol.

The detailed break-up of funds required for setting up of our manufacturing line at Clarion IV is as follows:

(Rs. in million)

Description	Estimated Cost ⁽¹⁾	Quotation Date
Imported Plant & Machinery⁽²⁾		
Bottle filling stoppering machine	20.83	August 27, 2010
Inline mixer	3.46	July 10, 2010
Homogenizer	21.11	March 22, 2010
Sterilizer	26.61	March 17, 2010
Cartoning machine	11.72	March 24, 2010
Stickering machine	6.34	March 18, 2010
Labelling machine	3.51	March 17, 2010
Washing and DPT	56.67	March 2, 2010
Over Wrapping	26.47	August 27, 2010
Visual Inspection	26.6	February 1, 2010
Clean Room	2.32	March 15, 2010
Variable Frequency Drive	4.12	March 14, 2010
Domestic Plant & Machinery		
Vessel and piping	17.22	March 18, 2010
Cold rooms	4.09	July 10, 2010
S.S. misc. material	2.51	July 10, 2010
S.S. plate	0.17	February 20, 2010
SS box and collar	0.03	March 1, 2010
LAF units	1.12	March 28, 2010
Dispensing booth	0.64	March 26, 2010
Balances	0.72	March 26, 2010
Process piping	5.31	March 3, 2010
AHUs	2.36	March 9, 2010
Ducts	1.18	July 7, 2010
Air receiver tanks	0.15	July 26, 2010
Leak test machine	2.82	March 23, 2010
Door interlocking	0.55	August 9, 2010
QC instruments	2.07	August 10, 2010
Vertical autoclave	0.24	July 27, 2010
Lab instruments	0.28	July 27, 2010
Lab instruments	1.89	August 17, 2010
Others		
Pre-operative expenses ⁽³⁾	3.89	
Electrification ⁽⁴⁾	2.2	
Furniture ⁽⁴⁾	0.36	
Contingency ⁽⁴⁾	5.11	
Total	264.68	

Notes:

(1) The estimates include all applicable taxes and duties, and transportation costs for plant and machinery.

(2) The quotations received for the imported machineries are in Euros or USD. The amounts represented above have been calculated based on the conversion rate of 1 Euro for Rs. 62 and 1 USD for Rs. 48.

(3) The pre-operative expenses have been quantified based on management estimates. The pre-operative expenses include various expenses such as consulting fees for architects and consulting engineers, travelling expenses, insurance costs and others.

(4) These costs have been quantified based on management estimates.

Schedule of implementation

The expected schedule of implementation for setting up a new manufacturing line for propofol and other fat emulsion products at our existing plant, Clarion IV, is as follows:

Sr. No	Particulars	Expected date of completion
1.	Installation of plant and machinery	September 2011
2.	Trial production	December 2011
3.	Commercial production	June 2012

Construction of a facility for research and development at our Clarion manufacturing facilities

We aim to increase our number of product registrations in various emerging and regulated markets as part of our business strategy through investments in research and development.

Our research and development plans include the development of new delivery systems, such as closed-system non-PVC bags, for our existing as well as new products; product development in fast growing technologies such as cytotoxic products, pre-filled syringes and lyophilized drugs in therapy segments such as oncology, anti-infectives and anticoagulants; and development of new small volume parenteral products. In addition, we also intend to manufacture products such as oxygen sensitive products, aseptic manufactured injectables in bags and bottles and liposomals. We intend to set up a new research and development facility at our Clarion manufacturing facilities to carry out the above plans.

The funds required for the construction of such a research and development facility are as follows:

(Rs. in million)		
Description	Estimated Cost ⁽¹⁾	Quotation Date
Construction cost for the building ⁽²⁾	116.45	
<i>Imported Plant & Machinery⁽³⁾</i>		
Filling line	75.32	March 29, 2010
Chiller	2.47	August 19, 2010
HPLC	29.45	July 22, 2010
Liquid particle counter	1.42	August 9, 2010
Master sizer	3.82	August 17, 2010
Micro balance	1.44	July 29, 2010
Particle sizer	2.40	March 10, 2010
Peel off strength tester	0.44	March 30, 2010
UV-vis spectrophotometer	0.68	April 1, 2010
FTIR spectrum	2.27	April 1, 2010
G.C. with head space	2.42	April 1, 2010
Atomic absorption spectrophotometer	3.73	April 1, 2010
GC-MS	4.54	April 1, 2010
TOC	1.94	March 29, 2010
LCMS	18.37	March 11, 2010
Amino acid analyser	8.23	July 22, 2010
LIMS	15.00	March 30, 2010
WFI plant	4.55	August 10, 2010
Clean room	10.04	March 12, 2010
Air particle counter – met one	0.75	August 9, 2010
Variable frequency drive	5.03	March 14, 2010
<i>Domestic Plant & Machinery</i>		
Process Piping	2.04	February 1, 2010

Description	Estimated Cost ⁽¹⁾	Quotation Date
Air Compressor with tank	3.08	August 27, 2010
Nitrogen Plant	3.05	August 21, 2010
HVAC system – cassette AC	1.89	March 16, 2010
HVAC	1.33	July 10, 2010
AHU	3.05	August 18, 2010
Mixing vessel	0.42	March 26, 2010
Holding vessel	0.21	March 26, 2010
SWI and ROEDI vessel	2.61	March 21, 2010
Pumps	0.30	September 3, 2010
LAF	1.09	July 12, 2010
Stability chambers	7.35	July 10, 2010
Rubber bung processor	3.14	March 29, 2010
Freeze dryer	2.04	July 29, 2010
QC clean room	2.65	July 14, 2010
S.S. work	0.73	July 26, 2010
Others		
Pre-operative expenses ⁽⁴⁾	7.55	
Electrification ⁽⁵⁾	7.30	
Data processing ⁽⁵⁾	3.73	
Furniture ⁽⁵⁾	14.65	
Contingency ⁽⁵⁾	5.10	
Total	384.08	

Notes:

(1) The estimates include all applicable taxes and duties, and transportation costs for plant and machinery.

(2) As per the certificate dated March 30, 2010 provided by Deepak C. Shah, an independent Government-approved registered valuer and consulting chartered engineer.

(3) The quotations received for the imported machineries are in Euros, USD, JPY or GBP. The amounts represented above have been calculated based on the conversion rate of 1 Euro for Rs. 62, 1 USD for Rs. 48, 1 JPY for Rs. 0.48 and 1 GBP for Rs. 68.

(4) The pre-operative expenses have been quantified based on management estimates. The pre-operative expenses include various expenses such as consulting fees for architects and consulting engineers, travelling expenses, insurance costs and others.

(5) These costs have been quantified based on management estimates.

Schedule of implementation

The expected schedule of implementation for construction of a facility for research and development at our Clarion manufacturing facilities is as under:

Sr. No	Particulars	Expected date of completion
1.	Installation of plant and machinery	December 2011
2.	Completion	March 2012

The expenditure in relation to our capital expenditure has been budgeted based on quotations received from various parties. We have not entered into any contracts in relation to the estimated amount to be deployed.

Prepayment of an identified term loan

We have entered into certain term loan agreements with banks and financial institutions. In order to reduce our interest burden and allow flexibility in financial management of our business and operations, we intend to prepay a debt up to Rs. 459.14 million from our Net Proceeds from the issue. As of March 31, 2010, the Company has drawn down an amount of Rs. 459.14 million out of the sanctioned amount.

The following are details of the term loan facility as on March 31, 2010, that we intend to repay from the Net Proceeds during the financial year ending December 31, 2010.

Lenders	Sanctioned Amount (Rs. in million)	Rate of Interest	Repayment Schedule	Amount outstanding as on March 31, 2010 (Rs. in million)
The Lakshmi Vilas Bank Ltd.	560.00	13.50%	24 quarterly installments after initial moratorium period of 2 years from the date of first drawdown i.e. from April, 2011	459.14 ⁽¹⁾

Note:

(1) As certified by Mehul Khatsuriya & Associates, Chartered Accountants by its certificate dated April 16, 2010, the said amount is outstanding under the term loan and our Company have utilised the aforesaid debt for setting up our manufacturing facility at Clarion V for the manufacture of oncology products for which it had been sanctioned.

We are not required to pay any prepayment penalty under our financing arrangement with The Lakshmi Vilas Bank Ltd.

General corporate purposes

We intend to deploy Rs. [●] million from the Net Proceeds of the Issue for General Corporate Purposes, including but not restricted to capital expenditure towards the various facilities owned by the Company, strategic initiatives, partnerships, joint ventures and acquisitions, brand building exercises, strengthening of our marketing capabilities and meeting exigencies, which our Company may be subjected to in the ordinary course of its business, or for any other purposes as approved by the Board.

Expenses of the Issue

The breakdown of the total estimated expenses for the Issue is as follows:

Particulars	Estimated Expenses (Rs. in million)	% of Estimated Issue Size	% of Estimated Issue expenses
Fees of the BRLMs, underwriting commission, brokerage and selling commission	[●]	[●]	[●]
Fees to SCSBs for ASBA applications	As may be applicable		
Fees of the Registrar to the Issue	[●]	[●]	[●]
Printing and stationery, distribution, postage, etc.	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Others (IPO grading fees, fees to the legal counsel, stamp duty, SEBI and stock exchange filing fees, listing fees, etc.)	[●]	[●]	[●]
Total	[●]	[●]	[●]

Note: To be incorporated after finalization of the Issue Price.

Deployment of funds

No funds have been deployed by the Company towards the abovementioned objects as of date.

Appraisal

None of the projects for which the proceeds of the Issue will be utilised have been financially appraised by any bank, financial institution or agency. The estimates of the costs of objects mentioned above are based on quotes received from vendors of plant and machinery, certificates received from advisors and internal estimates of our Company.

No order has been placed for the purpose of any of the machineries and equipments which we propose to acquire pursuant to the utilization of the Net Proceeds. Further, the Net Proceeds shall not be utilized for the purchase of any second hand machinery or equipment.

Working capital requirement

The proceeds of the Issue will not be used to meet our working capital requirements. We intend to use our internal accruals and / or debt to meet our working capital requirements.

Shortfall of funds

In case of a shortfall in the Net Proceeds, our management may explore a range of options including utilizing our internal accruals or seeking debt from present / future lenders. Our management expects that such alternate arrangement would be available to fund any such shortfall. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the Net Proceeds earmarked for general corporate purposes.

Interim use of funds

The management of our Company, in accordance with the policies established by our Board from time to time, will have flexibility in deploying the Issue Proceeds. Pending utilization for the purposes described above, we intend to invest the funds in high quality interest bearing liquid instruments including investments in short-term deposits with banks or financial institutions and other money market instruments. Pending utilization of the proceeds, we may utilize the proceeds of the Issue towards paying down our working capital / short term credit limits which will be redrawn as and when necessary to meet expenditure towards the objects of the Issue.

Monitoring utilization of funds

Our Audit Committee and our Board will monitor the utilization of the Issue proceeds. We will disclose the details of the utilization of the Issue proceeds, including interim use, under a separate head in our financial statements until the completion of utilisation of the proceeds of the Issue, specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements of our listing agreement with the Stock Exchange. Our Company will also, in our Company's balance sheet as of December 31, 2010, 2011 and 2012, provide details, if any, in relation to all such Net Proceeds that have not been utilized and also indicating investments, if any, of such unutilized Net Proceeds.

Pursuant to clause 49 of the Listing Agreement, our Company shall on a quarterly basis disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditors of our Company. Furthermore, in accordance with clause 43A of the Listing Agreement, our Company shall furnish to the stock exchange on a quarterly basis, a statement including material deviations if any, in the utilisation of the Net Proceeds of the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing such information before the Audit Committee.

Other confirmations

None of the Issue Proceeds will be paid by us to our Promoters, our Directors, Group Companies, associates or key management personnel. Additionally, there are no existing or anticipated transactions in relation to the utilisation of the Net Proceeds with our Promoters, Directors, Group Companies, associates or key managerial personnel of our Company.

BASIS FOR ISSUE PRICE

The Issue Price has been determined by the Company in consultation with the BRLMs, on the basis of assessment of market demand for the equity shares through the book-building process and on the basis of the following qualitative and quantitative factors for the Equity Shares. The face value of the Equity Shares is Rs. 10 each and the Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Qualitative Factors

We believe the following business strengths allow us to successfully compete in the sterile injectables industry:

1. Complex product portfolio
2. Manufacturing competence across multiple drug delivery systems
3. Established sales, marketing and distribution network across 76 countries
4. Integrated business model
5. R&D capabilities
6. Committed senior management team and a well-qualified workforce
7. Cost advantage

For a detailed discussion on the qualitative factors, which form the basis for computing the price, please refer to the sections titled “Our Business – Our Competitive Strengths” and “Risk Factors” on pages 122 and 18 respectively of this Red Herring Prospectus.

Quantitative factors

Information presented in this section is derived from the Company’s restated audited standalone and consolidated financial statements:

Basic Earnings Per Share (EPS)

Financial Period	EPS (Rs.) (stand-alone)	EPS (Rs.) (consolidated)	Weight
Financial Year 2007	17.43	18.94	1
Financial Year 2008	24.58	23.15	2
Financial Year 2009	14.54	25.80	3
Weighted average	18.37	23.77	

Diluted Earnings Per Share (EPS)

Financial Period	EPS (Rs.) (stand-alone)	EPS (Rs.) (consolidated)	Weight
Financial Year 2007	16.33	17.73	1
Financial Year 2008	22.38	21.08	2
Financial Year 2009	13.84	24.40	3
Weighted average	17.10	22.18	

Notes:

(1) The face value of each Equity Share is Rs. 10.

(2) Earnings per share calculations are done in accordance with Accounting Standard 20 ‘Earning per Share’ issued by the Institute of Chartered Accountants of India.

Price/earnings (P/E) ratio on a standalone and consolidated basis

Sr. No.	Particulars	Standalone	Consolidated
a.	P/E ratio based on basic EPS for the Fiscal 2009 at the Floor Price:	[●]	[●]

Sr. No.	Particulars	Standalone	Consolidated
b.	P/E ratio based on diluted EPS for the Fiscal 2009 at the Floor Price:	[●]	[●]
c.	P/E ratio based on weighted average basic EPS for the Fiscal 2009 at the Floor Price:	[●]	[●]
d.	P/E ratio based on weighted average diluted EPS for the Fiscal 2009 at the Floor Price:	[●]	[●]
e.	P/E ratio based on basic EPS for the Fiscal 2009 at the Cap Price:	[●]	[●]
f.	P/E ratio based on diluted EPS for the Fiscal 2009 at the Cap Price:	[●]	[●]
g.	P/E ratio based on weighted average basic EPS for the Fiscal 2009 at the Cap Price:	[●]	[●]
h.	P/E ratio based on weighted average diluted EPS for the Fiscal 2009 at the Cap Price:	[●]	[●]
a	Industry P/E* (PHARMACEUTICALS - INDIAN - BULK DRUGS & FORMLN)		
	Highest – Strides Arcolab		226.2
	Lowest – Surya Pharma		5.5
	Industry Composite		26.6
b	Industry P/E* (PHARMACEUTICALS – INDIAN – BULK DRUGS)		
	Highest – Shasun Pharma		52.1
	Lowest – Wanbury		4.9
	Industry Composite		21.4

* Source: Capital Market, Volume XXV/19-November 15-28, 2010. These industry figures are based on audited standalone financial statements.

Return on Net Worth

Financial Period	RONW %		Weight
	Standalone	Consolidated	
Financial Year 2007	26.11	29.91	1
Financial Year 2008	26.86	26.81	2
Financial Year 2009	14.60	24.15	3
Weighted average	20.61	26.00	

Minimum Return on Total Net Worth after Issue needed to maintain Pre-Issue EPS as on December 31, 2009

- At the Floor Price on basic EPS – [●]% and [●]% based on standalone and consolidated financial statements respectively.
- At the Cap Price on basic EPS – [●]% and [●]% based on standalone and consolidated financial statements respectively.
- At the Floor Price on diluted EPS – [●]% and [●]% based on standalone and consolidated financial statements respectively.
- At the Cap Price on diluted EPS – [●]% and [●]% based on standalone and consolidated financial statements respectively.

NAV per Equity Share

	NAV (Rs.)	
	Standalone	Consolidated
NAV per Equity Share, after issue of bonus shares, as at December 31, 2009	94.84	101.03
NAV per Equity Share after the Issue	[●]	[●]
Issue Price	[●]	[●]

NAV per Equity Share = $\frac{\text{Net worth, as restated, at the end of the year}}{\text{Number of equity share outstanding at the end of the year}}$

Comparison with industry peers

	Fiscal	Face Value (Rs.)	EPS (Rs.)	P/E Ratio [@]	RoNW%	Book Value per Share (Rs.)
Claris Lifesciences Limited [*]	12/2009	10	14.54	[●]	14.60	94.84
Peer Group[#]						
Sun Pharma. Inds.	03/2010	5	42.6	54.0	16.5	276.1
Piramal Healthcare	03/2010	2	20.3	23.4	33.0	71.8
Cadilla Health.	03/2010	5	24.8	29.9	35.3	79.4
Lupin	03/2010	2	14.2	31.5	33.2	56.8
Torrent Pharma	03/2010	5	26.3	21.2	25.7	104.1
Biocon	03/2010	5	12.2	35.5	16.9	78.3

[@]Computed based on the market price as on November 8, 2010 and EPS for the year ended March 31, 2010 as reported in Capital Markets, Volume XXV/19-November 15-28, 2010 except for Claris Lifesciences Limited

^{*}Based on the restated audited standalone financial statements for the twelve months period ended December 31, 2009

[#]Source: Capital Market, Volume XXV/19-November 15-28, 2010. The figures of the peer group companies are based on audited standalone financial statements

The Issue Price of Rs. [●] per Equity Share has been determined by our Company with the Book Running Lead Managers on the basis of the demand from investors for the Equity Shares through the Book Building Process and is justified based on the above accounting ratios. For further details, see the section titled “Risk Factors” on page 18 of this Red Herring Prospectus and the section titled “Financial Information” beginning on page 208 of this Red Herring Prospectus.

STATEMENT OF TAX BENEFITS

September 14, 2010

Claris Lifesciences Limited
Near Parimal Rly. Crossing,
Ellisbridge,
Ahmedabad – 380 006.

Kind Attn.: Mr. Arjun S. Handa

Dear Sir,

Re.: Statement of Possible Tax Benefits

We hereby report that the enclosed annexure states the possible tax benefits available to Claris Lifesciences Limited (the “Company”) and its shareholders under the current tax laws in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfil.

The benefits discussed below are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

We have no objection if the attached annexure i.e. Tax Benefits Available to Claris Lifesciences Limited and its shareholders is incorporated in the Red Herring Prospectus / Prospectus to be submitted to the concerned authorities.

Thanking you,

Yours faithfully,

For Shah & Shah Associates
Chartered Accountants

Bharat A. Shah
Partner
(Membership No. 30167)

These are the special tax benefits available to Claris Lifesciences Limited, subject to compliance with relevant provisions.

A. Under the Income Tax Act, 1961 (“the Act”)

1. The Company has a Unit located at village Chacharwadi Vasana, Tal. Sanand, Dist. Ahmedabad, which is registered as a 100% Export Oriented Unit (herein after referred as ‘EOU’). U/s 10B of the Income Tax Act, 1961 (“the Act”), the Company is entitled to deduction of such profits and gains as are derived by EOU from the export of drugs and pharmaceuticals while computing taxable income of the assessee, subject to compliance with conditions specified in Section 10B of the Act. It may be noted that such deduction under section 10B is admissible only up to Assessment Year 2011 –12 (i.e. year ending on March 31, 2011).

During the period when deduction is admissible as above, as per section 115JB, while calculating “book profits” the Company will not be able to reduce the export profits of EOU to which the provisions of section 10B apply and will be required to pay Minimum Alternate Tax at the rate of 15%¹ (plus applicable surcharge and cess) of the book profits.

2. Under section 35(2AB) of the IT Act, the specified expenditure incurred on scientific research on approved in-house research and development facility is eligible for weighted deduction. The Company has in-house research facility approved by Department of Scientific and Industrial Research, Ministry of Sciences and Technology, Government of India. The Company shall be entitled to weighted deduction of 150%² of the amount of expenditure on scientific research (not being expenditure in the nature of cost of any land or building) in computing taxable income, subject to fulfilment of conditions laid down u/s. 35(2AB) of the Act. It may be noted that such weighted deduction under section 35(2AB) is admissible only up to Assessment Year 2012-13 (i.e. year ending on March 31, 2012).

B. Under the Central Excise Act, 1944

1. The Company is engaged in the manufacture of Intravenous fluids. Intravenous fluid, which are used for sugar, electrolytes or fluid replenishment are entitled to benefit of Central Excise Duty Exemption vide Sr. No. 58 of the Notification No. 4/2006-CE dated March 1, 2006, as amended.
2. The Company is engaged in the manufacture of Intravenous amino acids and Intravenous Fat Emulsion which are entitled to benefit of Central Excise Duty Exemption vide Sr. No. 47 of the Notification No.4/2006-CE dated 01.03.2006 as amended.
3. The Company is also engaged in the manufacture of anaesthetic injection, which are entitled to benefit of Central Excise Duty Exemption vide Sr. No. 45 of the Notification No.4/2006-CE dated 01.03.2006 as amended.

There are no special tax benefits available to the shareholders of Claris Lifesciences Limited.

Statement of general tax benefits:

These are the general tax benefits available to the all companies and shareholders, subject to compliance with relevant provisions.

A. Under the Income Tax Act, 1961 (“the Act”)

I. Benefits available to the Company

1. As per section 10(34) of the Act, any income by way of dividends referred to in section 115-O (i.e. dividends declared, distributed or paid on or after 1st April, 2003 by domestic companies) received on the shares of any company is exempt from tax.

¹ It may be noted that Finance Bill, 2010 has proposed to increase the said rate to 18% (plus applicable surcharge and cess) with effect from Assessment Year 2011-12.

² It may be noted that Finance Bill, 2010 has proposed to increase the above weighted deduction rate from 150% to 200% with effect from Assessment Year 2011-12.

2. As per section 10(35) of the Act, the following income will be exempt in the hands of the Company:
 - a) Income received in respect of the units of a Mutual Fund specified under clause (23D) of section 10; or
 - b) Income received in respect of units from the Administrator of the specified undertaking; or
 - c) Income received in respect of units from the specified company:

However, this exemption does not apply to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified Company or of a mutual fund, as the case may be.

For this purpose (i) “Administrator” means the Administrator as referred to in section 2(a) of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 and (ii) “Specified Company” means a Company as referred to in section 2(h) of the said Act.

3. As per section 2(29A) read with section 2(42A), shares held in a company or a Unit of a Mutual Fund specified under clause (23D) of section 10 are treated as long term capital asset if the same are held by the assessee for more than twelve months period immediately preceding the date of its transfer. Accordingly, the benefits enumerated below in respect of long term capital assets would be available if the shares in a company or a Unit of a Mutual Fund specified under clause (23D) of section 10 are held for more than twelve months.
4. As per section 10(38) of the Act, Long term capital gains arising to the company from the transfer of long term capital asset being an equity share in a company or a unit of an equity oriented fund where such transaction is chargeable to securities transaction tax will be exempt in the hands of the Company.

For this purpose, “Equity Oriented Fund” means a fund –

- where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent of the total proceeds of such funds; and
- which has been set up under a scheme of a Mutual Fund specified under section 10(23D) of the Act.

As per section 115JB, while calculating “book profits” the Company will not be able to reduce the long term capital gains to which the provisions of section 10(38) of the Act apply and will be required to pay Minimum Alternate Tax at the rate of 15%³ (plus applicable surcharge and cess) of the book profits.

5. The Company is entitled to claim additional depreciation at the rate of 20% (10% if the assets are used for less than 182 days) of cost, in accordance with provisions of section 32(1)(ia), for purchase of new plant and machinery acquired and installed after 31st March, 2005.

However, additional depreciation is not available in respect of -

- any machinery or plant which, before its installation by the assessee, was used either within or outside India by any other person; or
- any machinery or plant installed in any office premises or any residential accommodation, including accommodation in the nature of a guest-house; or
- any office appliances or road transport vehicles; or
- any machinery or plant, the whole of the actual cost of which is allowed as a deduction (whether by way of depreciation or otherwise) in computing the income chargeable under the head “Profits and gains of business or profession” of any one previous year.

6. In accordance with and subject to the provisions of section 35, the Company would be entitled to deduction in respect of expenditure laid out or expended on scientific research related to the business.
7. The company will be entitled to amortise preliminary expenditure, being expenditure incurred on public issue of shares, under section 35D(2)(c)(iv) of the Act, subject to the limit specified in section 35D(3).
8. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax to the extent such capital gains are invested in a “long term specified asset” within a period of 6 months after the date of such transfer. It may be noted that

³ It may be noted that Finance Bill, 2010 has proposed to increase the said rate to 18% (plus applicable surcharge and cess) with effect from Assessment Year 2011-12.

investment in the long term specified asset by an assessee during any financial year cannot exceed Rs. 50 Lacs.

However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

A “long term specified asset” for making investment under this section on or after April 1, 2007 means any bond, redeemable after three years and issued on or after the April 1, 2007 by:

- (i) National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988; or
 - (ii) Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.
9. As per section 74 short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years’ short-term as well as long-term capital gains. Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years’ long-term capital gains.
 10. As per Section 80JJAA, and subject to the conditions laid down therein, of the Act further deduction is allowable is equal to thirty per cent of additional wages paid to the new regular workmen employed by it in the previous year for three assessment years including the assessment year relevant year relevant to the previous year in which such employment is provided.

For this purpose, “additional wages” means the wages paid to the new regular workman in excess of one hundred workmen employed during the previous year. However, in the case of an existing undertaking, the additional wages shall be ‘nil’ if the increase in the number of regular workmen employed during the year is less than ten per cent of existing number of workmen employed in such undertaking as on the last day of the preceding year.
 11. As per section 111A of the Act, short term capital gains arising to the Company from the sale of equity share or a unit of an equity oriented fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge and cess).
 12. As per section 112 of the Act, taxable long-term capital gains, if any, on sale of listed securities or units or zero coupon bonds other than exempt under the provision of section 10(38) will be charged to tax at the concessional rate of 20% (plus applicable surcharge and cess) after considering indexation benefits in accordance with and subject to the provisions of section 48 of the Act or at 10% (plus applicable surcharge and cess) without indexation benefits, at the option of the Company. Under section 48 of the Act, the long term capital gains arising out of sale of capital assets excluding bonds and debentures (except Capital Indexed Bonds issued by the Government) will be computed after indexing the cost of acquisition/improvement.
 13. Under section 115JAA(1A) of the Act, credit is allowed in respect of any Minimum Alternate Tax (‘MAT’) paid under section 115JB of the Act for any assessment year commencing on or after April 1, 2006. Tax credit eligible to be carried forward will be the difference between MAT paid and the tax computed as per the normal provisions of the Act for that assessment year. Such MAT credit is allowed to be carried forward for set off purposes for up to 10 years succeeding the year in which the MAT credit is allowable.
 14. Under section 115-O(1A) of the Act, credit is allowed in respect of any dividend received by the Company in computation of amount liable to tax u/s. 115-O, if such dividend is received from its subsidiary during the financial year and the subsidiary has paid tax u/s. 115-O in relation to such dividend, provided the Company is not subsidiary of any other company.

II. Benefits available to Resident Shareholders

1. As per section 10(34) of the Act, any income by way of dividends referred to in section 115-O (i.e. dividends declared, distributed or paid on or after 1st April 2003 by the domestic companies) received on the shares of the Company is exempt from tax.
2. As per section 2(29A) read with section 2(42A), shares held in a company are treated as long term capital asset if the same are held by the assessee for more than twelve months period immediately preceding the date of its transfer. Accordingly, the benefits enumerated below in respect of long term capital assets would be available if the shares are held for more than twelve months.
3. As per section 10(38) of the Act, long term capital gains arising from the transfer of a long term capital asset being an equity share of the Company, where such transaction is chargeable to securities transaction tax, will be exempt in the hands of the shareholder.
4. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax to the extent such capital gains are invested in a “long term specified asset” within a period of 6 months after the date of such transfer. It may be noted that investment made in the long term specified asset by an assessee during any financial year cannot exceed Rs. 50 Lacs.

However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

A “long term specified asset” means any bond, redeemable after three years and issued on or after 1st April 2007:

- (i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988; or
 - (ii) by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.
5. As per section 54F of the Act, long term capital gains (in cases not covered under section 10(38)) arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family (HUF) will be exempt from capital gains tax if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a residential house, or for construction of a residential house within three years. Such benefit will not be available:
 - (a) if the individual or HUF-
 - i) owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or
 - ii) purchases another residential house within a period of one year after the date of transfer of the shares; or
 - iii) constructs another residential house within a period of three years after the date of transfer of the shares; and
 - (b) the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head “Income from house property”.

If only a part of the net consideration is so invested, so much of the capital gain as bears to the whole of the capital gain, the same proportion as the cost of the new residential house bears to the net consideration, will be exempt.

If the new residential house is transferred within a period of three years from the date of purchase or

construction, the amount of capital gains on which tax was not charged earlier, will be deemed to be income chargeable under the head “Capital Gains” of the year in which the residential house is transferred.

6. As per section 74 Short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years’ short-term as well as long-term capital gains. Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years’ long-term capital gains.
7. As per section 111A of the Act, short term capital gains arising from the sale of equity shares of the Company transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge and cess).
8. As per section 112 of the Act, taxable long-term capital gains, if any, on sale of shares of the Company other than exempt under the provision of section 10(38) will be charged to tax at the rate of 20% (plus applicable surcharge and cess) after considering indexation benefits or at 10% (plus applicable surcharge and cess) without indexation benefits, whichever is less. Under section 48 of the Act, the long term capital gains arising out of sale of shares will be computed after indexing the cost of acquisition/ improvement.

III. Benefits available to Non-Resident Indians/Non-Resident Shareholders

(Other than FIIs)

1. As per section 10(34) of the Act, any income by way of dividends referred to in section 115-O (i.e. dividends declared, distributed or paid on or after 1st April 2003 by the Company) received on the shares of the Company is exempt from tax.
2. As per section 2(29A) read with section 2(42A), shares held in a company are treated as long term capital asset if the same are held by the assessee for more than twelve months period immediately preceding the date of its transfer. Accordingly, the benefits enumerated below in respect of long term capital assets would be available if the shares are held for more than twelve months.
3. As per section 10(38) of the Act, long term capital gains arising from the transfer of long term capital asset being an equity share of the Company, where such transaction is chargeable to securities transaction tax, will be exempt in the hands of the shareholder.
4. As per first proviso to section 48 of the Act, in case of a non resident shareholder, the capital gain/loss arising from transfer of shares of the Company, acquired in convertible foreign exchange, is to be computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively incurred in connection with such transfer, into the same foreign currency which was initially utilized in the purchase of shares. Cost Indexation benefit will not be available in such a case.
5. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax to the extent such capital gains are invested in a “long term specified asset” within a period of 6 months after the date of such transfer. It may be noted that investment made in the long term specified asset by an assessee during any financial year cannot exceed Rs. 50 Lacs.

However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

A “long term specified asset” for making investment under this section on or after 1st April 2007 means any bond, redeemable after three years and issued on or after the 1st April 2007 by:

- (i) National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988; or

- (ii) Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.
6. As per section 54F of the Act, long term capital gains (in cases not covered under section 10(38)) arising on the transfer of the shares of the Company held by an individual or HUF will be exempt from capital gains tax if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a residential house, or for construction of a residential house within three years. Such benefit will not be available:
- a) if the individual or Hindu Undivided Family-
 - i) owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or
 - ii) purchases another residential house within a period of one year after the date of transfer of the shares; or
 - iii) constructs another residential house within a period of three years after the date of transfer of the shares; and
 - b) the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head “Income from house property”.

If only a part of the net consideration is so invested, so much of the capital gain as bears to the whole of the capital gain, the same proportion as the cost of the new residential house bears to the net consideration, will be exempt.

If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, will be deemed to be income chargeable under the head “Capital Gains” of the year in which the residential house is transferred.

7. As per Section 74 Short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years’ short-term as well as long-term capital gains. Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years’ long-term capital gains.
8. As per section 111A of the Act, short term capital gains arising from the sale of equity shares of the Company transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge and cess).
9. As per section 112 of the Act, taxable long-term capital gains, if any, on sale of shares of the Company (other than exempt under the provision of 10(38)) will be charged to tax at 20% (plus applicable surcharge and cess) after considering indexation benefit or at 10% (plus applicable surcharge and cess) without indexation benefits, whichever is less.
10. As per section 115E of the Act, in the case of a shareholder being a Non-Resident Indian, and subscribing to the shares of the Company in convertible foreign exchange, in accordance with and subject to the prescribed conditions, long term capital gains arising on transfer of the shares of the Company (in cases not covered under section 10(38) of the Act) will be subject to tax at the rate of 10% (plus applicable cess), without any indexation benefit.
11. As per section 115F of the Act and subject to the conditions specified therein, in the case of a shareholder being a Non-Resident Indian, gains arising on transfer of a long term capital asset being shares of the Company will not be chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period of six months in any specified asset or savings certificates referred to in section 10(4B) of the Act. If part of such net consideration is invested within the prescribed period of six months in any specified asset or savings certificates referred to in section 10(4B) of the Act then such gains would not be chargeable to tax on a proportionate basis. Further, if the specified asset or savings certificate in which

the investment has been made is transferred within a period of three years from the date of investment, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such specified asset or savings certificates are transferred.

12. As per section 115G of the Act, Non-Resident Indians are not obliged to file a return of income under section 139(1) of the Act, if their only source of income is income from specified investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.
13. As per section 115H of the Act, where Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under section 139 of the Act to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.
14. As per section 115I of the Act, a Non-Resident Indian may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing a declaration along with his return of income for that assessment year under section 139 of the Act, that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act.

For the purpose of aforesaid clauses “Non-Resident Indian” means an Individual, being a citizen of India or a person of Indian origin who is not a “resident”. A person shall be deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, was born in undivided India.

Provisions of the Act vis-à-vis provisions of the Tax Treaty

15. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident is resident. As per the provisions of section 90(2) of the Act, the provisions of the Tax Treaty would prevail over the provisions of the Act to the extent they are more beneficial to the non-resident.

IV. Benefits available to Foreign Institutional Investors (‘FIIs’)

1. As per section 10(34) of the Act, any income by way of dividends referred to in section 115-O (i.e. dividends declared, distributed or paid on or after 1st April 2003 by the Company) received on the shares of the Company is exempt from tax.
2. As per section 2(29A) read with section 2(42A), shares held in a company are treated as long term capital asset if the same are held by the assessee for more than twelve months period immediately preceding the date of its transfer. Accordingly, the benefits enumerated below in respect of long term capital assets would be available if the shares are held for more than twelve months.
3. As per section 10(38) of the Act, long term capital gains arising from the transfer of long term capital asset being an equity share of the Company, where such transaction is chargeable to securities transaction tax, will be exempt to tax in the hands of the FIIs.
4. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax to the extent such capital gains are invested in a “long term specified asset” within a period of 6 months after the date of such transfer. It may be noted that investment made in the long term specified asset by an assessee during any financial year cannot exceed Rs. 50 Lacs.

However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

A “long term specified asset” for making investment under this section on or after 1st April 2007 means any

bond, redeemable after three years and issued on or after the 1st April 2007 by:

- (i) National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988; or
 - (ii) Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.
5. As per Section 74 Short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.
 6. As per section 111A of the Act, short term capital gains arising from the sale of equity shares of the Company transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15 % (plus applicable surcharge and cess).
 7. As per section 115AD of the Act, FIIs will be taxed on income or capital gains arising in respect of securities (other than unit referred to in section 115AB), at the following rates:

Nature of income	Rate of tax (%)
Long term capital gains other than exempt under the provision of section 10(38)	10
Short term capital gains other than referred to in section 111A	30

The above tax rates have to be increased by the applicable surcharge and cess.

In case of long term capital gains, (in cases not covered under section 10(38) of the Act), the tax is levied on the capital gains computed without considering the cost indexation and without considering foreign exchange fluctuation.

8. As per section 196D, no tax is to be deducted from any income, by way of capital gains arising from the transfer of shares payable to Foreign Institutional Investor.

Provisions of the ITA vis-à-vis provisions of the Tax Treaty

9. The tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the FII is resident. As per the provisions of section 90(2) of the ITA, the provisions of the ITA would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the FII.

V. Benefits available to Mutual Funds

As per 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 authorised by the Reserve Bank of India will be exempt from income tax, subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf.

B. Benefits available under the Wealth Tax Act, 1957

Asset as defined under section 2(ea) of the Wealth tax Act, 1957 does not include shares in companies and hence, shares of the Company are not liable to wealth tax in the hands of shareholders.

C. Benefits available under the Gift Tax Act.

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

shares of the Company will not attract gift tax.

Notes:

- (i) All the above benefits are as per the current tax laws. Accordingly, any change or amendment in the laws/regulation, including provision of proposed direct Taxes Code, which are likely to be effective from 1st of April, 2011, would impact the same.
- (ii) In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investments in the shares of the company.
- (iii) The above Statement of Possible Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

SECTION 4 : ABOUT US

INDUSTRY OVERVIEW

The information in this section is derived from various industry as well as government publications. None of the Company, the BRLMs and any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on this information.

GLOBAL PHARMACEUTICALS INDUSTRY

Introduction

The pharmaceutical industry includes the discovery, development, manufacturing and distribution of drugs. It is characterised by growth and investment in research and development. There is a trend in the industry towards an increased use of generics in different countries due in part to government measures to contain healthcare costs (Source: Cygnus, *Industry Insight – Global Generics*, March 2009). The growth in the pharmaceutical industry is driven by a continuing need for medication for the treatment of various diseases, demographic shifts that strengthen this underlying demand and by improved healthcare infrastructure that provide people with greater access to medication.

Market Segmentation

Geographical Classification

The global pharmaceuticals industry can be classified into two categories based on geography: regulated and semi-regulated (or emerging) markets.

The regulated markets include developed countries such as the United States, the UK, Germany, France, Italy, Canada, Japan and Australia and are primarily governed by stringent government regulations such as intellectual property protection, including product patent recognition. As a result, regulated markets have greater stability for both volumes and prices while a drug is under patent protection.

On the other hand, semi-regulated markets include developing countries (emerging markets of Asia, Africa, Latin America) such as Brazil, Russia, India and China, which have lower entry barriers in terms of regulatory requirements; hence they are highly competitive. The higher level of competition leads to a need for differentiation. This requires companies to promote their products and therefore industry players compete on the basis of brand, marketing and promotion and price.

Product Classification

The global pharmaceuticals industry can be classified into two categories based on patent status of the products: patented products and generic products.

Pharmaceutical companies which hold patents for their products are given the right to exclude others from using their patented products for any commercial purpose. Pharmaceutical patent holders are allowed a certain exclusive marketing period mainly to earn the corresponding revenue on a product to recover the time and resources they spent in inventing such product.

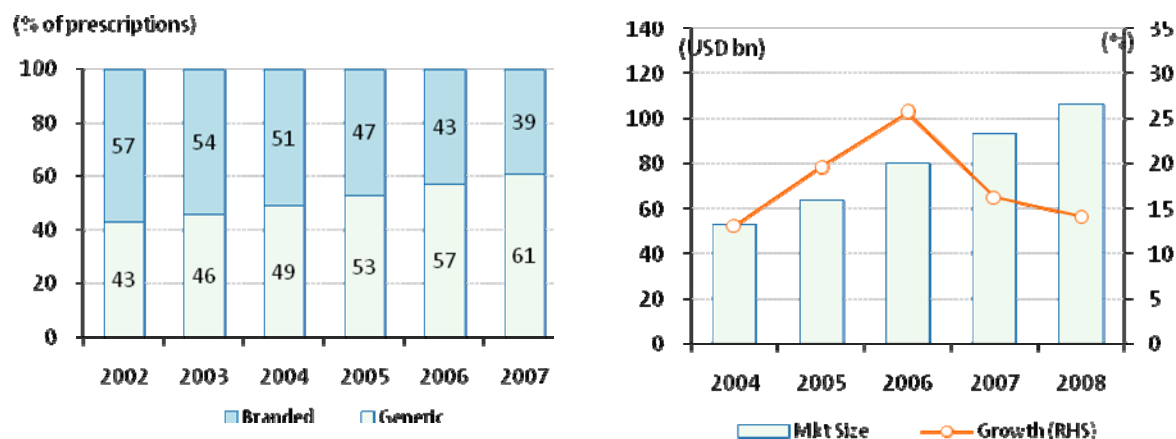
Generic products are pharmaceutical products that are not protected by patents. These are drugs marketed by different companies but containing the same active ingredients. The costs for generics manufacturers to develop their products and obtain regulatory approval to market and sell such products are considerably lower than for patented product manufacturers. As a result, such companies can offer the same product at a greatly reduced price post the expiry of the patent. In terms of the entire pharmaceutical market, the introduction of generic products offer consumers a choice between patented or branded products and their generic counterparts, resulting in greater competition and generally lower prices for drugs in the market.

THE GLOBAL GENERICS MARKET

Market Size and Growth Trends

The global generics market was valued at approximately USD 106.12 billion and grew at a rate of approximately 12.56% in 2008, which is five times that of patented drugs (*Source: Cygnus, Industry Insight – Global Generics, March 2009*). Between 2004 and 2008, the global generics market has grown at a CAGR of 18.83% as can be seen from the following graphs:

Increasing Share of Generics' Prescriptions Leading to Growth in Sales of Generics

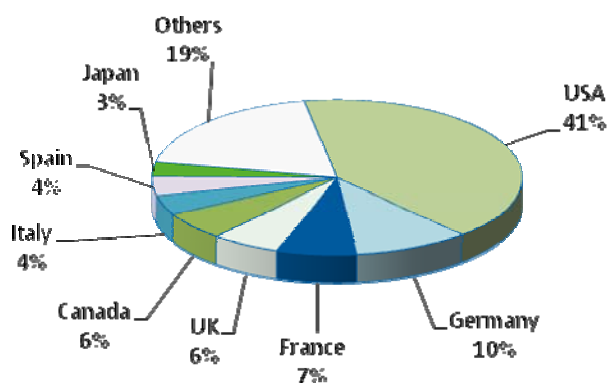


Source: Cygnus, Industry Insight – Global Generics, March 2009
Note: Prescription share is for the US market

Market Segmentation

The following pie-chart shows the geographic distribution of the global generics market in 2008:

Geographic Representation of Global Generics Market - 2008



Source: Cygnus, Industry Insight – Global Generics, March 2009

Eight key markets constituted approximately 80% of the total global generics market. North America accounted for almost half of the global generics market in 2008, with the US accounting for approximately 41% and Canada contributing 6%. In Europe, Germany held 10% market share and the UK held 6%. Japan's share was 3%. (*Source: Cygnus, Industry Insight – Global Generics, March 2009*)

Growth Drivers

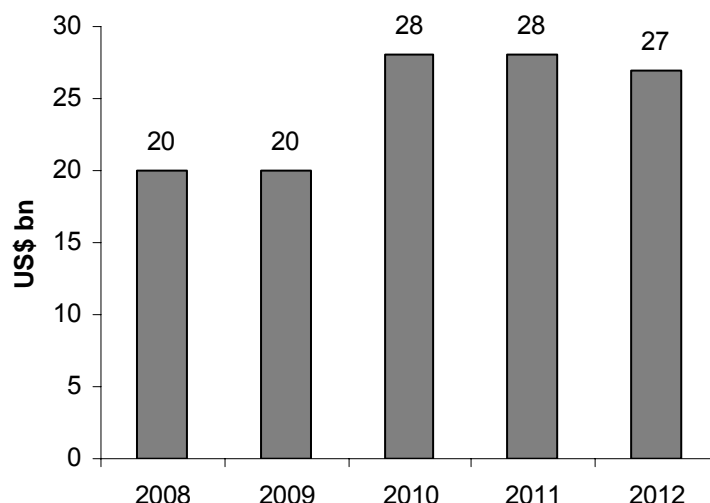
The major growth drivers for the global generics market have been the increasing number of patent expiries of blockbuster drugs and encouragement by governments across the world towards usage of generic products for

containing rising healthcare costs across the globe. (Source: Cygnus, *Industry Insight – Global Generics*, March 2009)

Future Outlook

Going forward, the global generics market is expected to maintain this growth trend. Drugs worth approximately USD 103 billion are expected to lose patent protection globally from 2009 to 2012, highlighting the significant growth opportunity for generics going forward. (Source: Cygnus, *Industry Insight – Global Generics*, March 2009)

Expected Rise in Patent Expiries



Source: Cygnus, *Industry Insight – Global Generics*, March 2009

In 2008 alone, more than two-thirds of all prescriptions written in the US are expected to be for generics. New government contracting initiatives in Germany, and educational programs in Japan, Spain and Italy, are expected to drive greater demand for generics in those markets. (Source: Cygnus, *Industry Insight – Global Generics*, March 2009)

GLOBAL INJECTABLES INDUSTRY

Introduction

A significant proportion of pharmaceutical products are delivered to the human body as tablets or capsules, orally. However, there are many drugs that are available only in injectable format due to issues of safety and efficacy. There are also products which are available in oral and injectable forms, where the injectable form is preferred when the patient is in a critical situation. These injectables by their very name cannot be consumed orally and need to be injected or infused into the body. Due to this, injectables have certain specific characteristics compared to oral dosage forms:

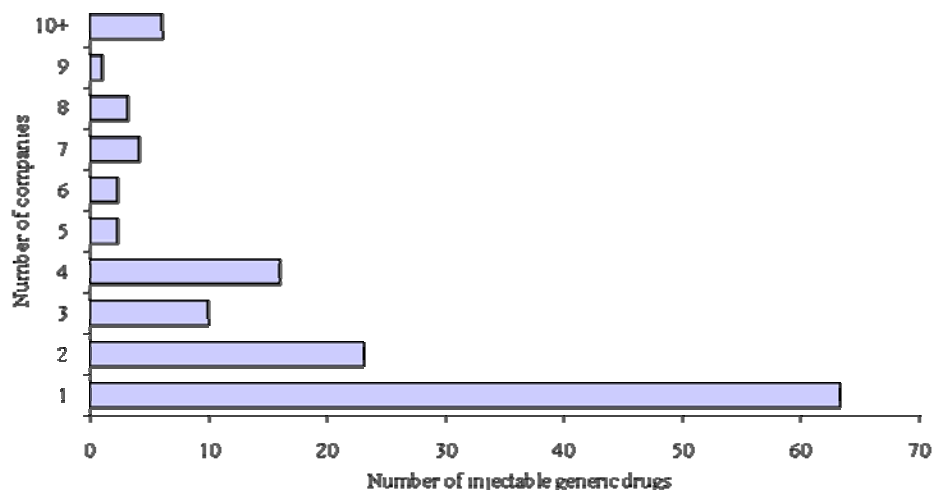
- They are more difficult to formulate and have multiple technology and delivery platforms
- They are more capital intensive to produce
- They are governed by tougher regulations
- They require specialised skills to formulate and produce
- The customer segments are almost exclusively hospitals where the decision making process and criteria is distinct from individual doctors

(Source: Avalon Global Research, *The Global Generic Injectables Business*, December 2009)

The injectables industry, in comparison to the orals industry, is characterised by less competitive intensity, low price erosion and higher profit margins. One of the major attractions of injectable generics is the potential for companies to compete in a relatively exclusive market. A small number of injectable drugs have received significant attention from generic companies, resulting in the approval of numerous versions following patent

expiry. For more than half of the injectable generics approved since 2004, just one or two manufacturers have received ANDA approvals and 86% of molecules in the market have fewer than five injectable generic competitors. Hence injectables are considered to be a specialty segment of the pharmaceuticals market. (Source: *Epicom Business Intelligence, Injectable Generic Drugs: Prospects & Opportunities to 2014, December 2009*)

Competition for Generic Injectables



Source: *Epicom Business Intelligence, Injectable Generic Drugs: Prospects & Opportunities to 2014, December 2009*

This is a very lucrative industry segment because there is less competition in these products which reduces scope for price reductions and enables players to obtain high profitability margins than have traditionally been available for oral generics. (Source: *Epicom Business Intelligence, Injectable Generic Drugs: Prospects & Opportunities to 2014, December 2009*)

Injectables are used in a more specific range of therapy areas e.g. oncology, anti-infectives, cardio-vascular, renal, nutrition. A number of leading pharmaceutical drugs are available only in injectable form, e.g. most of the biotechnology based drugs and oncology drugs are injectables (Source: *Avalon Global Research, The Global Generic Injectables Business, December 2009*).

Injectables are made available in different delivery systems – vials, ampoules, bottles, pre-filled syringes, multi-chamber bags, etc. Depending on the product, they could be large or small volume products. Typically, range of Intravenous solutions used in critical care e.g. various kinds of electrolytic solutions – sodium chloride, ringer lactones, normal saline, glucose etc. are delivered as infusion into the body. These are typically offered in the following delivery systems:

- Small volume parenterals (SVP) - glass ampoules and vials of less than 100 ml;
- Large volume parenterals (LVP) - glass vials and bottles of 100 ml and above;
- Bags - could be made of PVC or non-PVC; and
- Pre-filled syringes.

(Source: *Avalon Global Research, The Global Generic Injectables Business, December 2009*)

Besides, infusion products, the injectables business consist of a large number of specialty products which are used across various therapeutic categories – oncology, anti-infectives, anaesthetics, etc. These products as a category are called Specialty Injectable Products (SIP). (Source: *Avalon Global Research, The Global Generic Injectables Business, December 2009*)

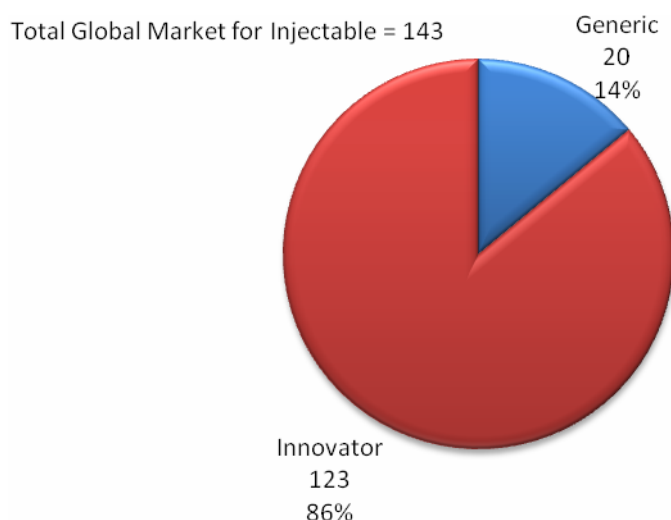
MARKET SIZE AND SEGMENTATION

The estimated total market size for injectables (both infusion and SIP) was approximately USD 143 billion in 2009. This accounts for about 20% of the estimated USD 750 billion global pharmaceuticals market in 2009. (Source: *Avalon Global Research, The Global Generic Injectables Business, December 2009*)

Generic and Innovator Injectable Markets

As in the conventional oral dosage pharmaceutical markets, the injectable business can also be segmented into generic and innovator product segments. The generic injectables business is estimated at about USD 20 billion globally in 2009 – about 15% of the world-wide market for injectables. (Source: Avalon Global Research, *The Global Generic Injectables Business*, December 2009)

Global Market for Injectables (USD billion)

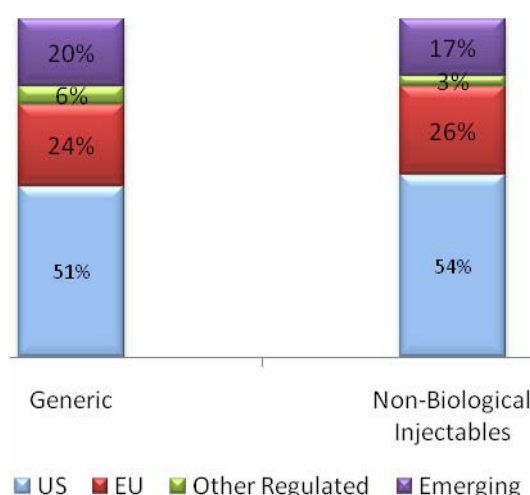


Source: Avalon Global Research, *The Global Generic Injectables Business*, December 2009

Geographic Segmentation

The United States and the European Union are the largest regulated markets for injectables, accounting for approximately 90% of the regulated markets. The United States is the largest market for generic and non-biological injectables, accounting for about 51% of the global market. Emerging markets account for 20% of the global generic injectables market. (Source: Avalon Global Research, *The Global Generic Injectables Business*, December 2009)

Geographical Breakdown – Global Injectables Market, 2009



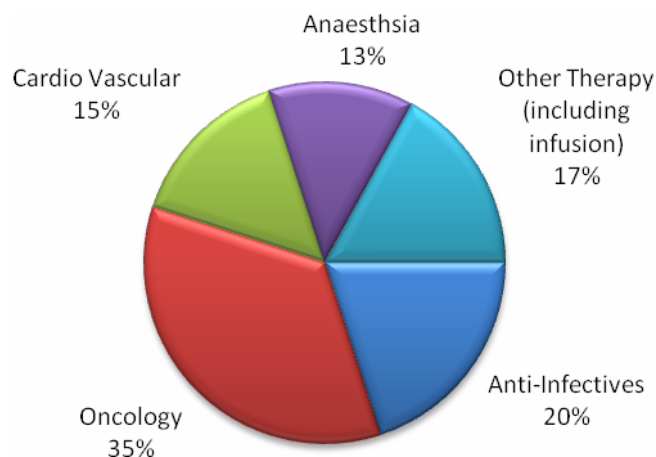
Source: Avalon Global Research, *The Global Generic Injectables Business*, December 2009

Therapeutic Segmentation

A large share of biological injectables are oncology products. However, in the non-biological products (both generic and innovator products), while oncology is an important therapy, others like anti-infectives, anaesthetics and cardio-vascular are also important product categories. Thus, therapy segments like anti-infectives and

anaesthesia account for about a third of the global market, primarily SIP. (Source: Avalon Global Research, *The Global Generic Injectables Business*, December 2009)

Therapeutic Share – Non-Biological Global Injectables Market

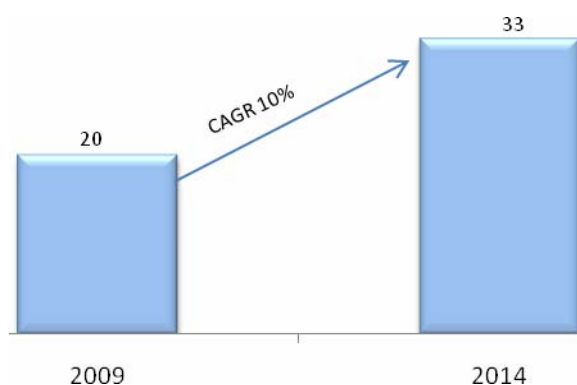


Source: Avalon Global Research, *The Global Generic Injectables Business*, December 2009

Future Outlook

Global generic injectables are expected to grow rapidly and is estimated to reach USD 33 billion in size in 2014, up from USD 20 billion in 2009. This growth is driven by a large number of innovator injectable products going off-patent (both oncology and other therapies) in the non-biologicals segment and limited price erosion in these products, even after becoming generics, due to limited competition compared to oral dosage products. (Source: Avalon Global Research, *The Global Generic Injectables Business*, December 2009)

Future Trends – Global Generic Injectables



Source: Avalon Global Research, *The Global Generic Injectables Business*, December 2009

Since most of the products going off-patent in the coming years are SIP, the growth of this product range will be much higher than infusion products. (Source: Avalon Global Research, *The Global Generic Injectables Business*, December 2009)

Market Dynamics

The injectables industry segment is a specialized and niche area within the pharmaceuticals industry due to the high complexity involved in building a large and complex product portfolio across various therapeutics based on multiple technology platforms and multiple delivery mechanisms. Injectables are manufactured in various

delivery systems and manufacturing technology depending on molecule, method of administration, containers, etc. as depicted in the table below:

Products	Delivery Systems
Aqueous-based products	Water based formulation
Small volume parenteral in glass containers	Injection is in glass containers in fill volumes of less than 100ml
Large volume parenterals in glass containers	Injection is in glass containers in fill volumes of 100ml and above
Products in collapsible bags	Products which are filled in bags made of PVC / non-PVC material
Emulsions based products	Products not soluble in water are formulated in oil or any other solution to make it stable
Multi chamber bags	For combination drugs, which are not stable together, are filled in two or more chambers
Pre-filled syringes	Products filled in syringes for immediate administration
Lyophilized	Products that are manufactured in freeze dried condition.
Dry powder	Products, which are not stable in solution, are filled as dry powder

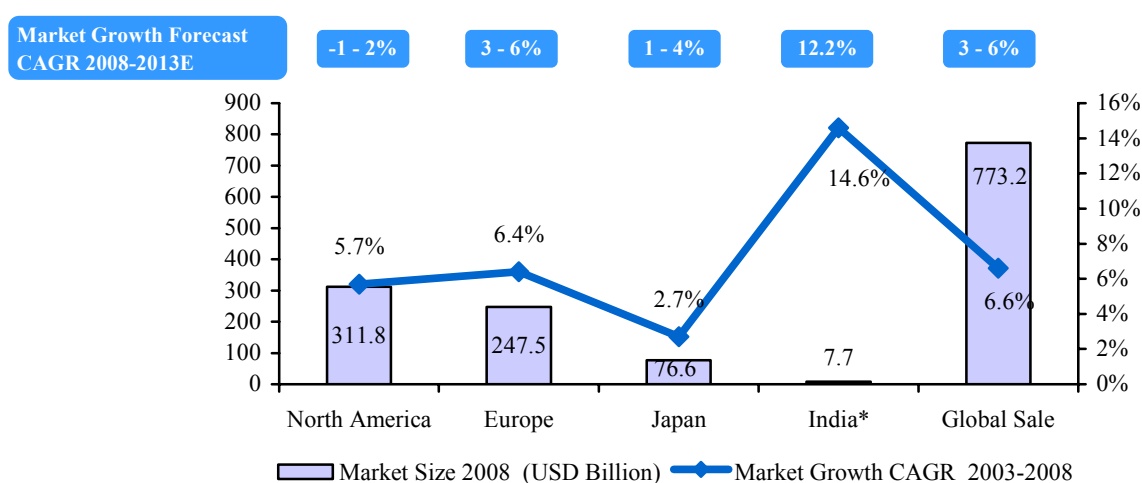
Less Competitive Intensity, Low Price Erosion and High Profit Margins

One of the major attractions of injectable generics is the potential for companies to compete in a relatively exclusive market. A comparatively small number of injectable drugs have received significant attention from generic companies, resulting in the approval of numerous versions following patent expiry. For more than half of the injectable generics approved since 2004, just one or two manufacturers have received ANDA approvals and 86% of molecules in the market have fewer than five generic competitors. (Source: *Espicom Business Intelligence, Injectable Generic Drugs: Prospects & Opportunities to 2014, December 2009*)

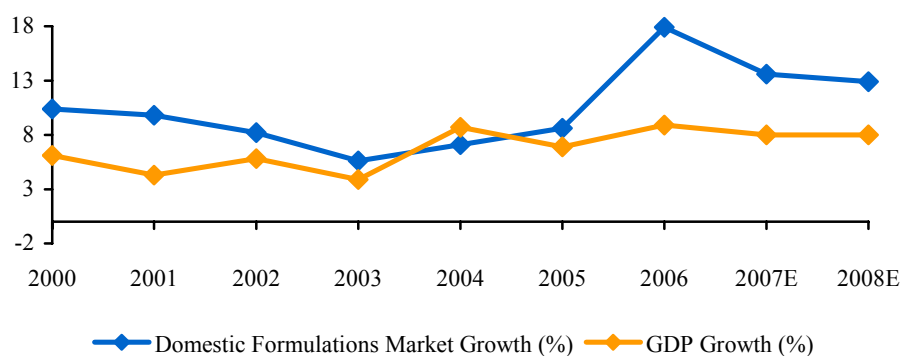
THE INDIAN PHARMACEUTICAL INDUSTRY

Market Size and Growth Trends

The Indian pharmaceuticals market was valued at USD 7.7 billion in 2008 and has grown at a CAGR of 14.6% between 2003 and 2008 as against the global average of 6.6% during the same period:



The domestic pharmaceutical industry has been typically growing at approximately 1.5-1.6 times the GDP growth as can be seen from the chart below:



Source: CII-KPMG, Pharma Summit 2009

The Indian pharmaceutical market is dominated by generic drugs as generic drugs accounted for approximately 88% of the market share in value terms and around 90-95% in volume terms of the market in India in 2008. In 2008, the generics market in India was valued at USD 6.11 billion, registering a growth of 9% compared with the previous year. The generics market in India grew at a CAGR of 10.49% from 2004 to 2008. (Sources: Cygnus, *Industry Insight – Global Generics*, March 2009)

OUR BUSINESS

The financial information used in this section, unless otherwise stated, is derived from our audited, consolidated financial statements under Indian GAAP, as restated and included in this Red Herring Prospectus. Financial information providing the break-up of our sales in various geographical segments is based on internal management reports and such information is not based on audited financial statements, other than as indicated in audited restated consolidated financial statements.

OVERVIEW

We are one of the largest Indian sterile injectables pharmaceutical companies with a presence in 76 countries worldwide. Our products offering comprises 128 products across multiple markets and therapeutic areas. All of our products are off-patent products, a significant majority of which are capable of being directly injected into the body and are predominantly used in the treatment of critical illnesses.

Our products range across various therapeutic segments, including anaesthesia, critical care, anti-infectives, renal care, infusion therapy, enteral nutrition, parenteral nutrition and oncology. We offer injectables in various delivery systems, such as glass and plastic bottles, vials, ampoules, pre-filled syringes and non-PVC and PVC bags. Our customer base primarily includes government and private hospitals, aid agencies and nursing homes.

For the five month period ended May 31, 2010, we recorded total sales of Rs. 3,249.53 million and net profit of Rs. 577.27 million. For the financial years ended December 31, 2009, 2008, and 2007, we recorded total sales of Rs. 7,435.25 million, Rs. 7,521.55 million and Rs. 5,971.52 million, respectively, and net profit of Rs. 1,248.93 million, Rs. 1,078.98 million, and Rs. 893.22 million, respectively.

Since the Company's inception, we have made efforts to grow our business in international markets. For the five month period ended May 31, 2010 our revenue from our international businesses amounted to Rs. 1,989.62 million, which accounted for 61.23% of total sales during the period. For the financial years ended December 31, 2009, 2008, and 2007, our revenue in international business amounted to Rs. 4,068.18 million, Rs. 3,772.74 million and Rs. 2,174.44 million, respectively, which accounted for 54.71%, 50.16% and 36.41% of total sales, respectively. We believe we have an established presence and offer a large product portfolio in emerging markets, such as regions of Latin America, the Middle East, Africa and Central, South East and Far East Asia. For the five month period ended May 31, 2010, our revenue from emerging markets amounted to Rs. 817.90 million which accounted for 25.17% of our total sales during this period. For the financial years ended December 31, 2009, 2008 and 2007, our revenue in emerging markets amounted to Rs. 2,658.08 million, Rs. 3,445.01 million and Rs. 1,858.87 million, respectively, which accounted for 35.75%, 45.80%, and 31.13% of our total sales, respectively. We also have a presence in certain regulated markets and one of our key growth strategies going forward is to further expand our distribution network and product offerings in markets such as the United States, Western Europe, Australia, New Zealand, Canada and South Africa, as potential sales and profit margins are higher than those in the emerging markets. In order to achieve growth in the regulated markets, we have filed 280 applications for product registrations in regulated markets up to September 30, 2010, including 36 applications in the United States, out of which we have obtained 145 product registrations, including 25 in the United States.

We and certain of our partners received a number of complaints in relation to certain of our products pursuant to which we and our partners/distributors recalled some or all of our products from certain countries. Further, the USFDA imposed an import alert on us and our products, which is subsisting. Furthermore, the USFDA carried out an inspection of our manufacturing facilities at Ahmedabad, subsequent to which it has issued a warning letter to us. Additionally, the registration of the Company and its products was suspended by the Drug and Food Control, Ministry of Health, State of Kuwait from June 8, 2010 till August 22, 2010. For more details, please see “– Recent Developments”, “Management's Discussion and Analysis of Financial Condition and Results of Operations –Significant Developments since May 31, 2010”, “Risk Factors - ***The USFDA issued a warning letter to us pursuant to an inspection carried out at our manufacturing facilities at Ahmedabad. Such warnings and any future warnings to us and/or in relation to our products has had and may have an adverse effect on our business, financial condition and results of operations, as well as adversely affect our reputation and the demand for our products***”, “Risk Factors – ***The USFDA imposed an import alert on us and our products pursuant to receipt of a number of complaints, in relation to certain of our products, by us and certain of our partners, which is subsisting. Such import alert, and any future import alerts to us and/or in relation to our products, has had and may have an adverse effect on our business, financial condition and results of operations as well as adversely affect our reputation and the demand for our products***”, “Risk

Factors – *The registration of our Company and its products were suspended by the Drug and Food Control, Ministry of Health, State of Kuwait. Such suspension and/or any future suspensions to us and/or in relation to our products has had and may have an adverse effect on our business, financial condition and results of operations as well as adversely affect our reputation and the demand for our products*” and “Risk Factors – *We and certain of our partners received a number of complaints in relation to certain of our products pursuant to which we and our partners/distributors recalled some or all of our products from certain countries. Such complaints and/or recalls, and any future complaints and/or recalls to us and/or in relation to our products has had and may have an adverse effect on our business, financial condition and results of operations as well as adversely affect our reputation and the demand for our products*”. For the five month period ended May 31, 2010, our revenue in regulated markets amounted to Rs. 1,171.72 million which accounted for 36.06% of our total sales during this period. For the financial years ended December 31, 2009, 2008 and 2007, our revenue in regulated markets amounted to Rs. 1,410.10 million, Rs. 327.73 million and Rs. 315.56 million, respectively, which accounted for 18.97%, 4.36%, and 5.28% of our total sales, respectively.

In addition to growing our international business, we continue to maintain our focus on the domestic business. For the five month period ended May 31, 2010 our revenue in our domestic business was Rs. 1,259.91 million which accounted for 38.77% of our total revenues during this period. For the financial years ended December 31, 2009, 2008, and 2007, our revenue in our domestic business was Rs. 3,367.07 million, Rs. 3,748.81 million and Rs. 3,797.08 million, respectively, which accounted for 45.29%, 49.84%, and 63.59%, respectively, of our total revenues.

Our manufacturing facilities are located in Ahmedabad, India. Certain of these facilities have been approved by foreign regulatory authorities including the USFDA, MHRA (UK), TGA (Australia), NAM (Finland), GCC FDCA (Gulf Cooperation Council, including Saudi Arabia, U.A.E. and other countries in the Middle East) and INVIMA (Colombia). One of our facilities, Clarion V, is currently under construction and we expect it to be operational by the third quarter of 2011. Our manufacturing facilities are ISO 9001-2000 and WHO GMP certified. In addition, the Company has won the Indian Drug Manufacturer Association’s Quality Excellence Award in 2007 and 2008 and the Frost & Sullivan India Manufacturing Excellence Award in 2007, 2008 and 2009 in recognition of the quality of its practices. The Company has also been given a certificate of excellence by the State Pharmaceuticals Corporation of Sri Lanka at the 13th SPC Suppliers Convention 2010. The Company has also been awarded the Silver Award in the Pharmaceutical Sector by Greentech Foundation for the Company’s outstanding achievement in safety management in respect of its manufacturing operations. In addition to manufacturing our own products which we sell under our own brands, we use our facilities to manufacture products which are sold to Indian and international companies who market such products under their own brands.

Out of our products offering, one of our key products, propofol, represented approximately 14.84% of our total sales for the financial year ended December 31, 2009 and for the five month period ended May 31, 2010 represented approximately 12.52% of our total sales in that period. We hold patents for APIs for our hydroxyl ethyl starch product. Our regulatory team has developed capabilities and processes to file product registrations in regulated and emerging markets; as of September 30, 2010, we had obtained over 1,100 registrations worldwide and approximately 324 applications were pending approval.

We adopt three different distribution models for the supply of our products across international markets. In certain countries, we register, import and store products as well as market them to customers through entities owned and controlled by us. In certain other countries, we partner with local distributors who import and distribute our products and, under our supervision, carry out marketing activities. In the rest of the countries where we operate, distributors and marketing partners are responsible for marketing our products. In March 2009, we entered into a business arrangement with the Pfizer group of companies (“Pfizer”) with a view to strengthen our presence in regulated markets. We believe Pfizer’s ability to market our products will extend the reach of our products and enable our business to grow in regulated markets in which Pfizer has a significant presence. In addition to the seven ANDAs in relation to four products granted by the USFDA, we have, pursuant to an asset purchase and technology license agreement entered into with a pharmaceutical company, acquired 24 ANDAs for 16 products, out of which four ANDAs for two products were granted to us prior to this agreement, and two ANDAs for two products are yet to be granted by the USFDA. Accordingly, as of September 30, 2010, we have been granted 25 ANDAs in relation to 16 products by the USFDA in aggregate. For further details in relation to the asset purchase and technology license agreement please see “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Recent Developments” on page 209 of this Red Herring Prospectus.

Our domestic business is driven by our own sales and marketing network. As of September 30, 2010, we had a sales division of approximately 422 people covering various territories across India. We also had a network of approximately 43 clearing and forwarding agents, 40 distributors, 16 consignee agents and 1,120 stockists in the country.

For the financial years ended December 31, 2009, 2008, and 2007, we incurred Rs. 1,065.95 million, Rs. 1,945.29 million and Rs. 1,444.70 million, respectively, in capital expenditure to expand our production capacity and upgrade technology in our manufacturing facilities. For the five month period ended May 31, 2010, we incurred Rs. 565.44 million in capital expenditure to further expand our production capacity and upgrade technology in our manufacturing facilities. We expect to incur significant capital expenditures in 2010, 2011 and 2012 to set up new production lines as well as a research and development facility. For further details on our planned capital expenditures, please see the sections titled “Objects of the Issue” and “History and Certain Corporate Matters” on pages 88 and 145, respectively, of this Red Herring Prospectus.

Fitch Ratings India Private Limited granted our Company long-term and short-term debt ratings of ‘A-(ind)’ and ‘F2+(ind)’, respectively, on June 23, 2010.

OUR COMPETITIVE STRENGTHS

The following are our key strengths which we believe enable us to be competitive in our business:

Complex product portfolio

We believe we have a differentiated business model among Indian pharmaceutical companies due to our focus on a range of complex injectable products. We have established a portfolio of injectable products across various therapeutic segments, technologies and delivery systems. We have developed 98 products formulated from our portfolio of approximately 57 molecules. Our product portfolio comprises complex molecules, such as propofol and iron sucrose. Further, we believe our portfolio of injectables is one of the largest amongst Indian pharmaceutical companies. Our products span multiple technology platforms, including aqueous solutions as well as complex colloidal solutions, liposomal products and emulsions. These products are available across delivery systems, such as ampoules, vials, bottles ranging from 1 ml to 2000 ml, multi-chamber bags in PVC and non-PVC material. Hospitals are our key customers for injectables. Sales to hospitals are driven by a combination of width and depth in product range. By increasing the size of our product portfolio, we have been able to achieve sales growth in various markets.

Manufacturing competence across multiple drug delivery systems

Our products require an understanding of sophisticated technical processes and quality assurance methods to be able to maintain sterility. We believe we are one of the few manufacturers in India and in other emerging markets to have manufacturing facilities for large volume parenterals in glass bottles, emulsions manufacturing facilities and bag manufacturing facilities which are approved by multiple regulatory authorities in the regulated markets.

We have purchased technologies from international suppliers, such as double pass reverse osmosis system from Christ (Switzerland); distillation columns from Stillmas (Italy); manufacturing vessels from Diesel (Germany); glass vials washing and sterilization tunnels from Groninger (Germany); glass filling lines and form fill seal automatic bag manufacturing lines from Plumat (Germany); SVP manufacturing lines from Robert Bosch (Germany); sterilizers from SBM (Austria); leak testing machines from Breviti (Italy); and cleanrooms from Clestra (France).

Our manufacturing facilities are ISO 9001-2000 and WHO GMP certified. In addition, the Company has won the Indian Drug Manufacturer Association’s Quality Excellence Award in 2007 and 2008 and the Frost & Sullivan India Manufacturing Excellence Award in 2007, 2008 and 2009 in recognition of the quality of its practices. The Company has also been awarded the Silver Award in the Pharmaceutical Sector by Greentech Foundation for the Company’s outstanding achievement in safety management in respect of its manufacturing operations.

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We have entered into business arrangements with the Pfizer group as well as with other local companies in regulated markets to grow our distribution network and to strengthen our sales and marketing presence across 76 countries.

As of September 30, 2010, we had a sales team of approximately 422 people who primarily sold our products to hospitals in India. We employed a total sales force of about 107 people for the international markets.

As of September 30, 2010, we had a network of approximately 43 clearing and forwarding agents, 40 distributors, 16 consignee agents and 1,120 stockists in India, enabling us to reach a significant number of hospitals, institutions and doctors. We also have existing business relationships with institutional public and private hospitals in the international markets. Our products are on the list of approved products maintained by certain hospitals in India and abroad to which we market our products.

Integrated business model

We believe that our capabilities and experience span across all business verticals in the generic injectables industry. We have a trained workforce across business divisions, such as R&D for product development, regulatory affairs for obtaining product registrations, manufacturing, supply chain management, and sales and marketing, and their understanding of the injectables business will allow us to better control variables in our business processes.

While we are dependent on various third parties such as distributors, consignee agents, clearing and forwarding agents, etc., for the marketing and distribution of our products, we believe our integrated business model allows us to reduce our dependence on third parties. For further details please refer to the section titled '*Risk Factors - Our success is dependent on our distribution and marketing arrangements, including the one with Pfizer, for the sale and distribution of our products and on our relationship with our customers. If any of these arrangements is terminated for any reason, our business, financial condition and results of operations may be adversely affected*' please refer to page 25 of this Red Herring Prospectus.

R&D capabilities

We believe our expertise in developing complex and difficult to develop products such as propofol, iron sucrose, hydroxyl ethyl starch and glutamine IV and complex and difficult to develop delivery systems, such as multichamber bags, provides us with a competitive advantage. For example, we believe we were one of first companies in India to have developed a unibag non-PVC infusion system, which provides us with a competitive advantage as non-PVC bags are the preferred delivery system in regulated markets. Additionally, as of September 30, 2010, we had three registered patents and fifteen patent applications pending in India.

Total expenditures for our research and development ("**R&D**") activities relating to continuing operations, including product development costs, were Rs. 633.40 million, Rs. 368.08 million and Rs. 218.53 million for the financial years ended December 31, 2009, 2008 and 2007, respectively. Total expenditures for our R&D activities relating to continuing operations, including product development costs, were Rs. 335.72 million for the five month period ended May 31, 2010.

We have the R&D capability and experience to develop, manufacture and register products across various delivery systems to increase the efficiency of drug delivery and make our products better suited to market requirements. As of September 30, 2010, we employed approximately 75 scientists and specialists in India for our R&D activities. The size of our R&D team has grown approximately 74% since December 31, 2008 in line with our regulated markets strategy.

Committed senior management team and a well-qualified workforce

Our management team includes senior executives, a majority of whom have worked with the Company for over five years. We believe our management team has a long-term vision and provides stability and continuity to our business. We also believe that the strength of our management team in our business divisions, such as R&D for product development, regulatory affairs for obtaining product registrations, manufacturing, and sales and marketing, and their understanding of the injectables market will enable our business to grow in a focused and constructive manner.

As of September 30, 2010, approximately 493 of our employees in India were post-graduates and around 805 held graduate degrees. We believe we benefit from a well-qualified workforce. Selling and marketing injectables involves developing capabilities to cater to multiple levels within hospitals. We believe we have developed a close association with hospitals as a result of our sales and marketing network. Our regulatory team

has significant capabilities and experience in filing product registrations in regulated and emerging markets. We have obtained over 1,100 registrations across 76 countries.

For the risks relating to dependence on our senior management team and a well-qualified workforce, please see “Risk Factors – We are dependent upon the experience and skill of our management team and key employees.” On page 31 of this Red Herring Prospectus.

Cost advantage

A significant majority of our products are manufactured in India. This, coupled with the process efficiencies which we have developed in our Clarion facilities, we believe contributes to our production cost advantage over those of our competitors which manufacture their products in high cost developed markets.

OUR STRATEGY

Our business objective is to grow our revenues and profits through increased market presence. We intend to do so by increasing our product offerings in key emerging and regulated markets, through strategic business arrangements as well as by maintaining our focus on our domestic business. Our business strategy focuses on the following elements:

Increase our product range across existing and new technology platforms and delivery systems

As of September 30, 2010, we had filed 280 applications for product registrations in regulated markets, including 36 applications in the United States, out of which we had obtained 145 product registrations, including 25 in the United States. We intend to apply for additional approvals from the USFDA and from various other regulatory authorities for our manufacturing facilities and products to enable us to sell more of our products in these markets. We are primarily targeting injectable products which have or are due to go off-patent in regulated markets.

We are expanding our manufacturing facilities and plan to build a new facility for research and development in order to increase our product development and manufacturing capabilities and our product registrations in regulated markets. These products will be across existing technology platforms, such as aqueous, emulsion and colloidal solutions, as well as new technology platforms, such as lyophilized, and delivery systems, including pre-filled syringes. We have also initiated our foray into the oncology segment.

Grow sales in regulated markets through business arrangements

We have a presence in regulated markets such as the United States, Western Europe, Australia, New Zealand, Canada and South Africa and plan to establish our business presence in Japan. We plan to further grow our business in the United States and other regulated markets by expanding our sales and distribution network through our business arrangement with the Pfizer group. We plan to grow our business in other regulated markets through license and supply arrangements with companies that have an established presence in the relevant markets.

Establish and expand our presence in key emerging markets

We also plan to increase our presence in emerging markets, such as Brazil, Mexico, South Korea and Saudi Arabia, as well as to establish our business presence in new emerging markets, such as China, Russia, Turkey, Egypt and Argentina. We believe that demand for our products in these markets will continue to grow in line with changes in healthcare standards, insurance penetration and government spending on healthcare. Increased sales in such countries would allow us to achieve economies of scale. We plan to expand our presence in these markets by increasing our portfolio of product registrations and filings and by increasing our customer and distributor base through marketing arrangements with local pharmaceutical companies.

Focus on increasing market share for certain key and high potential products

Certain of our key products, such as propofol, iron sucrose and hydroxyl ethyl starch, ciprofloxacin and metronidazole and have large markets worldwide. Based on our internal management estimates, these products are manufactured in India only by a few companies for the global markets. We plan to focus our sales and marketing efforts on these product groups to capture larger market shares.

We believe we are currently the only company in India that possesses the technology to produce unibag non-PVC infusion system. This constitutes a unique competitive advantage domestically and, as non-PVC bags are

the preferred delivery system for certain products in regulated markets, this gives us a competitive advantage over our Indian competitors. We expect our sales for products such as hydroxyl ethyl starch, ciprofloxacin and metronidazole to increase significantly once we obtain product registrations for this delivery system in the regulated markets.

Maintain cost leadership by expanding capacities

We plan to expand our Clarion manufacturing facilities in Ahmedabad, India. These facilities are in a low-cost location as compared to the facilities set up by our international competitors in North America or Western Europe. We aim to ensure that we continue to maintain and grow margins and maintain our cost leadership in the generic injectables business.

RECENT DEVELOPMENTS

There has been no material development in relation to our Company, its Promoters or our Group Companies since May 31, 2010, except as disclosed below.

Product Recall

We and certain of our partners received a number of complaints in relation to certain of our products, namely, ciprofloxacin, metronidazole and ondansetron that were contaminated or suspected to be contaminated; pursuant to which we and our partners/distributors recalled some or all of our products from the United States, Denmark, Finland, Canada, Australia and New Zealand. The recalls were initiated by us and by certain of our partners in Australia and the United States pursuant to receipt of complaints of contamination in some of our products, which could have posed risks if administered to patients, and in certain circumstances, could prove to be fatal. Further, the USFDA has imposed an import alert on us and our products, which is subsisting.

Furthermore, the USFDA carried out an inspection at our manufacturing facilities at Ahmedabad, in addition to earlier inspections carried out at the premises of our wholly owned subsidiary, Claris Lifesciences Inc., subsequent to which a warning letter dated November 1, 2010 (the “**Warning Letter**”) was issued to us mentioning the following:

1. The Company violated the Current Good Manufacturing Practice (“**CGMP**”) regulations for Finished Pharmaceuticals (Title 21 Code of Federal Regulations), which caused our drug products to be adulterated within the meaning of the Federal Food, Drug and Cosmetic Act (the “**FFDC Act**”).
2. We failed to submit field alert reports to the USFDA in compliance with the USFDA regulations as required by the FFDC Act.
3. Based on a review of the labeling/misbranding for the Sodium Bicarbonate Injection drug product manufactured by us and marketed through our subsidiary, Claris Lifesciences Inc., we had marketed, introduced or delivered for introduction an unapproved new drug product into inter-state commerce within the United States, which was in violation of the provisions of the FFDC Act and was subject to an import detention in the United States.
4. Violations of the post-marketing adverse drug experience reporting; which is required under the Code of Federal Regulations as well as the FFDC Act.
5. Despite various responses from us and Claris Lifesciences Inc. to the USFDA in relation to the CGMP violations, the field alert reporting violations, the unapproved new drug violations and adverse drug experience reporting violations, the USFDA has stated in the Warning Letter that these responses lack sufficient corrective actions.

A non-compliance of the FFDC Act may result in the FDA issuing warning letters, filing injunctions, seizing our products and pursuing civil and criminal prosecution for violations of the Act. Under applicable United States law, individuals who violate the Act can be fined \$100,000 per count (\$250,000 if a death occurs) and corporations can be fined USD 200,000 per count (U.S. \$500,000 if a death occurs). Jail time can result if convicted of the criminal charges, corporations can be excluded from participating in Federal Health Care Programs and if serious enough violations occur, individuals and firms may be debarred (excluded from working in the pharmaceutical industry). We cannot assure you that any penalty imposed by the USFDA will not exceed the amounts quantified in this paragraph.

Additionally, the registration of the Company and its products was suspended by the Drug and Food Control, Ministry of Health, State of Kuwait from June 8, 2010 till August 22, 2010, as a result of which the Company’s products were not marketed in Kuwait during that period.

Term Loan

On October 1, 2010, two term loans of Rs. 191.80 million and Rs. 278.60 million were sanctioned to the Company by Central Bank of India for setting up of a fat emulsion manufacturing line and towards capital expenditure for research and development, respectively. These loans are not expected to be used in relation to any of the use of Issue proceeds.

Acquisition of further ANDAs

Pursuant to an asset purchase and technology license agreement entered into with a pharmaceutical company, we had, subject to the approval of the USFDA, acquired the rights, title and interest in 24 ANDAs, granted by the USFDA, authorising us to promote, market, distribute and sell 16 pharmaceutical products underlying the ANDAs in the United States of America which was approved by the USFDA on or about June and July 2010. Out of these 24 ANDAs, four ANDAs for two products were granted to us prior to this agreement, and two ANDAs for two products are yet to be granted by the USFDA. Further, we acquired a perpetual and transferable right and license to use the documentation relating to the development and manufacture of certain generic pharmaceutical products as well as the product technology related to such generic pharmaceutical products, for the purpose of manufacturing and commercializing these generic pharmaceutical products for sale within the United States of America. As of September 30, 2010, we have been granted 25 ANDAs in relation to 16 products by the USFDA.

MANUFACTURING OPERATIONS

Manufacturing Facilities

Our Clarion manufacturing facilities are located in village Chacharwadi Vasana, Taluka Sanand, Ahmedabad, Gujarat. They are designed to produce complex aqueous and emulsion-based products in glass/PE containers and bags. The first manufacturing facility was commissioned in March 2002. The Clarion facilities are equipped to manufacture products like propofol, iron sucrose, hydroxyl ethyl starch, ciprofloxacin and metronidazole as well as delivery systems, such as multi-chamber bags.

The Clarion manufacturing facilities include five facilities:

- Clarion I, which is used to manufacture sterile injectable products. The plant has five separate manufacturing lines for: glass ampoules and vials line, large volume parenterals in glass, emulsion manufacturing, non-PVC bags and PVC bags;
- Clarion II, which is used to manufacture sterile infusion products. This infusion plant is dedicated to the blow-fill and seal technology products and is equipped to manufacture products in various volumes in the IV fluids and antibiotic segments;
- Clarion III, which is dedicated to manufacture highly complex and difficult to source APIs meant solely for captive consumption;
- Clarion IV has the same manufacturing lines as Clarion I for large volume parenterals in glass, emulsion manufacturing and non-PVC bags, but houses more sophisticated and advanced equipment achieving higher manufacturing capacities. Such equipment includes a fully automatic bag manufacturing machine which can be used to produce single, double and triple chamber bags.
- Clarion V, which will be used to manufacture sterile injectable products as well as to manufacture cytotoxic products in different delivery systems. We expect Clarion V to be operational by the third quarter of 2011. It will have a fully automatic line that includes highly complex cytotoxic manufacturing technology, which our management considers to be a high growth technology. We believe Claris will be one of few Indian companies to use such technology.

The major process equipment consists of mixing systems, forming bottles, integrated automated machines for filling and sealing PVC and non-PVC bags, sterilization and packaging equipment. The facilities also have dedicated quality assurance and control function areas, raw material and packaging material storage areas, general quarantine areas, finished goods storage areas, manpower change rooms and production office areas. We rely primarily on automated process equipment in our manufacturing units to reduce human touch during manufacturing in order to prevent contamination.

Capacity

As at December 31, 2009, we had an installed manufacturing capacity of 262.02 million units per annum for our products. The table below sets out our installed capacity and level of production of major product classes for the years ended December 31, 2007, 2008 and 2009.

(Units in million)

Type of product	Installed capacities			Production		
	For the year ended December 31,			For the year ended December 31,		
	2007	2008	2009	2007	2008	2009
Large volume parenterals	179.15	182.08	187.46	125.47	125.45	162.34
Small volume parenterals	67.77	180.20	74.56*	8.80	30.93	23.63

*The Company discarded its cephalosporin line, which is one of its small volume parenteral manufacturing lines, in fiscal 2009.

Raw Materials and Packaging Materials

Raw materials essential to our business are procured in the ordinary course of business from numerous suppliers. As at September 30, 2010, we procured approximately 394 types of raw materials out of which 103 were imported and 291 were supplied domestically. We purchase such materials from approximately 88 international suppliers and approximately 181 domestic suppliers.

We purchase primary packaging materials, such as glass ampoules, vials, glass bottles, PVC and non-PVC bags/films and rubber stoppers, primarily from international suppliers.

We carefully assess the reliability of all materials purchased to ensure that they comply with the rigorous quality and safety standards required for our products. For products sold in regulated markets, we source our raw materials and packaging materials from vendors who provide materials of suitable quality in accordance with applicable requirements in the relevant markets.

In an effort to manage risks associated with raw materials supply, we work closely with our suppliers to help ensure availability and continuity of supply while maintaining quality and reliability. Our raw material sourcing is not dependant on a single source of supply and we have access to alternate sources for our procurement of raw materials. For further details on our risk with respect to the raw materials procured by us, please see the section titled “Risk Factors” on page 18 of this Red Herring Prospectus.

Other Facilities

Our Company set up a 2.0 MW biomass-based power plant in 2006 at its manufacturing facilities for captive consumption. The plant was registered at the United Nations Framework for Climate Change (UNFCCC) in 2009.

Quality Standards

Our manufacturing facilities have received WHO GMP certification and our management system has been ISO 9001-2000 certified since 2004. Other international regulatory authorities, including the USFDA, MHRA (UK) and TGA (Australia), have approved certain of our manufacturing units. Specifically, our sterile injectable manufacturing facility, Clarion I, received approval from the USFDA in March 2007. The Company also received an approval from the USFDA for its aseptic manufacturing line in Clarion I in March 2010. In addition, the Company has won the Indian Drug Manufacturer Association’s Quality Excellence Award in 2007 and 2008 and the Frost & Sullivan India Manufacturing Excellence Award in 2007, 2008 and 2009 in recognition of the quality of its practices.

We place significant emphasis on providing quality products and services to our customers. To this end, we strive to maintain safety, environmental and quality standards at all our manufacturing facilities. Quality management plays an essential role in determining and meeting customer requirements, preventing defects and improving our products and services. We have a network of quality systems throughout our business units and facilities which relate to the design, development, manufacturing, packaging, sterilisation, handling, distribution and labelling of our products. To assess and facilitate compliance with applicable requirements, we regularly review our quality systems to determine their effectiveness and identify areas for improvement. We also perform assessments on our suppliers of raw materials, components and finished goods. In addition, we conduct quality management reviews designed to inform management of key issues that may affect the quality of

products and services. The Company has been awarded the Silver Award in the Pharmaceutical Sector by Greentech Foundation for the Company's outstanding achievement in safety management in respect of its manufacturing operations.

Newly developed system evaluation methods, allowing simpler performance comparisons, are used to identify additional improvement possibilities.

One or more of our manufacturing units have received approvals from the below regulatory authorities:

Sr. No.	Name of Authority	Country	Date of Certificate⁽¹⁾
1.	WHO GMP	India	July 2002
2.	Supreme Board of Drugs & Medical appliances, Ministry of Health	Yemen	April 2003
3.	National Drug Authority	Uganda	August 2003
4.	Ministry of Health	Tanzania	October 2003
5.	Instituto Nacional De Vigilancia De Medicamentos y Alimentos – INVIMA	Colombia	November 2003
6.	Medicines Control Authority of Zimbabwe	Zimbabwe	February 2004
7.	Ghana Food and Drugs Board	Ghana	February 2004
8.	The National Agency for Drug and Food Control Republic of Indonesia	Republic of Indonesia	July 2004
9.	Executive Board of Health Ministers Council Gulf Central Committee	GCC States	August 2004
10.	Drugs and Sundres Quality Control Administration	Libya	September 2004
11.	Medicines and Healthcare products Regulatory Agency – MHRA	UK	December 2004
12.	Therapeutic Goods Administration –TGA	Australia	February 2005
13.	Ministry of Health	Oman	April 2005
14.	Jordan Food & Drug Administration	Jordan	May 2005
15.	National Health Surveillance Agency	Brazil	September 2005
16.	National Agency for Medicines	Finland	February 2006
17.	Ministry of Health, Pharmacy & Poisons Board	Republic of Kenya	March 2006
18.	Ministry of Health Algeria	Algeria	April 2006
19.	Drug Administration and Control Authority	Federal Democratic Republic of Ethiopia	October 2006
20.	United States Food & Drug Administration	USA	March 2007
21.	Ministry of Health & Population Central Administration of Pharmaceutical Affairs CAPA	Egypt	May 2007
22.	Ukraine Ministry of Health	Ukraine	June 2007
23.	Ministry of Health and Population, Nepal	Nepal	June 2007
24.	Federal Ministry of Health	Republic of the Sudan	October 2007

Sr. No.	Name of Authority	Country	Date of Certificate ⁽¹⁾
25.	Pharmacy, Medicines & Poisons Board	Malawi	October 2007
26.	Medicines Control Councils	South Africa	November 2007

Note:

(1) These approvals have been renewed from time to time and are currently subsisting.

SALES, MARKETING AND DISTRIBUTION NETWORK

Sales and distribution constitute key components of the value chain in our industry. We have focused on building a sales and distribution network suited to service the needs of hospitals and other medical institutions. In the domestic business, as of September 30, 2010, we distributed our products through a network of approximately 43 clearing and forwarding agents, 40 distributors, 16 consignee agents and 1,120 stockists. This network plays an important role in ensuring timely and adequate availability and supply of our products to customers.

In our international business, we adopt different distribution models depending on the potential demand for our products in the relevant countries. We have divided the countries in which we market our injectable products into three corresponding tiers. We follow a separate business model for each of these tiers. Under the first model, which is similar to our domestic Indian distribution model, we focus on growing our presence through our own sales and distribution network and by using our own brands and personnel to manage the business. This model covers countries such as the United States. Under the second model, we partner with local distributors who import and distribute our products and, under our supervision, carry out marketing activities. This model primarily covers countries such as Chile, Colombia, Kazakhstan, Uzbekistan, Venezuela and Vietnam. Under the third model, we follow a distribution model whereby distributors and marketing partners carry out and are responsible for marketing and selling our products.

In March 2009, we entered into a 15-year business arrangement with Pfizer with a view to strengthen our presence in regulated markets. We believe this business arrangement will increase our product coverage by tapping into Pfizer's existing sales, marketing and distribution network for our licensed products, and will enable us to grow our business in certain regulated markets, which would otherwise require significant capital investments to penetrate.

In India, we also make sales to and through independent distributors, drug wholesalers acting as sales agents, and specialty pharmacy or homecare companies. As our eventual sales are driven by the product decisions made by specialists such as anaesthetists and surgeons, our sales representatives regularly interact with medical practitioners and disseminate information about our products.

Sales and distribution methods include frequent contact by sales representatives, automated communications, circulation of catalogues and merchandising bulletins, direct-mail campaigns, trade publication presence and advertising.

In addition, we participate in medical conferences in different parts of India as well as countries like Indonesia, Colombia, Kazakhstan and Philippines.

In our supply chain network in India, the first supply chain partner is a clearing and forwarding agent, a consignee agent or a logistic service provider. The second supply chain partner could be a stockist and/or a retailer. In certain cases, our Company will supply directly to the customer.

THERAPEUTIC AREAS

Our product offering comprises 128 products, which are primarily aimed at consumption in hospitals. Our domestic and international businesses are spread across the following therapeutic areas: anaesthesia, critical care, anti-infectives and anti-fungal, renal care, infusion therapy, clinical nutrition and oncology.

Anaesthesia

Products in this therapeutic area are used to induce local, regional or general anaesthesia during surgeries. Our key product in this therapeutic area is propofol. Propofol is an injectable anaesthetic drug that allows targeted use of the drug for short durations and helps in inducing and regulating anaesthesia levels, especially in major surgeries, without the side effects, such as nausea and vomiting, which are commonly associated with other drugs used for anaesthesia. It is considered a drug of choice for general anaesthesia. This product is based on the emulsion platform and is currently sold in 48 countries across the world.

Other products in this therapeutic area include Sedoz (midazolam), which is used for sedation with anaesthetic drugs, as well as Ketajex (ketamine), Bupican (bupivacaine) and Sensinil (lidocaine), which are used for local anaesthesia and analgesia.

Our products currently sold in this therapeutic area include:

Sr. No.	Brands	Description
1.	Spiva™	Propofol medium / long chain triglycerides
2.	Provive™ / Profol™ / Prosafe	Propofol
3.	Sedoz®	Midazolam
4.	Ketajex®	Ketamine
5.	Bupican™	Bupivacaine
6.	Sensinil®	Lidocaine

Critical Care Products

Products in this segment are used during or after the surgical conditions or trauma conditions for the treatment or recovery. The major products which are covered in this category are: plasma volume expanders (“PVEs”) and blood products, which are used when the human body loses blood in large quantities. PVEs hold the blood pressure of the body and stabilise the body by restoring the blood volume, water and crucial salts.

In this therapeutic area, our product range includes TetraHES (tetrastarch) and Hestar (pentastarch), for which we have been granted patents in India.

Our blood products range includes Norglobin (human immunoglobulin), which caters to the needs of patients with immuno deficiency that reduces the capacity of the human body to fight diseases, and Humin (human albumin), used primarily in hypovolaemic patients to maintain or increase colloidal osmotic pressure.

Our products currently sold in this therapeutic area include:

Sr. No.	Brands	Description
1.	TetraHES™	Tetrastarch
2.	Hestar-200/450®	Pentastarch/Hetastarch
3.	Norglobin®	Normal immunoglobulin
4.	Humin®	Human albumin

Anti-Infectives and Anti-Fungals

Anti-infectives and anti-fungals constitutes one of our key therapeutic areas. Anti-infectives and anti-fungals in sterile injectables are required for hospital treatment to combat both systemic and nosocomial (hospital acquired) infections. We offer a range of anti-infective products in sterile injectables and products in nitroimidazole, fluoroquinolone and oxazolidinone categories. Our key products in this therapeutic area include Anzolid (linezolid IV), Ciprox (ciprofloxacin IV), Curadex (ofloxacin IV), Levov (levofloxacin IV), Metris (metronidazole IV) and Exomax (fluconazole IV). These are broad-spectrum antibiotics / anti-fungals targeted at a range of disease-causing bacteria or fungus.

Our products currently sold in this therapeutic area include:

Sr. No.	Brands	Description
1.	Anzolid [®]	Linezolid
2.	Ciprox [™] / Ciproquin [™]	Ciprofloxacin
3.	Curadex [®] / Zofex / Zofin	Ofloxacin
4.	Levox / Termedol	Levofloxacin
5.	Metris [®] / Tenaflow / Novamet	Metronidazole
6.	Exomax [™]	Fluconazole

Renal Care

Our renal care products are used during haemodialysis, for continuous ambulatory peritoneal dialysis (“CAPD”) and to treat transplant patients who have kidney failure. Dialysis is a method for removing waste products such as potassium, urea and free water from the blood in case of renal failure. Haemodialysis and CAPD are two different methods of performing a dialysis on patients suffering from kidney failure. We have an integrated presence in this therapeutic area across all the above segments.

We offer dialysis and transplant products across systems, solutions and medicines. Our transplant therapy products include immuno-suppressants Cylin (cyclosporine), Limus (sirolimus), Mygraft (mycophenolate mofetil) and Renograf (multi organ perfusion solution). In this therapeutic area we also manufacture and market Trisafe, which is a triple chamber CAPD system with enhanced biocompatibility.

We also focus on renal anaemia management as a part of our renal care therapy. Anaemia and malnutrition are major symptoms of patients suffering from renal failure. Our key products in this therapeutic area are Sucrofer (iron sucrose), Erythropoietin (epotin) for renal anaemia, and Ketolog (alpha-keto analogue of amino acids) for patient nutrition management. Iron sucrose is an intravenous form of iron used to replenish iron stores and correct anemia in patients with iron deficiency anemia; it is used in renal therapy and given in conjunction with erythropoietin in order to increase the growth of red blood cells.

Our products currently sold in this therapeutic area include:

Sr. No.	Brands	Description
1.	Sucrofer [®]	Iron sucrose
2.	Limus [®]	Sirolimus
3.	Mygraft [®]	Mycophenolate mofetil
4.	Trisafe [®]	Triple chamber CAPD system
5.	Epotin [™]	Recombinant human erythropoietin
6.	Renograf [®]	Multiorgan perfusion system
7.	Graftac [®]	Tacrolimus
8.	Bisafe [™]	Double bag CAPD system
9.	Ketolog [™]	Alpha – Keto analogue
10.	Essamin [™]	Essential amino acids

Infusion Therapy

Infusion therapy is a means of supplying patients with the necessary treatment through intravenous medication. These products are usually used in large quantities and form the basis of many hospital treatments. Our infusion

therapy range includes common solutions, multiple electrolytes, diuretics and rehydrating solutions. We manufacture and market infusion solutions in both AFFS bottles and Unibag (closed infusion systems).

Our products currently sold in this therapeutic area include:

Sr. No.	Brands	Description
1.	Improlyte [®]	Electrolyte solution
2.	Kidrolyte [®]	Electrolyte solution
3.	Grelyte [™]	Electrolyte solution
4.	Naclyte [®]	Electrolyte solution
5.	5D / NS / DNS / RL	Common IV solutions

Clinical Nutrition

Products in this segment include parenteral nutrition (“PN”) products and enteral nutrition (“EN”) products.

PN involves the delivery of liquid nutrients by a parenteral route. In this therapeutic area, we sell a wide range of nutrition products which provide the various components of nutrition namely carbohydrates, fats, protein, minerals and water in different delivery systems. Our key brands in this therapeutic area include TNA/TNA-Peri, PNA and Celemix-G. TNA/ TNA Peri is a triple chamber bag system, which carries all the components of nutrition in separated compartments. The bag has various chambers separated by weak seals that are broken by manual pressure and the components mixed and administered. The clinical advantages of the system are administering efficiency and ease, easy monitoring of various lines and premix formulations. TNA-Peri offers the advantage of a triple chamber bag system with peripheral administration.

We currently sell the following PN products:

Sr. No.	Brands	Description
1.	TNA [®] / TNA-Peri	Triple chamber parenteral nutrition admixture system containing dextrose, amino acids and lipids
2.	Celemin [®]	Amino acid formulations
3.	Celepid [®]	Parenteral fat emulsion formulations
4.	Elemune [®]	Glutamine
5.	PNA [®]	Double chamber parenteral nutrient admixture system containing dextrose and amino acids
6.	Celemix [®] Celemix-G	Combination nutrition pack containing carbohydrates, amino acids and lipids for peripheral route

EN products are administered to control malnutrition and to help patient recover and respond to medical treatment. In this therapeutic area, we launched Glutamine in oral form in India under the brand of Glutammune. We also manufacture a range of specific EN feeds under the brand name of “Nourish”. Nourish is a nutritionally balanced diet available in seven different variants to meet special nutrition needs of patients with different disease conditions. These products cater to critical illnesses, which include cancer, trauma, burns and gastrointestinal diseases.

We currently sell the following EN products:

Sr. No.	Brands	Description
1.	Glutammune [™]	L-Glutamine powder

2.	Nourish™	Nutritionally balanced enteral diet formulations
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Oncology

We have built a portfolio of oncology molecules. For this therapeutic area, our products are promoted to medical practitioners such as medical oncologists, radiologists and onco-surgeons for the treatment of cancer patients.

Cancer therapy involves a treatment protocol consisting of surgery to remove cancer cells, radiation and/or of chemotherapy to destroy cancer cells, and supportive medicine to manage the patients' pain and other side effects.

Our Company has been successful in introducing a product branded as Lipeg™, which is manufactured using innovative pegylated liposomal technology. This technology allows for a targeted delivery of the basic molecule (e.g. doxorubicin) that is cytotoxic or destructive in nature, confining it to the effected cancerous area, thus benefiting the patient through reduced side effects.

Our products currently sold in this therapeutic area include:

Sr. No.	Brands	Description
1.	Lipeg®	PEGylated liposomal doxorubicin
2.	Fegrast™	Filgrastim (GCSF)
3.	Xenib™	Imatinib
4.	Neudoc™	Docetaxel
5.	Jemicita™	Gemcitabine
6.	Engenase™	L-Asparaginase

RESEARCH AND DEVELOPMENT

Our investment in R&D is essential to our future growth. Accordingly, we are increasingly engaged in R&D programs to develop innovative product delivery systems and manufacturing methods. We have a R&D facility at Ahmedabad which was approved by the Department of Science and Technology, Government of India on December 13, 2000. The research focus is in the area of development of innovative product delivery systems, including NDDS, for the management of critical illnesses. The Company is working to develop complex technology platforms such as cytotoxic manufacturing technology, pre-filled syringes, lyophilized products and liposomal drug delivery systems. We have previously used our research expertise in the area of parenteral fat emulsions (lipid drug delivery systems) to manufacture propofol. We have also initiated a research program in the field of biotechnology.

Our dedicated focus on research and development has resulted in over 1,100 product registrations and about 324 pending product filings globally. Our R&D team has developed formulations such as propofol, lipids, PEGylated liposomal doxorubicin, hydroxy ethyl starch, iron sucrose, pamidronic acid, organ transplant solution and triple chambered systems.

Our R&D team has developed closed system non-PVC bags (Unibag™) using proprietary multilayer film which ensures flexibility, transparency and sterilization at 121°C. The team has continued to work on developing injectables using drug delivery systems like PEGylated liposomal pegylation technology to enhance selected oncology and anti-fungal. The Company plans to expand its infrastructure in the area of oncology. Total expenditures for our R&D activities relating to continuing operations, including product development expenses, were Rs. 633.40 million and Rs. 335.72 million for the financial year ended December 31, 2009 and for the five month period ended May 31, 2010 respectively.

INTELLECTUAL PROPERTY

Trademarks and other proprietary rights are essential to our business. We also rely on patents, copyrights, trade secrets, know-how and confidentiality agreements to develop, maintain and strengthen our competitive position.

We have trade secret agreements, confidentiality procedures and contractual provisions with our employees, consultants and other business partners in R&D. Trade secret protection of unpatented confidential and proprietary information is also important to us.

It is our policy to protect our products and technology through patents and trademarks on a worldwide basis. This protection is sought in a manner that balances the cost of such protection against obtaining the greatest value for our Company. We also recognise the need to promote the enforcement of our patents, trademarks and other proprietary rights. We will continue to take commercially reasonable steps to enforce our patents and trademarks around the world against potential infringers.

Trademarks

We have 116 registered trademarks in India and further applied to register 85 trademarks. We have also registered a total of 38 trademarks and have 39 applications pending in international markets. Certain of our trademarks were assigned to us from one of our Promoter Group entities and our corporate Promoter.

Patents

We have three registered process patents and fifteen pending applications for process patents in India.

Copyright

We have 12 copyright registrations in India and have made applications for two copyrights.

SUBSIDIARIES

Our Company has four Subsidiaries in India and thirteen subsidiaries located in Brazil, the United States, Mauritius, Colombia, Venezuela, Indonesia, Mexico, Australia, the UK, Chile, the Philippines. Our Subsidiaries form an integral part of our overall business model as they are instrumental in helping us grow organically in areas which we consider important for our future growth and expansion. Certain of our Subsidiaries act as importers for our Company's products, store and distribute the products locally and are responsible for marketing, promotion, invoicing and collection activities locally.

In certain countries where we market our products, registrations can be held only by local entities. As a result, we have incorporated Subsidiaries in some such markets to distribute our products.

For further information about our Subsidiaries, please see the section titled "History and Certain Corporate Matters" on page 145 of this Red Herring Prospectus.

Our Company also has set up our representative offices in Russia, Kazakhstan, Uzbekistan and Vietnam. These representative offices manage our international business in respective region / country and carry out activities such as identifying, appointing and managing distributors in the region, providing inputs and market insights for product selection and registration decisions, coordinating between distributors and local authorities for product registration and other business support operations such as making payments, orders, dispatches, inventory monitoring and control.

COMPETITION

The markets in which we sell our injectables and delivery system products are highly competitive. The primary competitive factors consist of quality, price, and size of product portfolio. To stay ahead of our competitors, we regularly update existing technology and acquire or develop new technology for our pharmaceutical manufacturing activities; we continuously seek new product registrations, marketing authorisations and other approvals from Indian and foreign governmental authorities and health regulatory bodies to increase our product offerings; we foray into key international markets through licensing arrangements or otherwise in order to grow our business; we maintain a high level of involvement across our sales and marketing network to maximize our presence in India and internationally; we aim to attract and retain key personnel on whom we rely for the smooth running of our company; and we attempt to keep our costs of production low to maintain our competitive advantage and our profit margins.

We see ourselves as competing with companies such as the Baxter group, the Fresenius group, the Hospira group and the B. Braun group as well as certain local companies.

EMPLOYEES

As of September 30, 2010, we had around 1614 full-time employees worldwide. Out of this number, 75 employees worked in R&D. As of September 30, 2010, we had around 1539 employees in India, out of which approximately 493 were post graduates and around 805 were graduates. We employed around 75 foreign nationals in the country and around 1,841 contract labourers as of such date.

The average age of our senior management team members is approximately 41 years and the average age of our employees is approximately 29 years. The number of man days invested in training was of over 5,000 days during the financial year ended December 31, 2009 and man days invested in training was of over 2400 days during the five months ended May 31, 2010.

Our employees are not currently unionized, and there have been no work disruptions, strikes, lock-outs or other employee unrest to date. The Company believes that its relations with its employees are good. We maintain high safety standards in our facilities to ensure that none of our employees are exposed to any hazards. The Company has been ranked first in the healthcare industry as India's Best Companies to Work for 2010 by the Great Place to Work Institute and Economic Times.

PLANT AND MACHINERY

We have not placed any orders for plant and machinery in relation to our expansion programme sought to be funded by the Net Proceeds of the Issue. The value of such plant and machinery is estimated at Rs. 1,433.78 million. For further details of the above, see section titled "Objects of the Issue" on page 88 of this Red Herring Prospectus.

POWER AND WATER

A majority of the power that we use for our manufacturing facilities is obtained from the Uttar Gujarat Vij Company Ltd. (Gujarat Electricity Board). We also generate a portion of the power that we use from our 2.0 MW biomass-based power plant.

We generate the water that we use for our manufacturing facilities through borewells located at our Clarion facilities.

EFFLUENT TREATMENT POLICY

Our operations generate small quantities of effluents, which are treated at our effluent treatment plant. Our plant includes both aerobic and anaerobic treatment facilities. We are required to obtain consents from the State Pollution control board to establish and operate our facilities and to comply with their conditions regarding the emissions and discharge of effluents in air and water.

INSURANCE

We have obtained the following insurance policies for our business:

- Standard fire and special perils policy;
- Special contingency policy;
- Machinery breakdown policy;
- Boiler and pressure plant policy;
- Burglary insurance policy;
- Vehicle insurance policy;
- Money insurance policy;
- Group personal accident policy;
- Workmen's compensation policy;
- Product and public liability policy;
- Director's and officer's liability insurance policy; and
- Marine cargo open policy for domestic inward and outward consignments;

We do not maintain any cover for intellectual property, group medical and life insurance for our employees and personnel-related risk.

PROPERTY

We have several premises which are owned, leased or rented in various locations in India. We also have leased premises in countries such as Russia, Kazakhstan, Uzbekistan and Vietnam for our representative offices.

Commercial Premises of our Company in India

Our Clarion facilities are located at the following premises.

Property	Leasehold/Freehold
Non-agricultural land at Village Chacharwadi Vasana, Taluka Sanand, District Ahmedabad, Block No. 199	Freehold
Non-agricultural land at Village Chacharwadi Vasana, Taluka Sanand, District Ahmedabad, Block No. 200, Plot 1	Freehold
Non-agricultural land at Village Chacharwadi Vasana, Taluka Sanand, District Ahmedabad, Block No. 200, Plot 2	Freehold
Non-agricultural land at Village Chacharwadi Vasana, Taluka Sanand, District Ahmedabad, Block No. 201	Freehold
Non-agricultural land at Village Chacharwadi Vasana, Taluka Sanand, District Ahmedabad, Block No. 204	Freehold
Non-agricultural land at Village Chacharwadi Vasana, Taluka Sanand, District Ahmedabad, Block No. 205	Freehold
Non-agricultural land at Village Chacharwadi Vasana, Taluka Sanand, District Ahmedabad, Block No. 202	Freehold
Non-agricultural land at Village Chacharwadi Vasana, Taluka Sanand, District Ahmedabad, Block No. 206. Plots 1-7	Freehold
Non-agricultural land at Village Chacharwadi Vasana, Taluka Sanand, District Ahmedabad, Block No. 207	Freehold
Non-agricultural land at Village Chacharwadi Vasana, Taluka Sanand, District Ahmedabad, Block No. 208	Freehold
Non-agricultural land at Village Chacharwadi Vasana, Taluka Sanand, District Ahmedabad, Block No. 209	Freehold
Non-agricultural land at Village Chacharwadi Vasana, Taluka Sanand, District Ahmedabad, Block No. 210. Plots 1-2	Freehold
Non-agricultural land at Village Chacharwadi Vasana, Taluka Sanand, District Ahmedabad, Block No. 192(Paiki)	Freehold
Non-agricultural land at Village Chacharwadi Vasana, Taluka Sanand, District Ahmedabad, Block No. 193	Freehold
Non-agricultural land at Village Chacharwadi Vasana, Taluka Sanand, District Ahmedabad, Block No. 211	Freehold
Non-agricultural land at Village Chacharwadi Vasana, Taluka Sanand, District Ahmedabad, Block No. 212(Paiki)	Freehold

Office Premises of our Company

We have offices in India and in four other countries.

Property	Leasehold/Freehold
3rd Floor, A & B Wing, Clarix Corporate Headquarters, Near Parimal Railway Crossing, Ellisbridge, Ahmedabad 380 006.	Freehold
10th Floor, D Wing, Sangita Complex, Near Parimal Railway Crossing, Ahmedabad – 380006.	Leasehold
10th Floor, C Wing, Sangita Complex, Near Parimal Railway Crossing, Ahmedabad –	Leasehold

Property	Leasehold/Freehold
380006.	
905, 9th Floor, D Wing, Sangita Complex, Near Parimal Railway Crossing, Ellisbridge, Ahmedabad.	Leasehold
904, 9th Floor, D Wing, Sangita Complex, 9th Floor, Near Parimal Railway Crossing, Ellisbridge, Ahmedabad.	Leasehold
903, 9th Floor, C & D Wing, Sangita Complex, Near Parimal Railway Crossing, Ellisbridge, Ahmedabad.	Leasehold
8C and 8D, 8th Floor, Sangita Complex, Near Parimal Railway Crossing, Ellisbridge, Ahmedabad.	Leasehold
405, 4th Floor, C Wing, Sangita Complex, Near Parimal Railway Crossing, Ellisbridge, Ahmedabad.	Leasehold
404, 4th Floor, C Wing, Sangita Complex, Near Parimal Railway Crossing, Ellisbridge, Ahmedabad.	Leasehold
Ground Floor, A & B Wing, Claris Corporate Headquarters, Near Parimal Railway Crossing, Ellisbridge, Ahmedabad.	Leasehold
Basement, A & B Wing, Claris Corporate Headquarters, Near Parimal Railway Crossing, Ellisbridge, Ahmedabad.	Leasehold
Second Floor, C & D Wing, Sangita Complex, Near Parimal Railway Crossing, Ellisbridge, Ahmedabad.	Leasehold
Fourth Floor, A & B Wing, Claris Corporate Headquarters, Near Parimal Railway Crossing, Ellisbridge, Ahmedabad.	Leasehold
Fifth Floor, A & B Wing, Claris Corporate Headquarters, Near Parimal Railway Crossing, Ellisbridge, Ahmedabad.	Leasehold
Sixth Floor, A & B Wing, Claris Corporate Headquarters, Near Parimal Crossing, Ellisbridge, Ahmedabad.	Leasehold
Seventh Floor, A & B Wing, Claris Corporate Headquarters, Near Parimal Railway Crossing, Ellisbridge, Ahmedabad.	Leasehold
Eight Floor, A & B Wing, Claris Corporate Headquarters, Near Parimal Railway Crossing, Ellisbridge, Ahmedabad.	Leasehold
Ninth Floor, A & B Wing, Claris Corporate Headquarters, Near Parimal Railway Crossing, Ellisbridge, Ahmedabad.	Leasehold
Tenth Floor, A & B Wing (including terrace), Claris Corporate Headquarters, Near Parimal Railway Crossing, Ellisbridge, Ahmedabad.	Leasehold
Ground Floor, Net Vision, B/H Claris Corporate Headquarters, Near Parimal Railway Crossing, Ellisbridge, Ahmedabad	Leasehold
First Floor, Net Vision, B/H Claris Corporate Headquarters, Near Parimal Railway Crossing, Ellisbridge, Ahmedabad	Leasehold
Second Floor, Net Vision, B/H Claris Corporate Headquarters, Near Parimal Railway Crossing, Ellisbridge, Ahmedabad	Leasehold
Third Floor, Net Vision, B/H Claris Corporate Headquarters, Near Parimal Railway Crossing, Ellisbridge, Ahmedabad	Leasehold
Fourth Floor, Net Vision, B/H Claris Corporate Headquarters, Near Parimal Railway Crossing, Ellisbridge, Ahmedabad	Leasehold
TNC Building, No.2 Dinh Tien Houng Street, Ward -1,Binh Thanh District, Hochiminh City, Vietnam	Leasehold

Property	Leasehold/Freehold
House no. 12, flat 235, Kunaeva Street Tashkent, Uzbekistan	Leasehold
Apartment 127, Building ½, Tarasa Shevchenko Embankment (Nabreznaya), Moscow 121059, Russia	Leasehold
Zeltokcan Street, Building no.115, cabinet no. 370 Almaty 050000, Kazakhstan	Leasehold

REGULATIONS AND POLICIES IN INDIA

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India. The information detailed in this chapter has been obtained from the websites of the relevant regulators and publications available in the public domain. The regulations set out below are not exhaustive, and are only intended to provide general information to the Investors and is neither designed nor intended to be a substitute for professional legal advice. Taxation statutes such as the Income Tax Act, 1961, Central Sales Tax Act, 1956 and applicable local sales tax statutes, labour regulations such as the Employees State Insurance Act, 1948 and the Employees Provident Fund and Miscellaneous Act, 1952, and other miscellaneous regulations such as the Trade Marks Act, 1999 and applicable shops and establishments statutes apply to us as they do to any other Indian company. For details of government approvals obtained by our Company in compliance with these regulations, see the section titled “Government and Other Approvals” and “Our Business” beginning on pages 257 and 122, respectively, of this Red Herring Prospectus. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Standards of Weights and Measures Act, 1976 / Standards of Weights and Measures (Packaged Commodities) Rules, 1977

Standards of Weights and Measures Act, 1976 was passed to establish Standards of Weights and Measures and to regulate its use. Packaged Commodities Rules were framed under the Act to regulate packaged commodities. The Act is designated to (a) standardise weights and measures, (b) control manufacture and sale of weights and measures to ensure accuracy and (c) control over packaging commodities.

Standards of Weights and Measures (Packaged Commodities) Rules, 1977 – The provisions regarding packaged commodities apply to a person who (a) make, manufacture, pack, sell or cause to be packed or sold or (b) distribute, deliver or cause to be distributed or delivered or (c) offer, expose or possess for sale: any commodity in packaged form. The package or the label securely attached to such packing must contain declaration on a package or on label as prescribed.

Essential Commodities Act, 1955 (the “ECA”)

The ECA gives powers to the GoI to, among other things, regulate production, distribution and quality of essential commodities including drugs, for maintaining or increasing supplies and for securing their equitable distribution and availability at fair prices. Using the powers under it, various ministries/departments of the Government have issued control orders for regulating production, distribution, quality aspects, movement and prices pertaining to the commodities which are essential and administered by them. The state governments have issued various control orders to regulate various aspects of trading in essential commodities.

Indian Boiler Regulations, 1950

The Indian Boiler Regulation is a legislation that covers all aspects of material and equipments utilised in the manufacture of boilers for use in India, under the regulations any material or equipment to be imported into India is required to contain a certificate that attests that the import complies with the regulations. The certificate must also be endorsed by a Competent Authority designated

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 and regulate the mode of treatment and disposal of bio-medical waste. The BMW Rules mandate every occupier of an institution generating, collecting, transporting, treating, disposing and/or handling bio-medical waste to take steps to ensure that such waste is handled without any adverse effect to human health and environment and to apply to the prescribed authority for grant of authorisation. The BMW Rules further require such person to 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 rules and guidelines issued.

Drugs and Cosmetics Act, 1940 (“DCA”)

In order to maintain high standards of medical treatment, the DCA regulates the import, manufacture,

distribution and sale of drugs for the proper protection of drugs and medicines and prohibits the manufacture and sale of certain drugs and cosmetics which are misbranded, adulterated, spurious or harmful. The DCA specifies the requirement of a license for the manufacture, sale or distribution of any drug or cosmetic. 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.

Pharmacy Act, 1948 (“PA”)

The PA provides that all pharmacists require a registration under the PA, which registration process includes providing: (a) the full name and residential address of the pharmacist; (b) the date of his first admission to the register; (c) his qualifications for registration; (d) his professional address, and if he is employed by any person, the name of such person; and (e) such further particulars as may be prescribed.

Drugs (Prices Control) Order, 1995 (the “DPCO”)

The first drug price control orders in India were issued under the Defence of India Act, 1963. Thereafter, from 1970 onwards and until the promulgation of the DPCO, drug price control orders were issued under the ECA. The DPCO was promulgated under the ECA and is to be read with the DCA. The DPCO fixes the price for certain APIs and formulations, which are called scheduled drugs and scheduled formulations, respectively.

The National Pharmaceutical Pricing Authority (the “NPPA”), established under the DPCO on August 29, 1997, is an independent body of experts responsible for the collection of data and study of the pricing structure of APIs and formulations and to enforce prices and availability of medicines in the country, under the DPCO. The NPPA monitors the prices of medicines as per monthly audit reports. Upon recommendation of the NPPA, the Ministry of Chemicals and Fertilizers, GoI, fixes the ceiling prices of the APIs and formulations and issues notifications on drugs which are scheduled drugs and formulations. The NPPA arrives at the recommended prices for the scheduled drugs and formulations after collection and analysis of data on costing which includes data on raw material, composition, packing materials, process losses, overhead allocation and appointment, capacity utilization, technical data on manufacturing work orders and packing work orders.

The GoI has the power under the DPCO to recover amounts charged in excess of the notified price from the manufacturer, importer or distributor of the drugs and the said amounts are to be deposited in the Drugs Prices Equalization Account. The penalty for contravention of any rules and regulations under the ECA or other provisions of the DPCO is minimum imprisonment of three months, which may extend to seven years, and the violator is also liable to pay fine. These provisions are applicable to all scheduled formulations irrespective of whether they are imported or patented, unless they are exempt.

Prices of non-scheduled formulations are fixed by the manufacturers themselves keeping in view factors like cost of production, marketing expenses, research and development expenses, trade commission, market competition, product innovation and product quality. However, the prices of other (non-scheduled) drugs can be regulated under the ECA and DPCO, if warranted in public interest. Under Section 7 of the ECA, the penalty for contravention of the DPCO is a minimum imprisonment of three months, which may extend to seven years and the violator is also liable to pay fine.

Public Liability Insurance Act, 1991

The Public Liability Insurance Act, 1991 (the “**Public Liability Act**”) imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the Government by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute towards the environment relief fund, a sum equal to the premium paid on the insurance policies. The amount is payable to the insurer.

Labour Legislations

Factories Act, 1948

The Factories Act, 1948, as amended (the “**Factories Act**”), defines a ‘factory’ to be any premises on which on any day in the previous 12 months, 10 or more workers are or were working and in which a manufacturing process is being carried on or is ordinarily carried on with the aid of power; or where at least 20 workers are or

were working on any day in the preceding 12 months and on which a manufacturing process is being carried on or is ordinarily carried on without the aid of power. State governments prescribe rules with respect to the prior submission of plans, their approval for the establishment of factories and the registration and licensing of factories.

The Factories Act provides that the ‘occupier’ of a factory (defined as the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors) shall ensure the health, safety and welfare of all workers while they are at work in the factory, especially in respect of safety and proper maintenance of the factory such that it does not pose health risks, the safe use, handling, storage and transport of factory articles and substances, provision of adequate instruction, training and supervision to ensure workers’ health and safety, cleanliness and safe working conditions. If there is a contravention of any of the provisions of the Factories Act or the rules framed thereunder, the occupier and manager of the factory may be punished with imprisonment or with a fine.

Minimum Wages Act, 1948

The legislation provides a framework for State governments to stipulate the minimum wage applicable to a particular industry. The minimum wage may consist of a basic rate of wages and a special allowance; or a basic rate of wages and the cash value of the concessions in respect of supplies of essential commodities; or an all-inclusive rate allowing for the basic rate, the cost of living allowance and the cash value of the concessions, if any. Workmen are to be paid for overtime at overtime rates stipulated by the appropriate government. Contravention of the provisions of this legislation may result in imprisonment for a term up to six months or a fine up to Rs. 500 or both.

Payment of Bonus Act, 1965

Pursuant to the Payment of Bonus Act, 1965, as amended (the “**Bonus Act**”), an employee in a factory or in any establishment where 20 or more persons are employed on any day during an accounting year, who has worked for at least 30 working days in a year is eligible to be paid a bonus. Contravention of the provisions of the Bonus Act by a company is punishable with imprisonment or a fine, against persons in charge of, and responsible to the company for the conduct of the business of the company at the time of contravention.

Employees State Insurance Act, 1948

The Employees State Insurance Act, 1948, as amended (the “**ESI Act**”) provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

Other legislation, which is applicable to the employment of labour by us in the course of our operations, includes:

Contract Labour (Regulation and Abolition) Act, 1970

The Contract Labour (Regulation and Abolition) Act, 1970, as amended (the “**CLRA**”), requires establishments that employ, or have employed on any day in the previous 12 months, 20 or more workmen as contract labour to be registered and prescribes certain obligations with respect to the welfare and health of contract labour. The CLRA requires the principal employer of an establishment to which it applies to make an application to the registering officer in the prescribed manner for registration of the establishment. In the absence of registration, contract labour cannot be employed in the establishment. Likewise, every contractor to whom the CLRA applies is required to obtain a licence and not to undertake or execute any work through contract labour except under and in accordance with the licence issued. To ensure the welfare and health of the contract labour, the CLRA imposes certain obligations on the contractor including the establishment of canteens, rest rooms, drinking water, washing facilities, first aid facilities, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be imposed for contravention of the provisions of the CLRA.

Employees Provident Fund and Miscellaneous Provisions Act, 1952

The Employees Provident Fund and Miscellaneous Provisions Act, 1952, as amended (the “**EPF Act**”) provides for the institution of compulsory provident fund, family pension fund and deposit linked insurance funds for the benefit of employees in factories and other establishments. Liability is placed both on the employer and the employee to make certain contributions to the funds mentioned above.

Environmental Regulations

The Company must also ensure compliance with environmental legislation such as the Water (Prevention and Control of Pollution) Act 1974 (the “**Water Pollution Act**”), the Air (Prevention and Control of Pollution) Act, 1981 (“**Air Pollution Act**”) and the Environment Protection Act, 1986 (the “**Environment Act**”).

The Water Pollution Act aims to prevent and control water pollution. This legislation provides for the constitution of a Central Pollution Control Board and State Pollution Control Boards. The functions of the Central Board include coordination of activities of the State Boards, collecting data relating to water pollution and the measures for the prevention and control of water pollution and prescription of standards for streams or wells. The State Pollution Control Boards are responsible for the planning for programmes for prevention and control of pollution of streams and wells, collecting and disseminating information relating to water pollution and its prevention and control; inspection of sewage or trade effluents, works and plants for their treatment and to review the specifications and data relating to plants set up for treatment and purification of water; laying down or annulling the effluent standards for trade effluents and for the quality of the receiving waters; and laying down standards for treatment of trade effluents to be discharged. This legislation debars any person from establishing any industry, operation or process or any treatment and disposal system, which is likely to discharge trade effluent into a stream, well or sewer without taking prior consent of the State Pollution Control Board.

The Central and State Pollution Control Boards constituted under the Water Pollution Act are also to perform functions as per the Air Pollution Act for the prevention and control of air pollution. The Air Pollution Act aims for the prevention, control and abatement of air pollution. It is mandated under this Act that no person can, without the previous consent of the State Board, establish or operate any industrial plant in an air pollution control area.

The Environment Act has been enacted for the protection and improvement of the environment. The Act empowers the central government to take measures to protect and improve the environment such as by laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and so on. The central government may make rules for regulating environmental pollution.

With respect to forest conservation, the Forest (Conservation) Act, 1980 prevents state governments from making any order directing that any forest land be used for a non-forest purpose or that any forest land is assigned through lease or otherwise to any private person or corporation not owned or controlled by the Government without the approval of the central government. The Ministry of Environment and Forests mandates that Environment Impact Assessment (“**EIA**”) must be conducted for projects. In the process, the Ministry receives proposals for the setting up of projects and assesses their impact on the environment before granting clearances to the projects.

Intellectual Property Legislation

Our business requires that we offer a broad range of innovative products and services. We expend considerable time and effort on developing our products and technologies and rely upon various forms of intellectual property legislation to protect our technology. For details of the intellectual property we seek to protect, refer to “Our Business” on page 122 of this Red Herring Prospectus.

Foreign Ownership

Under the Consolidated FDI Policy and FEMA, FDI up to 100% is permitted in pharmaceutical sector. The RBI by its A.P. (DIR Series) circular No. 16 dated October 4, 2004 granted general permission for the transfer of shares of an Indian company by non-residents to residents and residents to non-residents, subject to the terms and conditions, including pricing guidelines, specified in such circular.

HISTORY AND CERTAIN CORPORATE MATTERS

History of our Company

Our Company was originally incorporated as Oracle Laboratories Limited on July 19, 1994 under the Companies Act, 1956, as a public limited company. We received the certificate for commencement of business on July 28, 1994. We subsequently changed the name of our Company to Core Laboratories Limited pursuant to a special resolution passed by the shareholders at a general meeting dated May 28, 1996 as our Company was acting as the marketing and distribution agent for Core Healthcare Limited at that time and wanted to align its name accordingly. Pursuant to the change of name, a fresh certificate of incorporation was granted to our Company by the Registrar of Companies, Gujarat Dadra & Nagar Haveli on June 18, 1996. We changed the name of our Company again to Claris Lifesciences Limited pursuant to a special resolution passed by our shareholders at a general meeting dated March 31, 1999 as our management decided to change the name as above. The new certificate of incorporation was granted to our Company by the Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli on April 1, 1999, at Ahmedabad.

By an order of the High Court of Gujarat dated May 12, 1999 Nova Lifesciences Limited was amalgamated with our Company, and all assets, liabilities and business of Nova Lifesciences Limited was transferred to our Company with effect from the appointed date i.e. October 1, 1997. In consideration for the amalgamation, each shareholder of Nova Lifesciences Limited was issued one (1) Equity Share of our Company for every 1 equity share held by such shareholder in Nova Lifesciences Limited.

Our Company traded in products manufactured by, as well as had products contract manufactured by, CHL until 2005. Furthermore, our Company took the Rajpur manufacturing unit on lease from CHL until 2005.

Our Company commissioned its first manufacturing plant, Clarion I, in 2002. We have since expanded our operations to four manufacturing facilities (Clarion I to IV). A fifth manufacturing facility, Clarion V, is currently under construction and we expect it to be operational by the third quarter of 2011. The total capital expenditure, including capital work-in-progress, incurred by our Company, a significant portion of which was spent on the entire Clarion manufacturing facilities, between July 1, 2001 and May 31, 2010, amounted to approximately Rs. 8,153.82 million. This expenditure has been primarily incurred in the setting-up of new plants, expansion of capacities, upgradation of technology and other office and plant infrastructure. The other office and plant infrastructure includes the co-generation power plant at our manufacturing campus, our R&D facility, our utility plant, our corporate headquarters and systems and processes.

We have financed this expenditure out of internal cash accruals, equity issuance and from debt financing.

From July 1, 2001 to December 31, 2002, we incurred total capital expenditure of Rs. 260.38 million, which was financed entirely through our internal accruals. In fiscal 2003, we incurred total capital expenditure of Rs. 207.28 million, which was financed entirely through our internal accruals. In fiscal 2004, we incurred total capital expenditure of Rs. 445.39 million, which was financed by way of debt amounting to Rs. 298.70 million, equity of Rs. 119.75 million and internal accruals of Rs. 26.94 million. In fiscal 2005, we incurred total capital expenditure of Rs. 446.43 million, which was financed entirely through our internal accruals. In fiscal 2006, we incurred capital expenditure amounting to Rs. 1,772.96 million, which was financed by way of debt of Rs. 1,107.25 million, equity of Rs. 107.34 million and internal accruals of Rs. 558.37 million. In fiscal 2007, we incurred total capital expenditure of Rs. 1,444.70 million, which was financed by way of equity of Rs. 300 million and internal accruals of Rs. 1,144.70 million. In fiscal 2008, we incurred total capital expenditure of Rs. 1,945.29 million, which was financed by way of debt of Rs. 200 million, equity of Rs. 500 million and internal accruals of Rs. 1,245.29 million. In fiscal 2009, we incurred total capital expenditure of Rs. 1,065.95 million, which was financed by way of debt amounting to Rs. 762.47 million and internal accruals amounting to Rs. 303.48 million. For the five month period ended May 31, 2010, we incurred total capital expenditure of Rs. 565.44 million, which was financed by way of debt amounting to Rs. 439.08 million and internal accruals amounting to Rs. 126.36 million.

Pursuant to the share subscription cum shareholders agreement dated March 7, 2006, First Carlyle Ventures III and certain other individuals, Mauritius invested Rs. 905.06 million in the Company by subscribing to Equity Shares and convertible preference shares of our Company. For further details please refer to the section titled "Capital Structure" on page 72 of this Red Herring Prospectus.

Changes in the Registered Office

Date	Details of registered office	Reason for change
At incorporation	A 60/61, Nobles, Opp. Nehru Bridge, Ashram Road, Ahmedabad – 380 009	-
January 21, 1995	301, Sangita Complex, Nr. Parimal Crossing, Ellisbridge, Ahmedabad – 380 006	Administrative convenience
December 1, 1995	2nd Floor, Sangita Complex, Opp. Doctor House, Ellisbridge, Ahmedabad – 380 006	Administrative convenience
January 11, 2000	A/3, Sangita Complex, Nr. Parimal Crossing, Ellisbridge, Ahmedabad – 380 006	Administrative convenience
October 6, 2000	6th Floor, A Wing, Sangita Complex, Nr. Parimal Crossing, Ellisbridge, Ahmedabad – 380 006	Administrative convenience
March 5, 2001	Corporate Towers, Nr. Parimal Crossing, Ellisbridge, Ahmedabad – 380 006	Administrative convenience
April 26, 2007	“Clariss Corporate Headquarters”, Nr. Parimal Crossing, Ellisbridge, Ahmedabad – 380 006	Administrative convenience

Main objects

The main objects of our Company, as contained in our Memorandum of Association, includes:

1. To manufacture and sell, distribute, trade, import, export, infusion and transfusion solutions, diagnostic chemicals, agents, pharmaceuticals bulk drugs, formulations and chemical and drugs, tonics, ointments, serum, injections all types of pharmaceuticals products.
2. To manufacture and sell, process or refine, import, export, trade, buy and deal in pharmaceuticals, herbal, bacteriological and biological products, drugs, medicines and medical preparations health giving and curative materials and products, tablets, powders, pastes, solutions, ointments, import, export infusion and transtrifices, substances, apparatus and other things capable of being used or required by patients, medical practitioners and other customers.
3. To manufacture, assemble, buy, sell, distribute, import, export, surgical goods, diagnostic kits, hospital products, hospital furniture’s, medical chairs, all types of medical equipments and water treatment plant related to pharmaceuticals.

Changes in our Memorandum of Association

The following changes have been made to our Memorandum of Association since incorporation:

Date of Shareholders’ Approval	Particulars of Changes
December 8, 1994	Amendment in the MoA to reflect an increase in the authorised share capital of our Company from Rs. 5,000,000 divided into 500,000 Equity Shares of Rs. 10 each to Rs. 120,000,000 divided into 12,000,000 Equity Shares of Rs.10 each.
May 28, 1996	Amendment in the MoA to reflect a change in the name of our Company from Oracle Laboratories Limited to Core Laboratories Limited.
March 31, 1999	Amendment in the MoA to reflect a change in the name of our Company from Core Laboratories Limited to Clariss Lifesciences Limited.
December 10, 1999	Amendment in the MoA to reflect a reorganisation of the authorised share capital from Rs. 120,000,000 divided into 12,000,000 Equity Shares of Rs. 10 each to Rs. 120,000,000 divided into 7,000,000 Equity Shares of Rs.10 each and 5,000,000 redeemable preference

Date of Shareholders' Approval	Particulars of Changes
	shares of Rs. 10 each.
November 30, 2000	Amendment in the MoA to reflect a reorganisation in the authorised share capital from Rs. 120,000,000 divided into 7,000,000 Equity Shares of Rs.10 each and 5,000,000 redeemable preference shares of Rs. 10 each to Rs. 120,000,000 divided into 12,000,000 Equity Shares of Rs.10 each.
March 24, 2001	Amendment in MoA to reflect the addition of Clause III A 3 to the main objects of our Company.
June 26, 2004	Amendment in the MoA to reflect an increase in the authorised share capital of our Company from Rs. 120,000,000 divided into 12,000,000 Equity Shares of Rs. 10 each to Rs. 300,000,000 divided into 30,000,000 Equity Shares of Rs. 10 each.
March 7, 2006	Amendment in the MoA to reflect an increase in the authorised share capital of our Company from Rs. 300,000,000 divided into 30,000,000 Equity Shares of Rs. 10/- each to Rs. 1,205,100,000 divided into 60,174,000 Equity Shares of Rs. 10/- each and 603,360 cumulative preference shares of Rs. 1,000/- each.
April 7, 2010	Amendment in the MoA to reflect a reorganisation in the authorised share capital from Rs. 1,205,100,000 divided into 60,174,000 Equity Shares of Rs. 10 each and 603,360 cumulative preference shares of Rs. 1,000 each to Rs. 1,205,100,000 divided into 120,510,000 Equity Shares of Rs. 10 each.

Key events and milestones

Year	Particulars
1999	Our Company's first international office was inaugurated in Brazil.
2002	Our Company received the WHO GMP certificate for our Clarion I facility. Our Company reached Rs. 1 billion mark in sales turnover during the year.
2003	Our Company's manufacturing facility was approved by INVIMA, Colombia.
2004	Commercial production started at the Company's infusion manufacturing facility.
2005	Our Company's injectable manufacturing facility was approved by the MHRA, UK. The Company received its first regulated market order from the Netherlands. Our Company received its first product registration from MHRA, UK. Our Company filed six ANDAs with the USFDA.
2006	First Carlyle Ventures III and certain other individuals invested Rs. 905.06 million in Equity Shares and convertible preference shares in our Company.
2007	The USFDA granted approval of our Company's sterile injectable manufacturing facility in Clarion I.
2008	Received approval for four ANDAs in the United States. Commenced our own sales and marketing activities in the USA. Launch of a range of infusion products in non-PVC bags in India.
2009	<ul style="list-style-type: none"> One of our Company's non-resident Subsidiaries entered into a business arrangement with Pfizer Asia Contract Operations Pte. Ltd. for the marketing and supply of specific sterile injectables in certain regulated markets. One of our products, Sodium Bicarbonate was subjected to an import detention in the United States.
2010	<ul style="list-style-type: none"> We received a letter from the USFDA in relation to the registration of our aseptic manufacturing line.

Year	Particulars
	<ul style="list-style-type: none"> We and certain of our partners received a number of complaints in relation to certain of our products pursuant to which we and our partners/distributors recalled some or all of our products from certain countries. Further, the USFDA has imposed an import alert on us and our products, which is subsisting. The USFDA also carried out an inspection of our manufacturing facilities at Ahmedabad, subsequent to which it has issued a warning letter to us. Further, our Company discontinued the marketing of one of our products, Sodium Bicarbonate in the United States. The registration of our Company and its products was suspended by the Drug and Food Control, Ministry of Health, State of Kuwait from June 8, 2010 till August 22, 2010.

Bonus shares

Our Company issued 5,000,140 bonus shares of Rs. 10 each on December 25, 2000. Our Company further issued 17,916,416 bonus shares of Rs. 10 each on September 22, 2004 and 17,061,763 bonus shares of Rs. 10 each on April 7, 2010.

Business acquisitions and divestments

Our Company's subsidiary Catalys Venture Cap Limited, Mauritius (formerly known as Claris Lifesciences Worldwide Limited) completed its acquisition of 347,839 quotas of Claris Produtos Farmaceuticos do Brasil Limitada, Brazil (formerly known as Zeus Lifesciences Limitada and Core Healthcare do Brasil Limitada, Brazil) at Rs. 4,200,000 from Core Worldwide Limited on May 3, 2000. The objective of our acquisition of this company was to further invest in the setting up of a quality control laboratory and tap the Brazilian pharmaceutical market.

Our Company acquired iCubix Infotech Limited (formerly known as Enthrills Entertainment Limited) on March 4, 2006 from Mr. Aditya S. Handa and Mr. Arjun S. Handa, for a consideration of Rs. 499,400. The objective of our acquisition of this company was to create a wholly-owned subsidiary with a view to consolidating its information technology operations.

Our Company acquired Claris Biosciences Limited on January 10, 2007, from Mr. Jatin Jalundhwala, Mr. Chetan S. Majumudar and Mr. Nayan Rao for a consideration of Rs. 499,400. The objective of our acquisition of this company was to enter into the biopharmaceutical market. The company, which is our subsidiary, is yet to commence its operations.

All our other domestic and international subsidiaries have been subsidiaries of our Company since their incorporation.

Our Company had acquired Xcelris Labs Limited, an associate of our Company, from Dialys Healthcare Private Limited, for a consideration of Rs. 499,400, and converted it into a wholly-owned subsidiary of our Company on March 4, 2006. Xcelris Labs Limited is a clinical research organization offering a wide range of services to pharmaceutical companies globally. Our Company subsequently divested the company to Cygnus Laboratories Limited, a Promoter Group company, on September 28, 2008, based on the concern of our clients relating to exclusivity and conflicts of interest.

Capital raisings

Except as set out in the section titled "Capital Structure" beginning on page 72 of this Red Herring Prospectus, the Company has not raised any capital in the form of Equity Shares or debentures.

Shareholders agreement

Pursuant to a letter agreement dated April 7, 2010 ("**Termination Agreement**"), executed amongst First Carlyle Ventures III, our Company, Mr. Arjun S. Handa, Mr. Aditya S. Handa, Mrs. Beena S. Handa, Medical Technologies Limited and Sarjan Financial Private Limited (the "**Parties**"), the shareholders agreement dated March 7, 2006 between the Parties stands terminated, however, the confidentiality and dispute resolution provisions survived termination. Furthermore, First Carlyle Ventures III continued to enjoy certain rights such as (i) the right to nominate a director on our Board and (ii) our Promoter and Promoter Group cannot enter into

businesses competing directly with the Company's business for a certain period of time. However, by way of an amendment agreement to the Termination Agreement dated September 16, 2010, the signatories to the Termination Agreement have agreed that First Carlyle Ventures III would no longer enjoy the right to nominate a director on our Board. A copy of each of the termination agreement shareholders agreement and any amendments thereto is available for inspection at the Registered Office of our Company, as set out in the section titled "Material Contracts and Documents for Inspection" on page 336 of this Red Herring Prospectus.

Material agreements not being agreements in the ordinary course of business

1. The individual Promoter of our Company, Mr. Arjun S. Handa, has entered into a separation agreement dated March 15, 2010 with Mr. Sushil Kumar Handa, one of our erstwhile promoters and a relative of our individual Promoter (included in our Promoter Group), Mrs. Beena S. Handa and Mr. Aditya S. Handa whereby the understanding between the parties to the agreement is that each of Mr. Sushil Kumar Handa, Mrs. Beena S. Handa and Mr. Aditya S. Handa does not possess any right, interest, obligations in our Company, our Group Companies (which have been promoted by our Promoters) which are part of our Promoter Group by virtue of our Promoters' holdings in such companies. Similarly, as part of the agreement, Mr. Arjun S. Handa, our individual Promoter, does not possess any right, interest, obligations in any of Mr. Aditya S. Handa's group companies (companies which have been promoted by Mr. Aditya S. Handa) and Mr. Aditya S. Handa's Promoter Group companies. Post the business separation, as at April 16, 2010, Mr. Aditya S. Handa holds approximately 24.04% of the paid-up Equity Share capital of our Company, directly and indirectly, and is a member of our Board. For details of companies from which Mr. Arjun S. Handa has disassociated in the last 3 years, please see the section titled "Our Promoters and Group Companies - Disassociation by the Promoters in the last three years" on page 179 of this Red Herring Prospectus.

Technology arrangements

Our Company has not entered into any technology arrangements.

Capacity creation/build-up, location of plant, products and marketing

For details of our capacity creation/build-up, location of plant, products and marketing, please refer to the section titled "Our Business" beginning on page 122 of this Red Herring Prospectus.

Defaults or rescheduling of borrowing

We have not defaulted or rescheduled our borrowing other than as mutually agreed between the Company and our lenders. Furthermore, none of our loans have been converted into equity in the past.

Lock-out or strikes

There have been no events of lock-out or strikes in our Company so far.

Strategic and Financial Partners

We do not have any strategic or financial partners.

Standing of the Company in comparison with its prominent competitors

For details of the standing of the Company with respect to its prominent competitors, please refer to the section titled "Our Business - Competition" beginning on page 122 of this Red Herring Prospectus.

Details of our Subsidiaries

Unless otherwise stated, none of our Subsidiaries have been declared as a sick company under the SICA, and no winding-up proceedings has been initiated against any of them. Furthermore, unless otherwise stated, no application has been made in respect of any of our Subsidiaries to the respective registrar of companies for striking off their names.

The equity shares of our Subsidiaries are not listed on any stock exchange and none of them raised capital by way of a public issue of securities in the preceding three years.

Further, none of our Subsidiaries have any accumulated profits / losses that have not been accounted for, unless stated otherwise.

The Company has four wholly owned Indian Subsidiaries, which are as follows:

1. iCubix Infotech Limited
2. Claris Lifesciences International Limited
3. Claris Biosciences Limited
4. Claris Infrastructure Limited

The Company has thirteen wholly owned foreign Subsidiaries, which are as follows:

1. Claris Produtos Farmaceuticos do Brasil Limitada
2. Catalys Venture Cap Limited
3. Claris Lifesciences Venezuela C.A.
4. Claris Lifesciences de Mexico SA de CV
5. Claris Lifesciences UK Limited
6. PT Claris Lifesciences Indonesia
7. Claris Lifesciences Inc.
8. Claris Lifesciences Colombia Limitada
9. Claris Lifesciences Philippines, INC.
10. Claris Lifesciences & Cia. Chile Limitada
11. Claris Lifesciences (Aust) Pty. Limited
12. Claris SteriOne
13. Claris Pharmaservices

A. Indian Subsidiaries

1. iCubix Infotech Limited

iCubix Infotech Limited was incorporated as Enthrills Entertainment Limited on July 28, 2000 under the Companies Act. The company changed its name to iCubix Infotech Limited with effect from February 17, 2006. iCubix Infotech Limited is engaged in the business of providing services related to information technology. The business applications services which it provides include solutions in enterprise resource planning software, document management software, and e-business based applications. Infrastructure services provided by iCubix Infotech Limited include services across office automation, telecom, connectivity, storage, security, audio-video, and email and internet technologies.

Registered Office

Clariss Corporate Headquarters,
Near Parimal Crossing,
Ellisbridge, Ahmedabad – 380 006

Board of Directors as of October 31, 2010

1. Mr. Roopesh Madan
2. Mr. Akshat M. Shah
3. Mr. Nirav Mehta
4. Mr. Manish Gaur

Shareholding Pattern as of October 31, 2010

Names of the shareholders*	No. of shares held	% holding
Clariss Lifesciences Limited	49,940	99.88
Mr. Arjun S. Handa	10	0.02
Ms. Milina Bose	10	0.02
Mr. Roopesh Madan	10	0.02
Mr. Akshat M. Shah	10	0.02
Mr. Bharat Shah	10	0.02

Names of the shareholders*	No. of shares held	% holding
Mr. Nirav Mehta	10	0.02
Total	50,000	100.00

* All beneficial interest held by Claris Lifesciences Limited.

Capital Structure as of October 31, 2010

A.	Authorised share capital
	Rs. 500,000/- divided into 50,000 equity shares of Rs. 10/- each.
B.	Issued, subscribed and paid-up share capital
	Rs. 500,000/- divided into 50,000 equity shares of Rs. 10 each.

2. Claris Lifesciences International Limited

Claris Lifesciences International Limited was incorporated on June 8, 2005 as 'Claris International Limited' under the Companies Act. On April 30, 2010 a fresh certificate of incorporation was issued by the RoC evidencing the change of the name of the Company to 'Claris Lifesciences International Limited'. Claris Lifesciences International Limited was incorporated with the object of carrying on business domestically as well as internationally as a manufacturer, distributor, agent, exporter, importer and trader of healthcare products, biological products, drugs, medicines and medical preparations, hospital products, respiratory and anaesthesia products and surgical equipments, amongst others. It is yet to commence operations.

Registered Office

Claris Corporate Headquarters,
Near Parimal Crossing,
Ellisbridge, Ahmedabad 380 006.

Board of Directors as of October 31, 2010

1. Mr. Roopesh Madan
2. Mr. Chandrasingh Purohit
3. Mr. Amish Vyas
4. Mr. Manish Gaur

Shareholding Pattern as of October 31, 2010

Names of the shareholders*	No. of shares held	% holding
Claris Lifesciences Limited	50,000	99.88
Mr. Chandrasingh Purohit	10	0.02
Mr. Amish Vyas	10	0.02
Mr. Nirav Mehta	10	0.02
Mr. Pradeep Chakravarty	10	0.02
Mr. Kirit Shah	10	0.02
Mr. Roopesh Madan	10	0.02
Total	50,060	100.00

* All beneficial interest held by Claris Lifesciences Limited.

Capital Structure as of October 31, 2010

A.	Authorised share capital
	Rs. 50,00,000/- divided into 500,000 equity shares of Rs. 10 each.
B.	Issued, subscribed and paid-up share capital
	Rs. 5,00,600/- divided into 50,060 equity shares of Rs. 10 each.

3. Claris Biosciences Limited

Claris Biosciences Limited was incorporated on November 23, 2004 under the Companies Act. Claris

Biosciences Limited was incorporated with the object of carrying on business as a manufacturer of medicinal, pharmaceutical and biological preparations, and chemicals and various kinds of drugs useful in human therapy, independently or under license. It is yet to commence operations on a commercial scale.

Registered Office

Claris Corporate Headquarters,
Near Parimal Crossing,
Ellisbridge,
Ahmedabad 380006

Board of Directors as of October 31, 2010

1. Mr. Roopesh Madan
2. Mr. Chetan S. Majmudar
3. Mr. Pradeep Chakravarty
4. Mr. Manish Gaur

Shareholding Pattern as of October 31, 2010

Names of the shareholders*	No. of shares held	% holding
Claris Lifesciences Limited	49,940	99.88
Mr. Chetan S. Majmudar	10	0.02
Mr. Bharat Shah	10	0.02
Mr. Roopesh Madan	10	0.02
Mr. Amish Vyas	10	0.02
Mr. Pradeep Chakravarty	10	0.02
Ms. Milina Bose	10	0.02
Total	50,000	100.00

* All beneficial interest held by Claris Lifesciences Limited.

Capital Structure as of October 31, 2010

A.	Authorised share capital
	Rs. 500,000 divided into 50,000 equity shares of Rs. 10 each.
B.	Issued, subscribed and paid-up share capital
	Rs. 500,000 divided into 50,000 equity shares of Rs. 10 each.

4. Claris Infrastructure Limited

Claris Infrastructure Limited was incorporated on February 21, 2007, under the Companies Act. Claris Infrastructure Limited was incorporated with the object of carrying on business as builders, developers, architects or any other activities relating to construction machinery and general construction in India and internationally. It is yet to commence operations on a commercial scale.

Registered Office

“Corporate Towers”
Near Parimal Crossing,
Ellisbridge,
Ahmedabad – 380006

Board of Directors as of October 31, 2010

1. Mr. Roopesh Madan
2. Mr. Chetan S. Majmudar
3. Mr. Amish Vyas

Shareholding Pattern as of October 31, 2010

Names of the shareholders*	No. of shares held	% holding
Claris Lifesciences Limited	49,760	99.52
Mr. Amish Vyas	10	0.02
Ms. Milina Bose	10	0.02
Mr. Roopesh Madan	10	0.02
Mr. Arjun S. Handa	100	0.20
Mr. Bharat Shah	100	0.20
Mr. Chetan S. Majmudar	10	0.02
Total	50,000	100.00

* All beneficial interest held by Claris Lifesciences Limited.

Capital Structure as of October 31, 2010

A.	Authorised share capital
	Rs. 500,000 divided into 50,000 equity shares of Rs. 10 each.
B.	Issued, subscribed and paid-up share capital
	Rs. 500,000 divided into 50,000 equity shares of Rs. 10 each.

B. Foreign Subsidiaries

1. Claris Produtos Farmaceuticos do Brasil Limitada

Clariss Produtos Farmaceuticos do Brasil Limitada was incorporated on April 6, 1998 under the laws of Brazil. It is in the business of importing, exporting, trading and marketing of pharmaceutical products.

Registered Office

Av. Ibirapuera,
780, Indianopolis,
Sao Paulo, Brasil
Zip Code: 04028-000

Board of Directors as of October 31, 2010

As per the local laws prevalent in Brazil, there is no concept of board of directors in Brazil. Mr. Anil Dhamani, is in control/charge of the management of Claris Produtos Farmaceutico Do Brazil Limitada.

Shareholding Pattern as of October 31, 2010

Names of the holders	No. of quotas held	% holding
Clariss Lifesciences Limited	4,642,248	58.27
Catalys Venture Cap Limited	3,324,112	41.73
Total	7,966,360	100.00

Capital Structure as of October 31, 2010

A.	Authorised capital
	BRL 10,000,000 represented by 10,000,000 quotas of BRL 1 each.
B.	Issued, subscribed and paid-up capital
	BRL 7,966,360 represented by 7,966,360 quotas of BRL 1 each.

2. Catalys Venture Cap Limited

Catalys Venture Cap Limited was incorporated on May 13, 1999 under the laws of Mauritius. The company was originally set up as an investment holding company for the group companies. However, after certain developments in the pharmaceutical industry, the company broadened the scope of its activities by entering into trading, in-licensing and out-licensing of high-end injectable products especially in regulated markets.

Registered Office

C/o. CITCO (Mauritius) Limited,
9th Floor, Medine Mews,
La Chaussee Street,
Port Louis, Mauritius

Board of Directors as of October 31, 2010

1. Mr. Manish Gaur
2. Mr. Chandrasingh Purohit
3. Mr. Ketan Patel
4. Mr. Subhash Chandra Lallah
5. Mr. Kaneyalall Hawabhay
6. Mr. Jyoti Ranjan Rout

Shareholding Pattern as of October 31, 2010

The shareholding pattern of Catalys Venture Cap Limited is as follows:

Names of the shareholders	No. of shares held	% holding
Claris Lifesciences Limited	1,140,600	100.00
Total	1,140,600	100.00

Capital Structure as of October 31, 2010

A.	Authorised share capital
	US\$ 1,140,600 represented by 1,140,600 shares of par-value US\$ 1 each.
B.	Issued, subscribed and paid-up share capital
	US\$ 1,140,600 represented by 1,140,600 shares of par-value US\$ 1 each.

3. Claris Lifesciences Venezuela C.A.

Claris Lifesciences Venezuela C.A. was incorporated on August 27, 2002 under the laws of Venezuela. It is in the business of trading and marketing of pharmaceutical products.

Registered Office

Oficina Planta Cuarta, Edificio Centro Empresarial Estadio, Av. El Estadio, Urb. Los Chaguaramos, Zona Postal 1040, Caracas, Venezuela.

Board of Directors as of October 31, 2010

1. Mr. Amish Vyas
2. Mr. Chandrasingh Purohit

Shareholding Pattern as of October 31, 2010

Names of the shareholders	No. of shares held	% holding
Claris Lifesciences Limited	999	99.90
Mr. Amish Vyas*	1	0.10
Total	1,000	100.00

* Beneficial interest held by Claris Lifesciences Limited.

Capital Structure as of October 31, 2010

A.	Authorised share capital
	BsF 1,000 represented by 1,000 shares of BsF 1 each
B.	Issued, subscribed and paid-up share capital
	BsF 1,000 represented by 1,000 shares of BsF 1 each

4. Claris Lifesciences de Mexico SA de CV

Claris Lifesciences de Mexico SA de CV was incorporated on March 3, 2003 under the laws of Mexico. It is in the business of trading and marketing of pharmaceuticals.

Registered Office

Leibnitz 14,
Despacho 905, Col. Anzures,
C.P. 11590,
Mexico D.F.,
Mexico

Board of Directors as of October 31, 2010

1. Mr. Chandrasingh Purohit
2. Mr. Ketan Patel
3. Mrs. Luz Del Carmen
4. Mr. Jyoti Ranjan Rout

Shareholding Pattern as of October 31, 2010

Names of the shareholders	No. of shares held	% holding
Claris Lifesciences Limited – Fixed	50	100
Catalys Venture Cap Limited – Variable	65,832	100

Capital Structure as of October 31, 2010

A.	Authorised share capital
	Fixed Capital: MXN 50,000 comprising 50 shares of MXN 1,000 each Variable Capital: MXN 68,000,000 comprising 68,000 shares of MXN 1,000 each
B.	Issued, subscribed and paid-up share capital
	Fixed Capital: MXN 50,000 comprising 50 shares of MXN 1,000 each Variable Capital: MXN 65,832,000 comprising 65,832 shares of MXN 1,000 each

5. Claris Lifesciences (UK) Limited

Claris Lifesciences (UK) Limited was incorporated on August 4, 2003 under the laws of UK. It is in the business of trading and manufacturing of pharmaceuticals.

Registered Office

Crewe Hall,
Crewe Cheshire,
UK - CW1 64L

Board of Directors as of October 31, 2010

1. Mr. Amish Vyas
2. Mr. Nimesh Suthar

Shareholding Pattern as of October 31, 2010

Names of the shareholders	No. of shares held	% holding
Claris Lifesciences Limited	100	100
Total	100	100

Capital Structure as of October 31, 2010

A.	Authorised share capital
	GBP 100 represented by 100 shares of GBP 1 each

B.	Issued, subscribed and paid-up share capital
	GBP 100 represented by 100 shares of GBP 1 each

6. PT Claris Lifesciences Indonesia

PT Claris Lifesciences Indonesia was incorporated on November 10, 2004 under the laws of Indonesia. It is engaged in the business of trading and marketing of pharmaceuticals.

Registered Office

Graha Atrium, Lantai 10 Suite 1005,
Ji Senen Raya 135,
Jakarta 10410, Indonesia

Board of Directors as of October 31, 2010

1. Mr. Chandrasingh Purohit
2. Mr. Anoop Sharma

Shareholding Pattern as of October 31, 2010

Names of the shareholders	No. of shares held	% holding
Claris Lifesciences Limited	95,000	95
Mr. Amish Vyas *	5,000	5
Total	100,000	100

* Beneficial interest held by Claris Lifesciences Limited.

Capital Structure as of October 31, 2010

A.	Authorised share capital
	IDR 910,800,000 represented by 100,000 shares of IDR 9,108 each
B.	Issued, subscribed and paid-up share capital
	IDR 910,800,000 represented by 100,000 shares of IDR 9,108 each

7. Claris Lifesciences Inc.

Claris Lifesciences Inc. was incorporated on March 9, 2005 under the laws of New Jersey, USA. It is engaged in the business of trading and marketing of pharmaceuticals.

Registered Office

1445 US Hwy
130, North Brunswick,
NJ 08902

Board of Directors as of October 31, 2010

1. Mr. Amish Vyas
2. Mr. Chandrasingh Purohit

Shareholding Pattern as of October 31, 2010

Names of the shareholders	No. of shares held	% holding
Claris Lifesciences Limited	200	0.01
Catalys Venture Cap Limited	4,350,000	99.99
Total	4,350,200	100

Capital Structure as of October 31, 2010

A.	Authorised share capital
	US\$ 7,000,000 represented by 7,000,000 shares of USD1 each
B.	Issued, subscribed and paid-up share capital
	US\$ 4,350,200 represented by 4,350,200 shares of USD 1 each

8. Claris Lifesciences Colombia Limitada

Claris Lifesciences Colombia Limitada was incorporated on June 23, 2005 under the laws of Colombia. It is engaged in the business of trading and marketing of pharmaceuticals.

Registered Office

Cra. 15, No. 95-35,
Oficina. 308
Bogota DC,
Colombia

Board of Directors as of October 31, 2010

As it is not required by local laws, Claris Lifesciences Colombia Limitada does not have any directors. Mr. Jyotiranjana Rout, is in control/charge of the management of the company.

Shareholding Pattern as of October 31, 2010

Names of the holders	No. of quotas held	% holding
Claris Lifesciences Limited	271,661	11.38
Claris Lifesciences International Limited*	15,811	0.66
Catalys Venture Cap Ltd.	2,100,000	87.96
Total	2,387,472	100.00

* Beneficial interest held by Claris Lifesciences Limited.

Capital Structure as of October 31, 2010

A.	Authorised share capital
	COP 2,387,472,000 represented by 2,387,472 quotas of COP 1000 each
B.	Issued, subscribed and paid-up share capital
	COP 2,387,472,000 represented by 2,387,472 quotas of COP 1000 each

9. Claris Lifesciences Philippines, INC.

Claris Lifesciences Philippines, INC. was incorporated on August 24, 2006 under the laws of Philippines. It is engaged in the business of trading and marketing of pharmaceuticals.

Registered Office

98 V.A. Rufino Cor. Valero St.,
Salcedo Village, Makati City, Metro Manila, Philippines

Board of Directors as of October 31, 2010

1. Mr. Chandrasingh Purohit
2. Mr. Jogendrasingh Bhati
3. Ms. Rachelle Aileen Santos
4. Ms. Patricia G. See
5. Mr. Dileep Tiwari

Shareholding Pattern as of October 31, 2010

Names of the shareholders	No. of shares held	% holding
Claris Lifesciences Limited	101,995	100.00
Mr. Chandrasingh Purohit*	1	0.00
Mr. Jogendrasingh Bhati*	1	0.00
Ms. Rachelle Aileen Santos*	1	0.00
Ms. Patricia G. See*	1	0.00
Mr. Dileep Tiwari*	1	0.00

Names of the shareholders	No. of shares held	% holding
Total	102,000	100.00

* Beneficial interest held on behalf of Claris Lifesciences Limited.

Capital Structure as of October 31, 2010

A.	Authorised share capital
	PHP 10,200,000 represented by 102,000 shares of PHP 100 each
B.	Issued, subscribed and paid-up share capital
	PHP 10,200,000 represented by 102,000 shares of PHP 100 each

10. Claris Lifesciences & Cia. Chile Limitada

Claris Lifesciences & Cia. Chile Limitada was incorporated on June 29, 2006 under the laws of Chile. It is engaged in the business of trading and marketing of pharmaceuticals.

Registered Office

Av. 11 de Septiembre 2214 of 58,
Cerca de Metro estacion Los Leones,
Santiago de Chile.

Board of Directors as of October 31, 2010

As it is not required by the local laws, Claris Lifesciences & Cia. Chile Limitada does not have any directors. Mr. Jitendra Verma is in control/charge of the management of the company.

Shareholding Pattern as of October 31, 2010

Names of the holders	No. of social rights held	% holding
Claris Lifesciences Limited	34,859,198	95
Claris Lifesciences International Limited*	1,834,695	5
Total	36,693,893	100

* Beneficial interest held on behalf of Claris Lifesciences Limited.

Capital Structure as of October 31, 2010

A.	Authorised capital
	CLP 90,000,000 represented by 90,000,000 social rights of CLP 1 each
B.	Issued, subscribed and paid-up capital
	CLP 36,693,893 represented by 36,693,893 social rights of CLP 1 each

11. Claris Lifesciences (Aust) Pty. Limited

Claris Lifesciences (Aust) Pty. Limited was incorporated on May 29, 2006 under the laws of Australia. It is in the business of trading and marketing of pharmaceuticals.

Registered Office

Suit 4, 127-133
Level – 1, Burwood Road
Burwood, NSW – 2134.

Board of Directors as of October 31, 2010

1. Mr. James Ian Larkin
2. Mr. Amish Vyas

Shareholding Pattern as of October 31, 2010

Names of the shareholders	No. of shares held	% holding
Claris Lifesciences Limited	100	100

Names of the shareholders	No. of shares held	% holding
Total	100	100

Capital Structure as of October 31, 2010

A.	Authorised share capital
	AUD\$ 100 divided into 100 shares of AUD\$ 1 each.
B.	Issued, subscribed and paid-up share capital
	AUD\$ 100 divided into 100 shares of AUD\$ 1 each.

12. Claris SteriOne

Claris SteriOne was incorporated on December 23, 2009 under the laws of Mauritius. Claris SteriOne has been set up with the objective of dealing in obtaining license in marketing and distributing pharmaceutical products.

Registered Office

C/o CITCO (MAURITIUS) LIMITED
9th Floor, Medine Mews
La Chaussee Street
Port Louis, Mauritius

Board of directors as of October 31, 2010

1. Mr. Jayprakash Mishra
2. Mr. Ketan Patel
3. Mr. Subhash Chandra Lallah
4. Mr. Kaneyalall Hawabhay
5. Mr. Jyoti Ranjan Rout

Shareholding Pattern as of October 31, 2010

100% shareholding of Claris Sterione is held by Catalys Venture Cap Limited.

Capital Structure as of October 31, 2010

A.	Authorised share capital
	USD 100,000 represented by 100,000 shares of par-value USD 1 each
B.	Issued, subscribed and paid-up share capital
	USD 100,000 represented by 100,000 shares of par-value USD 1 each

13. Claris Pharmaservices

Claris Pharmaservices was incorporated on January 26, 2010 under the laws of Mauritius. Claris Pharmaservices has been set up with the objective of trading and marketing pharmaceutical products.

Registered Office

C/o CITCO (MAURITIUS) LIMITED
9th Floor, Medine Mews
La Chaussee Street
Port Louis, Mauritius

Board of Directors as of October 31, 2010

1. Mr. Jayprakash Mishra
2. Mr. Ketan Patel
3. Mr. Subhash Chandra Lallah
4. Mr. Kaneyalall Hawabhay

5. Mr. Jyoti Ranjan Rout

Shareholding Pattern as of October 31, 2010

100% shareholding of Claris Pharmservices is held by Catalys Venture Cap Limited.

Capital Structure as of October 31, 2010

A.	Authorised share capital
	USD 100,000 represented by 100,000 shares of par-value USD 1 each
B.	Issued, subscribed and paid-up share capital
	USD 100,000 represented by 100,000 shares of par-value USD 1 each

OUR MANAGEMENT

Board of Directors

Under the Articles of Association, we are required to have not less than three Directors and not more than 12 Directors. We currently have nine Directors. Please refer to the section titled “Main Provisions of our Articles of Association” on page 319 of this Red Herring Prospectus.

The following table sets forth details of the Board of Directors as of the date of this Red Herring Prospectus:

Name, father's name, designation, address, term and occupation	Nationality	Date of Appointment as Director	Age	Director's Identification Number	Other directorships
Dr. Pravin P. Shah (S/o. Mr. Pranlal Shah) <i>Designation:</i> Non-Executive Chairman and Independent Director <i>Address:</i> 502, Doli Chambers, 5 th floor, Strand Cinema Road, Colaba, Mumbai 400 005 <i>Term:</i> Liable to retire by rotation <i>Occupation:</i> Chartered Accountant	Indian	April 27, 1999	66	00112544	1. Adani Enterprises Limited 2. Bombay Rayon Fashions Limited 3. JM Financial Limited 4. Jai Corp Limited 5. JM Financial Consultants Private Limited 6. JM Financial & Investment Consultancy Services Private Limited 7. JM Financial Services Private Limited 8. Benchmark Trustee Company Private Limited 9. Milestone Capital Advisors Limited 10. Landmark Business Service Centre Private Limited 11. Landmark eConsultants Private Limited 12. Macro Investment & Financial Consultants Private Limited 13. Health & Education Foundation 14. Raheja Universal Limited

Name, father's name, designation, address, term and occupation	Nationality	Date of Appointment as Director	Age	Director's Identification Number	Other directorships
					15. Pravin P. Shah & Co. (Partner) 16. Pravin P. Shah & Associates (Sole Proprioter) 17. PPS & Associates (Sole Proprioter)
Mr. Arjun S. Handa (S/o Mr. Sushil Kumar Handa) <i>Designation:</i> Managing Director & CEO <i>Address:</i> "Sharanya", High Court Judges Bungalow Road, Bodakdev, Ahmedabad 380 054 <i>Term:</i> For a period of 3 years from September 26, 2008 <i>Occupation:</i> Business	Indian	February 19, 2001 appointed as Managing Director with effect from September 26, 2008	31	00159413	1. Darshnil Financial Private Limited 2. Sarjan Financial Private Limited 3. Accelarix Technologies Limited 4. Prarishodhana Consultancy LLP
Mr. Aditya S. Handa (S/o Mr. Sushil Kumar Handa) <i>Designation:</i> Non-Executive Non-Independent Director <i>Address:</i> "Sharanya", High Court Judges Bungalow Road, Bodakdev, Ahmedabad 380 054 <i>Term:</i> Liable to retire by rotation <i>Occupation:</i> Business	Indian	June 13, 2006 redesignated as a Non-Executive Non-Independent Director with effect from March 31, 2009	25	00308513	1. Prarabdh Financial Private Limited 2. Cygnus Laboratories Limited 3. Abellon Energy Limited 4. Levana Financial Services Limited 5. Abellon Agrisciences Limited 6. Xcellon Education Limited 7. Redbricks Junior Education Limited 8. Redbricks Education Limited 9. Redbricks Education Foundation 10. Xcelris Labs

Name, father's name, designation, address, term and occupation	Nationality	Date of Appointment as Director	Age	Director's Identification Number	Other directorships
					Limited 11. Medical Technologies Limited 12. Ashlar Holding B.V. (Netherland) 13. Abellon Properties Private Limited 14. Abellon Clean Energy Limited 15. Entrhills Infotech Limited
Mr. Chetan S. Majmudar (S/o Mr. Satyendra Majmudar) <i>Designation:</i> Executive Director <i>Address:</i> B-201, Suryaketu Tower, Near Sambhav Press, Judges Bungalow Road, Bokadev, Ahmedabad 380 054 <i>Term:</i> Three years from September 26, 2008 <i>Occupation:</i> Service	Indian	October 2, 2003, re-appointed with effect from September 26, 2008	58	00166936	1. Claris Biosciences Limited 2. Claris Infrastructure Limited
Mr. T. V. Ananthanarayanan (S/o T. A. Venkataraman) <i>Designation:</i> Independent Director <i>Address:</i> "Maitri", 2/544, 4th Street, Sriram Avenue, Natesan Colony, Kottivakkam, Chennai 600 041 <i>Term:</i> Liable to retire by rotation <i>Occupation:</i> Consultant	Indian	January 28, 2008	60	00109197	1. Kaizen Institute (India) Private Limited. 2. FLAME TAO Knoware Private Limited. 3. Sumedhas Academy for Human Context 4. VADIVAM (Partner) 5. Koothu-P-Pattarai Trust (Trustee)

Name, father's name, designation, address, term and occupation	Nationality	Date of Appointment as Director	Age	Director's Identification Number	Other directorships
Mr. Surrinder Lal Kapur (S/o Mr. Ganga Bishan Kapur) <i>Designation:</i> Independent Director <i>Address:</i> 161 A/1, Western Avenue, Sainik Farms, New Delhi 110062 <i>Term:</i> Liable to retire by rotation <i>Occupation:</i> Consultant	Indian	September 26, 2008	73	00033312	1. Yes Bank Limited 2. Ansal Housing & Construction Limited 3. Uniproducts (India) Limited 4. Alchemist Asset Reconstruction Company Limited. 5. Shivam Autotech Limited 6. Ishara Foundation for Finance and Rural Development 7. S. L. Kapur & Associates (Sole Proprietor) 8. PAGE Trust (Trustee)
Mr. Chandrasingh Purohit (S/o Mr. Shivrambhai Purohit) <i>Designation:</i> Executive Director (President – Finance) <i>Address:</i> 17, Rajvi Emerald, Nr. Gala Gym Khana, Bopal, Ahmedabad – 380 054 <i>Term:</i> Three years from July 3, 2009 <i>Occupation:</i> Service	Indian	July 3, 2009	37	00199651	1. Claris Lifesciences International Limited 2. Catalys Venture Cap Limited 3. Claris Lifesciences de Mexico SA de CV 4. PT Claris Lifesciences Indonesia 5. Claris Lifesciences Inc. (US) 6. Claris Lifesciences Philippines Inc. 7. Claris Lifesciences Venezuela C.A.
Mr. Amish Vyas (S/o Mr. Pravinchandra Vyas) <i>Designation:</i> Executive Director	Indian	July 3, 2009	40	00168292	1. Claris Infrastructure Limited 2. Claris Lifesciences International Limited

Name, father's name, designation, address, term and occupation	Nationality	Date of Appointment as Director	Age	Director's Identification Number	Other directorships
<p><i>Address:</i> 89/400, Saraswati Nagar, Nr. Azad Society, Ambawadi, Ahmedabad – 380 015</p> <p><i>Term:</i> Three years from July 3, 2009</p> <p><i>Occupation:</i> Service</p>					<p>3. Claris Lifesciences (UK) Limited</p> <p>4. Claris Lifesciences Inc. (US)</p> <p>5. Claris Lifesciences (Aust) Pty. Limited</p> <p>6. Claris Lifesciences Venezuela C.A.</p>
<p>Mr. Nikhil Mohta (S/o Mr. Shivkumar Mohta)</p> <p><i>Designation:</i> Non-Executive Non-Independent Director, nominee of Carlyle</p> <p><i>Address:</i> 11, Mohan Apts., Yari Road, Versova, Andheri (W), Mumbai – 400 061</p> <p><i>Term:</i> Liable to retire by rotation</p> <p><i>Occupation:</i> Service</p>	Indian	July 3, 2009	32	00932030	<p>1. Newgen Knowledge Works Private Limited</p> <p>2. Global Publishing Solutions Limited (U.K.)</p> <p>3. Newgen North America, Inc. (U.S.A.)</p> <p>4. New India Machine Manufacturing Company (Partner)</p>

Brief profiles of our Directors

Dr. Pravin P. Shah, Non-Executive Chairman and Independent Director

Dr. Pravin P. Shah is the Non-Executive Chairman of our Board and is an Independent Director of our Company. He was appointed as a Director on April 27, 1999. He holds a bachelor degree in commerce and doctorate in finance from Mumbai University and is also qualified Chartered Accountant and costs and works accountant. He is partner in Pravin P Shah & Company, a chartered accountancy firm and proprietor of Pravin P Shah and Associates, chartered accountants. He has authored several books on costing, management strategies and taxations. He has over 40 years of experience in the areas of financials consultancy, valuation, taxation, property matters, accounting and auditing, corporate laws and laws relating to foreign exchange.

Mr. Arjun S. Handa, Promoter, Managing Director and CEO

Mr. Arjun S. Handa is a Post Graduate in Management from Northeastern University, Boston, USA and holds a Bachelor of Commerce degree from Gujarat University, Ahmedabad. He was appointed as Director of our Company on February 19, 2001 was Chief Operating Officer of our Company from January 1, 2008 to September 26, 2008. He has been the Managing Director & CEO of our Company since September 26, 2008. He

is responsible for our Company's operations across various functions including sales and marketing, manufacturing and supply chain management, project execution and product development, in addition to being involved in strategy development. Mr. Arjun S. Handa was paid a remuneration of Rs. 15.00 million for FY 2009.

Mr. Aditya S. Handa, Non-Executive and Non-Independent Director

Mr. Aditya S. Handa holds a Master of Business Administration degree from Babson College, USA and holds a Bachelor of Commerce degree from the Gujarat University, Ahmedabad. He was appointed as a Director of the Company on June 13, 2006 and has served as CFO of the Company from January 1, 2008 to March 31, 2009, which was his first employment.

Mr. Chetan S. Majmudar, Executive Director

Mr. Chetan S. Majmudar oversees the technical aspects of our Company. He holds a Bachelor of Science degree from Saurashtra University, Rajkot. He joined our Company on April 1, 1999 and has around 34 years of experience in the pharmaceutical industry. He has been involved in obtaining various regulatory approvals from authorities such as USFDA, MHRA & TGA for our Clarion manufacturing facilities. Prior to joining our Company, he was an employee of CHL. He is responsible for development, manufacturing and quality of products. Mr. Chetan S. Majmudar was paid a remuneration of Rs. 2.57 million for FY 2009.

Mr. Chandrasingh Purohit, Executive Director (President – Finance)

Mr. Chandrasingh Purohit holds a Master of Commerce degree from Maharaj Shivajirao University, Vadodara. Mr. Chandrasingh Purohit was appointed as an Executive Director of our Company with effect from July 3, 2009. He was previously employed with our Company since April 1, 1999 under various designations including Head – International Operations and Vice-President – Finance. Mr. Chandrasingh Purohit has around 13 years of experience in the pharmaceutical industry. Prior to joining our Company, he was an employee of CHL. He has been instrumental in setting up the Company's sales and marketing network across key international markets. Mr. Chandrasingh Purohit was paid a remuneration of Rs. 2.90 million for FY 2009.

Mr. Amish Vyas, Executive Director

Mr. Amish Vyas, holds a Bachelor of Electronics and Communication degree from Gujarat University, Ahmedabad and holds a Master of Business Administration degree from Gujarat University, Ahmedabad. He has been with our Company since February 1, 2003 and has about 15 years of experience in the pharmaceutical industry. He has been responsible for spearheading our Company's foray in the regulated markets such as North America, Europe, Australia, New Zealand and others. Since 2009 he has taken over the additional responsibility for the sales in Latin America. Over and above that he has been actively involved in corporate level strategic assignments. Prior to joining our Company, he was an employee of CHL. Mr. Amish Vyas was paid a remuneration of Rs. 2.88 million for FY 2009.

Mr. T. V. Ananthanarayanan, Independent Director

Mr. Ananthanarayanan holds a Master of Science degree in Biomedical engineering from the Indian Institute of Technology, Chennai, and is a graduate in mechanical engineering from the Indian Institute of Technology, Chennai. He has completed professional internship in applied behavioral sciences from the Indian Society for Individual and Social Development (ISISD), and has been accepted as a Professional member of the Society. He has 35 years of experience consisting of seven years (1972-79) in managing manufacturing processes and operations, six years (1979-85) in long term projects focusing primarily on manufacturing turnarounds and ten years (1985-95) of independent consulting. He has been associated (as visiting faculty) with the Indian Institute of Management, Ahmedabad and Bangalore, the National Institute of Design, Ahmedabad, Institute of Rural Management, and has various publications to his credit including a book titled "Totally Aligned Organisation", published in 2000.

Mr. Surrinder Lal Kapur, Independent Director

Mr. Kapur holds a post graduate degree in Mathematics and is a graduate in Law from Punjab University, and has completed his training in public administration from the National Academy of Administration, Mussoorie. He has had practical experience in banking and promotion of industrial investments. He works as an honorary adviser to the President, PHDCCI (PHD Chamber of Commerce & Industry, a regional chamber of commerce covering 11 Northern States and Union Territories of India). He served in the Indian Administrative Service for about 35 years. He retired from Public Service as Chairman of the Board for Industrial and Financial

Reconstruction. He is practising as an Advocate and is proprietor of a law firm known as “S.L. Kapur & Associates”. He has floated a charitable trust known as Poverty Alleviation through Generation of Employment Trust to provide employment opportunities to youth belonging to backward classes and rural areas.

Mr. Nikhil Mohta, Non-Executive Non-Independent Director, Nominee of Carlyle

Mr. Nikhil Mohta is a director as nominee of First Carlyle Ventures III. He holds a post graduate diploma in management from Indian Institute of Management, Ahmedabad. He received his B.Com (Hons) from the University of Delhi. He has 8 years of experience. Prior to joining Carlyle, Mr. Mohta was an associate at McKinsey & Company, India. Mr. Mohta has worked on consulting engagements with senior managements of leading companies in various industries such as chemicals, oil and gas, banking and telecommunications industries. He worked across multiple functions such as strategy, operations, business building and organisation.

Terms and Conditions of Employment of Executive Directors

Mr. Arjun S. Handa

Mr. Arjun S. Handa, was appointed as the Managing Director and Chief Executive Officer (“CEO”) of our Company by a resolution dated September 26, 2008 passed by the Board of Directors for a period of three years with effect from September 26, 2008 under an employment agreement between Mr. Arjun S. Handa and our Company, dated December 1, 2008 (effective from September 26, 2008). The general terms of his employment *inter alia* are as follows:

- Overall business and management of the Company to be managed by Mr. Arjun S. Handa, subject to the control and superintendence of the Board; and
- Mr. Arjun S. Handa will not be liable to retire by rotation.

The remuneration payable to Mr. Arjun S. Handa is Rs. 1.25 million per month (subject to an increment of 40% on the last drawn down salary as may be decided by the Board from time to time) and perquisites up to Rs. 0.60 million per annum in accordance with our Company’s rules. His term of appointment is for a period of 3 years with effect from September 26, 2008.

Mr. Chetan S. Majmudar

Mr. Chetan S. Majmudar, was appointed as an Executive Director of our Company by a resolution dated September 26, 2008 passed by the Board of Directors for a period of three years, with effect from July 1, 2008 under an employment agreement between Mr. Chetan S. Majmudar and our Company, dated December 1, 2008 (effective from September 26, 2008). The general terms of his employment *inter alia* are as follows:

The appointment is for a period of 3 years with effect from July 1, 2008.

The remuneration payable to Mr. Chetan S. Majmudar is Rs. 0.21 million per month, subject to an increment of 40% on the last drawn down salary as may be decided by the Board from time to time, along with perquisites up to Rs. 0.60 million per annum in accordance with our Company’s rules.

Mr. Chandrasingh Purohit

Mr. Chandrasingh Purohit was appointed as an Executive Director of our Company by a resolution dated July 3, 2009 passed by the Board of Directors for a period of three years, with effect from July 3, 2009 under an employment agreement between Mr. Chandrasingh Purohit and our Company, dated October 1, 2009 (effective from July 3, 2009). The general terms of his employment *inter alia* are as follows:

The appointment is for a period of 3 years with effect from July 3, 2009.

The remuneration payable to Mr. Chandrasingh Purohit is Rs. 0.21 million per month (subject to an increment of 40% on the last drawn down salary as may be decided by the Board from time to time) and perquisites up to Rs. 0.60 million per annum in accordance with our Company’s rules.

Mr. Amish Vyas

Mr. Amish Vyas, was appointed as an Executive Director of our Company by a resolution dated July 3, 2009 passed by the Board of Directors for a period of three years, with effect from July 3, 2009, under an employment

agreement between Mr. Amish Vyas and our Company, dated October 1, 2009 (effective from July 3, 2009). The general terms of his employment *inter alia* are as follows:

The appointment is for a period of 3 years with effect from July 3, 2009.

The remuneration payable to Mr. Amish Vyas is Rs. 0.20 million per month (subject to an increment of 40% on the last drawn down salary as may be decided by the Board from time to time) and perquisites up to Rs. 0.60 million per annum in accordance with our Company's rules.

Apart from Mr. Arjun S. Handa, Mr. Chetan S. Majmudar, Mr. Chandrasingh Purohit and Mr. Amish Vyas, the Company has not entered into a service contract or employment agreement with any other Director.

Common directorships of our Directors in companies whose shares are/were suspended from trading on the BSE and/ or the NSE for a period beginning from five years prior to the date of Draft Red Herring Prospectus till the date of the RHP

None of the directors of the Company are/have been directors in companies whose shares are/were suspended from trading on the BSE/NSE, for a period beginning from five years prior to the date of Draft Red Herring Prospectus till the date of the RHP.

Common directorships of our Directors in listed companies that have been/ were delisted from stock exchanges in India

Except as set out below, none of the directors of the Company are/have been directors in companies which have been/were delisted from the stock exchange(s):

Name of the Director	Name of the company/s	Name of stock exchange listed on	Date of delisting	Compulsory/ voluntary delisting	Reasons for delisting	Whether relisted?	Date of relisting, if applicable	Term of Director in the company/s
Dr. Pravin P Shah	Adani Enterprises Limited ("AEL")	BSE NSE	Delisted from the Ahmedabad Stock Exchange Limited ("ASE") December 20, 2007	Voluntary delisting	Not traded on ASE for several years	No	N.A.	Appointed on January 28, 1994 and continues to be on the board of directors of AEL.
Mr. Surrinder Lal Kapur	Uniproducts (India) Limited ("Uniproducts")	Delhi Stock Exchange Limited ("DSE")	July 15, 2005	Voluntary delisting	Practically no trading on the DSE	No	N.A.	Appointed on December 27, 2000 and continues to be on the board of directors of Uniproducts as of the date of the RHP.
		BSE	July 1, 2009	Voluntary delisting	Delisting pursuant to rights issue under Clause 17 of SEBI (Delisting	No	N.A.	Appointed on December 27, 2000 and continues to be on the

					of Securities) Guidelines, 2003			board of directors of Uniproducts as of the date of the RHP.
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Contract providing termination benefits

None of our Directors have entered into any contract with the Company which provides for benefits to the Directors upon their termination.

Bonus or Profit sharing plan

There is no bonus or profit sharing plan for the Directors of our Company.

Terms and Conditions of Employment of Non-Executive Directors

Except for the sitting fees of Rs. 5,000 for attending every Board meeting, our non-executive directors are not entitled to any other remuneration from the Company.

None of our Directors have been appointed pursuant to any arrangement or understanding with the Company's major shareholders, customers or suppliers or others except for Mr. Nikhil Mohta who has been nominated by First Carlyle Ventures III.

Borrowing powers of the Board

In terms of our Articles, the Board of Directors may, from time to time, at its discretion by a resolution passed at its meeting raise or borrow or secure the payment of any sum or sums of money for the purposes of our Company. However, if the moneys sought to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) should exceed the aggregate of the paid-up capital of our Company and its free reserves (not being reserves set apart for any specific purpose), the Board of Directors is required to obtain the consent of our Company in general meeting prior to undertaking such borrowing.

In this regard, our Company, in an EGM dated July 1, 2008 resolved that pursuant to the provisions of Section 293(1)(d) of the Companies Act, the Board of Directors be authorised to borrow moneys (apart from temporary loans obtained from the bankers of our Company in ordinary course of business) from time to time, for the purpose of Company's business in excess of the aggregate of the paid-up capital of our Company and its free reserves (not being reserves set apart for any specific purpose), provided that the total amount of such borrowings together with the amounts already borrowed and outstanding shall not exceed Rs. 6,000 million. Further, our Company in the EGM dated July 1, 2008 has authorised the Board of Directors to charge moveable and immoveable properties of our Company for securing loans, facilities from Banks for an increased limit of Rs. 6,000 million.

Corporate Governance

We have complied with the requirements of corporate governance contained in the listing agreement to be entered into with the Stock Exchange, particularly those in relation to the composition of the Board of Directors, constitution of committees such as Audit Committee, Remuneration Committee and Shareholders'/ Investors' Grievance Committee. Further, the provisions of the listing agreement to be entered into with the Stock Exchange become applicable to us at the time of seeking in-principle approval of the Stock Exchange. We have also adopted the corporate governance code in accordance with Clause 49 of the listing agreement to be entered into with the Stock Exchange prior to listing, as would be applicable to our Company upon the listing of its Equity Shares.

Our Company undertakes to take all necessary steps to comply with all the requirements of the SEBI ICDR Regulations on corporate governance and adopt the corporate governance code as per Clause 49 of the Listing Agreement to be entered into with the Stock Exchange.

Currently our Board has nine Directors and our chairman is an independent director and not related to the promoters. In compliance with the requirements of Clause 49 of the Listing Agreement, our Board consists of (i) not less than 50% non-executive Directors and (ii) at least one third independent Directors. Our Board has constituted the following committees:

- (a) Audit Committee;
- (b) Shareholders'/investors' grievance committee;
- (c) Remuneration / Compensation committee; and
- (d) IPO committee.

Audit Committee

The Audit Committee of our Board was reconstituted by our Directors by a board resolution dated September 16, 2010 pursuant to Section 292A of the Companies Act and the listing agreement. The Audit Committee comprises:

Name of the Director	Designation in the Committee	Nature of Directorship
Dr. Pravin P. Shah	Chairman	Independent Director
Mr. Surrinder Lal Kapur	Member	Independent Director
Mr. Arjun S. Handa	Member	Managing Director
Mr. T. V. Ananthanarayanan	Member	Independent Director

Terms of reference of the Audit Committee include:

- i) Hold discussions with the auditors periodically about internal control systems, the scope of audit including the observations of the auditors and review the quarterly, half-yearly and annual financial statements before submission to the Board and also ensure compliance of internal control systems.
- ii) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- iii) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- iv) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- v) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a) matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of section 217 of the Companies Act, 1956;
 - b) changes, if any, in accounting policies and practices and reasons for the same;
 - c) major accounting entries involving estimates based on the exercise of judgement by management;
 - d) significant adjustments made in the financial statements arising out of audit findings;
 - e) compliance with listing and other legal requirements relating to financial statements;
 - f) disclosure of any related party transactions; and
 - g) qualifications in the draft audit report.
- vi) Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- vii) 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.
- viii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.

- ix) 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.
- x) Discussions with the internal auditors on any significant findings and follow up there on.
- xi) 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.
- xii) Discussions 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.
- xiii) 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.
- xiv) To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- xv) Review of information as prescribed under Clause 49 (II)(E) of the listing agreement.

Shareholders'/Investors' Grievance Committee

The Shareholders'/Investors' Grievance Committee was constituted by our Directors by a board resolution dated September 16, 2010 and comprises:

Name of the Director	Designation in the Committee	Nature of Directorship
Dr. Pravin P Shah	Chairman	Independent Director
Mr. Chandrasingh Purohit	Member	Executive Director
Mr. Arjun S. Handa	Member	Managing Director
Mr. T. V. Ananthanarayanan	Member	Independent Director

The Shareholders'/Investors' Grievance Committee is responsible for the redressal of shareholders and investors' grievances such as non-receipt of share certificates, annual reports and payment and receipt of dividend. The committee oversees performance of the registrars and transfer agents of the Company and recommends measures for overall improvement in the quality of investor services. This committee also monitors the implementation and compliance of our code of conduct for prohibition of insider trading pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended.

Remuneration Committee

The Remuneration Committee was constituted by our Directors by a board resolution dated September 16, 2010 and comprises:

Name of the Director	Designation in the Committee	Nature of Directorship
Dr. Pravin P Shah	Chairman	Independent Director
Mr. T. V. Ananthanarayanan	Member	Independent Director
Mr. Surrinder Lal Kapur	Member	Independent Director

The Remuneration Committee determines our Company's remuneration policy, having regard to performance standards and existing industry practice. Under the existing policies of our Company, the Remuneration Committee, *inter alia*, determines the remuneration payable to our Directors.

Apart from discharging the above-mentioned basic functions, the Remuneration Committee also discharges the following functions:

- Framing policies and compensation including salaries and salary adjustments, incentives, bonuses, promotion, benefits, stock options and performance targets of the top executives; and
- Formulating strategies for attracting and retaining employees and employee development programmes.

IPO Committee

Our Board of Directors have constituted an ‘IPO Committee’ by a resolution dated February 23, 2010 and comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Dr. Pravin P Shah	Chairman	Independent Director
Mr. Chandrasingh Purohit	Member	Executive Director
Mr. Arjun S. Handa	Member	Managing Director
Mr. T. V. Ananthanarayanan	Member	Independent Director

The IPO Committee shall be responsible for, amongst others, deciding the terms and conditions of the Issue, handle all matter relating to appointment of intermediaries and advisors in relation to the IPO and do all acts and take all decisions as may be necessary for the purposes of the IPO.

Shareholding of our Directors in our Company

As per our Articles of Association, our Directors are not required to hold any qualification Equity Shares in our Company. Save and except as stated below, our Directors do not hold any Equity Shares in our Company, in their personal capacity, as of the date of filing of this Red Herring Prospectus:

Name of Directors	No. of Equity Shares	% of pre-Issue equity share capital
Mr. Arjun S. Handa	7,800,507	15.24%
Mr. Aditya S. Handa	7,800,507	15.24%
Mr. Chetan S. Majmudar	78	Negligible
Mr. Nikhil Mohta	1,421	Negligible

Interest of our Directors

All our Directors, including independent directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof, as well as to the extent of other remuneration and reimbursement of expenses payable to them pursuant to our Articles of Association and to the extent of remuneration paid to them for services rendered as officers of our Company.

All our Directors, including independent Directors, may also be deemed to be interested to the extent of Equity Shares, if any, already held by them, or that may be subscribed for and allotted to them pursuant to the Issue in terms of this Red Herring Prospectus and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares. Our Directors, including independent directors, may also be regarded as interested in the Equity Shares, if any, held by or that may be subscribed by and allotted to the companies, firms and trusts, in which they are interested as directors, members, partners or trustees and promoters pursuant to this Issue.

Mr. Arjun S. Handa, Managing Director and CEO, is also the Promoter of our Company and is interested to the extent of being a promoter.

Some of our Directors may be deemed to be interested to the extent of consideration received/paid or any loans or advances provided to any body corporate, including companies, firms, and trusts, in which they are interested as directors, members, partners or trustees. Mr. T. V. Ananthanarayanan, being a director on the board of directors of FLAME TAO Knoware Private Limited, is also interested to the extent of benefits arising out of the charges payable by the Company to FLAME TAO Knoware Private Limited for rendering consultancy services to the Company. Dr. Pravin P Shah, being a partner of M/s. Pravin P. Shah & Company, CAs, and a proprietor of M/s. Pravin P. Shah & Associates is also interested to the extent of benefits arising out of the charges payable by the Company to M/s. Pravin P. Shah & Company, CAs and M/s. Pravin P. Shah & Associates for rendering professional services to the Company. For details, please refer to the related party transactions under the section titled “Financial Information – Related Party Transactions” beginning on page 208 of this Red Herring

Prospectus.

Except as disclosed hereinabove and the section titled “Risk Factors” beginning on page 18 of this Red Herring Prospectus, the Directors do not have an interest in any venture that is involved in any activities similar to those conducted by our Company.

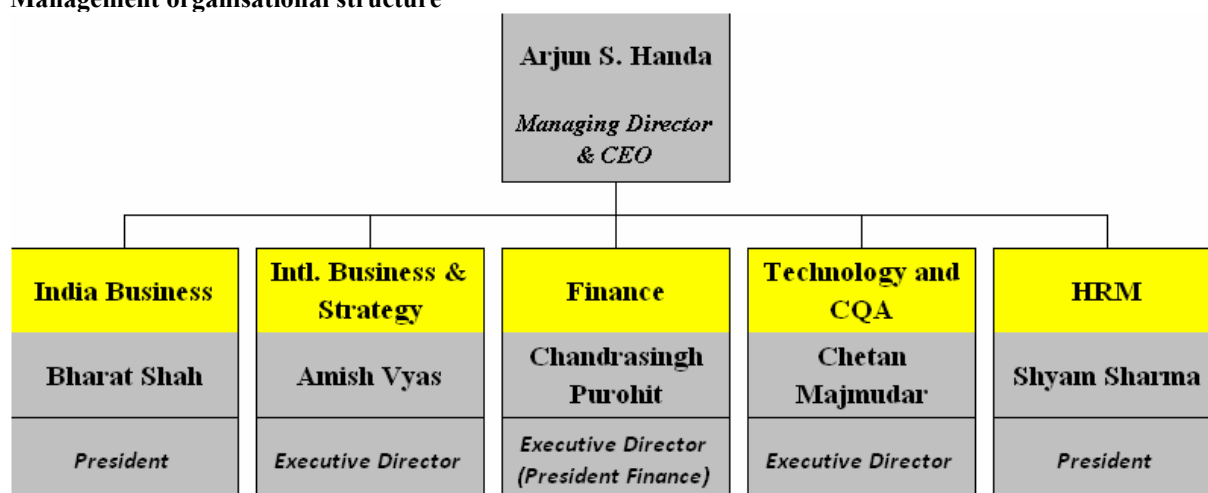
Except as stated in the section titled “Financial Information” and to the extent of compensation and commission if any, and their shareholding in our Company, our Directors do not have any other interest in our business or that of any of our subsidiaries.

Our Directors have no interest in any property acquired or proposed to be acquired by our Company or our Subsidiaries in the preceding two years of filing this RHP with SEBI nor do they have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to our Company or our Subsidiaries.

Changes in our Board in the three years preceding the date of filing of this Red Herring Prospectus are as follows:

Name of the Director	Date of appointment	Date of cessation	Reason for change
Mr. Amish Vyas	July 3, 2009	N.A.	Appointment
Mr. Chandrasingh Purohit	July 3, 2009	N.A.	Appointment
Mr. Nikhil Mohta	July 3, 2009	N.A.	Appointment
Mr. Madhava Menon Shankar Narayanan	March 13, 2006	July 3, 2009	Resignation – Due to pre-occupation
Mr. Nikhil Mohta	January 28, 2008	September 26, 2008	Resignation – Due to pre-occupation
Mr. Amish Vyas	November 10, 2006	January 28, 2008	Resignation – Due to pre-occupation
Mr. Prabhakar R Dalal	October 7, 2004	January 28, 2008	Resignation – Due to pre-occupation
Dr. Herbert Rebmann	January 11, 2001	January 28, 2008	Resignation – Due to pre-occupation
Mr. Nirmal Gupta	March 12, 2005	April 26, 2007	Resignation – Due to pre-occupation
Mr. T. V. Ananthanarayanan	January 28, 2008	N.A.	Appointment
Mr. Arvind Bansal	January 28, 2008	September 14, 2010	Resignation – Due to pre-occupation
Mr. Surrinder Lal Kapur	September 26, 2008	N.A.	Appointment

Management organisational structure



Our Key Management Personnel

Our Key Managerial Personnel are permanent employees of the Company. Except for certain statutory benefits, there are no other benefits accruing to our Key Management Personnel. The term of Key Managerial Personnel continue unless terminated by us other than the terms provided in the service contracts entered into by the executive directors.

Brief details of our Key Management Personnel, other than our executive directors are set forth below. All Key Management Personnel are permanent employees of our Company. The Key Management Personnel have been selected based on the criteria set out in Regulation 2(s) of the SEBI ICDR Regulations.

Mr. Shyam Sharma, is President - Human Resource Management and Corporate Communication in our Company. He holds a Bachelor of Arts degree from the Mohanlal Sukhadia University, Udaipur and has a post-graduate qualification in social work from Rajasthan Vidhyapith, Udaipur and a diploma in human resource management from Indira Gandhi National Open University. He has been with our Company since May 1, 2000 and has about 21 years of experience in the industry. Prior to joining our Company he was working in CHL as the Senior Manager - Human Resource Management. Mr. Shyam Sharma received a remuneration of Rs. 1.90 million for FY 2009.

Mr. Bharat Shah, is President – India Business in our Company. He holds a Bachelor of Commerce degree from the Gujarat University, Ahmedabad. He has been with our Company since July 1, 2003 and has about 18 years of experience in sales and marketing including customer supply chain in the pharmaceutical industry. Prior to joining our Company he was working in CHL as a regional sales manager. Mr. Bharat Shah received a remuneration of 2.11 million for FY 2009.

Shareholding of our Key Management Personnel

None of our Key Management Personnel hold Equity Shares in our Company other than the shares held by our executive directors, Mr. Arjun S. Handa and Mr. Chetan S. Majmudar. For further details, please refer to the section titled “Our Management – Shareholding of our Directors in our Company” on page 161 of this Red Herring Prospectus.

Bonus or Profit sharing plan

There is no bonus or profit sharing plan for the Key Management Personnel of our Company.

Interest of Key Management Personnel

None of our Key Management Personnel have any interest in our Company except to the extent of remuneration, benefits and reimbursement of expenses incurred by them in the ordinary course of business and other than the shares held by our executive directors, Mr. Arjun S. Handa and Mr. Chetan S. Majmudar. None of

our Key Management Personnel have been appointed pursuant to any arrangement or understanding with the Company's major shareholders, customers or suppliers or others.

Changes in our Key Management Personnel

There has been no change in our Key Management Personnel during the three years preceding the date of filing the Red Herring Prospectus.

Payment or benefit to our officers

Except as disclosed in this Red Herring Prospectus and statutory payments made by our Company, our Company has not paid any sum to our employees in connection with superannuation and/or *ex-gratia* payments or rewards and has not paid any non-salary amount or benefit to any of our officers. Except as stated in the section titled "Financial Information" beginning on page 208 of this Red Herring Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of the Company.

Relationship between the Directors and the Key Management Personnel

None of the Directors or the Key Management Personnel is related to each other, except for Mr. Aditya S. Handa and Mr. Arjun S. Handa, who are brothers.

OUR PROMOTERS AND GROUP COMPANIES

Our Promoters

The following are the Promoters of our Company:

1. Mr. Arjun S. Handa; and
2. Sarjan Financial Private Limited

The details of our Promoters are provided below:

MR. ARJUN S. HANDA



Mr. Arjun S. Handa

PAN: AAMPH1448R

Passport number: Z1734943

Voter ID number: LPZ1924331

Driving license: 97/050632

For additional details on the age, background, personal address, educational qualifications, experience, terms of appointment as Director and other directorships of Mr. Arjun S. Handa, please refer to the section titled “Our Management” beginning on page 161 of this Red Herring Prospectus.

SARJAN FINANCIAL PRIVATE LIMITED

Sarjan Financial Private Limited was incorporated on September 6, 1996. The registered office of the company is at 405, Maurya Atriya, Nr. Shraddha Petrol Pump, Nr. Kasturi Tower, Bodakdev, Ahmedabad, 380054 with effect from April 25, 2010. The principal activity of Sarjan Financial Private Limited is to carry out in India and abroad the business of financing, money lending, bill discounting, factoring and to advance money to provide finance to industrial enterprises and also to participate in consortium finance. The company’s PAN number is AADCS0304F and the company holds its bank account (number CBCA01000199) with Corporation Bank, Sarkhej Gandhinagar Highway Branch, Ahmedabad.

The current promoter of Sarjan Financial Private Limited is Mr. Arjun S. Handa.

Shareholding pattern as October 31, 2010

Shareholders	No. of equity shares	% shareholding
Equity Shares		
Mr. Arjun S. Handa	9,990	99.90%
Mr. Kirit Shah	10	0.10%
Total	10,000	100%

Directors as on October 31, 2010

1. Mr. Arjun S. Handa
2. Mr. Nirav Mehta
3. Mr. Kirit Shah

There has been no change in the controlling interest of Sarjan Financial Private Limited in the last three years other than the transfer of 4,990 shares of Sarjan held by Mr. Aditya S. Handa to Mr. Arjun S. Handa on January 5, 2010.

MR. ADITYA S. HANDA, BROTHER OF OUR INDIVIDUAL PROMOTER, MR. ARJUN S. HANDA



Mr. Aditya S. Handa

PAN: ABXPH3457N

Passport number: Z1734600

Voter ID number: LPZ8173726

Driving license: GJ01/085458/05

For details on the age, background, personal address, educational qualifications, experience, terms of appointment as Director and other directorships of Mr. Aditya S. Handa, please refer to the section titled “Our Management” beginning on page 161 of this Red Herring Prospectus.

Change of Promoters in our Company

The current promoters of our Company are Mr. Arjun S. Handa and Sarjan Financial Private Limited. Our Company was originally promoted by Mr. Sushil Kumar Handa and Mrs. Beena S. Handa. In March 2000, Mr. Arjun S. Handa, Mr. Aditya S. Handa and Sarjan Financial Private Limited also joined our Company as co-promoters. On March 21, 2003, Mr. Sushil Kumar Handa transposed his shareholding comprising 1,900,240 Equity Shares with the then second holder Mrs. Beena S. Handa (wife of Mr. Sushil Kumar Handa and mother of our current individual Promoter) and Mr. Sushil Kumar Handa became the second joint holder of such Equity Shares. Mrs. Beena S. Handa transferred 7,750,624 Equity Shares to Mr. Arjun S. Handa and Mr. Aditya S. Handa on February 18, 2008 and February 22, 2008 in equal proportions as gifts. Mrs. Beena S. Handa also transferred 25,000 Equity Shares to each Mr. Arjun S. Handa and Mr. Aditya S. Handa on November 20, 2009.

Mr. Sushil Kumar Handa was the founding promoter of Sarjan Financial Private Limited, our Promoter, which was incorporated on September 6, 1996. Subsequently on April 10, 2004, Mr. Sushil Kumar Handa transferred his entire shareholding to Mrs. Beena S. Handa. Further, on October 15, 2005, Mrs. Beena S. Handa transferred the majority of her shareholding in Sarjan Financial Private Limited to Mr. Aditya S. Handa and Mr. Arjun S. Handa (our individual Promoter) equally, retaining 0.20% of the shareholding. On January 5, 2010, the balance 0.20% shareholding was again transferred to Mr. Arjun S. Handa and Mr. Kirit Shah. Further, Mr. Aditya S. Handa’s entire shareholding in Sarjan Financial Private Limited has been transferred to Mr. Arjun S. Handa on January 5, 2010. For more details of such transfer, see “Capital Structure” on page 72 of this Red Herring Prospectus. Mr. Sushil Kumar Handa was also the second holder with respect to the Equity Shares held by Mr. Arjun S. Handa till November 20, 2009. Mr. Sushil Kumar Handa was on our Board from October 23, 1999 to August 28, 2001 as a director. On March 15, 2010, Mr. Arjun S. Handa, our current Promoter, entered into a separation agreement with Mr. Sushil Kumar Handa, Mrs. Beena S. Handa and Mr. Aditya S. Handa. According to the agreement, each of Mr. Sushil Kumar Handa, Mrs. Beena S. Handa and Mr. Aditya S. Handa does not possess any right, interest, obligations in our Company, our Group Companies (which have been promoted by our Promoters) and our Promoter Group entities which are part of our Promoter Group by virtue of our Promoters’ holdings in such companies. Similarly, as part of the agreement, Mr. Arjun S. Handa, our individual Promoter, does not possess any right, interest, obligations in any of Mr. Aditya S. Handa’s group companies (companies which have been promoted by Mr. Aditya S. Handa) and Mr. Aditya S. Handa’s Promoter Group companies. Concurrent with such business separation, Mr. Aditya S. Handa transferred his entire shareholding in Sarjan Financial Private Limited to Mr. Arjun S. Handa, our individual Promoter. Upon completion of the transfer mentioned above, Mr. Aditya S. Handa no longer had any interest in our Company other than as an investor shareholder by virtue of his residual shareholding of 24.04%, directly and indirectly, in our Company. For further details of the said agreement, please refer to the section titled “History and Certain Corporate Matters - Material Agreements” on page 145 of this Red Herring Prospectus.

Other understandings and confirmations

We confirm that the PAN, bank account number and passport number of the individual Promoter and the PAN, bank account number, the company registrations numbers and address of the Registrar of Companies of Sarjan Financial Private Limited have been submitted to the Stock Exchange at the time of filing the Draft Red Herring Prospectus with the Stock Exchange.

Our Promoters, the members of the Group Companies and relatives of the Promoter have confirmed that they

have not been identified as wilful defaulters by the RBI or any other governmental authority except as below:

Core Healthcare Limited (“CHL”), a Company promoted by Mr. Sushil Kumar Handa, one of our erstwhile promoters and a relative of our individual Promoter (included in our Promoter Group), became unable to repay its debt under certain term and working capital loans granted to it by various lenders, including the Bank of Baroda (“BoB”). CHL and its directors, including Mr. Sushil Kumar Handa, were included in the list of wilful defaulters maintained by the Credit Information Bureau (India) Limited for loan default of Rs. 25 lacs and above at the behest of BoB.

ARCIL took control of CHL’s management, restructured its operations and disposed of all its assets by way of a scheme of compromise and settlement dated March 1, 2007, approved by the Gujarat High Court and as per High Court order on upon receipt of a pre-agreed amount realized by the sale of all assets of CHL, “any proceedings, civil or criminal, pending against the Demerged Company (CHL) and/or its Directors and/or its officers or its promoters and/or any other person arising due to or for reason of, directly or indirectly, non payment of any part of Liabilities by the Demerged Company (CHL), shall, on the Scheme becoming effective”, stand absolved. ARCIL issued a no-dues certificate dated November 21, 2008 pursuant to the scheme and also issued letters dated May 25, 2007, September 20, 2007 and November 21, 2008 to CIBIL to consider removing CHL and its promoters and directors from the wilful defaulter list. CHL was wound up by an order of the Gujarat High Court dated June 24, 2009, however, CHL, as well as its directors, as they then were, including Mr. Sushil Kumar Handa was included on the list of wilful defaulters maintained by the Credit Information Bureau (India) Limited in relation to the indebtedness mentioned above. With effect from August 12, 2010, Mr. Sushil Kumar Handa’s name stands removed from the list of wilfull defaulters by CIBIL

No violations of securities laws have been committed by our Promoters or members of our Group Companies in the past or are pending against them. None of (i) our Promoters, Promoter Group or the Group Companies or persons in control of or on the boards of bodies corporate forming part of our Group Companies (ii) the Companies with which any of the Promoters is or was associated as a promoter, director or person in control, are debarred or prohibited from accessing the capital markets for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

Common Pursuits of our Promoters and Mr. Aditya S. Handa

The Promoters and Mr. Aditya S. Handa do not have an interest in any venture that is involved in any activities similar to those conducted by our Company.

Interest of our Promoters and Mr. Aditya S. Handa

The shareholding of our Promoters and Mr. Aditya S. Handa in our Company is set forth in the section titled “Capital Structure” beginning on page 72 of this Red Herring Prospectus. Other than as our shareholders, and in the case of our individual Promoter, to the extent of the remuneration to be received by him in its capacity as Director, our Promoters and Mr. Aditya S. Handa do not have any other interest in the Company.

Interest in Property, Land and Construction of our Promoters and Mr. Aditya S. Handa

Our Promoters, Mr. Aditya S. Handa and the Group Companies do not have any interest in any property acquired by our Company or the Subsidiaries within two years preceding the date of filing the Red Herring Prospectus with SEBI or any property proposed to be acquired by the Company or the Subsidiaries or in any transaction with respect to the acquisition of land, construction of building or supply of machinery.

Payment or benefits to our Promoters and Mr. Aditya S. Handa during the last two years

Except as stated in the section titled “Financial Information” beginning on page 208 of this Red Herring Prospectus, there has been no amounts or benefits paid or given or intended to be paid or given to our Promoters or the Promoter Group including Mr. Aditya S. Handa within the two years preceding the date of filing of the Red Herring Prospectus with SEBI.

Litigation

For details regarding litigation involving our Promoters, Group Companies, Mr. Aditya S. Handa and his group companies please refer to the section titled “Outstanding Litigation and Material Developments”, beginning on

page 236 of this Red Herring Prospectus.

Related Party Transactions

For details of (i) payments or benefits to the Promoters and the Promoter Group during the two years preceding the date of filing of this Red Herring Prospectus (ii) sales or purchases between our Company, its Subsidiaries, the Group Companies where such sales or purchases exceed in value in the aggregate 10% of the total sales or purchases of the Company; and (iii) business interests of Group Companies, the Subsidiaries in our Company, see the section titled “Financial Information – Related Party Transactions” beginning on page 208 of this Red Herring Prospectus.

Promoter Group

Our Promoter Group individuals consist of

Name	Relationship with Mr. Arjun S. Handa
Mrs. Krishna Handa	Wife
Mr. Sushil Kumar Handa	Father
Mrs. Beena S. Handa	Mother
Mr. Aditya S. Handa	Brother
Mr. Prakash Madhu Patel	Father-in-Law
Mrs. Gayatri Prakash Patel	Mother-in-Law
Mrs. Ektaa Prakash Patel	Sister-in-Law

Promoter Group companies and entities:

Quintessence Creations Private Limited
Baldev and Raj Handa Development Foundation
Poiesis Achivement Foundation
India Renal Foundation

Disassociation by the Promoters in the last three years

Except as disclosed herein below, our Promoters have not disassociated from any of the Group Companies in the last three years:

One or more of our Promoters, Mr. Arjun S. Handa and Sarjan Financial Private Limited have disassociated from the below mentioned companies by virtue of transferring their shareholding and/or resigning as directors from the Board of Directors of the below mentioned companies. The Promoter(s) have dissociated with these companies, as the business activities of these companies were not in line with the envisaged visions of our Promoters.

Name of Company	Date of disassociation
Aventure Infrastructure Limited	December 23, 2008
Abellon Power Limited ¹	December 17, 2008
Aventure Infrabuild Limited	December 17, 2008
Aventure Multipark Limited	December 25, 2008
Aventure Worldpark Limited	December 25, 2008
Aventure Riverview Project Limited	December 25, 2008
Abellon Windenergy Limited	December 20, 2008
Abellon Energy Limited	December 20, 2008
Abellon Cleanenergy Limited ²	September 15, 2008
Abellon Agrisciences Limited ³	January 10, 2009
Cygnus Laboratories Limited	March 30, 2009
Aventure Futurecity Limited	December 25, 2008
Aventure Lifespaces Limited	December 17, 2008
Redbricks Education Foundation	June 11, 2009

Name of Company	Date of disassociation
Aventure Cement Limited	September 25, 2008
Morningrags Hotels & Resorts Limited	September 15, 2008
Xcelris Labs Limited	September 28, 2008
Prarabdh Financial Private Limited	January 5, 2010
Medical Technologies Limited	January 5, 2010
Quintessence Creations Private Limited	January 5, 2010
Pi.Capital Limited	October 6, 2007
Dialys Healthcare Private Limited	October 6, 2007
Healthnext Limited	October 6, 2007
Enthrills Infotech Limited	October 6, 2007
Baldev and Raj Handa Development Foundation	October 5, 2009

Notes:

1. The name of Aventure Infraspace Limited has been changed to Abellon Power Limited
2. The name of Abellon Bioenergy Limited has been changed to Abellon Cleanenergy Limited
3. The name of Olive Agrisciences Limited has been changed to Abellon Agrisciences Limited

The disassociation was by way of transfer of holding of shares.

Group Companies

The following companies form part of our Group Companies:

Unlisted Companies

1. Accelaris Technologies Limited (“ATL”)

ATL was incorporated on July 28, 2000. The registered office of ATL is located at 405, Maurya Atriya, Nr. Shraddha Petrol Pump, Nr. Kasturi Tower, Bodakdev, Ahmedabad, 380054. ATL has been set up with the objective of software related services and project related consultancy.

Shareholding pattern as on October 31, 2010

Shareholders	No. of equity shares	% shareholding
Mr. Arjun S. Handa	49,940	99.88%
Mr. Nirav Mehta	10	0.02%
Mr. Kirit Shah	10	0.02%
Mr. Akshat Shah	10	0.02%
Mr. Dipak Joshi	10	0.02%
Mr. Himanshu Shah	10	0.02%
Mr. Jayesh Desai	10	0.02%
Total	50,000	100%

Directors as on October 31, 2010

1. Mr. Arjun S. Handa
2. Mr. Nirav Mehta
3. Mr. Kirit Shah

Financial performance

(Rs. in million, except per share data)

	March 31, 2008	March 31, 2009	March 31, 2010
Equity capital (par value Rs. 10 per share)	0.50	0.50	0.50
Reserves & surplus	(0.76)	(1.95)	(17.87)
Sales and other income	0.83	1.12	0.10

	March 31, 2008	March 31, 2009	March 31, 2010
Profit/loss after tax	(1.34)	(1.19)	(15.92)
Earnings per share (Rs.)	(26.78)	(23.88)	(318.37)
Net asset value per equity share (Rs.)	(5.12)	(29.00)	(347.37)

ATL is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding five years. It has not been declared a sick company under the SICA, and no winding-up proceedings have been initiated against any it. ATL has a negative net worth.

2. Darshnil Financial Private Limited (“DFPL”)

DFPL was incorporated on January 24, 1994. The registered office of DFPL is located at 405, Maurya Atriya, Nr. Shraddha Petrol Pump, Nr. Kasturi Tower, Bodakdev, Ahmedabad, 380054. DFPL is engaged in the business of financing and investments.

Shareholding pattern as on October 31, 2010

Shareholders	No. of equity shares	% shareholding
Mr. Arjun S. Handa	135,040	99.99
Mr. Nirav Mehta	10	0.01
Total	135,050	100

Directors as on October 31, 2010

1. Mr. Arjun S. Handa
2. Mr. Nirav Mehta
3. Mr. Kirit Shah

Financial performance

(Rs. in million, except per share data)

	March 31, 2008	March 31, 2009	March 31, 2010
Equity capital ⁽¹⁾	1.35	1.35	1.35
Reserves and Surplus	(20.48)	(9.36)	(9.66)
Sales and other income	-	12.82	-
Profit/(Loss) after tax	(0.20)	11.13	(0.30)
Earning per share	(1.46)	82.44	(2.22)
Net asset value per equity share (Rs.)	(141.68)	(59.28)	(61.51)

(1) The face value of each equity share is Rs. 10.

DFPL is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not been declared a sick company under the SICA, and no winding-up proceedings have been initiated against any it. DFPL has a negative net worth.

3. PRARISHODHANA CONSULTANCY LLP: (PCL)

PCL was incorporated on August 10, 2010. The registered office of PCL is located at 405, Maurya Atriya, Nr. Shraddha Petrol Pump, Nr. Kasturi Tower, Bodakdev, Ahmedabad, 380054. PCL was set up with the objective of providing management consultancy and advisory services related to project finance and personal finance, loan syndication, investment services, industrial enterprises, trade etc. in India and abroad and to undertake certain marketing related activities on behalf of corporates.

Partnership pattern as on October 31, 2010

Partners	Capital contribution	% of capital contribution
Mr. Arjun S. Handa	499,900	99.98%

Partners	Capital contribution	% of capital contribution
Mr. Kirit A. Shah	100	0.02%
Total	500,000	100.00%

Group companies of Mr. Aditya S. Handa

The following companies are promoted by Mr. Aditya S. Handa:

1. Abellon CleanEnergy Limited
2. Xcelris Labs Limited
3. Abellon Agrisciencs Limited
4. Xcellon Education Limited
5. Medical Technologies Limited
6. Abellon CleanEnergy Gandhidham Limited
7. Abellon CleanEnergy Gandhinagar Limited
8. Abellon Agni One Limited
9. Abellon CleanEnergy Gondal Limited
10. Abellon Agni Two Limited
11. Abellon EPC & Technologies Limited
12. Abellon Cleanenergy Ghana Limited
13. Abellon Energy Inc.
14. Abellon Energy Italy SRL
15. Abellon Energy Limited
16. Abellon Power Limited
17. Abellon Properties Private Limited
18. Ashlar Holding B.V. (Netherland)
19. Creatrix Properties Private Limited
20. Cygnus Laboratories Limited
21. Enthrills Infotech Limited
22. Levana Financial Services Limited
23. Matford Limited
24. Prarabdh Financial Private Limited
25. Redbricks Education Foundation
26. Redbricks Education Limited
27. Redbricks Junior Education Limited
28. Swara Education Properties Private Limited
29. Aventure Multipark Limited
30. Aventure Worldpark Limited
31. Aventure Riverview Project Limited
32. Aventure Infrastructure Limited
33. Aventure Infrabuild Limited
34. Abellon Windenergy Limited
35. Creatrix Education Limited
36. Fifth Veda Learning Limited

Select financial information of group companies of Mr. Aditya S. Handa

The top 5 companies, in terms of turnover, which have been promoted by our promoters and members of our promoter group, are as follows:

1. Abellon CleanEnergy Limited
2. Xcelris Labs Limited
3. Abellon Agrisciencs Limited
4. Xcellon Education Limited
5. Medical Technologies Limited

1. ABELLON CLEANENERGY LIMITED: (ACEL)

ACEL was incorporated on July 9, 2008 and was issued certificate of commencement of business on September 23, 2008. The registered office of ACEL is located at 10th Floor, Sangeeta Complex, Near Parimal Crossing, Ellisbridge, Ahmedabad – 380006. ACEL has been set up with the objective to engage in the business to generate, explore, develop, accumulate, supply and distribute or to deal in any form of energy generated by the means of conventional and non conventional methods.

Shareholding pattern as on October 31, 2010

Shareholders	No. of Equity Shares	% of Shareholding
Abellon Energy Limited	5,498,950	99.98%
Mr. Aditya S. Handa	1,000	0.02%
Mr. Pankaj Patel	10	0.00%
Mr. Nayan Adhyaru	10	0.00%
Mr. Dhaval Parmar	10	0.00%
Mr. Nilesh Mistry	10	0.00%
Mr. Kalpesh Oza	10	0.00%
TOTAL	5,500,000	100.00%

Directors as on October 31, 2010

1. Mr. Aditya S. Handa
2. Mr. Pankaj Patel
3. Mr. Ramesh Deshpande
4. Mr. Harsh Wardhan Bhatnagar
5. Mr. Chinubhai Shah
6. Mr. Nayan Adhyaru
7. Mr. Dhaval Parmar

Financial Performance

(Rs .In Millions, except per share value)

Particular	March 31, 2009	March 31, 2010
Equity capital (par value Rs. 10 per share)	30.00	55.00
Reserves & Surplus	0.01	3.76
Sales and other income	3.17	138.82
Profit/Loss after tax	0.01	4.38
Earnings per share (Rs.)	0.01	1.18
Net Asset value per share (Rs.)	9.89	10.64

ACEL is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding five years. It has not been declared a sick company under the SICA, and no winding –up proceedings have been initiated against any it.

2. XCEL RIS LABS LIMITED : (XLL)

XLL was incorporated on November 7, 2005 and was issued certificate of commencement of business on December 09, 2005. The registered office of XLL is located at Xcelris Corporate Headquarter, Old Premchandnagar Road, Bodakdev, Ahmedabad – 380054. XLL is set up with the objective to engage in the business of offering contract research services in the areas of product development and genomic services.

Shareholding pattern as on October 31, 2010

Shareholders	No. of Equity Shares	% of Shareholding
Cygnus Laboratories Limited	16,453,840	100.00%
Mr. Nayan Adhyaru	10	0.00%
Mr. Nilesh Mistry	10	0.00%
Mr. Sanjay Bhatt	10	0.00%
Mr. Dhaval Parmar	10	0.00%
Mr. Amit Jani	10	0.00%
Mr. Vivek Gupta	10	0.00%
Total	16,453,900	100.00%

Directors as on October 31, 2010

1. Mr. Aditya S. Handa
2. Mr. Nayan Adhyaru
3. Mr. Nilesh Mistry
4. Mr. Dhaval Parmar
5. Mr. Manish Gaur

Financial Performance of last three years

(Rs .In Millions, except per share value)

Particular	December 31, 2007	December 31, 2008	December 31, 2009
Equity capital (par value Rs. 10 per share)	0.50	116.95	164.54
Reserves & Surplus	(12.55)	(10.59)	(7.11)
Sales and other income	0.00	40.89	85.80
Profit/Loss after tax	(8.95)	1.97	3.48
Earnings per share (Rs.)	(179.06)	9.38	0.27
Net Asset value per share (Rs.)	(241.00)	9.09	9.57

XLL is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding five years. It has not been declared a sick company under the SICA, and no winding –up proceedings have been initiated against any it.

3. ABELLON AGRISCIENCES LIMITED: (AASL)

AASL was incorporated on July 8, 2008 as Olive Agrisciences Limited and was issued certificate of commencement of business on July 31, 2009. The Company subsequently changed its name to Abellon Agrisciences Limited with effect from May 25, 2010. The registered office of AASL is located at 10th Floor, Sangeeta Complex, Near Parimal Crossing, Ellisbridge, Ahmedabad- 380006. AASL is set up with the objective to engage mainly in the business of agricultural, floriculture and horticulture related activities and to establish godowns, warehouses and cold storage facility.

Shareholding pattern as on October 31, 2010

Shareholders	No. of Equity Shares	% of Shareholding
Levana Financial Services Ltd.	44000	88.00%
Mr. Aditya S. Handa	5000	10.00%

Shareholders	No. of Equity Shares	% of Shareholding
Mr. Dhaval Parmar	200	0.40%
Mr. Pankaj Patel	200	0.40%
Mr. Sanjay Bhatt	200	0.40%
Mr. Nayan Adhyaru	200	0.40%
Mr. Nilesh Mistry	200	0.40%
Total	50000	100.00%

Directors as on October 31, 2010

1. Mr. Aditya S. Handa
2. Mr. Sunil Talati
3. Mr. V. P. Boda
4. Mr. P. N. Upadhyay
5. Mr. Dhaval Parmar

Financial Performance of last two years

(Rs .In Millions, except per share value)

Particular	March 31, 2009	March 31, 2010
Equity capital (par value Rs. 10 per share)	0.50	0.50
Reserves & Surplus	(0.10)	0.32
Sales and other income	0.00	7.38
Profit/Loss after tax	(0.10)	0.42
Earnings per share (Rs.)	(1.95)	8.41
Net Asset value per share (Rs.)	7.65	16.26

AASL is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding five years. It has not been declared a sick company under the SICA, and no winding –up proceedings have been initiated against any it.

4. XCELLON EDUCATION LIMITED: (XEL)

XEL was incorporated on September 26, 2008 and was issued certificate of commencement of business on 23/01/2009. The registered office of XEL is located at 10th Floor, Sangeeta Complex, Near Parimal Crossing, Ellisbridge, Ahmedabad- 380006. XEL is set up with the objective to engage in the business of establishing training institutes, pre-schools, schools and colleges for providing the education in the field of Science, Arts and Commerce.

Shareholding pattern as on October 31, 2010

Shareholders	No. of Equity Shares	% of Shareholding
Levana Financial Services Limited	3998950	99.97%
Mr. Aditya S. Handa	500	0.01%
Mr. Pankaj Patel	20	0.00%
Mr. Nayan Adhyaru	10	0.00%
Ms. Beena Hiremath	10	0.00%
Mr. Dhaval Parmar	500	0.01%
Mr. Vivek Amin	10	0.00%

Shareholders	No. of Equity Shares	% of Shareholding
Total	4000000	100.00%

Directors as on October 31, 2010

1. Mr. Aditya S. Handa
2. Ms. Beena Hiremath
3. Mr. Amit Jani

Financial Performance of last two years

(Rs .In Millions, except per share value)

Particular	March 31, 2009	March 31, 2010
Equity capital (par value Rs. 10 per share)	0.50	40.00
Reserves & Surplus	0.00	(37.27)
Sales and other income	0.00	5.21
Profit/Loss after tax	0.00	(37.27)
Earnings per share (Rs.)	0.00	(167.02)
Net Asset value per share (Rs.)	9.58	0.68

XEL is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding five years. It has not been declared a sick company under the SICA, and no winding –up proceedings have been initiated against any it.

5. MEDICAL TECHNOLOGIES LIMITED : (MTL)

MTL was incorporated on June 22, 1993 and was issued certificate of commencement of business on 14/12/1993. The registered office of MTL is located at Sydney House, Premchand Nagar Road, Bodakdev, Ahmedabad- 380054. The Company is engaged in the business of providing services relating to Management Consultancy, Technical Consultancy.

Shareholding pattern as on October 31, 2010

Shareholders	No. of Equity Shares	% of Shareholding
Mr. Aditya S. Handa	610,080	99.99%
Mr. Pankaj Patel *	10	0.00%
Mr. Nayan Adhyaru *	10	0.00%
Mr. Dhaval Parmar *	10	0.00%
Ms. Beena Hiremath *	5	0.00%
Mr. Nilesh Mistry *	20	0.00%
Mr. Sanjay Bhatt *	5	0.00%
Total	610,140	100.00%

* All beneficial interest held by Mr. Aditya S. Handa

Directors as on October 31, 2010

1. Mr. Aditya S. Handa
2. Mr. Dhaval Parmar

3. Mr. Nayan Adhyaru

Financial Performance of last three years

(Rs .In Millions, except per share value)

Particular	March 31, 2008	March 31, 2009	March 31, 2010
Equity capital (par value Rs. 10 per share)	6.10	6.10	6.10
Reserves & Surplus	152.65	161.03	165.39
Sales and other income	4.95	9.30	4.69
Profit/Loss after tax	3.74	8.39	4.36
Earnings per share (Rs.)	6.13	13.75	7.15
Net Asset value per share (Rs.)	260.18	273.93	281.07

MTL is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding five years. It has not been declared a sick company under the SICA, and no winding –up proceedings have been initiated against any it.

Group Companies of Mr. Aditya S. Handa having negative net worth

The following companies, promoted by Mr. Aditya S. Handa, have had a negative net worth in the three years preceding the filing of this Red Herring Prospectus:

1. PRARABDH FINANCIAL PRIVATE LIMITED : (PFPL)

PFPL was incorporated on September 6, 1996. The registered office of PFPL is located at Sydney House, Premchand Nagar Road, Bodakdev, Ahmedabad- 380054. PFPL is set up with the objective to engage in the business of financing, investment company and to give on hire purchase, lease and installment any goods, articles, things.

Shareholding pattern as on October 31, 2010

Shareholders	No. of Equity Shares	% of Shareholding
Mr. Aditya S. Handa	5,000	0.86
Mr. Nayan Adhyaru	2,500	0.43
Medical Technologies Ltd	570,000	98.28
Mr. Dhaval Parmar	2,500	0.43
Total	580,000	100.00%

Directors as on October 31, 2010

1. Mr. Aditya S. Handa
2. Mr. Nayan Adhyaru
3. Mr. Dhaval Parmar

Financial Performance of last three years

(Rs .In Millions, except per share value)

Particular	March 31, 2008	March 31, 2009	March 31, 2010
Equity capital (par value Rs. 10 per share)	0.10	5.80	5.80
Reserves & Surplus	(0.88)	4.61	3.67
Sales and other income	0.04	0.00	0.00
Profit/Loss after tax	(0.01)	(0.20)	(0.95)
Earnings per share (Rs.)	(1.04)	(0.35)	(1.63)
Net Asset value per share (Rs.)	(78.13)	17.96	16.32

PFPL is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding five years. It has not been declared a sick company under the SICA, and no winding-up proceedings have been initiated against any it.

2. MATFORD LIMITED : (ML)

ML was incorporated on October 31, 2007. The registered office of ML is located at 2 Zenonos Sozou Street, Nicosia, Cyprus 107. ML is set up with the objective to engage in the business of investment in the share capital or the assets of any company, organisation, partnership or any other entity.

Shareholding pattern as on October 31, 2010

Shareholders	No. of Equity Shares	% of Shareholding
Enthrills Limited	1000	100.00%
Total	1000	100.00%

Directors as on October 31, 2010

1. Lora Stylianou
2. Christina Drakou
3. Maria Drymitou
4. Nayan Adhyaru
5. Dhaval Parmar

Financial Performance of last two years

(Rs. In Millions, except per share value)

Particular	December 31, 2008	December 31, 2009
Equity capital (Par Value Euro 1/- each)	0.07	0.07
Reserves & Surplus	(0.55)	(0.03)
Sales and other income	-	2.32
Profit/Loss after tax	(0.50)	0.50
Earnings per share (Rs.)	(499.42)	496.51
Net Asset value per share (Rs.)	(475.76)	34.28

ML is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding five years. It has not been declared a sick company under the SICA, and no winding-up proceedings have been initiated against any it.

3. ABELLON POWER LIMITED: (APL)

APL was incorporated on May 22, 2008 as Aventure Infraspace Limited and was issued certificate of commencement of business on January 21, 2009. The Company subsequently changed its name to Abellon Power Limited with effect from May 17, 2010. The registered office of APL is located at 10th Floor, Sangeeta Complex, Near Parimal Crossing, Ellisbridge, Ahmedabad – 380006. APL has been set up with the objective to engage in the business to generate, explore, develop, accumulate, supply and distribute or to deal in any form of energy generated by the means of conventional and non conventional methods.

Shareholding pattern as on October 31, 2010

Shareholders	No. of Equity Shares	% of Shareholding
Abellon Energy Limited	48460	96.92%
Mr. Aditya S. Handa	500	1.00%
Mr. Pankaj Patel	10	0.02%
Mr. Nayan Adhyaru	10	0.02%
Mr. Dhaval Parmar	1000	2.00%
Mr. Niles Mistry	10	0.02%
Ms. Beena Hiremath	10	0.02%
Total	50000	100.00%

Directors as on October 31, 2010

1. Mr. Pankaj Patel
2. Ms. Beena Hiremath
3. Mr. Dhaval Parmar

APL is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding five years. It has not been declared a sick company under the SICA, and no winding –up proceedings have been initiated against any it.

Financial performance for the last two years

(Rs .In Millions, except per share value)

Particular	March 31, 2009	March 31, 2010
Equity capital (par value Rs. 10 per share)	0.50	0.50
Reserves & Surplus	(0.58)	(0.48)
Sales and other income	0.01	0.36
Profit/Loss after tax	(0.58)	0.10
Earnings per share (Rs.)	(11.60)	2.00
Net Asset value per share (Rs.)	(1.60)	0.40

4. REDBRICKS JUNIOR EDUCATION LIMITED : (RJEL)

RJEL was incorporated on September 26, 2008 as Chrysalis Education Limited and was issued certificate of commencement of business on February 13, 2009. The Company subsequently changed its name to Redbricks Junior Education Limited with effect from January 16, 2009. The registered office of RJEL is located at 10th Floor, Sangeeta Complex, Near Parimal Crossing, Ellisbridge, Ahmedabad- 380006. RJEL is set up with the objective to engage in the business of establishing training institutes, pre-schools, schools and colleges for

providing the education in the field of Science, Arts and Commerce.

Shareholding pattern as on October 31, 2010

Shareholders	No. of Equity Shares	% of Shareholding
Levana Financial Services Limited	48950	97.90%
Mr. Aditya S. Handa	500	1.00%
Mr. Pankaj Patel	20	0.04%
Mr. Nayan Adhyaru	10	0.02%
Ms. Beena Hiremath	10	0.02%
Mr. Dhaval Parmar	500	1.00%
Mr. Vivek Amin	10	0.02%
Total	50000	100.00%

Directors as on October 31, 2010

1. Mr. Aditya S. Handa
2. Ms. Beena Hiremath
3. Mr. Amit Jani

Financial performance for the last two years

(Rs. In Millions, except per share value)

Particular	March 31, 2009	March 31, 2010
Equity capital (par value Rs. 10 per share)	0.50	0.50
Reserves & Surplus	-	(15.08)
Sales and other income	0.01	2.78
Profit/Loss after tax	-	(15.08)
Earnings per share (Rs.)	-	(301.56)
Net Asset value per share (Rs.)	9.57	(291.90)

RJEL is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding five years. It has not been declared a sick company under the SICA, and no winding –up proceedings have been initiated against any it.

Other group companies of Mr. Aditya S. Handa

The following companies are promoted by Mr. Aditya S. Handa:

1. ABELLON CLEANENERGY GANDHIDHAM LIMITED: (ACEGAL)

ACEGAL was incorporated on July 13, 2010 and was issued certificate of commencement of business on September 15, 2010. The registered office of ACEGAL is located at 10th Floor, Sangeeta Complex, Near Parimal Crossing, Ellisbridge, Ahmedabad – 380006. ACEGAL has been set up with the objective to engage in the business to generate, explore, develop, accumulate, supply and distribute or to deal in any form of energy generated by the means of conventional and non conventional methods. The company changed its name from Abellon Agni Five Limited to Abellon CleanEnergy Gandhidham Limited on October 8, 2010.

Shareholding pattern as on October 31, 2010

Shareholders	No. of Equity Shares	% of Shareholding
Abellon CleanEnergy Limited	49940	99.88%
Mr. Sanjay Shah	10	0.02%
Mr. Pankaj Patel	10	0.02%
Mr. Nayan Adhyaru	10	0.02%
Mr. Dhaval Parmar	10	0.02%
Mr. Nilesh Mistry	10	0.02%
Ms. Beena Hiremath	10	0.02%
Total	50000	100.00%

Directors as on October 31, 2010

- 1 Mr. Pankaj Patel
- 2 Mr. Dhaval Parmar
- 3 Mr. Nilesh Mistry

AAFIVEL is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding five years. It has not been declared a sick company under the SICA, and no winding –up proceedings have been initiated against any it.

2. ABELLON CLEANENERGY GANDHINAGAR LIMITED: (ACEGHL)

ACEGHL was incorporated on July 13, 2010 and was issued certificate of commencement of business on September 15, 2010. The registered office of ACEGHL is located at 10th Floor, Sangeeta Complex, Near Parimal Crossing, Ellisbridge, Ahmedabad – 380006. ACEGHL has been set up with the objective to engage in the business to generate, explore, develop, accumulate, supply and distribute or to deal in any form of energy generated by the means of conventional and non conventional methods. The company changed its name from Abellon Agni Four Limited to Abellon CleanEnergy Gandhinagar Limited on October 8, 2010.

Shareholding pattern as on October 31, 2010

Shareholders	No. of Equity Shares	% of Shareholding
Abellon CleanEnergy Limited	49,940	99.88%
Mr. Sanjay Shah	10	0.02%
Mr. Pankaj Patel	10	0.02%
Mr. Nayan Adhyaru	10	0.02%
Mr. Dhaval Parmar	10	0.02%
Mr. Nilesh Mistry	10	0.02%
Ms. Beena Hiremath	10	0.02%
Total	50,000	100.00%

Directors as on October 31, 2010

- 1 Mr. Pankaj Patel
- 2 Mr. Dhaval Parmar
- 3 Mr. Nilesh Mistry

AAFOURL is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding five years. It has not been declared a sick company under the SICA, and no winding –up proceedings have been initiated against any it.

3. ABELLON AGNI ONE LIMITED:(AAOL)

AAOL was incorporated on November 19, 2008 as Abellon Biopower Limited and was issued certificate of commencement of business on July 22, 2009. Subsequently, the name of the Company was changed to Abellon Agni One Limited with effect from June 26, 2010. The registered office of AAOL is located at 10th Floor, Sangeeta Complex, Near Parimal Crossing, Ellisbridge, Ahmedabad – 380006. AAOL has been set up with the objective to engage in the business to generate, explore, develop, accumulate, supply and distribute or to deal in any form of energy generated by the means of conventional and non conventional methods.

Shareholding pattern as on October 31, 2010

Shareholders	No. of Equity Shares	% of Shareholding
Abellon CleanEnergy Limited	49450	98.90%
Mr. Aditya S. Handa	500	1.00%
Mr. Pankaj Patel	10	0.02%
Mr.Nayan Adhyaru	10	0.02%
Mr. Dhaval Parmar	10	0.02%
Mr. Nilesh Mistry	10	0.02%
Ms. Beena Hiremath	10	0.02%
Total	50000	100.00%

Directors as on October 31, 2010

- 1 Mr. Pankaj Patel
- 2 Ms. Beena Hiremath
- 3 Mr. Nilesh Mistry

AAOL is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding five years. It has not been declared a sick company under the SICA, and no winding –up proceedings have been initiated against any it.

4. ABELLON CLEANENERGY GONDAL LIMITED (ACEGOL)

ACEGOL was incorporated on July 13, 2010 and was issued certificate of commencement of business on September 15, 2010. The registered office of ACEGOL is located at 10th Floor, Sangeeta Complex, Near Parimal Crossing, Ellisbridge, Ahmedabad – 380006. ACEGOL has been set up with the objective to engage in the business to generate, explore, develop, accumulate, supply and distribute or to deal in any form of energy generated by the means of conventional and non conventional methods. The company changed its name from Abellon Agni Three Limited to Abellon CleanEnergy Gondal Limited on October 8, 2010.

Shareholding pattern as on October 31, 2010

Shareholders	No. of Equity Shares	% of Shareholding
Abellon CleanEnergy Limited	49940	99.88%
Mr. Sanjay Shah	10	0.02%
Mr. Pankaj Patel	10	0.02%
Mr. Nayan Adhyaru	10	0.02%

Shareholders	No. of Equity Shares	% of Shareholding
Mr. Dhaval Parmar	10	0.02%
Mr. Nilesh Mistry	10	0.02%
Ms. Beena Hiremath	10	0.02%
Total	50000	100.00%

Directors as on October 31, 2010

- 1 Mr. Pankaj Patel
- 2 Mr. Dhaval Parmar
- 3 Mr. Nilesh Mistry

AATHREEL is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding five years. It has not been declared a sick company under the SICA, and no winding –up proceedings have been initiated against any it.

5. ABELLON AGNI TWO LIMITED: (AATL)

AATL was incorporated on July 13, 2010 and was issued certificate of commencement of business on September 15, 2010. The registered office of AATL is located at 10th Floor, Sangeeta Complex, Near Parimal Crossing, Ellisbridge, Ahmedabad – 380006. AATL has been set up with the objective to engage in the business to generate, explore, develop, accumulate, supply and distribute or to deal in any form of energy generated by the means of conventional and non conventional methods.

Shareholding pattern as on October 31, 2010

Shareholders	No. of Equity Shares	% of Shareholding
Abellon CleanEnergy Limited	49940	99.88%
Mr. Sanjay Shah	10	0.02%
Mr. Pankaj Patel	10	0.02%
Mr. Nayan Adhyaru	10	0.02%
Mr. Dhaval Parmar	10	0.02%
Mr. Nilesh Mistry	10	0.02%
Ms. Beena Hiremath	10	0.02%
Total	50000	100.00%

Directors as on October 31, 2010

- 1 Mr. Pankaj Patel
- 2 Mr. Dhaval Parmar
- 3 Mr. Nilesh Mistry

AATL is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding five years. It has not been declared a sick company under the SICA, and no winding –up proceedings have been initiated against any it.

6. ABELLON CLEANENERGY GHANA LIMITED: (ACGL)

ACGL was incorporated on February 18, 2010 and was issued certificate of commencement of business on February 19, 2010. The registered office of ACGL is located at 1st Otswe Street. South La Estates, Osu – La Beach Road, P. O. Box GP 18983 Accra, Ghana. ACGL has been set up with the objective to generate, explore, develop, accumulate, supply and distribute or to deal in any form of energy from any source whatsoever.

Shareholding pattern as on October 31, 2010

Shareholders	No. of Equity Shares	% of Shareholding
Abellon CleanEnergy Limited	10,000,000	100%
Total	10,000,000	100.00%

Directors as on October 31, 2010

1	Mr. Nayan Adhyaru
2	Mr. Dhaval Parmar
3	Mr. Pankaj Patel
4	Mr. Stephen Djaba
5	Mr. Nilesh Mistry
6	Mr. Sanjay Bhatt

ACGL is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding five years. It has not been declared a sick company under the SICA, and no winding –up proceedings have been initiated against any it.

7. ABELLON ENERGY INC.: (AEI)

AEI was incorporated on September 1, 2009. The registered office of ACGL is located at 303 Fifth AVE, Suite, 1608, New York, USA. AEI has been set up with the objective to engage in the business to generate, explore, develop, accumulate, supply and distribute or to deal in any form of energy generated by the means of conventional and non conventional methods.

Shareholding pattern as on October 31, 2010

Shareholders	No. of Equity Shares	% of Shareholding
Abellon CleanEnergy Limited	200	100%
Total	200	100%

Directors as on October 31, 2010

1	Mrs. Kalpana Menon
2	Mrs. Neeta Chaudhary

AEI is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding five years. It has not been declared a sick company under the SICA, and no winding –up proceedings have been initiated against any it.

8. ABELLON ENERGY ITALY SRL: (AEI-SRL)

AEI-SRL was incorporated on November 10, 2009. The registered office of ACGL is located at Area ASI Ponte Valentino, BENEVENTO – ITALY. AEI-SRL has been set up with the objective to engage in the business to generate, explore, develop, accumulate, supply and distribute or to deal in any form of energy generated by the means of conventional and non conventional methods.

Shareholding pattern as on October 31, 2010

Shareholders	No. of Equity Shares	% of Shareholding
Ashlar Holdings BV	1000	100%
Total	1000	100%

Directors as on October 31, 2010

1. Mr. Pankaj Patel
2. Mr. Sanjay Shah

AEL-SRL is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding five years. It has not been declared a sick company under the SICA, and no winding –up proceedings have been initiated against any it.

9. ABELLON ENERGY LIMITED: (AEL)

AEL was incorporated on 16th July, 2008 and was issued certificate of commencement of business on September 15, 2010. The registered office of AEL is located at 10th Floor, Sangeeta Complex, Near Parimal Crossing, Ellisbridge, Ahmedabad- 380006. AEL is set up with the objective to engage in the business to generate, explore, develop, accumulate, supply and distribute or to deal in any form of energy from any source whatsoever.

Shareholding pattern as on October 31, 2010

Shareholders	No. of Equity Shares	% of Shareholding
Mr. Aditya S. Handa	1000	2.00%
Levana Financial Services Limited	48950	97.90%
Mr. Pankaj Patel	10	0.02%
Mr. Nayan Adhyaru	10	0.02%
Ms. Beena Hiremath	10	0.02%
Mr. Dhaval Parmar	10	0.02%
Mr. Nilesh Mistry	10	0.02%
Total	50000	100.00%

Directors as on October 31, 2010

2. Mr. Aditya S. Handa
3. Mr. Pankaj Patel
4. Ms. Beena Hiremath

AEL is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding five years. It has not been declared a sick company under the SICA, and no winding –up proceedings have been initiated against any it.

10. ABELLON PROPERTIES PRIVATE LIMITED : (APPL)

APPL was incorporated on 21st June, 2010. The registered office of APPL is located at 10th Floor Sangeeta Complex, Near Parimal Crossing, Ellisbridge, Ahmedabad- 380006. APPL is set up with the objective to engage in the business of rendering services as advisors and consultants in the areas of Realty & Infrastructure.

Shareholding pattern as on October 31, 2010

Shareholders	No. of Equity Shares	% of Shareholding
Mr. Aditya S. Handa	9999	99.99%
Mr. Amit Jani	1	0.01%
Total	10000	100.00%

Directors as on October 31, 2010

1. Mr. Aditya S. Handa
2. Mr. Amit Jani

APPL is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding five years. It has not been declared a sick company under the SICA, and no winding –up proceedings

have been initiated against any it.

11. ASHLAR HOLDING BV (NETHERLAND): (AHBV)

AHBV was incorporated on August 18, 2009. The registered office of AHBV is located at Claude Debussylaan 24, 1082 MD Amsterdam, the Netherlands. AHBV is set up with the objective to render services to companies and enterprises and to perform all kind of industrial, financial and commercial activities.

Shareholding pattern as on October 31, 2010

Shareholders	No. of Equity Shares	% of Shareholding
Mr. Aditya S. Handa	500	100.00%
Total	500	100.00%

Directors as on October 31, 2010

1. Mr. Aditya S. Handa
2. ANT Management (Netherlands) BV

AHBV is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding five years. It has not been declared a sick company under the SICA, and no winding –up proceedings have been initiated against any it.

12. CREATRIX PROPERTIES PRIVATE LIMITED : (CPPL)

CPPL was incorporated on 3rd August, 2010. The registered office of CPPL is located at 10th Floor Sangeeta Complex, Near Parimal Crossing, Ellisbridge, Ahmedabad- 380006. CPPL is set up with the objective to engage in the business of rendering services as advisors and consultants in the areas of Realty & Infrastructure.

Shareholding pattern as on October 31, 2010

Shareholders	No. of Equity Shares	% of Shareholding
Abellon Properties Private Limited	9999	99.99%
Mr. Amit Jani	1	0.01%
Total	10000	100.00%

Directors as on October 31, 2010

1. Mr. Amit Jani
2. Mr. Vivek Amin

CPPL is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding five years. It has not been declared a sick company under the SICA, and no winding –up proceedings have been initiated against any it.

13. CYGNUS LABORATORIES LIMITED (CLL)

CLL was incorporated on February 14, 2008 and was issued certificate of commencement of business on September 15. The registered office of CLL is located at Sydney House, Premchand Nagar Road, Bodakdev, Ahmedabad- 380054. CLL is set up with the objective to engage in the business of providing contract research in formulation development, research and development, product, reengineering, process development and new method development.

Shareholding pattern as on October 31, 2010

Shareholders	No. of Equity Shares	% of Shareholding
Matford Limited	8,086,262	88.15%
Mr. Aditya S. Handa	1,079,950	11.77%
First Carlyle Ventures III	6,720	0.07%
Mr. M Shankar Narayanan	33	0.00%
Mr. Dhaval Parmar	10	0.00%
Mr. Nayan Adhyaru	10	0.00%
Mr. Nilesh Mistry	10	0.00%
Ms. Beena Hiremath	10	0.00%
Mr. Sanjay Bhatt	10	0.00%
Mr. Mahesh Parasuraman	2	0.00%
Mr. Nikhil Mohta	2	0.00%
Mr. Manish Gaur	2	0.00%
Total	9,173,021	100.00%

Directors as on October 31, 2010

1. Mr. Aditya S. Handa
2. Mr. Dhaval Parmar
3. Mr. Nayan Adhyaru

CLL is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding five years. It has not been declared a sick company under the SICA, and no winding –up proceedings have been initiated against any it

14. ENTHRILLS INFOTECH LIMITED : (EIL)

EIL was incorporated on June 15, 1995 originally it was incorporated in the name of Renaissance Infrastructure Limited and it was changed the name of the company to Icubix Infotech Limited and further to Enthrills Infotech Limited with fresh certificate of incorporation dated February 17, 2006 and was issued certificate of commencement of business on June 28, 1995. The registered office of EIL is located at Sydney House, Premchand Nagar Road, Bodakdev, Ahmedabad – 380054. EIL is set up with the objective to engage in the business relating to computers and computer peripheral, sotwares, hardwares and consumer electronics.

Shareholding pattern as on October 31, 2010

Shareholders	No. of Equity Shares	% of Shareholding
Mr. Aditya S. Handa	500010	99.99%
Mr. Pankaj Patel	10	0.00%
Mr. Nayan Adhyaru	10	0.00%
Mr. Dhaval Parmar	10	0.00%
Ms. Beena Hiremath	10	0.00%
Mr. Nilesh Mistry	10	0.00%
Mr. Sanjay Bhatt	10	0.00%
Total	500070	100.00%

Directors as on October 31, 2010

1. Mr. Aditya S. Handa
2. Mr. Nayan Adhyaru

3. Mr. Dhaval Parmar

EIL is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding five years. It has not been declared a sick company under the SICA, and no winding –up proceedings have been initiated against any it.

15. LEVANA FINANCIAL SERVICES LIMITED: (LFSL)

LFSL was incorporated on October 27, 2008 and was issued certificate of commencement of business on July 22, 2009. The registered office of LFSL is located at 10th Floor, Sangeeta Complex, Near Parimal Crossing, Ellisbridge, Ahmedabad – 380006. LFSL is set up to render services in fields of finance and investment as advisors and consultants and to supply turnkey projects in all industries, utilities, commercial, and welfare fields and to invest in diamonds, jewellery, pearls, silver, gold, ornaments, paintings and antiques.

Shareholding pattern as on October 31, 2010

Shareholders	No. of Equity Shares	% of Shareholding
Mr. Aditya S. Handa	44,000	88.00%
Mr. Pankaj Patel	1,000	2.00%
Mr. Nayan Adhyaru	1,000	2.00%
Mr. Vivek Amin	1,000	2.00%
Mr. Dhaval Parmar	1,000	2.00%
Mr. Nilesh Mistry	1,000	2.00%
Ms. Beena Hiremath	1,000	2.00%
Total	50,000	100.00%

Directors as on October 31, 2010

1. Mr. Aditya S. Handa
2. Mr. Nayan Adhyaru
3. Mr. Nilesh Mistry

LFSL is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding five years. It has not been declared a sick company under the SICA, and no winding –up proceedings have been initiated against any it.

16. REDBRICKS EDUCATION FOUNDATION: (REF)

REF was incorporated on January 21, 2009 and was issued certificate of commencement of business on September 17, 2010. The registered office of REF is located at Sydney House, Premchand Nagar Road, Bodakdev, Ahmedabad- 380054. REF is set up with the objective to engage in the establishment of training institutes, pre-schools, schools and colleges for providing the education in the field of Science, Arts and Commerce.

Shareholding pattern as on October 31, 2010

Shareholders	No. of Equity Shares	% of Shareholding
Levana Financial Services Limited	650	65.00%
Mr. Aditya S. Handa	100	10.00%
Mr. Pankaj Patel	50	5.00%
Mr. Dhaval Parmar	50	5.00%
Ms. Beena Hiremath	50	5.00%

Shareholders	No. of Equity Shares	% of Shareholding
Mr. Amit Jani	50	5.00%
Mr. Vivek Amin	50	5.00%
Total	1000	100.00%

Directors as on October 31, 2010

1. Mr. Aditya S. Handa
2. Mr. Pankaj Patel
3. Ms. Beena Hiremath
4. Mr. Amit Jani

REF is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding five years. It has not been declared a sick company under the SICA, and no winding –up proceedings have been initiated against any it.

17. REDBRICKS EDUCATION LIMITED :(REL)

REL was incorporated on September 26, 2008 and was issued certificate of commencement of business on February 13, 2009. The registered office of REL is located at 10th Floor Sangeeta Complex, Near Parimal Crossing, Ellisbridge, Ahmedabad- 380006. REL is set up with the objective to engage in the business of establishment of training institutes, pre-schools, schools and colleges for providing the education in the field of Science, Arts and Commerce.

Shareholding pattern as on October 31, 2010

Shareholders	No. of Equity Shares	% of Shareholding
Levana Financial Services Limited	48950	97.90%
Mr. Aditya S. Handa	500	1.00%
Mr. Pankaj Patel	20	0.04%
Mr. Nayan Adhyaru	10	0.02%
Ms. Beena Hiremath	10	0.02%
Mr. Dhaval Parmar	500	1.00%
Mr. Vivek Amin	10	0.02%
Total	50000	100.00%

Directors as on October 31, 2010

1. Mr. Aditya S. Handa
2. Ms. Beena Hiremath
3. Mr. Amit Jani

REL is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding five years. It has not been declared a sick company under the SICA, and no winding –up proceedings have been initiated against any it.

18. SWARA EDUCATION PROPERTIES PRIVATE LIMITED : (SEPPL)

SEPPL was incorporated on August 4, 2010. The registered office of SEPPL is located at 10th Floor Sangeeta Complex, Near Parimal Crossing, Ellisbridge, Ahmedabad- 380006. SEPPL is set up with the objective to engage in the business of rendering services as advisors and consultants in the areas of Realty & Infrastructure

of educational institutes, schools, colleges and universities.

Shareholding pattern as on October 31, 2010

Shareholders	No. of Equity Shares	% of Shareholding
Abellon Properties Private Limited	9999	99.99%
Mr. Amit Jani	1	0.01%
Total	10000	100.00%

Directors as on October 31, 2010

1. Mr. Amit Jani
2. Mr. Vivek Amin

SEPPL is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding five years. It has not been declared a sick company under the SICA, and no winding –up proceedings have been initiated against any it.

19. ABELLON EPC & TECHNOLOGIES LIMITED: (AEPCTL)

AEPCTL was incorporated on December 30, 2008 as Abellon Solarenergy Limited and was issued certificate of commencement of business on July 22, 2009. The Company subsequently changed its name to Abellon EPC & Technologies Limited with effect from July 24, 2010. The registered office of AEPCTL is located at 10th Floor, Sangeeta Complex, Near Parimal Crossing, Ellisbridge, Ahmedabad – 380006. AEPCTL is set up with the objective to engaged in the business of undertaking the work in Infra & Engineering, Procurement and Construction (EPC) Technologies related projects.

Shareholding pattern as on October 31, 2010

Shareholders	No. of shares	% of Shareholding
Abellon Energy Limited	48950	97.9%
Ms. Beena Hiremath	990	1.98%
Mr. Pankaj Patel	10	0.02%
Mr. Nayan Adhyaru	10	0.02%
Mr. Dhaval Parmar	10	0.02%
Mr. Nilesh Mistry	10	0.02%
Mr. Sanjay Bhatt	10	0.02%
Mr. Sanjay Shah	10	0.02%
Total	50000	100%

Directors as on October 31, 2010

1. Mr. Pankaj Patel
2. Ms. Beena Hiremath
3. Mr. Nilesh Mistry

AEPCTL is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding five years. It has not been declared a sick company under the SICA, and no winding –up proceedings have been initiated against any it.

20. AVENTURE MULTIPARK LIMITED: (AML)

AML was incorporated on July 8, 2008 and was issued certificate of commencement of business on January 21, 2009. The registered office of AML is located at 8, Ruturaj Flat, 10, Motinagar Society, Mahalaxmi cross road, Paldi, Ahmedabad – 380 007. AML has been set up with the objective to engage in the business of developing Special Economic Zones, as well as other infrastructure projects including dealing in land.

Shareholding pattern as on October 31, 2010

Shareholders	No. of Equity Shares	% of Shareholding
Mr. Rushi Gajjar	48950	97.9
Mr. Bharat Rathod	1000	2
Mr. Nilesh Gayakwad	10	0.02
Ms. Sunil Patel	10	0.02
Mr. Kashyap Nikumbh	10	0.02
Mr. Gagan Sharma	10	0.02
Mr. Viral Panchal	10	0.02
TOTAL	50000	100

Directors as on October 31, 2010

1	Mr. Rushi Gajjar
2	Mr. Kashyap Nikumbh
3	Mr. Sunil Patel

AML is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding five years. It has not been declared a sick company under the SICA, and no winding –up proceedings have been initiated against any it.

21. AVENTURE WORLD PARK LIMITED: (AWL)

AWL was incorporated on July 31, 2008 and was issued certificate of commencement of business on January 21, 2009. The registered office of AWL is located at 8, Ruturaj Flat, 10, Motinagar Society, Mahalaxmi cross road, Paldi, Ahmedabad – 380 007. AWL has been set up with the objective to engage in the business of developing Special Economic Zones, as well as other infrastructure projects including dealing in land.

Shareholding pattern as on October 31, 2010

Shareholders	No. of Equity Shares	% of Shareholding
Mr. Rushi Gajjar	48950	97.9
Mr. Bharat Rathod	1000	2
Mr. Nilesh Gayakwad	10	0.02
Ms. Sunil Patel	10	0.02
Mr. Kashyap Nikumbh	10	0.02
Mr. Gagan Sharma	10	0.02
Mr. Viral Panchal	10	0.02
TOTAL	50000	100

Directors as on October 31, 2010

1	Mr. Rushi Gajjar
2	Mr. Kashyap Nikumbh
3	Mr. Sunil Patel

AWL is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding five years. It has not been declared a sick company under the SICA, and no winding –up proceedings have been initiated against any it.

22. AVENTURE RIVERVIEW PROJECT LIMITED: (ARPL)

ARPL was incorporated on July 28, 2008 and was issued certificate of commencement of business on February 23, 2009. The registered office of ARPL is located at 8, Ruturaj Flat, 10, Motinagar Society, Mahalaxmi cross road, Paldi, Ahmedabad – 380 007. ARPL has been set up with the objective to engage in the business of developing Special Economic Zones, as well as other infrastructure projects including dealing in land.

Shareholding pattern as on October 31, 2010

Shareholders	No. of Equity Shares	% of Shareholding
Mr. Rushi Gajjar	48950	97.9
Mr. Bharat Rathod	1000	2
Mr. Nilesh Gayakwad	10	0.02
Ms. Sunil Patel	10	0.02
Mr. Kashyap Nikumbh	10	0.02
Mr. Gagan Sharma	10	0.02
Mr. Viral Panchal	10	0.02
TOTAL	50000	100

Directors as on October 31, 2010

1	Mr. Rushi Gajjar
2	Mr. Kashyap Nikumbh
3	Mr. Sunil Patel

ARPL is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding five years. It has not been declared a sick company under the SICA, and no winding –up proceedings have been initiated against any it.

23. AVENTURE INFRASTRUCTURE LIMITED: (AIL)

AIL was incorporated on July 03, 2008 and was issued certificate of commencement of business on 26th May, 2009. The registered office of AIL is located at 8, Ruturaj Flat, 10, Motinagar Society, Mahalaxmi cross road, Paldi, Ahmedabad – 380 007. AIL has been set up with the objective to engage in the business of developing Special Economic Zones, as well as other infrastructure projects including dealing in land.

Shareholding pattern as on October 31, 2010

Shareholders	No. of Equity Shares	% of Shareholding
Mr. Rushi Gajjar	48950	97.9
Mr. Bharat Rathod	1000	2
Mr. Nilesh Gayakwad	10	0.02
Ms. Sunil Patel	10	0.02
Mr. Kashyap Nikumbh	10	0.02
Mr. Gagan Sharma	10	0.02
Mr. Viral Panchal	10	0.02
TOTAL	50000	100

Directors as on October 31, 2010

1	Mr. Rushi Gajjar
2	Mr. Kashyap Nikumbh
3	Mr. Sunil Patel

AIL is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding five years. It has not been declared a sick company under the SICA, and no winding –up proceedings have been initiated against any it.

24. AVENTURE INFRABUILD LIMITED: (AIL)

AIL was incorporated on July 29, 2008 and was issued certificate of commencement of business on January 21, 2009. The registered office of AIL is located at 8, Ruturaj Flat, 10, Motinagar Society, Mahalaxmi cross road, Paldi, Ahmedabad – 380 007. AIL has been set up with the objective to engage in the business of developing Special Economic Zones, as well as other infrastructure projects including dealing in land.

Shareholding pattern as on October 31, 2010

Shareholders	No. of Equity Shares	% of Shareholding
Mr. Rushi Gajjar	48950	97.9
Mr. Bharat Rathod	1000	2
Mr. Nilesh Gayakwad	10	0.02
Ms. Sunil Patel	10	0.02
Mr. Kashyap Nikumbh	10	0.02
Mr. Gagan Sharma	10	0.02
Mr. Viral Panchal	10	0.02
TOTAL	50000	100

Directors as on October 31, 2010

1	Mr. Rushi Gajjar
2	Mr. Kashyap Nikumbh
3	Mr. Sunil Patel

AIL is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding five years. It has not been declared a sick company under the SICA, and no winding –up proceedings have been initiated against any it.

25. ABELLON WINDENERGY LIMITED: (AWL)

AWL was incorporated on July 29, 2008 and was issued certificate of commencement of business on January 21, 2009. The registered office of AWL is located at 8, Ruturaj Flat, 10, Motinagar Society, Mahalaxmi cross road, Paldi, Ahmedabad – 380 007. AWL has been set up with the objective to engage in the business to generate electrical power by the means of Conventional & Non Conventional methods.

Shareholding pattern as on October 31, 2010

Shareholders	No. of Equity Shares	% of Shareholding
Mr. Tejas Shah	10	0.02
Mr. Rushi Gajjar	48960	97.92
Mr. Gagan Sharma	10	0.02
Mr. Ruzvelt Solanki	990	1.98
Mr. Pranav Suthar	10	0.02
Mr. Mehul Solanki	10	0.02
Mr. Saju Nair	10	0.02
TOTAL	50000	100

Directors as on October 31, 2010

1	Mr. Rushi Gajjar
2	Mr. Tejas Shah
3	Mr. Gagan Sharma

AWL is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding five years. It has not been declared a sick company under the SICA, and no winding –up proceedings have been initiated against any it.

26. CREATRIX EDUCATION LIMITED: (CEL)

CEL was incorporated on September 26, 2008 and was issued certificate of commencement of business on February 13, 2009. The registered office of CEL is located at A – 3, Jyotprabhat Apartment, Nr. Dharnidhar Temple, New Vikas Gruh Road, Paldi, Ahmedabad – 7. CEL has been set up with the objective to engage in the business of establishment of training institutes, pre-schools, schools and colleges for providing the education in the field of Science, Arts and Commerce.

Shareholding pattern as on October 31, 2010

Shareholders	No. of Equity Shares	% of Shareholding
Mr. Tejas Shah	48950	97.9
Mr. Bhargava Mistry	10	0.02

Shareholders	No. of Equity Shares	% of Shareholding
Mr. Sunil Patel	10	0.02
Mr. Gagan Sharma	10	0.02
Mr. Yogesh Ninama	1000	2
Mr. Anant Pandya	10	0.02
Mr. Jayesh Khokhani	10	0.02
TOTAL	50000	100

Directors as on October 31, 2010

1	Mr. Sunil Patel
2	Mr. Tejas Shah
3	Mr. Gagan Sharma

CELL is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding five years. It has not been declared a sick company under the SICA, and no winding –up proceedings have been initiated against any it.

27. FIFTH VEDA LEARNING LIMITED: (FLL)

FLL was incorporated on September 26, 2008 as Mindcap Education Limited and was issued certificate of commencement of business on March 6, 2009. Subsequently, the name of the Company was changed to Fifth Veda Learning Limited with effect from April 7, 2009. The registered office of FLL is located at BB 3, Sanskar deep Apartment, Opp. Suryavanshi Tower, Vastrapur, Ahmedabad - 15. FLL has been set up with the objective to engage in the business of establishment of training institutes, pre- schools, schools and colleges for providing the education in the field of Science, Arts and Commerce.

Shareholding pattern as on October 31, 2010

Shareholders	No. of Equity Shares	% of Shareholding
Mr. Chitrang Solanki	10	0.02
Mr. Niket Chopra	1000	2
Mr. Mukesh Songara	48,950	98
Mr. Dinesh Prajapati	10	0.02
Mr. Mukesh Sharma	10	0.02
Mr. Jaymin Mehta	10	0.02
Mr. Gajendra Bamania	10	0.02
TOTAL	50000	100

Directors as on October 31, 2010

1	Mr. Mukesh Songara
2	Mr. Niket Chopra
3	Mr. Chitrang Solanki

FLL is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding five years. It has not been declared a sick company under the SICA, and no winding –up proceedings have been initiated against any it.

Disassociation by Mr. Aditya S. Handa in the last three years

Except as disclosed herein below, Mr. Aditya S. Handa, a member of our Promoter Group, has not disassociated from any of the Group Companies or Group Companies of our Promoters, in the three years prior to the date of filing of the Red Herring Prospectus. Mr. Aditya S. Handa has dissociated with these companies as the business activities of these companies were not in line with the envisaged visions of Mr. Aditya S. Handa.

Name of Company	Date of disassociation
Accelarix Technologies Limited	January 5, 2010
Quintessence Creations Private Limited	January 5, 2010
Darshnil Financial Private Limited	October 18, 2008
Sarjan Financial Private Limited	January 5, 2010
*Aventure Cement Limited	--
*Aventure Futurecity Limited	--
*Aventure Lifespaces Limited	--
*Morningrags Hotels & Resorts Limited	--

**These companies are no longer operational and their names have been struck off from the records by the Registrar of Companies under Section 560 of the Companies Act, 1956*

DIVIDEND POLICY

Under the Companies Act, the Company can pay dividends upon a recommendation by its Board and approval by a majority of its shareholders at the annual general meeting. The shareholders of the Company have the right to decrease not to increase the amount of dividend recommended by the Board. The dividend may be paid out of profits of the Company in the year which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association also give the Board the discretion to declare and pay interim dividends without shareholder approval at an annual general meeting.

Our Company does not have any formal dividend policy for the Equity Shares. The declaration and payment of dividend are governed by the applicable provisions of the Companies Act and the Articles of Association of our Company and will depend on a number of other factors, including the results of operations, financial condition, capital requirements and surplus, contractual restrictions and other factors considered relevant by the Board. Further, under the terms of certain loans obtained by our Company, our Company may be required to obtain the prior written consent of the lenders of our Company before declaring any dividend.

Dividend paid by our Company on Equity Shares in the last 5 years:

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007	Fiscal 2006	Fiscal 2005
Face value per Equity Share (Rs.)	10	10	10	10	10
Dividend Paid (<i>Rs. in million</i>)	102.37	27.28	99.98	50.36	50.36
Dividend per equity share	3	0.8	3	1.50	1.50
Rate of Dividend (%)	30	8	30	15	15
Note: 1,000 Equity Shares of Rs. 10 each issued to Carlyle carried differential rights as regards voting and right of dividend. Dividend on equity shares for the respective years includes dividends on such shares computed considering deemed conversion of 603,360 0.01% cumulative preference shares amounting to (<i>Rs. in million</i>):	9.64	3.81	11.88	6.35	6.33

SECTION 5 : FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Sr. No.	Particulars	Page nos.
1.	Auditors Report dated September 7, 2010 on the restated standalone and consolidated financial statements as of, and for the years ended December 31, 2005, 2006, 2007, 2008 and 2009 and the period ended May 31, 2010, respectively	F-1 to F-77

Auditors' report

To,
The Board of Directors,
Claris Lifesciences Limited
Claris Corporate Headquarters,
Nr. Parimal Rly. Crossing,
Ellisbrige,
Ahmedabad – 380 006
Dear Sirs,

1. In connection with the proposed Initial Public Offering of Equity Shares of Claris Lifesciences Limited ('the Company') and in terms of our engagement letter dated 2nd March, 2010, we have examined the financial information of the Company annexed to this report and initialed by us for identification. The said financial information has been prepared by the Company and approved by the Board of Directors, in accordance with the requirements of:
 - a. paragraph B (1) of Part II of Schedule II of the Companies Act, 1956 ("the Act") ;
 - b. the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the 'SEBI Regulations') and the related amendments thereto issued by the Securities and Exchange Board of India ('SEBI') pursuant to section 11 of the Securities and Exchange Board of India Act, 1992, as amended to date.
2. Restated Financial Information as per Audited Financial Statements:
 - a. The restated standalone financial information of the Company has been extracted from the audited standalone financial statements for the years ended on 31st December 2009, 31st December 2008, 31st December 2007, 31st December 2006 and 31st December 2005 which have been approved by the Board of Directors and adopted by the Members of the Company at the respective Annual General Meetings. The restated standalone financial information of the Company for the five months period ended on 31st May 2010 has been extracted from the audited standalone financial statements approved by the Board of Directors.

Audit of the standalone financial statements for the five months period ended 31st May 2010 and for the years ended on 31st December 2009, 31st December 2008, 31st December 2007 and 31st December 2006 was conducted by us.

Audit of the standalone financial statements for the financial year ended on 31st December 2005 was conducted by M/s. Shah & Shah Associates, being the auditors of the Company for that year, and accordingly reliance has been placed on the financial statements audited and reported upon by them for the said year.

- b. The restated consolidated financial information of the Company and its subsidiaries has been extracted from the audited consolidated financial statements for the five months period ended 31st May 2010 and for the years ended on 31st December 2009, 31st December 2008, 31st December 2007, 31st December 2006 and 31st December 2005 which have been approved by the Board of Directors.

Audit of the consolidated financial statements for the five months period ended 31st May 2010 and for the financial years ended on 31st December 2009, 31st December 2008, 31st December 2007, and 31st December 2006 was conducted by us.

We have not audited the financial statements of subsidiaries (i) Claris Produtos Farmaceuticos do Brasil Ltda., (ii) PT. Claris Lifesciences Indonesia (iii) Claris Lifesciences Colombia Ltda. (iv) Catalys Venture Cap Limited (v) Claris Lifesciences Venezuela C. A. (vi) Claris Lifesciences Inc. (USA), (vii) Claris Lifesciences (UK) Limited, (viii) Claris Lifesciences & Cia.Chile Limitada, (ix) Claris Lifesciences (Aust) Pty Limited, (x) Claris Lifesciences de Mexico S.A. de C.V., (xi) Claris Lifesciences Philippines, Inc. (xii) Claris SteriOne (xiii) Claris Pharmaservices, whose financial statements reflect total assets of Rs. 1825.71 million, Rs. 2,482.08 million, Rs. 652.38 million, Rs. 679.92 million and Rs. 205.88 million as at 31st May 2010, 31st December 2009, 31st December 2008, 31st December 2007 and 31st December 2006 respectively, total revenue of Rs. 992.56 million, Rs. 1,601.89 million, Rs. 730.89 million, Rs. 809.67 million and Rs. 563.20 million for the five months period ended 31st May 2010 and for the years ended on 31st December 2009, 31st December 2008, 31st December 2007 and 31st December 2006 respectively and net cash inflows / (outflows) amounting to Rs. (776.00) million, Rs. 1,931.55 million, Rs. (3.34) million, Rs. (0.81) million and Rs. (4.49) million for the five months period ended 31st May 2010 and for the years ended on 31st December 2009, 31st December 2008, 31st December 2007 and 31st December 2006 respectively. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on the reports of such other auditors.

Audit of the consolidated financial statements for the financial year ended 31st December 2005, was conducted by M/s. Shah & Shah Associates, being the auditors of the Company for that year, and accordingly reliance has been placed on the consolidated financial statements audited and reported upon by them for the said year.

3. In accordance with the requirements of Paragraph B of Part II of Schedule II of the Act, the SEBI Regulations and terms of our engagement agreed with you, we further report that we have examined the standalone and consolidated summary statement of assets and liabilities, as restated, as at 31st May 2010, 31st December 2009, 31st December 2008, 31st December 2007, 31st December 2006 and 31st December 2005 as set out in Annexure 1 & Annexure 24, the related standalone and consolidated summary statement of profits and losses, as restated, for the years / period then ended as set out in Annexure 2 & Annexure 25 and the standalone and consolidated summary statement of cash flows, as restated, for the years / period then ended as set out in Annexure 3 & Annexure 26, and the notes thereon as set out in Annexure 4, Annexure 5, Annexure 27 & Annexure 28.
4. We further report that:
 - a. the standalone and consolidated summary statements of assets and liabilities, as restated, and the related standalone and consolidated summary statements of profits and losses and cash flows, as restated, are after making such adjustments and regroupings as in our opinion were appropriate and more fully described in Annexure 6 & Annexure 29 - statement on adjustments to audited standalone and consolidated financial statements, and Annexure 7 & Annexure 30 - notes to statement on adjustments to audited standalone and consolidated financial statements,
 - b. The standalone and consolidated financial information has been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years / period to reflect the same accounting treatment as per changed accounting policy for all the reporting periods,
 - c. The restated standalone and consolidated financial information has been made after incorporating adjustments for the material amounts in the respective financial years / period to which they relate;
 - d. There are no extra-ordinary items that need to be disclosed separately in the restated financial information;
 - e. There are no qualifications in Auditors' Reports which would require an adjustment in the restated financial information.

5. Other Financial Information:

- a. We have also examined the following other restated standalone financial information as at and for the five months period ended 31st May 2010 and for the years ended on 31st December 2009, 31st December 2008, 31st December 2007, 31st December 2006 and 31st December 2005 relating to the Company set out in Annexures, which is proposed to be included in the offer document, prepared by the management and approved by the Board of Directors and annexed to this report:
- i. Statement of Changes in Share Capital, as restated, enclosed as Annexure 8;
 - ii. Statement of Changes in Reserves and Surplus, as restated, enclosed as Annexure 9 ;
 - iii. Statement of Secured Loans, as restated, enclosed as Annexure 10;
 - iv. Statement of Unsecured Loans, as restated, enclosed as Annexure 11;
 - v. Statement of Investments, as restated, enclosed as Annexure 12;
 - vi. Statement of Sundry Debtors, as restated, enclosed as Annexure 13;
 - vii. Statement of Loans and Advances, as restated, enclosed as Annexure 14;
 - viii. Statement of Current Liabilities and Provisions, as restated; enclosed as Annexure 15;
 - ix. Statement of Other Income, as restated, enclosed as Annexure 16;
 - x. Statement of Dividend Paid/Proposed, enclosed as Annexure 17;
 - xi. Statement of Accounting Ratios, as restated, enclosed as Annexure 18;
 - xii. Capitalisation Statement as at 31st May 2010, as restated, enclosed as Annexure 19;
 - xiii. Commitments and Contingent Liabilities, as restated, enclosed as Annexure 20;
 - xiv. Statement of Segment Information, as restated, enclosed as Annexure 21;

- xv. Tax Shelter Statement, enclosed as Annexure 22;
 - xvi. Statement of Related Party Transactions, as restated, enclosed as Annexure 23.
- b. At the Company's request, we have also examined the following other restated consolidated financial information as at and for the five months period ended 31st May 2010 and for the years ended on 31st December 2009, 31st December 2008, 31st December 2007, 31st December 2006 and 31st December 2005 relating to the Company set out in Annexures, which is proposed to be included in the offer document, prepared by the management and approved by the Board of Directors annexed to this report:
- i. Consolidated Statement of Share Capital, as restated, enclosed as Annexure 31;
 - ii. Consolidated Statement of Change in Reserves and Surplus, as restated, enclosed as Annexure 32;
 - iii. Consolidated Statement of Secured Loans, as restated, enclosed as Annexure 33;
 - iv. Consolidated Statement of Unsecured Loans, as restated, enclosed as Annexure 34;
 - v. Consolidated Statement of Investments, as restated, enclosed as Annexure 35;
 - vi. Consolidated Statement of Sundry Debtors, as restated, enclosed as Annexure 36;
 - vii. Consolidated Statement of Loans and Advances, as restated, enclosed as Annexure 37;
 - viii. Consolidated Statement of Current Liabilities and Provisions, as restated, enclosed as Annexure 38;
 - ix. Consolidated Statement of Other Income, as restated, enclosed as Annexure 39;
 - x. Consolidated Statement of Dividend Paid/Proposed, enclosed as Annexure 40;

- xi. Consolidated Statement of Accounting Ratios, as restated, enclosed as Annexure 41;
- xii. Consolidated Capitalisation Statement as at 31st May 2010, as restated, enclosed as Annexure 42;
- xiii. Consolidated Statement of Commitments And Contingent Liabilities, as restated, enclosed as Annexure 43;
- xiv. Consolidated Statement of Segment Information, as restated, enclosed as Annexure 44;
- xv. Consolidated Tax Shelter Statement, enclosed as Annexure 45;
- xvi. Consolidated Statement of Related Party Transactions, as restated, enclosed as Annexure 46.

This report should not be in any way construed as a reissuance or a redating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion thereon.

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

This report is intended solely for use of the management 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 DELOITTE HASKINS & SELLS

Chartered Accountants
(Registration No. 117365W)

Gaurav J. Shah
Partner
(Membership Number: 35701)

Place: Ahmedabad
Date : 7th September, 2010

ANNEXURE 1 - SUMMARY STATEMENT OF ASSETS & LIABILITIES – RESTATED

(Rs in Million)

PARTICULARS	-----As at 31st December -----					As At 31 st May
	2005	2006	2007	2008	2009	2010
A. FIXEDASSETS						
Gross Block	1,379.86	2,573.81	3,539.45	5,819.93	6,246.81	6484.61
Less: Accumulated depreciation	169.78	331.40	584.27	929.06	1,349.96	1532.08
Net Block	1,210.08	2,242.41	2,955.18	4,890.87	4,896.85	4952.53
Less : Revaluation Reserve	-	-	-	-	-	-
Net Block after Revaluation Reserve	1,210.08	2,242.41	2,955.18	4,890.87	4,896.85	4952.53
Intangible Asset (Net of Amortisation)	-	4.14	38.76	34.57	23.35	18.70
Capital work-in-progress (Including Capital Advances)	150.35	718.54	1,124.05	735.35	1,232.29	1556.94
Total	1,360.43	2,965.09	4,117.99	5,660.79	6,152.49	6528.17
B. INVESTMENTS	88.54	123.85	127.70	164.15	170.57	170.57
C. CURRENT ASSETS, LOANS & ADVANCES						
Interest accrued on deposits	2.38	2.99	0.63	1.50	0.99	1.55
Inventories	446.08	584.49	574.32	1,047.66	1,216.35	1289.92
Sundry Debtors	324.73	1,179.57	2,667.99	2,676.89	2,414.19	2420.49
Cash & Bank Balances	108.83	764.29	142.61	166.65	435.33	403.75
Loans & Advances	230.26	373.41	357.71	731.15	1,200.40	1000.88
Total	1,112.28	2,904.75	3,743.26	4,623.85	5,267.26	5116.59
D. LIABILITIES & PROVISIONS						
Secured Loans	473.54	1,431.11	2,033.36	3,125.58	2,968.80	3705.22
Unsecured Loans	282.08	282.98	222.11	181.49	171.26	-
Deferred Tax Liability (Net)	136.15	219.62	315.49	517.77	511.98	503.38
Current Liabilities	596.88	1,456.98	1,900.53	1,929.30	2,769.63	2187.10
Provisions	123.72	157.02	365.53	429.21	314.39	295.83
Total	1,612.37	3,547.71	4,837.02	6,183.35	6,736.06	6691.53
Net Worth (A+B+C-D)	948.88	2,445.98	3,151.93	4,265.44	4,854.26	5123.80
E. Share Capital	291.14	896.93	896.93	896.93	341.24	511.85
F. Reserves & Surplus	658.27	1,549.05	2,255.00	3,368.51	4,513.02	4639.29
Less: Revaluation Reserve	-	-	-	-	-	-
Reserves & Surplus (Net of Revaluation Reserve)	658.27	1,549.05	2,255.00	3,368.51	4,513.02	4639.29
G. Miscellaneous Expenditure (To the extent not written off or adjusted)	(0.53)	-	-	-	-	(27.34)
Net Worth (E+F+G)	948.88	2,445.98	3,151.93	4,265.44	4,854.26	5123.80

Notes:-

The above statement should be read with the Significant Accounting Policies, appearing in Annexure 4; Notes to Restated Financial Information, appearing in Annexure 5; Statement on Adjustments to Audited Financial Statements, appearing in Annexure 6; and Notes to Statement on Adjustments to Audited Financial Statements, as restated, appearing in Annexure 7.

As per our report of even date

For Deloitte Haskins & Sells
Chartered Accountants

Gaurav J. Shah
Partner
(Membership No. 35701)

Place: Ahmedabad
Date : 7th September, 2010

ANNEXURE 2 - SUMMARY STATEMENT OF PROFITS AND LOSSES - RESTATED
(Rs in Million)

PARTICULARS	-----For the year ended 31st December-----					For Five months period ended 31 st May 2010
	2005	2006	2007	2008	2009	
INCOME :						
Turnover						
Gross Sales	2,181.98	3,090.26	3,254.58	4,781.45	5,330.34	2,276.85
Less: Excise Duty	68.94	85.11	100.10	81.63	32.96	10.10
Net Sales	2,113.04	3,005.15	3,154.48	4,699.82	5,297.38	2,266.75
Sales of Products Traded	667.31	750.03	2,357.88	2,168.30	950.00	291.62
Total Sales	2,780.35	3,755.18	5,512.36	6,868.12	6,247.38	2,558.37
Other Income	53.74	91.26	209.68	89.56	210.66	127.20
A. Total Income	2,834.09	3,846.44	5,722.04	6,957.68	6,458.04	2,685.57
EXPENDITURE :						
Increase in Stock	(127.45)	(67.79)	(10.53)	(489.71)	(71.96)	(4.87)
Material Consumed	968.67	1,087.12	897.55	1,544.71	1,590.50	809.41
Purchase of Finished Goods	288.27	252.69	1,025.09	1,327.90	648.77	166.15
Personnel Cost	188.84	303.28	423.34	432.18	386.47	216.19
Operating & Other Expenses	1,096.54	1,255.35	1,855.56	2,123.26	2,029.70	749.09
B. Total Expenditure	2,414.87	2,830.65	4,191.01	4,938.34	4,583.48	1,935.97
Profit Before Interest, Depreciation, Prior Period Items and Tax (A-B)	419.22	1,015.79	1,531.03	2,019.34	1,874.56	749.60
Interest	56.46	48.59	149.20	316.58	407.29	148.80
Depreciation	84.40	162.73	265.02	362.38	444.60	187.76
Prior period items	(1.84)	9.06	-	-	-	-
Total	139.02	220.38	414.22	678.96	851.89	336.56
Profit Before Taxation	280.20	795.41	1,116.81	1,340.38	1,022.67	413.04
Provision for Taxation						
Current tax	22.50	89.60	254.78	153.50	189.20	77.72
Fringe Benefit Tax	4.00	4.85	6.34	10.84	1.70	-
Deferred Tax	33.00	89.99	95.86	202.29	(5.79)	(12.17)
Current Tax of Earlier Periods	6.46	-	2.66	(49.93)	(53.07)	-
Total	65.96	184.44	359.64	316.70	132.04	65.55
Net Profit After Taxation and Before Adjustments	214.24	610.97	757.17	1,023.68	890.63	347.49
Adjustments (Net of Tax) (Refer Annexure 6)	5.53	37.17	65.74	121.89	(182.05)	(50.60)
Net Profit After Taxation, As Restated	219.77	648.14	822.91	1,145.57	708.58	296.89
Add :						
Balance Brought Forward from Previous year	313.15	463.00	1004.72	1,634.66	2,643.17	3,141.98
Amount available for appropriation, as restated	532.92	1,111.14	1,827.63	2,780.23	3,351.75	3,438.87
Appropriations						
Transferred to General Reserve	12.50	47.50	76.00	105.00	90.00	-
Proposed Dividend	50.36	50.36	99.98	27.28	102.37	-
Tax on Dividend	7.06	8.56	16.99	4.78	17.40	-
Balance Carried Forward, as restated	463.00	1004.72	1,634.66	2,643.17	3,141.98	3,438.87
Total	532.92	1,111.14	1,827.63	2,780.23	3,351.75	3,438.87

Notes :

The above statement should be read with the Significant Accounting Policies, appearing in Annexure 4; Notes to Restated Financial Information, appearing in Annexure 5; Statement on Adjustments to Audited Financial Statements, appearing in Annexure 6; and Notes to Statement on Adjustments to Audited Financial Statements, as restated, appearing in Annexure 7.

As per our report of even date

For Deloitte Haskins & Sells

Chartered Accountants

Gaurav J. Shah

Partner

(Membership No. 35701)

Place: Ahmedabad

Date : 7th September, 2010

ANNEXURE 3 - SUMMARY STATEMENT OF CASHFLOWS - RESTATED
(Rs in Million)

PARTICULARS	-----For the year ended 31st December-----					For Five months period ended 31 st May 2010
	2005	2006	2007	2008	2009	2010
A. CASHFLOW FROM OPERATING ACTIVITIES						
Profit before Taxation	280.20	795.41	1,116.81	1,340.38	1,022.67	413.04
Add: Adjustments on account of Restatements affecting Profit before taxation	4.19	42.69	19.81	115.08	(128.98)	(61.54)
Profit before Tax, As Restated	284.39	838.10	1,136.62	1,455.46	893.69	351.50
Adjustments for :						
Depreciation	85.35	163.31	266.26	364.27	446.40	188.48
(Profit)/Loss on Sale of Fixed Assets	0.07	(0.65)	1.21	2.25	72.11	0.36
Preliminary Expenses Written off	0.18	0.54	-	-	-	-
Provision for Doubtful Debts	0.85	33.50	134.24	72.71	85.21	-
Provision for Product Recall	-	-	-	-	-	74.35
Bad Debts written off	-	-	58.05	5.07	17.20	0.00
Unrealized (gain)/ loss on foreign exchange rate difference	-	6.40	(120.28)	185.56	(32.16)	(56.82)
(Gain) on swaps and cancellation of forward covers	-	-	-	(55.39)	-	-
Interest Income	(3.95)	(15.63)	(3.48)	(11.24)	(6.09)	(3.03)
Interest Expenses	60.41	64.22	152.69	327.82	413.38	151.84
Operating Profit before Working Capital Changes	427.30	1,089.79	1,625.31	2,346.51	1,889.74	706.68
Adjustments for :						
(Increase)/Decrease in Trade & Other receivables	(161.01)	(975.41)	(1,544.26)	(265.97)	(317.89)	165.88
(Increase)/Decrease in Inventories	(202.00)	(138.40)	10.18	(473.35)	(168.69)	(73.57)
Increase/(Decrease) in Trade, Other Payables	142.21	554.80	321.20	109.51	946.38	(483.38)
Cash Generated from Operating Activities	206.50	530.78	412.43	1,716.70	2,349.54	315.61
Less: Direct Taxes Paid	(8.97)	(106.18)	(27.76)	(1.53)	(475.80)	(66.64)
Net Cash Generated from Operating Activities	197.53	424.60	384.67	1,715.17	1,873.74	248.97
B. CASHFLOW FROM INVESTING ACTIVITIES						
Purchase of Fixed Assets	(442.57)	(1,784.21)	(1,421.72)	(1,945.29)	(1,059.84)	(565.44)
Proceeds from Sales of Fixed Assets	0.20	1.85	1.36	35.96	49.65	0.91
Proceeds from sale of Investment in a Subsidiary Company	-	-	-	0.57	-	-
Purchase of Investments	(32.85)	(35.33)	(3.84)	(37.02)	(6.42)	-
Interest Received	3.95	16.86	5.37	10.39	6.58	2.47
Increase/(Decrease) in Trade Payables (For Capital Expenditure)	-	324.75	40.88	(114.63)	(27.39)	(67.19)
Net Cash from Investing Activities / (Used)	(471.27)	(1,476.08)	(1,377.95)	(2,050.02)	(1,037.42)	(629.25)
C. CASHFLOW FROM FINANCING ACTIVITIES						
Proceeds/(Repayment) from / of Borrowings	422.16	910.66	540.59	730.24	(122.06)	597.20
Gain on swaps and cancellation of forward covers	-	-	-	55.39	-	-
Dividend Paid	-	(50.36)	(50.36)	(99.98)	(27.28)	(102.37)
Proceeds from issue of Equity Shares	-	2.43	-	-	-	-
Proceeds from issue of Preference Shares	-	603.36	-	-	-	-
Share Premium received (Net of Utilization)	-	301.55	-	-	-	-
Interest Paid	(60.41)	(60.70)	(118.63)	(326.76)	(418.30)	(146.13)
Net Cash from Financing Activities / (Used)	361.75	1,706.94	371.60	358.89	(567.64)	348.70
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	88.01	655.46	(621.68)	24.04	268.68	(31.58)
Cash and Cash Equivalents at beginning	20.82	108.83	764.29	142.61	166.65	435.33
Cash and Cash Equivalents at the end	108.83	764.29	142.61	166.65	435.33	403.75

Notes :

- The above statement should be read with the Significant Accounting Policies, appearing in Annexure 4; Notes to Restated Financial Information, appearing in Annexure 5; Statement on Adjustments to Audited Financial Statements, appearing in Annexure 6; and Notes to Statement on Adjustments to Audited Financial Statements, as restated, appearing in Annexure 7.
- The above cash-flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.

As per our report of even date

For Deloitte Haskins & Sells
Chartered Accountants

Gaurav J. Shah
Partner
(Membership No. 35701)
Place: Ahmedabad
Date : 7th September, 2010

ANNEXURE 4 - SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention on accrual basis of accounting, in accordance with the requirements of the Companies Act, 1956, including the accounting standards notified by the Central Government of India under Section 211 (3C) of the Companies Act, 1956.

2. Use of estimates

The preparation of financial statements, in conformity with the generally accepted accounting principles requires that the management makes estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

3. Fixed assets and depreciation

- a. Fixed assets are capitalized at cost including all direct costs and other expenses incurred in connection with acquisition of assets and are net of CENVAT.
- b. Capital work-in-progress includes advances for capital goods and expenditure on projects under implementation.
- c. Depreciation on Fixed Assets is provided on the straight-line method at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956.
- d. Leasehold improvements are amortized over a period of 36 months.
- e. Intangible assets are stated at cost and are amortized equally over a period of five years from the year in which incurred.

4. Investments

- a. Long-term investments are stated at cost. Any diminution in the value, other than temporary, is provided for.
- b. Investments in shares of foreign subsidiary companies are expressed in Indian Currency at the rate of exchange prevailing at the time when the original investments were made.

5. Inventories

Inventories are valued at lower of cost and net realisable value. Cost of inventories comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

The method of determining cost of various category of inventories as follows:

- a. With respect to the raw materials and packing materials the cost (net of CENVAT credit availed) is computed on Moving Average basis.
- b. The cost of work in progress and finished goods is determined on absorption cost basis and comprises of cost of materials, direct labour and manufacturing overheads.

6. Revenue recognition

- a. Sales include sales of products, dossiers and marketing rights. Sales include excise duty and exchange differences on sales transactions, but are net of sales tax. Sales are recognized at the time when significant risks and reward of ownership in the goods are transferred.
- b. Revenue in respect of other income is recognized when no significant uncertainty as to its determination or realization exists.

7. Export benefits

Export benefits arising on account of entitlement of duty free import under Duty Entitlement Pass Book Scheme are estimated and accounted in the year of exports if the same can be estimated with reasonable certainty.

8. Employee benefits

Defined Contribution Plan

The Company's contributions paid/payable for the year to Provident Fund and ESIC are charged to the profit and loss account for the year.

Defined Benefit Plan

The Company's liabilities towards gratuity and leave encashment are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognized

on a straight-line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognized immediately in the profit and loss account as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the balance sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

9. Foreign currency transactions

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.

Monetary items denominated in foreign currencies at the year-end are restated at the year-end rates. In case of items, which are covered by forward exchange contracts, the difference between the year end rate and the rate on the date of contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.

Non-monetary foreign currency items are carried at cost.

Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit and loss account.

10. Research and development expenses

Revenue expenditure on Research and Development is expensed as incurred. Expenses of capital nature are capitalized and depreciation is provided thereon as per the policy stated above.

11. Expenditure on product registration

Expenditure incurred for registration of products for overseas markets and for product acquisitions are charged to the profit & loss account.

12. Borrowing costs

Borrowing costs that are attributable to acquisition / construction of qualifying assets are capitalized as part of cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the profit & loss account.

13. Leases

Lease rentals in respect of assets taken on operating leases are charged to the profit and loss account on accrual and straight-line basis over the lease term.

14. Taxes on income

Current taxation

Current tax provision is determined on the basis of taxable income computed as per the provisions of the Income Tax Act.

Fringe benefit tax

Fringe Benefit Tax is determined at current applicable rates on expenses falling within the ambit of "Fringe Benefit" as defined under the Income Tax Act, 1961.

Deferred taxation

Deferred tax is recognized for all timing differences that are capable of reversal in one or more subsequent periods, subject to consideration of prudence and by applying tax rates that have been enacted or substantively enacted as on the balance sheet date.

15. Provision, contingent liabilities and contingent assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes to the financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

ANNEXURE 5 - NOTES TO RESTATED FINANCIAL INFORMATION
(Rs in Million)

PARTICULARS	-----As at 31st December-----					As at 31 st May
	2005	2006	2007	2008	2009	2010
1. Contingent Liabilities						
a Claims against the Company not acknowledged as debts in respect of sales tax and other matters	-	0.90	0.09	4.51	7.27	10.74
b Guarantees given by the bankers on behalf of the Company	-	-	-	21.52	6.30	8.50
c Disputed demand under Income tax	-	3.37	0.45	0.45	8.35	7.06
d Bills discounted	67.44	58.21	249.34	123.02	117.28	263.19
e Letters of credit outstanding	-	259.50	143.05	125.71	674.59	676.27

2. Commitments & Obligations

a. Estimated amount of contracts remaining to be executed on capital account and not provided for	536.58	594.64	612.57	135.05	526.47	219.04
b. i) Outstanding obligation to export goods within the stipulated period as per Export Promotional Capital Goods Scheme, failing which additional custom duty payable would amount to	254.77	447.52	539.36	554.43	562.73	459.93
ii) Timeframe within which such exports should be made	June 10 to May 11	June 11 to May 12	June 12 to May 13	June 13 to May 14	June 14 to May 15	June 15 to May 16
Failing which additional custom duty payable would amount to	-	106.88	45.35	113.15	104.00	90.55

3. In March 2006, the Company and its founders entered into a Share Subscription and Shareholders Agreement (“the Agreement”) with First Carlyle Ventures III, Mauritius and other Co-investors (collectively “Investors”). As per the terms of the Agreement, in March 2006, the Company issued 1,000 equity shares Rs.10/- each at par (“Investor equity shares”) and 603,360 Cumulative Preference Shares of the face value of Rs.1,000/- each at a premium of Rs.500 each (“the Securities”) to the Investors.

In accordance with the terms and conditions of the Agreement, in September 2009, the aforesaid 603,360 Cumulative Preference Shares of the face value of Rs.1,000 each have been converted into 4,766,269 Equity Shares of the face value of Rs.10 each resulting into share premium of Rs. 555.70 Mn. As per the terms and conditions of the Agreement, the Investor Equity Shares and the Securities, till their conversion into Equity Shares as stated above, carried differential rights as regards voting and right of dividend.

4. Capital Work In Progress includes preoperative expenditure pending allocation to projects under implementation, the break up of which is as under:

(Rs in Million)

PARTICULARS	-----As at 31st December-----					As at 31 st May
	2005	2006	2007	2008	2009	2010
Opening Balance	0.48	2.08	46.77	103.21	3.51	43.85
Add						
Interest and Finance Charges	2.62	7.15	48.97	27.36	43.82	55.29
Consultancy / Professional fee	3.95	54.01	11.92	2.60	-	-
Material Consumed	0.49	1.12	5.31	-	0.01	0.12
Personnel Cost	1.91	5.86	9.59	1.80	-	-
Other Expenses	0.04	0.66	1.87	5.07	0.68	0.25
Sub-Total	9.49	70.88	124.43	140.04	48.02	99.51
Less Capitalized during the year	7.41	24.11	21.22	136.53	4.17	16.19
Closing balance	2.08	46.77	103.21	3.51	43.85	83.32

(Rs in Million)

PARTICULARS	-----As at 31st December-----					As at 31 st May
	2005	2006	2007	2008	2009	2010
5. Profit and Loss account includes: -						
a) Managerial Remuneration paid to Directors						
Salary	1.85	2.46	3.06	16.61	20.13	9.58
Contribution to Provident Fund	0.02	0.02	0.02	0.03	0.03	0.02
Perquisites	0.10	0.11	0.07	0.07	0.30	0.14
	1.97	2.59	3.15	16.71	20.46	9.74
b. Payment to Auditors						
Audit Fees	0.56	1.35	1.35	1.38	1.66	0.75
Tax Audit	0.15	-	-	-	-	-
Certification and Other Services	0.22	0.18	0.23	2.56	0.69	0.30
In Connection with Proposed Initial Public Offering	-	-	-	-	-	1.10
	0.93	1.53	1.58	3.94	2.35	2.15

6. Disclosures regarding Derivative Instruments:

- a) The company uses forward exchange contracts to hedge its exposure in foreign currency. There are no contracts entered into for the purpose of speculation.
- b) The information on derivative instruments as on 31st May 2010 is as follows:

i. Hedged Exposures

(Rs in Million)

PARTICULARS	No.of Contracts	Foreign Currency Amount	Reporting Currency Amount
Forward cover for export receivables	1	USD 1.50	INR 69.68
Outstanding Currency Swap to hedge against fluctuation in exchange rate and interest rate change.		JPY 1,759.80	INR 893.63

ii. Unhedged Exposures

(Rs in Million)

PARTICULARS	Foreign Currency Amount	Reporting Currency Amount
Loans Outstanding	USD 15.34	INR 712.61
Accounts Receivable	USD 35.80	INR 1663.00
	EUR 1.54	INR87.94
	GBP 0.31	INR20.89
	CHF 0.04	INR1.60
	AUD 0.31	INR12.46
	NZD 0.05	INR1.64
	SEK 0.10	INR0.60
	JPY 7.96	INR4.04
	CAD 0.01	INR0.37
Accounts Payable	USD 14.33	INR 665.41
	EUR5.79	INR 331.15
	GBP0.18	INR12.36
	AUD0.63	INR25.15
	CHF0.08	INR3.25

Expenditure on account of Premium on forward exchange contracts to be recognized in Profit & Loss account of subsequent accounting period aggregates to Rs. 0.55 Mn.

7. Disclosure for operating leases under Accounting Standard 19 – “Accounting for Leases”

The company has entered into agreements for taking on lease and license basis residential / office premises including furniture and fittings therein, as applicable, for a period ranging from 11 to 60 months. The specified disclosure in respect of these agreements is given below:

(Rs in Million)						
PARTICULARS	-----For the year ended 31st December-----					For Five months period ended 31 st May 2010
	2005	2006	2007	2008	2009	2010
1 Lease payments recognized in the Profit and Loss account	13.21	10.94	12.46	23.24	26.27	12.45
2 Minimum lease payments under the agreements are as follows.						
(a) Not later than one year	1.80	7.99	11.92	22.14	28.05	27.77
(b) Later than one year but not later than five year	6.66	19.16	13.48	85.35	110.31	112.26
(c) Later than five year	0.84	-	-	82.54	90.51	78.90

8. Break-up of closing balance of net deferred tax liability into major components of Deferred Tax Assets and Deferred Tax Liabilities:

(Rs in Million)						
PARTICULARS	-----As at 31st December-----					As at 31 st May 2010
	2005	2006	2007	2008	2009	2010
1 Deferred Tax Liability						
Timing difference on account of difference between book depreciation and depreciation under Income-tax Act, 1961	(142.68)	(240.76)	(362.87)	(591.67)	(557.84)	(547.99)
2 Deferred Tax Asset						
Timing difference on account of disallowance of provisions / expenses	6.53	21.14	47.38	73.90	45.86	44.61
Net Deferred Tax Liability	(136.15)	(219.62)	(315.49)	(517.77)	(511.98)	(503.38)

9. Proposed Initial Public Offering Expenses:

The expenses aggregating to Rs. 27.34 Million incurred during the five months period ended on 31st May 2010 in connection with the proposed Initial Public Offering (IPO) of the Company are shown under Miscellaneous Expenditure (to the extent not written off or adjusted). Such expenditure, being incurred in connection with issue of shares, will be adjusted against the Share Premium to be received on issue of such shares pursuant to the proposed IPO.

10. Provision for loss due to product recalled:

The Company has initiated a recall of certain products as a precautionary measure against possible contamination due to the packaging integrity of such recalled products. The provision for the loss due to product recalled is based on estimates made by the management by applying principal laid down in Accounting Standard – 29 “Provisions, Contingent Liabilities and Contingent Assets”. Further it is not possible to estimate the timing / uncertainty relating to the outflow. The movement in the provision during the period as under:-

(Rs in Million)						
PARTICULARS	-----As at 31st December-----					As at 31 st May 2010
	2005	2006	2007	2008	2009	2010
Opening Balance	-	-	-	-	-	-
Provision made	-	-	-	-	-	74.35
Utilised	-	-	-	-	-	-
Reversal	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	74.35

ANNEXURE 6 - STATEMENT ON ADJUSTMENTS TO AUDITED FINANCIAL STATEMENTS
(Refer Annexure 7)

(Rs in Million)

PARTICULARS	-----For the year ended 31st December-----					For Five months period ended 31 st May
	2005	2006	2007	2008	2009	2010
Net Profit after taxation and Before Adjustments	214.24	610.97	757.17	1,023.68	890.63	347.49
Prior Period Items						
Prior Period Expenses	(1.84)	9.06	-	-	-	-
Sales	4.20	-	-	-	-	-
Operating Expenses	(10.69)	-	-	-	-	-
Interest	(0.21)	-	-	-	-	-
Material Cost	(2.36)	-	-	-	-	-
Changes in accounting policy						
Foreign Exchange Difference on acquisition of Fixed assets	(5.48)	24.83	-	-	-	-
Difference in depreciation due to change in accounting policy of foreign exchange difference.	(0.96)	(0.58)	(1.24)	(1.89)	(1.80)	(0.72)
Difference in Amount of Liability of employee benefits recalculated as per AS - 15 (Revised 2005)	(2.75)	0.88	1.25	-	-	-
Others						
Excess Provision of Expenses Written Back	(1.95)	-	-	-	-	-
Provision for Doubtful Debts & Advances made in earlier years no longer required	-	-	-	127.77	(127.18)	(0.59)
Bad Debt Recovered	-	-	10.80	(10.80)	-	-
Excess / Short Provision of Tax of Earlier Years	6.46	(2.66)	52.59	3.14	(53.07)	-
Sales Tax Refund	14.23	-	-	-	-	(14.23)
Retainership Charges paid in earlier years recovered	12.00	8.50	9.00	-	-	(46.00)
Total	10.65	40.03	72.40	118.22	(182.05)	(61.54)
Tax Rate	33.66%	33.66%	33.66%	33.99%	17.00%	18.17%
Tax impact on adjustments	(5.12)	(2.86)	(6.66)	3.67	-	10.94
Net Impact of adjustments	5.53	37.17	65.74	121.89	(182.05)	(50.60)
Profit After Tax, As Restated	219.77	648.14	822.91	1,145.57	708.58	296.89

ANNEXURE 7 - NOTES TO STATEMENT ON ADJUSTMENTS TO AUDITED FINANCIAL STATEMENTS

1. Adjustments

a. **Prior Period Items**

In the financial statements of the Company, certain items were identified as prior period items. For the purpose of this statement such prior period items have been appropriately adjusted to the respective years to which they relate and items relating to the period prior to the year ended 31st December 2005 have been appropriately adjusted to the opening balance of profit and loss account

b. **Excess provision of expenses written back**

During the financial period ended on 31st December 2005, excess provision of Rs. 1.95 Mn towards bonus to employees was written back. For the purpose of this statement, this excess provision for expenses written back has been adjusted to the opening balance of profit and loss account.

c. **Provision for Doubtful Debts & Bad Debts Recovered**

For the purpose of this statement Debts, considered doubtful and provided for and subsequently recovered, have been adjusted in the year when such debts were originally provided for.

d. **Short \ Excess provision for tax for earlier years**

Profit and loss account of certain years includes amounts paid/provided/written back for, in respect of shortfall / excess of income tax arising out of assessments, appeals etc. which for the purpose of this statement, have been adjusted in the years to which they relate.

e. **Proposed Dividend & Corporate Dividend Tax**

For the year ended 31st December 2004

The Company had proposed dividend on equity shares amounting to Rs. 46.14 Million. The said proposed dividend was not approved in the Annual General Meeting and was reversed during the year ended 31st December 2005 along with the corporate dividend tax of Rs. 6.03 Million. For the purpose of this statement the proposed dividend and the corporate dividend tax thereon that was reversed during the year ended 31st December 2005 have been adjusted in the balance of profit and loss account brought forward from previous year.

For the year ended 31st December 2007

Profit and loss account for the year ended 31st December 2007 includes short provision of tax on dividend of earlier year. For the purpose of this statement the short provision of tax on dividend has been adjusted to the year to which it relates i.e. the year ended 31st December 2006.

For the year ended 31st December 2009

The board of directors of the Company had recommended a dividend of Rs. 3.00 per Equity Share for the financial year ended on 31st December 2008. However with a view to retain sufficient reserves with the Company the shareholders at their Annual General Meeting approved a dividend of Rs. 0.80 per Equity Share. For the purpose of this statement the proposed dividend and the corporate dividend tax thereon no longer payable which was reversed during the year ended 31st December 2009 have been adjusted to the year in which they were originally appropriated, i.e. year ended 31st December 2008.

f. Changes in Accounting Policy

(i) Employee Benefits

During the year ended 31st December 2007, the Company had undertaken adoption of the Accounting Standard 15 (Revised 2005) "Employee Benefits". However, for the purpose of this statement the liability of employee benefits as provided for the years ended on 31st December 2006 and 2005 have been recalculated as per Accounting Standard 15 (Revised 2005) "Employee Benefits" as if the revised standard was adopted by the Company for the year ended 31st December 2005.

(ii) Foreign exchange liabilities pertaining to purchase of fixed assets

In view of withdrawal of the "Announcement" issued by the Institute of Chartered Accountants of India on 'Treatment of exchange differences under Accounting Standard (AS) 11 (revised 2003). The Effects of Changes in Foreign Exchange Rates vis-à-vis Schedule VI to the Companies Act, 1956', effective from 1st January 2007, any income or expense on account of exchange difference related to foreign exchange liabilities pertaining to purchase of fixed assets has been recognised in the Profit and Loss Account instead of giving effect thereof to the cost of the fixed assets.

For the limited purpose of restatement, any gain or loss on account of exchange difference related to foreign exchange liabilities pertaining to purchase of fixed assets arising during the years ended on 31st December 2005 and 31st December 2006, the effect of which was given to the cost of the fixed assets have been identified and restated by recognizing the same in Profit and Loss account. Consequentially, the depreciation on fixed assets for the relevant years has also been restated.

g. Tax impact of adjustments

For the purpose of the restated summary statements, adjustments have been made for the tax impact of the adjustments in the respective years to which the adjustment pertain.

h. Retainership Charges Paid in earlier years recovered

During the Five Months period ended 31st May 2010, the Company recovered retainership fees paid in earlier years. For the purpose of this statement such recoveries have been appropriately adjusted to the respective years to which they relate and the recoveries relating to the period prior to the year ended 31st December 2005 have been appropriately adjusted to the opening balance of profit and loss account.

i. Sales Tax Refund

During the five months period ended 31st May 2010, the Company received a refund of Sales Tax, this has been adjusted to the period to which it pertains i.e. year ended 31st December 2005.

2. Material Regroupings

a. Sale of goods traded in

As required by the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009, for the purpose of this statement sales of goods traded have been separately disclosed which have been derived by aggregating the quantities of the traded products sold and the yearly average net realisable value of the respective products.

b. Material cost:

The material cost as shown in the profit & loss account was inclusive of cost of traded goods sold. In the restated summary statement of unconsolidated profit and loss account, as required by the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009, the cost of traded goods sold has been shown separately from the material cost.

c. Appropriate adjustments have been made, wherever required, by a reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the financial statements for the five months period ended 31st May 2010.

ANNEXURE 8 - STATEMENT OF CHANGES IN SHARE CAPITAL

PARTICULARS	-----As at 31st December-----					As at 31 st May 2010
	2005	2006	2007	2008	2009	
<u>Authorised Share Capital</u>						
Equity Shares:						
Number of Shares of Rs. 10/- each	30,000,000	60,174,000	60,174,000	60,174,000	60,174,000	1,205,10,000
Amount (Rs. In Million)	300.00	601.74	601.74	601.74	601.74	12,051.00
Preference Shares:						
Cumulative Preference Shares of Rs. 1000/- each	-	603,360	603,360	603,360	603,360	-
Amount (Rs. In Million)	-	603.36	603.36	603.36	603.36	-
<u>Issued, Subscribed and Paid up Share Capital</u>						
Equity Shares:						
Number of Shares of Rs. 10/- each fully paid up	29,114,176	29,357,256	29,357,256	29,357,256	34,123,525	51,185,288
Amount (Rs. In Million)	291.14	293.57	293.57	293.57	341.24	511.85
Preference Shares:						
0.01% Series 'A' Cumulative Preference Shares of Rs.1,000/- each fully paid up	-	603,360	603,360	603,360	-	-
Amount (Rs. In Million)	-	603.36	603.36	603.36	-	-
Total	291.14	896.93	896.93	896.93	341.24	511.85

Notes:

Out of the above shares:-

- Equity Shares of Rs.10 each allotted as fully paid up bonus shares
Out of Surplus in Profit and Loss Account : 22,916,556 22,916,556 22,916,556 22,916,556 22,916,556 22,916,556
By capitalization Shares of Premium: - - - - - 17,061,763
22,916,556 22,916,556 22,916,556 22,916,556 22,916,556 39,978,319
- Equity Shares held by Sarjan Financial Private Limited, which company was the holding company of the Company till September 2009: 15,853,448 15,853,448 15,853,448 15,853,448 15,853,448 23,780,172
- During the year ended on 31st December 2006:-
242,080 equity shares of Rs.10/- each were issued on preferential basis.
1,000 equity share of Rs.10/- each were issued to First Carlyle Ventures III, Mauritius.
603,360 preference share of Rs 1,000/- each issued to First Carlyle Ventures III, Mauritius and other Co-investors.
- During the year ended on 31st December 2009: -
603,360 Cumulative Preference Shares of the face value of Rs.1,000 each have been converted into 4,766,269 Equity Shares of the face value of Rs.10 each. [Refer note 3 of Annexure 5].
- 1,000 equity shares issued during the year ended 31st December 2006 to First Carlyle Ventures III, carried differential rights as regards voting and rights of dividend. [Refer note 3 of Annexure 5]

ANNEXURE 9 - STATEMENT OF CHANGES IN RESERVES AND SURPLUS - RESTATED
(Rs. in Million)

PARTICULARS	-----As at 31st December-----					As at 31 st May
	2005	2006	2007	2008	2009	2010
A. General Reserve						
As per last balance sheet	25.00	37.50	85.00	161.00	266.00	356.00
Add : Transfer from Profit & loss account	12.50	47.50	76.00	105.00	90.00	-
Total	37.50	85.00	161.00	266.00	356.00	356.00
B. Share Premium Account						
As per last balance sheet	107.77	107.77	409.33	409.34	409.34	965.04
Add : Received during the year	-	323.47	0.01	-	555.70	-
Less: - Share issue expenses	-	21.91	-	-	-	-
Less:- Utilized for issue of bonus shares	-	-	-	-	-	170.62
Total	107.77	409.33	409.34	409.34	965.04	794.42
C. Capital Redemption Reserve	50.00	50.00	50.00	50.00	50.00	50.00
D. Surplus in Profit & Loss account, as restated	463.00	1,004.72	1,634.66	2,643.17	3,141.98	3,438.87
TOTAL (A+B+C+D)	658.27	1,549.05	2,255.00	3,368.51	4,513.02	4,639.29

ANNEXURE 10 - DETAILS OF SECURED LOANS – RESTATED
(Rs in Million)

PARTICULARS	-----As at 31st December-----					As at 31 st May
	2005	2006	2007	2008	2009	2010
<u>From Banks</u>						
Term loans						
In Foreign Currency	292.65	1,334.14	1,133.30	1,333.06	750.00	712.61
In Domestic Currency	-	-	-	200.00	768.09	1,364.63
Cash Credit accounts	163.78	-	506.76	1,360.57	1,433.90	1,603.65
Working Capital Loans	-	70.00	370.00	210.00	-	-
Vehicle Loans	6.34	18.66	14.31	7.92	9.08	7.97
Interest accrued and due on above loans	-	-	0.79	8.29	4.92	11.90
From Others						
Vehicle Loan from Finance Companies	10.77	8.31	8.20	5.74	2.81	4.46
Total	473.54	1,431.11	2,033.36	3,125.58	2,968.80	3,705.22

Principal Terms of Secured Loans.

(Rs in Million)

Sr No	Particulars of Lenders	Balance as on 31.05.10	Rate of Interest as on 31.05.10	Repayment Terms	Security	
Term Loans - In Foreign Currency						
1	Barclays Bank PLC	696.75	Tranches A: 6.3% per annum Tranches B: 8.28% per annum	Tranche A: Repayment in monthly installments as per deal until December 2010. Tranche B: Repayment in bullet payment in October 2011	Secured by first pari passu charge by way of hypothecation over certain specified moveable fixed assets, mortgage over the immovable fixed assets and second pari passu charge over stock and receivables and certain specified immovable properties in favour of the Bank.	
2	Canara Bank	15.86	US LIBOR + 700 bps	12 equal quarterly installments from October 14, 2007		
Total		712.61				
Term Loans – In Domestic Currency						
3	Indian Overseas Bank	163.09	12.75%(BPLR+75 bps)	60 EMI after an initial holiday period of one year from date of first availment	Secured by first pari passu charge by way of hypothecation over certain specified moveable fixed assets, mortgage over the immovable fixed assets and second pari passu charge over stock and receivables and certain specified immovable properties in favour of the Bank.	
	Indian Overseas Bank	35.44	12.50% (BPLR+50bps)	36 EMI after an initial holiday period of 18 months		
	Indian Overseas Bank	35.11	12.50% (BPLR+50bps)	36 EMI after an initial holiday period of 18 months		
4	The Lakshmi Vilas Bank	461.02	13.50%	24 quarterly installments after initial moratorium period of 2 years from date of first drawdown		
5	United Bank of India	179.14	12.75%(BPLR+75 bps)	16 quarterly installments from June 30, 2011 till March 31, 2015		
6	Allahabad Bank	240.53	12.00% (BPLR)	16 quarterly installments from September, 2011 after an initial holiday period of 21 months		
	Allahabad Bank	250.30	12.00% (BPLR)	18 quarterly installments from September, 2011 after an initial holiday period of 21 months		
Total		1,364.63				

(Rs in Million)

Sr No	Particulars of Lenders	Balance as on 31.05.10	Rate of Interest as on 31.05.10	Repayment Terms	Security
Cash Credit Accounts					
7	HDFC Bank	174.83	13.25%	Renewable at the end of each year.	Secured by first pari passu charge by way of hypothecation on all current assets of the company (present and future); second pari passu charge by way of hypothecation on movable fixed assets (present & future) and by way of mortgage on certain specified immovable fixed assets of the company (present and future); by first pari passu charge through Equitable mortgage on specified immovable property of the Company
8	Punjab National Bank	259.50	13.25% (BPLR+1.00 or highest charged in consortium)	Renewable at the end of each year.	
9	Andhra Bank	45.27	12.00 % (BPLR)	Renewable at the end of each year.	
10	Central Bank of India	199.06	12.00 % (BPLR)	Renewable at the end of each year.	
11	Indian Overseas Bank	449.92	12.00 % (BPLR)	Renewable at the end of each year.	
12	Canara Bank	475.07	12.00 % (BPLR)	Renewable at the end of each year.	
Total		1,603.65			

Vehicle Loans

(Rs in Million)

Sr No	Particulars of Lender	Balance as on 31.05.10	Rate of Interest as on 31.05.10	Repayment Terms	Security
1	Kotak Mahindra Prime Limited	0.16	8.28%	60 EMI of Rs.8,250 each	Hypothecation of specific vehicle(s).
		0.16	8.28%	60 EMI of Rs.8,250 each	
		0.52	8.28%	60 EMI of Rs 22,050 each	
		0.37	8.28%	60 EMI of Rs 19,560 each	
		0.46	11.30%	60 EMI of Rs 18,000 each	
		0.76	8.51%	36 EMI of Rs 24,960 each	
		0.76	8.51%	36 EMI of Rs 24,960 each	
		0.64	9.04%	36 EMI of Rs 21,164 each	
		0.64	9.04%	36 EMI of Rs 21,164 each	
2	HDFC Bank Limited	0.51	12.05%	60 EMI of Rs 16,606 each	Hypothecation of specific vehicle(s).
		0.87	12.05%	60 EMI of Rs 28,480 each	
		0.51	12.05%	60 EMI of Rs 16,430 each	

(Rs in Million)

Sr No	Particulars of Lender	Balance as on 31.05.10	Rate of Interest as on 31.05.10	Repayment Terms	Security
3	ICICI Bank Limited	0.51	11.36%	36 EMI of Rs 26,080 each	Hypothecation of specific vehicle(s).
		0.51	11.36%	36 EMI of Rs 26,080 each	
		1.37	12.05%	60 EMI of Rs 37,485 each	
		1.37	12.05%	60 EMI of Rs 37,485 each	
		0.77	11.36%	36 EMI of Rs 39,120 each	
		0.77	11.36%	36 EMI of Rs 39,120 each	
		0.77	11.36%	36 EMI of Rs 39,120 each	
	Total	12.43			
	Interest Accrued and Due	11.90			
	Grand Total	3,705.22			

Note :- BPLR stands for Benchmark Prime Lending Rate

ANNEXURE 11 - DETAILS OF UNSECURED LOANS – RESTATED
(Rs in Million)

PARTICULARS	-----As at 31st December-----					As at 31 st May
	2005	2006	2007	2008	2009	2010
<u>UNSECURED LOANS</u>						
Fixed Deposits						
Promoters	0.28	0.11	0.12	-	-	-
Others	24.39	22.26	17.74	17.75	-	-
Loans From						
Promoters	-	-	-	-	-	-
Group Companies	86.37	84.65	133.68	106.88	-	-
Material Associate Company	-	-	-	-	-	-
Others	171.04	175.96	70.57	56.86	-	-
Short term loan from Allahabad Bank	-	-	-	-	171.26	-
Total	282.08	282.98	222.11	181.49	171.26	-

ANNEXURE 12 - STATEMENTS OF INVESTMENTS

(Rs. in Million)

PARTICULARS	-----As at 31st December-----					As at 31 st May
	2005	2006	2007	2008	2009	2010
<u>LONG TERM, UNQUOTED:</u>						
<u>TRADE</u>						
<u>In Subsidiary Companies:</u>						
Catalys Venture Cap Limited, Mauritius						
11,40,600 Ordinary Shares of US\$ 1 each fully paid-up	26.28	50.49	50.49	50.49	50.49	50.49
Claris Lifesciences Venezuela C.A.						
1,000 Common Shares of Bolivars 1000 each fully paid-up	0.04	0.04	0.04	0.04	0.04	0.04
Claris Produtos Farmaceuticos do Brasil Ltda,						
46,42,248.46 Of Real 1 each fully paid-up (Previous Years						
31,86,820.71 quotas)	56.54	56.54	56.54	93.50	93.50	93.50
Claris Lifesciences Indonesia. PT						
1,00,000 Shares of Indonesia Rupiah 9108 each fully paid-up	4.51	4.51	4.51	4.51	4.51	4.51
Claris Lifesciences Colombia Ltda 2,71,661 (Previous						
Years 47,250)Quotas of Colombian Pesos 1000 each fully						
paid-up	0.95	0.95	0.95	0.95	7.37	7.37
Claris Lifesciences Philippines, INC.						
1,02,000 Shares of Philippine Pesos 100 each fully paid-up	-	9.40	9.40	9.40	9.40	9.40
Claris Lifesciences de Mexico SA de CV						
50 Shares of Mexican Pesos 1000 each fully paid-up	-	0.20	0.20	0.20	0.20	0.20
Claris Lifesciences Inc., USA						
200 Shares of US \$ 1 each fully paid-up	0.01	0.01	0.01	0.01	0.01	0.01
Claris Lifesciences (UK) Limited						
100 Ordinary Shares of GBP 1 each fully paid-up	0.01	0.01	0.01	0.01	0.01	0.01
Claris Lifesciences (Aust) Pty Ltd						
100 Ordinary Shares of AUD 1 each fully paid-up	-	0.00	0.00	0.00	0.00	0.00
Claris Lifesciences & Cia Chile Limited						
100% of Social Rights	-	0.00	2.85	2.85	2.85	2.85
Icubix Infotech Limited						
49,940 Equity Shares of Rs.10/- each fully paid-up.	-	0.50	0.50	0.50	0.50	0.50
Xcelris Labs Limited						
Nil (Previous Years 49,940) Equity Shares of Rs.10/- each						
fully paid-up.	-	0.50	0.50	-	-	-
Claris Lifesciences International Limited						
50,000 Equity Shares of Rs. 10/- each fully paid-up.	-	0.50	0.50	0.50	0.50	0.50
Claris Biosciences Limited						
50,000 Equity Shares of Rs. 10/- each fully paid-up.	-	-	0.50	0.50	0.50	0.50
Claris Infrastructure Limited						
50,000 Equity Shares of Rs. 10/- each fully paid-up.	-	-	0.50	0.50	0.50	0.50
<u>In Other Company:</u>						
Indian Renal Foundation						
19,400 Equity Shares of Rs. 10/- each fully paid	0.19	0.19	0.19	0.19	0.19	0.19
<u>NON TRADE:</u>						
<u>In Government Securities:</u>						
7 years National Savings Certificate VI Issue	0.01	0.01	0.01	-	-	-
TOTAL	88.54	123.85	127.70	164.15	170.57	170.57

ANNEXURE 13 - STATEMENT OF DEBTORS
(Rs. in Million)

PARTICULARS	-----As at 31st December-----					As at 31 st May
	2005	2006	2007	2008	2009	2010
Considered good:						
Debts Outstanding for a period						
Exceeding Six months	31.90	115.11	492.75	645.43	778.75	820.34
Less than Six months	292.83	1,064.46	2,175.24	2,031.46	1,635.44	1,600.15
Total (A)	324.73	1,179.57	2,667.99	2,676.89	2,414.19	2,420.49
Considered Doubtful:						
Debts outstanding for a period						
Exceeding Six months	1.58	35.08	115.54	72.71	71.54	82.13
Less than Six months	-	-	-	-	10.59	-
Less: Provision for Doubtful Debts	(1.58)	(35.08)	(115.54)	(72.71)	(82.13)	(82.13)
Total (B)	-	-	-	-	-	-
Total (A+B)	324.73	1,179.57	2,667.99	2,676.89	2,414.19	2,420.49

Note:

Sundry Debtors includes amount due from :-

1) Subsidiary Companies
a. Debts considered good

Exceeding Six months	-	80.04	101.43	38.45	4.54	1.26
Less than Six months	93.67	162.17	235.66	221.00	15.21	10.90

b. Debts considered doubtful

Exceeding Six months	-	-	0.51	-	5.30	-
Less than Six months	-	-	7.88	-	10.59	15.07

Total	93.67	242.21	345.48	259.45	35.64	27.23
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2) Sundry Debtors other than subsidiary companies include amount due from :-

a. Directors / Promoters	-	-	-	-	-	-
b. Parties related to Directors/ Promoters / the Company	-	-	-	-	-	-

ANNEXURE 14 - STATEMENT OF LOANS AND ADVANCES - RESTATED
(Rs in Million)

PARTICULARS	-----As at 31st December-----					As at 31 st May
	2005	2006	2007	2008	2009	2010
(Unsecured, considered good unless otherwise stated)						
Considered Good						
Loan to Subsidiaries	1.41	87.79	78.20	89.17	304.57	67.89
Advances Recoverable in Cash or in Kind or for value to be received	66.19	94.46	53.27	64.54	99.91	101.36
Intercompany Deposits	62.90	53.51	1.79	69.42	73.41	68.60
Advances to suppliers	87.88	112.06	192.24	466.52	686.18	723.30
Balance with Government Authorities	1.34	0.65	4.08	8.46	8.88	11.27
Earnest Money Deposits & Tender Deposits	4.48	9.17	12.45	17.37	11.16	12.19
Electricity and other deposits	6.06	15.77	15.68	15.67	16.29	16.27
Total (A)	230.26	373.41	357.71	731.15	1,200.40	1,000.88
Considered Doubtful						
Loan to Subsidiaries	-	-	53.78	-	3.08	2.50
Advances Recoverable in Cash or in Kind or for value to be received	0.85	0.85	0.85	0.85	-	-
Less: Provision for Doubtful Advances	(0.85)	(0.85)	(54.63)	(0.85)	(3.08)	(2.50)
Total (B)	-	-	-	-	-	-
Total (A) + (B)	230.26	373.41	357.71	731.15	1,200.40	1,000.88

Note:-
Loans and advances include:

1. Intercompany Deposits due to companies under same management u/s 370 (1B)	1.21	1.21	1.21	69.37	73.41	67.64
2. Amounts due from :						
a. Directors / Promoters / Officers of the Company	0.31	-	0.26	0.19	0.68	1.50
b. Parties related to Directors / Promoters	36.50	22.46	20.84	22.17	0.58	0.58
3. Advances Receivable from companies under same management u/s 370 (1B)	-	-	-	4.33	45.11	45.11

ANNEXURE 15 - STATEMENT OF CURRENT LIABILITIES AND PROVISIONS – RESTATED

PARTICULARS	(Rs in Million)					As At
	-----As at 31st December-----					31 st May
	2005	2006	2007	2008	2009	2010
A Current Liabilities						
Sundry Creditors :						
Small Scale Industrial Undertaking /Micro and Small enterprises	16.51	41.09	12.49	2.33	17.68	22.49
Others	190.04	520.86	819.90	805.61	1,024.23	883.43
For Capital Goods	53.67	374.63	415.52	300.89	273.49	206.31
Other Current Liabilities:						
Advances from Customers	124.87	221.12	260.18	350.87	532.21	424.83
Advance from Subsidiary Companies	-	0.30	15.57	23.21	522.88	281.11
Security Deposits	207.05	240.82	356.44	424.62	388.71	359.78
Interest Accrued but not due on Loans	4.74	18.15	18.42	11.98	10.43	9.15
Bank Overdraft as per Books	-	40.01	2.01	9.79	-	-
Total (A)	596.88	1,456.98	1,900.53	1,929.30	2,769.63	2,187.10
B Provisions						
For Taxation (Net of Payments)	47.62	70.37	214.29	330.47	142.69	145.70
For Employees Benefits	18.74	27.73	34.27	49.70	51.94	75.78
For Proposed Dividend	50.30	50.36	99.98	27.28	102.37	-
For Tax on Distributed Profits	7.06	8.56	16.99	21.76	17.39	-
For Product Recall	-	-	-	-	-	74.35
Total (B)	123.72	157.02	365.53	429.21	314.39	295.83
Total (A+B)	720.60	1,614.00	2,266.06	2,358.51	3,084.02	2,482.93

ANNEXURE 16 - STATEMENT OF OTHER INCOME - RESTATED
(Rs in Million)

PARTICULARS	-----For the year ended 31st December-----					For Five Months Period ended 31 st May
	2005	2006	2007	2008	2009	2010
A. Other Income, As Restated	51.79	91.26	209.68	78.76	82.89	66.38
B. Profit Before tax, As Restated	284.39	838.10	1,136.62	1,455.46	893.69	351.50
Percentage (%) A/B	18.21%	10.89%	18.45%	5.41%	9.27%	18.89%

SOURCES OF OTHER INCOME

PARTICULARS	Related / Not Related to business	-----For the year ended 31st December-----					For Five Months Period ended 31 st May
		2005	2006	2007	2008	2009	2010
A. Recurring Income							
Scrap Sales	Related	9.39	14.12	22.06	9.39	9.04	3.42
Sub Total		9.39	14.12	22.06	9.39	9.04	3.42
B. Non Recurring Income							
Excess provision no longer required	Related	1.95	-	-	-	127.77	0.59
Exchange Rate Difference(Net)	Related	-	8.06	176.21	-	45.68	62.66
Export Incentives	Related	33.05	64.53	3.80	-	-	-
Service Contract Income	Related	3.72	3.77	1.62	-	-	-
Commission earned	Related	-	-	-	9.31	-	-
Bad debt recovered	Related	-	-	-	10.80	-	-
Sale of Voluntary Carbon Reduction Units	Related	-	-	-	-	21.44	-
Gain on swap or cancellation of forward covers	Related	-	-	-	55.39	-	-
Profit on Sale of Fixed Assets	Not Related	-	0.65	-	-	-	-
Insurance Claim Received	Not Related	-	0.12	-	-	-	-
Miscellaneous Income	Not Related	5.63	0.01	5.99	4.60	6.73	0.30
Gain on sale of investment in a Subsidiary company	Not Related	-	-	-	0.07	-	-
Retainership Charges paid in earlier year recovered	Not Related	-	-	-	-	-	46.00
Sales Tax Refund	Not Related	-	-	-	-	-	14.23
Sub Total		44.35	77.14	187.62	80.17	201.62	123.78
TOTAL (A+B)		53.74	91.26	209.68	89.56	210.66	127.20
Adjustments (Refer Annexure 6)		(1.95)	-	-	(10.80)	(127.77)	(60.82)
Other income, as restated		51.79	91.26	209.68	78.76	82.89	66.38

Note:

The classification of recurring / non recurring and related / not related to business activity is based on the current operations and business activity of the Company as determined by the management.

ANNEXURE 17 - STATEMENT OF DIVIDEND PAID/PROPOSED

PARTICULARS	Face Value	-----For the year ended 31st December-----					For Five months period ended 31 st May
		2005	2006	2007	2008	2009	2010
Class of Shares							
Equity Shares – Numbers	10	29,114,176	29,357,256	29,357,256	29,357,256	34,123,525	51,185,288
0.01% Cumulative Preference Shares – Numbers	1,000	-	6,03,360	6,03,360	6,03,360	-	-
Dividend on Equity Shares							
Rate of Dividend (%)		15%	15%	30%	8%	30%	-
Dividend Per Share (Rs)		1.50	1.50	3.00	0.80	3.00	-
Amount of Dividend (Rs. in Million)		50.36	50.36	99.98	27.28	102.37	-
Corporate Dividend Tax (Rs. in Million).		7.06	8.56	16.99	4.78	17.40	-
Dividend On Preference Shares							
Rate of Dividend (%)		-	-	-	-	-	-
Dividend Per Share (Rs)		-	-	-	-	-	-
Amount of Dividend (Rs. in Million)		-	-	-	-	-	-
(Rs in Million)							
		-----For the year ended 31st December-----					For Five months period ended 31 st May
		2005	2006	2007	2008	2009	2010
Note							
1,000 Equity Shares of Rs.10 each issued to First Carlyle Ventures - III (Refer note 3 of Annexure 5) carried differential rights as regards voting and right of dividend. Dividend on equity shares for the respective years /period includes dividend on such shares computed considering deemed conversion of 603,360 0.01% Cumulative Preference Shares amounting to Rs.		6.33	6.35	11.88	3.81	9.64	

ANNEXURE 18 - STATEMENT OF ACCOUNTING RATIOS - RESTATED

PARTICULARS	-----For the year ended 31st December-----					For Five months period ended 31 st May
	2005	2006	2007	2008	2009	2010
A. Basic and Diluted Earning per Share (Rs.)						
<u>Basic EPS</u>						
Computation of Profit (Numerator)						
Net Profit for the year/Period, as restated attributable to Equity Shareholders (Rs. in Million)	212.56	640.71	809.00	1,141.11	697.30	296.89
Weighted average number of Shares (Denominator)						
Weighted average number of Equity Shares of Rs. 10 each used for calculation of Basic Earning per Share (After considering issue of bonus shares, refer note 1 below)	46,175,939	46,378,375	46,419,019	46,419,019	47,972,953	51,185,288
Basic EPS (in Rs.) (After considering issue of bonus shares, refer note 1 below)	4.60	13.81	17.43	24.58	14.54	5.80
Face value per share (in Rs.)	10.00	10.00	10.00	10.00	10.00	10.00
<u>Diluted EPS</u>						
Computation of Profit (Numerator)						
Net Profit after tax, as restated (Rs. In Million)	219.77	648.14	822.91	1,145.57	708.58	296.89
Weighted average number of Shares (Denominator)						
Weighted average number of Shares used for calculating diluted Earning per share (after considering issue of bonus shares refer note 1 below)	50,394,093	50,596,529	50,387,468	51,185,288	51,185,288	51,185,288
Diluted EPS (in Rs.) (After considering issue of bonus shares, refer note 1 below)	4.36	12.81	16.33	22.38	13.84	5.80
Face value per share (in Rs.)	10.00	10.00	10.00	10.00	10.00	10.00
B. Net Asset Value Per Equity Share (Rs.)						
Net Assets, as restated (Rs. in Million)	948.88	1,842.62	2,548.57	3,662.08	4,854.26	5,123.80
Number of equity shares outstanding at the end of the year (Before considering issue of bonus shares)	29,114,176	29,357,256	29,357,256	29,357,256	34,123,525	51,185,288
Number of equity shares outstanding at the end of the year (After considering issue of bonus shares)	46,175,939	46,419,019	46,419,019	46,419,019	51,185,288	51,185,288
Net Assets Value per equity share (Before issue of bonus shares)	32.59	62.77	86.81	124.74	142.26	100.10
Net Assets Value per equity share (After issue of bonus shares)	20.55	39.70	54.90	78.89	94.84	100.10
C. Return on Networth						
Net Profit after tax as restated (Rs. in Million)	219.77	648.14	822.91	1,145.57	708.58	296.89
Net worth, as restated (Rs. in Million)	948.88	2,445.98	3,151.93	4,265.44	4,854.26	5,123.80
Return on Networth	23.16%	26.50%	26.11%	26.86%	14.60%	5.79%

Notes:

1. The Company, on 7th April 2010 has issued 17,061,763 bonus shares to its existing shareholders in the proportion of one equity share for every two equity shares held by capitalization of Share Premium Account. In view of this, and in accordance with the requirements of the Accounting Standard –20 “Earnings per share”, the bonus shares issued by the Company have been taken into consideration for calculation adjusting the basic and diluted earning per share for all the comparative periods presented.
2. The ratios have been computed as per the following formulae:

a) Basic and Diluted Earnings per Share

$$\frac{\text{Net Profit after tax, as restated for the year / period, attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year / period}}$$

b) Net Assets Value (NAV)

$$\frac{\text{Net Assets, as restated, at the end of the year / period}}{\text{Number of equity shares outstanding at the end of the year / period}}$$

c) Return on Net worth (%)

$$\frac{\text{Net Profit after tax, as restated, at the end of the year / period}}{\text{Net worth, as restated, at the end of the year /period}}$$

ANNEXURE 19 - CAPITALISATION STATEMENT - RESTATED

PARTICULARS	(Rs in Million)	
	Pre-Issue As at 31 st May, 2010	Post-issue
Long Term debt	3,288.19	-
Short Term debt	417.03	-
Total Debts	3,705.22	-
Shareholders' Funds		
Share Capital	511.85	See Notes Below
Reserves & Surplus	4,639.29	See Notes Below
Total Shareholders' Funds	5,151.14	
Long-term Debt to Equity Ratio	0.64 : 1	See Note Below

Notes:

1. Post Issue Capitalisation will be determined after finalization of issue price.
2. Short term debts represent debts which are due within 12 months from 31st May 2010
3. Long term debts represent debts other than short term debts, as defined above.

ANNEXURE 20 - COMMITMENTS AND CONTINGENT LIABILITIES - RESTATED
(Rs in Million)

PARTICULARS	-----As at 31st December-----					As at 31 st May
	2005	2006	2007	2008	2009	2010
<u>Contingent liability in respect of :</u>						
a. Claims against the Company not acknowledged as debts in respect of sales tax and other matters	-	0.90	0.09	4.51	7.27	10.74
b. Guarantees given by the bankers on behalf of the Company	-	-	-	21.52	6.30	8.50
c. Disputed demand under Income tax	-	3.37	0.45	0.45	8.35	7.06
d. Bills discounted	67.44	58.22	249.34	123.02	117.28	263.19
e. Letters of credit outstanding	-	259.51	143.05	125.71	674.59	676.27
<u>Commitments and Obligations :</u>						
a. Estimated amount of contracts remaining to be executed on capital account and not provided for	536.58	594.64	612.57	135.05	526.47	219.04
b. Outstanding obligation to export goods within the stipulated period as per Export Promotional Capital Goods Scheme, failing which additional custom duty payable would amount to	254.77	447.52	539.36	554.43	562.73	459.93
ii) Timeframe within which such export should be made	June 10 to May 11	June 11 to May 12	June 12 to May 13	June 13 to May 14	June 14 to May 15	June 15 to May 16
Failing which additional custom duty payable would amount to	-	106.88	45.35	113.15	104.00	90.55

ANNEXURE 21 - STATEMENT OF SEGMENT INFORMATION - RESTATED

Segment Information

(i) Primary Segment:

In accordance with the requirements of Accounting Standard - 17 on Segment Reporting, the Company has determined its business segment as "Drugs and Pharmaceuticals". Since all of the Company's business is from "Drugs and Pharmaceuticals", there are no other primary reportable segments. Thus the segment revenue, segment result, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, the total amount of charge for depreciation during the year / period are all reflected in the respective financial statements as at and for the year / period then ended.

(ii) Secondary Segment (Geographical Segment)

PARTICULARS	-----As at/For the year ended 31st December-----					(Rs. in Million) As at / For Five Months Period ended 31 st May
	2005	2006	2007	2008	2009	2010
Total Assets						
In India	2,183.94	5,055.39	6,841.42	7,668.92	10,324.36	10,294.11
Outside India	377.31	938.30	1,147.53	2,779.87	1,265.96	1,521.22
Total	2,561.25	5,993.69	7,988.95	10,448.79	11,590.32	11,815.33
Capital Expenditure						
In India	442.57	1,767.52	1,421.57	1,945.29	1,059.84	565.44
Outside India	-	1.65	0.15	-	-	-
Total	442.57	1,769.17	1,421.72	1,945.29	1,059.84	565.44
Revenue						
In India	1,578.10	2,184.82	4,001.57	3,711.25	3,345.09	1,259.91
Outside India	1,202.25	1,570.36	1,510.79	3,156.87	2,902.29	1,298.46
Total	2,780.35	3,755.18	5,512.36	6,868.12	6,247.38	2,558.37

ANNEXURE 22 - TAX SHELTER STATEMENT
(Rs in Million)

PARTICULARS		-----For the year ended 31st December-----					For Five Months Period ended 31 st May 2010
		2005	2006	2007	2008	2009	
Net Profit before Tax – Restated	(A)	284.39	838.10	1,136.62	1,455.46	893.69	351.50
Weighted Average Tax rate	(B)	33.66%	33.66%	33.99%	33.99%	33.99%	33.22%
Notional Tax at above rate	(C)	95.73	282.10	386.34	494.71	303.76	116.77
Adjustments for:							
Permanent differences on account of :							
Research & Development Expenses u/s. 35 (2AB)		71.82	245.33	275.05	120.65	13.76	4.99
Deduction in respect of export profits u/s. 10 B		-	16.73	159.20	717.27	466.80	195.86
Capital Receipts not taxable / Capital Expenditure not deductible		-	-	106.59	(150.84)	-	-
Donation		(0.98)	(0.59)	(1.46)	(7.30)	(0.82)	(0.43)
Profit / (Loss) on sale of assets		(0.07)	0.26	(1.21)	(2.18)	(72.10)	(0.36)
Others		7.96	-	(8.16)	(18.30)	(7.62)	-
Total	(D)	78.73	261.73	530.01	659.30	400.02	200.06
Timing differences on account of :							
Difference between Book Depreciation and Tax Depreciation		130.16	307.80	145.81	337.03	85.60	(0.75)
Disallowance under section 43B		(3.50)	(13.42)	(12.30)	(19.23)	-	-
Disallowance under section 40 (a) (i)		-	-	(239.89)	-	133.70	-
Provision for doubtful debts/advances		(0.85)	7.88	-	66.40	(85.21)	-
Total	(E)	125.81	302.26	(106.38)	384.20	134.09	(0.75)
Net Adjustments: (D) + (E)	(F)	204.54	563.99	423.63	1,043.50	534.11	199.31
Tax saving thereon	(G)	68.85	189.84	143.99	354.69	181.54	66.21
Total Current Tax (C) - (G)	(H)	26.88	92.26	242.35	140.02	122.22	50.56
Increase in tax expense on account of Rounding of		0.74	0.20	0.09	0.81	-	-
Short provision of tax		-	-	-	-	-	-
Interest		-	-	19.00	9.00	-	-
Adjustment on account of Restatements		(5.12)	(2.86)	(6.66)	3.67	-	10.94
Total	(I)	22.50	89.60	254.78	153.50	122.22	61.50
Tax liability as per the provision of Section 115 JB of the Income Tax Act, 1961	(J)	-	-	-	-	189.20	77.72
Current tax provision for the year - Amount higher of (J) or (I)		22.50	89.60	254.78	153.50	189.20	77.72
Current tax provision for the period as per the books of accounts		22.50	89.60	254.78	153.50	189.20	77.72

Notes :

The tax year for the Company being the year ending 31st March, the provision for taxation for the year / period ended 31st December/31st May is the aggregate of the provision required for the three months ended 31st March and the provision required for the remaining nine/two months ended 31st December/31st May. The ultimate tax liability of which has been estimated on the basis of the actual / projected figures for the period from 1st April to 31st March. Accordingly the above computation has been made on the basis of the calculations of the tax liability made for determining the current tax provision for the respective accounting periods, which has been estimated on the basis of the actual / projected figures for the period from 1st April to 31st March.

ANNEXURE 23 - STATEMENT OF RELATED PARTY, AS RESTATED

(A) Particulars of related parties and nature of relationship:

Name of the Related Parties	Nature of Relationship
Sarjan Financial Private Limited	Holding Company (Upto September, 2009)
Claris Lifesciences Venezuela C. A.	Subsidiary Company
Claris Produtos Farmaceuticos Do Brasil Ltda.	Subsidiary Company
Pt. Claris Lifesciences – Indonesia	Subsidiary Company
Claris Lifesciences - Colombia Ltda	Subsidiary Company (Since 2005)
Icubix Infotech Limited	Subsidiary Company (Since 2006)
Xcelris Labs Limited	Subsidiary Company (Since 2006 Up to September, 2008)
Catalys Venture Cap Limited	Subsidiary Company
Claris Lifesciences International Limited (Formerly known as Claris International Limited)	Subsidiary Company (Since 2007)
Claris Lifesciences Philippines Inc	Subsidiary Company (Since 2006)
Claris Lifesciences De Mexico SA de CV	Subsidiary Company
Claris Lifesciences (UK) Limited	Subsidiary Company (Since 2006)
Claris Lifesciences Inc.	Subsidiary Company (Since 2005)
Claris Lifesciences & CIA Chile Limitada	Subsidiary Company (Since 2006)
Claris Lifesciences (Aust) Pty Limited	Subsidiary Company (Since 2006)
Claris Infrastructure Limited	Subsidiary Company (Since 2007)
Claris Biosciences Limited	Subsidiary Company (Since 2007)
Claris SteriOne	Subsidiary Company (Since December 2009)
Claris Pharmaservices	Subsidiary Company (Since January 2010)
Mr. Chetan S. Majmudar	Key Management Personnel (KMP)
Mr. Amish Vyas	Key Management Personnel (KMP) (From November,2006 To January,2008 and then From July 2009 onwards)
Mr. Arjun S. Handa	Key Management Personnel (KMP)
Mr. Aditya S. Handa	Key Management Personnel (KMP)
Mr. Jatin R. Jalundhwala	Key Management Personnel (KMP) (Up to November,2005)
Mr. Chandrasingh Purohit	Key Management Personnel (KMP) (Since March,2009)
Prarabdh Financial Private Limited	Company in which KMP have Controlling Interest (Upto October, 2007 and From March, 2009 onwards.)
Red Bricks Junior Education Limited	Company in which KMP have Controlling Interest (Since September,2009)
Cygnus Laboratories Limited	Company in which KMP have Controlling Interest (Since September,2008)
Levana Financial Services Limited	Company in which KMP have Controlling Interest (Since 2009)
Aventure Infrastructure Limited	Company in which KMP have Controlling Interest (Since 2009)
Dialysis Healthcare Private Limited	Company in which KMP have Controlling Interest (Upto October,2007)
Darshnil Financial Private Limited	Company in which KMP have Controlling Interest.
Accelarar Technologies Limited	Company in which KMP have Controlling Interest (Upto February, 2008, and From February, 2009 onwards)
Medical Technologies Limited	Company in which KMP have Controlling Interest
Matrix Logistics Limited	Company in which KMP have Controlling Interest (Since February, 2005 upto October, 2007)
P I.Capital Limited	Company in which KMP have Controlling Interest (Upto October,2007)
Enthrills Infotech Limited	Company in which KMP have Controlling Interest (Upto October,2007)
Abellon Agrisciences Ltd (Formerly known as Olive Agrisciences Ltd)	Company in which KMP have Controlling Interest (Since October,2009)
Sarjan Financial Private Limited	Company in which KMP have Controlling Interest (Since September, 2009)
Xcelris Labs Limited	Company in which KMP have Controlling Interest (Since September, 2008)
Mr. Sushilkumar Handa	Relative of KMP
Mrs. Beena S. Handa	Relative of KMP

(B) Details of transactions with related parties:**(Rs in Million)**

PARTICULARS	-----For the year ended 31st December-----					For Five Months period ended 31 st May 2010
	2005	2006	2007	2008	2009	
A. Nature of Transactions						
Sales						
Claris Produtos Farmaceuticos Do Brasil Ltda.	217.92	308.66	90.83	20.24	6.33	15.78
Claris Lifesciences - Colombia Ltda	-	73.81	28.19	37.67	12.62	34.31
Claris Lifesciences Philippines Inc	-	-	9.18	3.38	5.17	8.74
Pt. Claris Lifesciences - Indonesia	-	-	28.95	5.62	29.45	12.83
Claris Lifesciences & CIA Chile Limitada	-	-	20.08	7.45	-	-
Claris Lifesciences Venezuela C. A.	-	-	26.95	12.33	-	-
Claris Lifesciences Inc.	-	-	-	28.24	79.49	9.99
Catalys Venture Cap Limited	-	-	-	-	223.32	228.69
Services Received						
Enthrills Infotech Limited	19.10	6.00	-	-	-	-
Icubix Infotech Limited	-	16.20	33.40	29.66	19.89	7.50
Accelaris Technologies Limited	20.60	0.50	-	-	-	-
Beena S.Handa	-	2.50	3.00	3.00	0.75	-
Xcelris Labs Limited	-	-	-	18.97	21.71	-
Retainership Charges Paid / (Recoverd)						
Sushilkumar Handa	12.00	8.50	9.00	-	-	(46.00)
Sale of Fixed Assets						
Xcelris Labs Limited	-	-	-	33.88	-	-
Dividend Paid						
Sarjan Financial Private Limited	-	23.78	47.56	47.56	11.19	47.56
Aditya S. Handa	-	1.95	3.90	15.53	4.14	15.60
Arjun S. Handa	-	1.95	3.90	15.53	4.14	15.60
Beena S.Handa	-	11.70	23.40	0.15	0.04	-
Medical Technologies Limited	-	4.65	4.65	9.31	2.48	9.01
Remuneration						
Jatin R.Jalundhwala	1.10	1.24	-	-	-	-
Chetan S. Majmudar	0.87	1.15	1.56	2.19	2.57	1.16
Amish Vyas	-	0.20	1.58	0.15	1.41	1.14
Aditya S. Handa	-	-	-	6.00	-	-
Arjun S. Handa	-	-	-	8.38	15.00	6.25
Chandrasingh Purohit	-	-	-	-	1.47	1.19
Investment made during the year / period						
Claris Lifesciences Philippines Inc	-	9.39	-	-	-	-
Claris Lifesciences Inc.	0.01	-	-	-	-	-
Claris Lifesciences (UK) Limited	-	-	-	-	-	-
Claris Lifesciences (Aust) Pty Limited	-	0.00	-	-	-	-
Claris Lifesciences & CIA Chile Limitada	-	0.00	-	-	-	-
Claris Biosciences Limited	-	-	0.50	-	-	-
Claris Infrastructure Limited	-	-	0.50	-	-	-
Claris Produtos Farmaceuticos Do Brasil Ltda.	27.37	-	-	36.96	-	-
Pt. Claris Lifesciences - Indonesia	4.51	-	-	-	-	-
Claris Lifesciences - Colombia Ltda	0.95	-	-	-	6.42	-
Claris Lifesciences De Mexico SA de CV	-	0.20	-	-	-	-
Icubix Infotech Limited	-	0.50	-	-	-	-
Xcelris Labs Limited	-	0.50	-	-	-	-
Claris Lifesciences International Limited	-	0.50	-	-	-	-

(B) Details of transactions with related parties:**(Rs in Million)**

PARTICULARS	---For the year ended 31st December---					For Five Months Period ended 31 st May 2010
	2005	2006	2007	2008	2009	
Investment Sold during the year / period						
Cygnus Laboratories Limited(Shares of Xcelris Labs Limited)	-	-	-	0.57	-	-
Advances Received during the year/period						
Claris Lifesciences Philippines Inc	-	-	4.92	0.75	-	3.67
Claris Lifesciences & CIA Chile Limitada	-	-	3.57	-	0.74	-
Claris Lifesciences Venezuela C. A.	-	-	9.07	0.06	-	-
Claris Produtos Farmaceuticos Do Brasil Ltda.	-	-	-	0.12	18.34	-
Claris Lifesciences De Mexico SA de CV	-	-	-	4.40	92.14	10.09
Claris Lifesciences Inc.	-	-	-	0.40	41.05	0.04
Pt. Claris Lifesciences - Indonesia	4.50	-	-	1.45	0.55	0.59
Claris Lifesciences – Colombia Ltda	-	-	-	-	-	1.41
Catalys Venture Cap Limited	-	-	-	-	-	636.38
Xcelris Labs Limited	-	-	-	-	103.29	-
Claris Lifesciences (Aust) Pty Limited	-	-	-	-	0.00	0.04
Medical Technologies Limited	-	-	-	-	-	-
Advances Granted During the year/period						
Pt. Claris Lifesciences - Indonesia	1.34	15.54	0.50	1.02	1.88	-
Claris Lifesciences Philippines Inc	-	3.46	-	0.24	3.01	-
Claris Lifesciences De Mexico SA de CV	-	67.32	15.04	-	-	11.51
Claris Lifesciences - Colombia Ltda	-	-	0.02	5.37	-	-
Claris Produtos Farmaceuticos Do Brasil Ltda.	-	-	22.01	29.31	14.77	42.98
Claris Lifesciences Inc	-	-	1.83	15.82	11.53	15.69
Claris Infrastructure Limited	-	-	0.00	0.01	0.16	0.01
Claris Lifesciences (Aust) Pty Limited	-	-	-	0.01	0.12	0.03
Claris Lifesciences (UK) Limited	-	-	-	0.05	0.08	0.06
Claris Lifesciences Venezuela C. A.	-	-	-	0.61	0.02	-
Xcelris Labs Limited	-	-	-	-	144.07	-
Claris Lifesciences & CIA Chile Limitada	-	-	-	-	0.58	-
Claris Biosciences Limited	-	-	-	-	0.23	0.01
Cataly Venture Cap Limited	-	-	-	-	-	217.79
Icubix Infotech Limited	-	-	-	-	-	7.55
Claris Lifesciences International Limited	-	-	-	-	-	0.01
Commission Earned						
Pt. Claris Lifesciences - Indonesia	-	-	-	9.31	-	-
Expenses Reimbursed						
Claris Produtos Farmaceuticos Do Brasil Ltda.	-	-	-	33.77	29.65	-
Claris Lifesciences Philippines Inc	-	-	-	-	0.82	0.34
Claris Lifesciences & CIA Chile Limitada	-	-	-	-	2.08	-
Pt. Claris Lifesciences - Indonesia	-	-	-	-	0.88	-
Claris Lifesciences (Aust) Pty Limited	-	-	-	-	0.13	-
Claris Lifesciences (UK) Limited	-	-	-	-	0.19	0.03
Claris Lifesciences – Colombia Ltda	-	-	-	-	-	1.58
Claris Lifesciences De Mexico SA de CV	-	-	-	-	-	10.08
Bad & Doubtful Debts/Advances Written off						
Pt. Claris Lifesciences - Indonesia	-	-	-	24.44	-	-
Claris Lifesciences De Mexico SA de CV	-	-	-	35.39	-	-
Claris Lifesciences Inc.	-	-	-	1.83	-	-
Claris Lifesciences - Colombia Ltda	-	-	-	0.51	-	-
Claris Lifesciences Venezuela C. A.	-	-	-	-	17.20	-
Doubtful Debts/Advances Provided for during the year/period						
Pt. Claris Lifesciences - Indonesia	-	-	-	-	17.78	-
Claris Biosciences Limited	-	-	-	-	0.25	-
Claris Lifesciences International Limited	-	-	-	-	0.36	-

(B) Details of transactions with related parties:**(Rs in Million)**

PARTICULARS	-----For the year ended 31st December-----					For Five Months Period ended 31 st May 2010
	2005	2006	2007	2008	2009	
ICD Paid during the year/period						
Accelarar Technologies Limited	-	-	-	31.78	106.51	39.94
Clarar Biosciences Limited	-	-	-	0.02	-	-
Medical Technologies Limited	-	-	-	14.35	120.45	7.20
Sarjan Financial Private Limited	-	-	-	1.21	1.87	-
Xcelris Labs Limited	-	-	-	209.95	-	-
Cygnus Laboratories Limited	-	-	-	-	155.52	-
Icubix Infotech Limited	-	-	-	59.70	37.17	1.92
Red Bricks Junior Education Limited	-	-	-	-	0.06	-
Prarabdh Financial Private Limited	-	-	-	185.81	49.27	-
Abellon Agrisciences Ltd	-	-	-	-	3.00	-
ICD taken/ received back during the year/period						
Sarjan Financial Private Limited	-	-	-	1.21	1.87	-
Enthrills Infotech Limited	-	-	-	6.83	-	-
Medical Technologies Limited	-	-	-	2.00	20.41	7.20
Cygnus Laboratories Limited	-	-	-	-	144.82	-
Xcelris Labs Limited	-	-	-	201.88	-	-
Prarabdh Financial Private Limited	-	-	-	187.29	46.46	-
Icubix Infotech Limited	-	-	-	63.12	30.34	-
Accelarar Technologies Limited	-	-	-	-	119.04	45.71
B. Balances at the end of the year/period						
Inter Corporate Deposit Granted						
Sarjan Financial Private Limited	1.21	1.21	1.21	-	-	-
Accelarar Technologies Limited	-	-	-	18.31	5.78	-
Cygnus Laboratories Limited	-	-	-	0.57	11.28	11.28
Prarabdh Financial Private Limited	-	-	-	50.49	53.30	53.30
Red Bricks Junior Education Limited	-	-	-	-	0.06	0.06
Abellon Agrisciences Ltd	-	-	-	-	3.00	3.00
Loans/Advances Received Outstanding						
Accelarar Technologies Limited	1.98	1.12	13.47	-	-	-
Medical Technologies Limited	26.91	71.02	112.39	100.05	-	-
Matrix Logistics Limited	29.31	-	-	-	-	-
Pt. Clarar Lifesciences – Indonesia	4.51	4.50	-	-	-	-
Clarar Lifesciences Philippines Inc	-	9.25	2.63	4.49	5.08	9.06
Clarar Lifesciences Venezuela C. A.	-	-	9.07	13.71	13.20	13.13
Enthrills Infotech Limited	28.18	12.51	7.83	6.83	-	-
Clarar Lifesciences & CIA Chile Limitada	-	-	3.57	4.36	6.46	6.43
Clarar Lifesciences De Mexico SA de CV	-	-	-	-	266.13	39.68
Clarar Produtos Farmaceuticos Do Brasil Ltda.	-	-	-	-	48.26	41.20
Clarar Lifesciences (UK) Limited	-	-	-	-	0.06	0.03
Clarar Lifesciences Inc	-	-	-	-	131.47	104.94
Clarar Lifesciences (Aust) Pty Limited	-	-	-	-	-	0.01
Icubix Infotech Limited	-	0.54	4.31	9.38	7.22	3.71

(B) Details of transactions with related parties:**(Rs in Million)**

PARTICULARS	-----For the year ended 31st December-----					For Five Months Period ended 31 st May 2010
	2005	2006	2007	2008	2009	
Loans /Advance Granted outstanding (Net of Provision for doubtful Advance)						
Claris Lifesciences Inc	-	-	-	8.18	-	-
Claris Lifesciences - Colombia Ltda	-	-	0.02	6.39	-	-
Pt. Claris Lifesciences – Indonesia	1.34	16.07	-	2.09	-	-
Claris Lifesciences Philippines Inc	-	2.29	-	-	-	-
Claris Lifesciences De Mexico SA de CV	-	67.00	46.64	51.57	-	-
Claris Produtos Farmaceuticos Do Brasil Ltda.	-	-	22.01	20.85	-	30.93
Claris Lifesciences (UK) Limited	-	-	-	0.04	-	-
Claris Lifesciences (Aust) Pty Limited	-	-	-	0.01	-	-
Claris Lifesciences International Limited	0.07	-	-	-	-	-
Claris Biosciences Limited	-	-	0.02	0.04	-	-
Amish Vyas	0.02	-	0.24	0.19	0.20	0.47
Chandrasingh Purohit	-	-	-	-	0.48	0.58
Sushilkumar Handa	35.60	22.46	20.84	22.17	0.58	0.58
Beena S.Handa	0.90	-	-	-	-	-
Jatin R.Jalundhwala	0.04	-	-	-	-	-
Chetan S. Majmudar	0.25	-	0.02	-	-	0.45
Xcelris Labs Limited	-	2.44	9.53	4.33	45.11	45.11
Catalys Venture Cap Limited	-	-	-	-	304.57	36.96
Fixed Deposits						
Arjun S. Handa	0.18	-	-	-	-	-
Aditya S. Handa	0.10	0.11	0.12	-	-	-
Claris Lifesciences - Colombia Ltda	-	-	-	-	44.77	21.20
Claris Lifesciences International Limited	-	0.30	0.30	0.24	-	-
Claris Infrastructure Limited	-	-	0.00	0.39	0.23	0.22
Catalys Venture Cap Limited	-	-	-	-	-	41.49
Outstanding Payables						
Jatin R.Jalundhwala	-	0.37	-	-	-	-
Chetan S. Majmudar	-	0.02	-	1.38	0.22	-
Amish Vyas	-	0.00	-	-	-	-
Beena S.Handa	-	1.67	1.39	2.21	3.19	3.19
Xcelris Labs Limited	-	-	-	18.97	21.74	-
Outstanding Receivables (Net of Provision for doubtful debts / Advances)						
Claris Produtos Farmaceuticos Do Brasil Ltda.	93.67	179.65	222.44	92.58	-	-
Claris Lifesciences - Colombia Ltda	-	62.56	55.61	61.29	-	-
Pt. Claris Lifesciences - Indonesia	-	-	3.29	21.97	6.00	-
Claris Lifesciences Philippines Inc	-	-	8.78	11.14	10.92	9.34
Claris Lifesciences & CIA Chile Limitada	-	-	20.09	2.94	2.84	2.82
Claris Lifesciences Inc.	-	-	-	30.99	-	-
Claris Lifesciences Venezuela C. A.	-	-	26.89	38.54	-	-
Claris Lifesciences International Limited	-	-	-	-	-	0.38
Claris Biosciences Limited	-	-	-	-	-	0.27
Claris Lifesciences De Mexico SA de CV	-	-	-	-	-	0.00

(B) Details of transactions with related parties:**(Rs in Million)**

PARTICULARS	-----For the year ended 31 st December-----					For Five Months Period ended 31 st May 2010
	2005	2006	2007	2008	2009	
Investments balance at the end of the year/period						
Claris Lifesciences Venezuela C. A.	0.04	0.04	0.04	0.04	0.04	0.04
Claris Produtos Farmaceuticos Do Brasil Ltda.	56.54	56.54	56.54	93.50	93.50	93.50
Pt. Claris Lifesciences - Indonesia	4.51	4.51	4.51	4.51	4.51	4.51
Claris Lifesciences - Colombia Ltda	0.95	0.95	0.95	0.95	7.37	7.37
Icubix Infotech Limited	-	0.50	0.50	0.50	0.50	0.50
Catalys Venture Cap Limited	26.28	50.49	50.49	50.49	50.49	50.49
Claris Lifesciences International Limited	-	0.50	0.50	0.50	0.50	0.50
Claris Lifesciences Philippines Inc	-	9.40	9.40	9.40	9.40	9.40
Claris Lifesciences De Mexico SA de CV	-	0.20	0.20	0.20	0.20	0.20
Claris Infrastructure Limited	-	-	0.50	0.50	0.50	0.50
Claris Biosciences Limited	-	-	0.50	0.50	0.50	0.50
Claris Lifesciences & CIA Chile Limitada	-	0.00	2.85	2.85	2.85	2.85
Claris Lifesciences Inc.	0.01	0.01	0.01	0.01	0.01	0.01
Claris Lifesciences (UK) Limited	0.01	0.01	0.01	0.01	0.01	0.01
Claris Lifesciences (Aust) Pty Limited	-	0.00	0.00	0.00	0.00	0.00
Xcelris Labs Limited	-	0.50	0.50	-	-	-

Note:-

The above information includes the nature and extent of all transactions including those that are material to the company or the related party, or any transactions that are unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which the company or any of its parent company was a party.

ANNEXURE 24 - SUMMARY STATEMENT OF CONSOLIDATED ASSETS & LIABILITIES – RESTATED
(Rs. in Million)

PARTICULARS	As at 31st December					As at 31 st May
	2005	2006	2007	2008	2009	2010
A. FIXED ASSETS						
Gross Block	1,386.02	2,584.36	3,568.44	5,847.13	6,280.10	6,517.12
Less: Accumulated Depreciation	172.07	335.11	588.96	936.44	1,360.82	1,544.36
Net Block	1,213.95	2,249.25	2,979.48	4,910.69	4,919.28	4,972.76
Less: Revaluation Reserve	-	-	-	-	-	-
Net Block after Revaluation Reserve	1,213.95	2,249.25	2,979.48	4,910.69	4,919.28	4,972.76
Intangible Asset (Net of Amortization)	-	4.14	38.77	34.58	23.35	18.71
Capital work-in-progress (Including Capital Advances)	150.35	718.54	1,124.05	735.35	1,232.29	1,556.94
Total	1,364.30	2,971.93	4,142.30	5,680.62	6,174.92	6,548.41
B. GOODWILL ON CONSOLIDATION	-	0.32	0.32	0.32	0.32	0.32
C. INVESTMENTS	0.20	0.20	0.20	0.19	0.19	0.19
D. CURRENT ASSETS, LOANS & ADVANCES						
Interest accrued on deposits	2.39	2.98	0.63	1.48	0.99	1.55
Inventories	490.19	751.73	864.04	1,192.88	1,352.02	1,455.09
Sundry Debtors	257.70	990.29	2,486.11	2,708.41	2,647.75	2,630.80
Cash & Bank Balances	110.87	770.99	150.95	169.06	2,369.42	1,562.11
Loans & Advances	243.43	312.69	352.44	677.79	1,035.49	1,196.44
Total	1,104.58	2,828.68	3,854.17	4,749.62	7,405.67	6,845.99
E. LIABILITIES & PROVISIONS						
Secured Loans	473.53	1,431.11	2,033.36	3,125.58	2,968.80	3,705.22
Unsecured Loans	282.08	283.28	223.02	182.64	171.26	-
Deferred Tax Liability (Net)	137.99	219.60	314.80	516.86	510.97	502.10
Current Liabilities	598.35	1,506.69	2,067.03	2,156.86	4,456.62	3,213.59
Provisions	124.81	158.06	372.16	424.92	302.35	255.41
Total	1,616.76	3,598.74	5,010.37	6,406.86	8,410.00	7,676.32
F. MINORITY INTEREST	10.82	-	-	-	-	-
Net Worth (A+B+C+D-E-F)	841.50	2,202.39	2,986.62	4,023.89	5,171.10	5,718.59
Represented By						
G. Share Capital	291.14	896.93	896.93	896.93	341.24	511.85
H. Reserves & Surplus	552.09	1,305.46	2,089.69	3,126.96	4,829.86	5,234.08
Less : Revaluation Reserve	-	-	-	-	-	-
Reserve & Surplus (Net of Revaluation Reserve)	552.09	1,305.46	2,089.69	3,126.96	4,829.86	5,234.08
I. Miscellaneous Expenditure	(1.73)	-	-	-	-	(27.34)
Net Worth (G+H+I)	841.50	2,202.39	2,986.62	4,023.89	5,171.10	5,718.59

Notes :

The above statement should be read with the Significant Accounting Policies, appearing in Annexure 27; Notes to Restated Financial Information, appearing in Annexure 28; Statement on Adjustments to Audited Financial Statements, appearing in Annexure 29; and Notes to Statement on Adjustments to Audited Financial Statements, as restated, appearing in Annexure 30.

As per our report of even date

For Deloitte Haskins & Sells
Chartered Accountants

Gaurav J. Shah
Partner
(Membership No. 35701)

Place: Ahmedabad
Date : 7th September, 2010

ANNEXURE 25 - SUMMARY STATEMENT OF CONSOLIDATED PROFITS AND LOSSES – RESTATED
(Rs. in Million)

PARTICULARS	-----For the year ended 31st December-----					For Five months Period ended 31 st May
	2005	2006	2007	2008	2009	2010
INCOME :						
Turnover						
Gross Sales	2,269.07	3,236.93	3,591.99	5,118.97	6,241.42	2,968.01
Less: Excise Duty	68.94	85.11	144.48	81.63	32.96	10.10
Net Sales	2,200.13	3,151.82	3,447.51	5,037.34	6,208.46	2,957.91
Sales of Products Traded	667.31	765.72	2,524.01	2,484.21	1,226.79	291.62
Total Sales	2,867.44	3,917.54	5,971.52	7,521.55	7,435.25	3,249.53
Other Income	56.17	109.20	266.64	117.45	158.76	129.71
A. Total Income	2,923.61	4,026.74	6,238.16	7,639.00	7,594.01	3,379.24
EXPENDITURE :						
Increase in Stock	(129.99)	(195.52)	(133.03)	(345.20)	(62.42)	(34.36)
Material Consumed	968.68	1,087.12	897.54	1,544.70	1,590.50	809.41
Purchase of Finished Goods	332.23	439.92	1,421.73	1,664.81	908.42	195.65
Personnel Cost	190.05	379.66	555.83	532.05	425.60	229.82
Operating & Other Expenses	1,172.71	1,434.58	1,876.58	2,141.79	2,437.06	1,147.35
B. Total Expenditure	2,533.68	3,145.76	4,618.65	5,538.15	5,299.16	2,347.87
Profit Before Interest, Depreciation, Prior Period Items and Tax (A-B)	389.93	880.98	1,619.51	2,100.85	2,294.85	1,031.37
Interest (Net)	57.82	55.54	154.72	322.35	409.57	148.83
Depreciation	84.96	163.84	268.05	365.97	448.07	189.19
Prior period items	(1.84)	9.06	-	-	-	-
Total	140.94	228.44	422.77	688.32	857.64	338.02
Profit Before Taxation and Exceptional Items	248.99	652.54	1,196.74	1,412.53	1,437.21	693.35
Exceptional Items						
Profit on disposal of Subsidiary	-	-	-	10.30	-	-
Profit Before Taxation and After Exceptional Items	248.99	652.54	1,196.74	1,422.83	1,437.21	693.35
Provision for Taxation						
Current tax	26.23	90.79	259.71	174.76	189.40	77.72
Fringe Benefit Tax	4.00	4.85	6.40	10.93	1.72	-
Deferred Tax	33.00	89.97	95.25	202.21	(4.64)	(11.65)
Current Tax of Earlier Periods	6.46	-	2.66	(49.02)	(53.07)	-
Total	69.69	185.61	364.02	338.88	133.41	66.07
Net Profit After Taxation and Before Minority Interest and Adjustments	179.30	466.93	832.72	1,083.95	1,303.80	627.28
Minority Interest	0.21	-	-	-	-	-
Net Profit After Taxation and Before Adjustments	179.09	466.93	832.72	1,083.95	1,303.80	627.28
Adjustments (Net of Tax) (Refer Annexure 29)	6.18	40.75	60.50	(4.97)	(54.87)	(50.01)
Net Profit After Taxation, As Restated	185.27	507.68	893.22	1,078.98	1,248.93	577.27
Add :						
Balance Brought Forward from Previous year	241.18	356.53	757.78	1,458.03	2,399.95	3,439.11
Amount available for appropriation	426.45	864.21	1,651.00	2,537.01	3,648.88	4,016.38
Appropriations						
Transferred to General Reserve	12.50	47.50	76.00	105.00	90.00	-
Proposed Dividend	50.36	50.36	99.98	27.28	102.37	-
Tax on Dividend	7.06	8.57	16.99	4.78	17.40	-
Balance Carried to Balance Sheet	356.53	757.78	1,458.03	2,399.95	3,439.11	4,016.38
Total	426.45	864.21	1,651.00	2,537.01	3,648.88	4,016.38

Notes :

The above statement should be read with the Significant Accounting Policies, appearing in Annexure 27; Notes to Restated Financial Information, appearing in Annexure 28; Statement on Adjustments to Audited Financial Statements, appearing in Annexure 29; and Notes to Statement on Adjustments to Audited Financial Statements, as restated, appearing in Annexure 30.

As per our report of even date

For Deloitte Haskins & Sells

Chartered Accountants

Gaurav J. Shah

Partner

(Membership No. 35701)

Place: Ahmedabad

Date : 7th September, 2010

ANNEXURE 26 - SUMMARY STATEMENT OF CONSOLIDATED CASHFLOWS – RESTATED
(Rs. in Million)

PARTICULARS	-----For the year ended 31st December-----					For Five months Period ended 31 st May
	2005	2006	2007	2008	2009	2010
A. CASHFLOW FROM OPERATING ACTIVITIES						
Net Profit before Taxation	248.99	652.54	1,196.74	1,422.83	1,437.21	693.35
Add: Adjustments on account of Restatements	4.84	46.27	15.48	(12.69)	(1.80)	(60.95)
Profit Before Taxation and After Exceptional Items, As Restated	253.83	698.81	1,212.22	1,410.14	1,435.41	632.40
Adjustments for						
Depreciation	85.92	164.42	269.29	367.86	449.87	189.91
(Profit)/Loss on Sale of Fixed Assets	0.07	(0.65)	1.51	2.69	72.60	0.36
Deferred Revenue Expenses Amortized	-	-	-	6.49	-	-
Preliminary Expenses Written off	0.18	3.27	-	-	-	-
Provision for Doubtful Debt/advances	0.85	37.61	72.76	77.85	66.24	-
Provision for Product Recall	-	-	-	-	-	74.35
Bad Debts written off	-	1.26	53.82	5.07	-	-
Unrealized exchange Loss / (Gain)	-	(21.81)	(110.11)	(136.19)	27.44	(21.52)
Exchange (Gain)/Loss on Restatement of Foreign Currency Loan	(3.35)	-	(122.49)	321.74	(41.57)	(33.84)
(Gain) on Swap Cancellation of Forward Covers	-	-	-	(55.39)	-	-
Interest Income	(3.95)	(15.67)	(4.46)	(11.80)	(6.10)	(3.03)
Interest Expenses	60.41	71.22	159.18	334.15	415.67	151.86
Operating Profit before Working Capital Changes	393.96	938.46	1,531.72	2,322.61	2,419.56	990.49
Adjustments for						
(Increase)/Decrease in Trade & Other receivables	(138.07)	(708.03)	(1,547.97)	(495.11)	(371.75)	(171.36)
(Increase)/Decrease in Inventories	(231.23)	(261.54)	(112.31)	(328.84)	(159.14)	(103.07)
Increase/ (Decrease) in Trade, Other Payables, etc	148.73	549.67	915.74	(127.49)	2,343.49	(1148.55)
Cash Generated from Operating Activities	173.39	518.56	787.18	1,371.17	4,232.16	(432.49)
Less: Direct Taxes Paid	(10.05)	(95.66)	(294.69)	(8.77)	(424.19)	(95.02)
Net Cash Generated from Operating Activities	163.34	422.90	492.49	1,362.40	3,807.97	(527.51)
B. CASHFLOW FROM INVESTING ACTIVITIES						
Purchase of Fixed Assets	(444.48)	(1,775.75)	(1,441.19)	(1,951.31)	(1,066.45)	(564.66)
Proceeds from Sales of Fixed Assets	0.20	2.52	-	35.96	49.66	0.91
Purchase/Sale of Investments	-	-	-	0.01	-	-
Interest Received	3.95	15.67	6.81	11.80	6.10	2.47
(Decrease)/Increase in Trade Payables (For Capital Expenditure)	-	324.75	40.88	(114.63)	(27.39)	(67.19)
Net Cash from Investing Activities	(440.33)	(1,432.81)	(1,393.50)	(2,018.17)	(1,038.08)	(628.47)

C. CASHFLOW FROM FINANCING ACTIVITIES

Proceeds/(Repayment) from / of Borrowings	422.17	891.34	541.19	1,052.63	(126.58)	597.19
Gain on Swap Cancellation of Forward Covers	-	-	-	55.39	-	-
Dividend Paid	-	(57.43)	(99.98)	(99.98)	(27.28)	(102.37)
Share Premium Received (Net of Utilisation)	-	301.55	-	-	-	-
Proceeds from issue of Equity Shares	-	2.43	-	-	-	-
Proceeds from issue of Preference Shares	-	603.36	-	-	-	-
Interest Paid	(60.41)	(71.22)	(160.24)	(334.16)	(415.67)	(146.15)
Net Cash from Financing Activities	361.76	1,670.03	280.97	673.88	(569.53)	348.67
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	84.77	660.12	(620.04)	18.11	2,200.36	(807.31)
Cash and Cash Equivalents at beginning	26.10	110.87	770.99	150.95	169.06	2,369.42
Cash and Cash Equivalents at the end	110.87	770.99	150.95	169.06	2,369.42	1,562.11

Notes :

1. The above statement should be read with the Significant Accounting Policies of Consolidated Accounts, appearing in Annexure 27; Notes to Restated Financial Information, appearing in Annexure 28; Statement on Adjustments to Audited Consolidated Accounts, appearing in Annexure 29.
2. The above cashflow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.

As per our report of even date

For Deloitte Haskins & Sells
Chartered Accountants

Gaurav J. Shah
Partner
(Membership No. 35701)

Place: Ahmedabad
Date : 7th September, 2010

1. Basis of preparation of financial statements

The Consolidated financial statements are prepared under the historical cost convention on the accrual basis of accounting, in accordance with the requirements of the Companies Act, 1956, including the accounting standards notified by the Central Government of India under Section 211 (3C) of the Companies Act, 1956.

2. Principles of Consolidation

The consolidated financial statements include the financial statements of Claris Lifesciences Limited ('the Company'), and its subsidiaries as described in Note No. 1 of Annexure -28 (collectively referred to as 'the Group').

The consolidated financial statements have been prepared on the basis of Accounting Standard 21, 'Consolidated Financial Statements', issued by the Institute of Chartered Accountants of India.

The financial statements of the parent Company and its subsidiaries have been combined on a line- by- line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/ transactions and resultant unrealized profits/ losses in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent Company and its share in the post-acquisition increase in the relevant reserves of the subsidiaries. The excess or deficit of parent's portion of equity in the subsidiary Company over its cost of investment, if any, is treated as a capital reserve or recognised as goodwill respectively.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances except where it is not practicable to do so. Considering that the financial statements of the foreign subsidiaries have been prepared under the laws and regulations applicable to their respective country of incorporation, these consolidated financial statements have been prepared substantially in the same format adopted by the Company to the extent possible, as required by the Accounting Standard AS 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the period. All assets and liabilities are converted at the rates prevailing at the end of the period. Exchange gains/losses arising on conversion are recognized under Foreign Currency Translation Reserve.

3. Use of estimates

The preparation of financial statements, in conformity with the generally accepted accounting principles requires that the management makes estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

4. Fixed assets

- i) Fixed assets are capitalized at cost including all direct costs and other expenses incurred in connection with acquisition of assets and are net of CENVAT.
- ii) Capital work-in-progress includes advances for capital goods and expenditure on projects under implementation.

5. Depreciation**Indian Companies**

- i) Depreciation on Fixed Assets is provided on the straight-line method at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956.
- ii) Leasehold improvements are amortized over a period of 36 months.
- iii) Intangible assets are stated at cost and are amortized equally over a period of five years from the year in which incurred.

Foreign Companies

Depreciation has been provided by the Foreign Companies on methods and at the rates required / permissible by the local laws so as to write-off assets over their useful life.

6. Goodwill

Goodwill arising on consolidation is not amortized but is tested for impairment periodically.

7. Investments

Long-term investments are stated at cost. Any diminution in the value, other than temporary, is provided for.

8. Inventories

- i) Inventories are valued at cost or net realizable value, whichever is less.
- ii) In case of Parent Company the cost (net of CENVAT credit availed) for raw materials and packing materials is computed on Moving Average basis.
- iii) The cost of work in progress and finished goods is determined on absorption cost basis and comprises of cost of materials, direct labour and manufacturing overheads.

9. Revenue recognition

- i) Sales include sales of products, dossiers and marketing rights. Sales include excise duty and exchange differences on sales transactions, but are net of sales tax. Sales are recognized at the time when significant risks and reward of ownership in the goods are transferred.
- ii) Revenue in respect of other income is recognized when no significant uncertainty as to its determination or realization exists.

10. Export benefits

Export benefits arising on account of entitlement of duty free import under Duty Entitlement Pass book Scheme are estimated and accounted in the year of exports if the same can be estimated with reasonable certainty.

11. Employee benefits

Contributions to provident and other funds accruing during the accounting period are charged to the profit and loss account. Provision for liabilities in respect of gratuity and leave encashment are accrued and provided at the end of each accounting period on the basis of actuarial valuation.

12. Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of the transaction.

Monetary items denominated in foreign currencies at the year-end are restated at the year-end rates. In case of items, which are covered by forward exchange contracts, the difference between the year end rate and the rate on the date of contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.

Non-monetary foreign currency items are carried at cost.

Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit and loss account.

Revenue items of non-integral foreign operations are consolidated at the average rate prevailing during the period. All assets and liabilities of non-integral foreign operations are converted at the rates prevailing at the end of the period. Exchange gains/losses arising on conversion are recognized under Foreign Currency Translation Reserve.

13. Research and development expenses

Revenue expenditure on Research and Development is expensed as incurred. Expenses of capital nature are capitalized and depreciation is provided thereon as per the policy stated above.

14. Expenditure on product registration

Expenditure incurred for registration of products for overseas markets and for product acquisitions are charged to the profit & loss account.

15. Borrowing costs

Borrowing costs that are attributable to acquisition / construction of qualifying assets are capitalized as part of cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the profit & loss account.

16. Leases

Lease rentals in respect of assets taken on operating leases are charged to the profit and loss account on accrual and straight-line basis over the lease term.

17. Taxes on income

Indian Companies

Current taxation

Current tax provision is determined on the basis of taxable income computed as per the provisions of the Income Tax Act, 1961.

Fringe benefit tax

Fringe Benefit Tax is determined at current applicable rates on expenses falling within the ambit of “Fringe Benefit” as defined under the Income Tax Act, 1961.

Deferred taxation

Deferred tax is recognized for all timing differences that are capable of reversal in one or more subsequent periods, subject to consideration of prudence and by applying tax rates that have been enacted or substantively enacted as on the balance sheet date.

Foreign Companies

Foreign companies recognized tax liabilities and assets in accordance with the applicable local laws.

18. Provision, contingent liabilities and contingent assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

ANNEXURE 28 - NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

1. Description of the Group

The following subsidiary companies are considered in the consolidated financial statements of the respective years :

Name of the Company	Country of Incorporation	% of Holding either directly/ indirectly or through subsidiary					As at 31 st May
		-----As at 31st December-----					
		2005	2006	2007	2008	2009	2010
Icubix Infotech Limited	India	-	100	100	100	100	100
Claris International Limited	India	-	100	100	100	100	100
Claris Biosciences Limited	India	-	-	100	100	100	100
Claris Infrastructure Limited	India	-	-	100	100	100	100
Xcelris Labs Limited (upto 28th September, 2008)	India	-	100	100	-	-	-
Claris Produtos Farmaceuticos do Brasil Ltda.	Brasil	77.88	100	100	100	100	100
PT. Claris Lifesciences Indonesia	Indonesia	100	100	100	100	100	100
Claris Lifesciences Colombia Ltda.	Colombia	100	100	100	100	100	100
Catalys Venture Cap Limited	Mauritius	52.17	100	100	100	100	100
Claris Lifesciences Venezuela C. A.	Venezuela	100	100	100	100	100	100
Claris Lifesciences Inc.	USA	100	100	100	100	100	100
Claris Lifesciences (UK) Limited	UK	100	100	100	100	100	100
Claris Lifesciences & Cia. Chile Limitada	Chile	-	100	100	100	100	100
Claris Lifesciences (Aust) Pty Limited	Australia	-	100	100	100	100	100
Claris Lifesciences de Mexico S.A. de C.V.	Mexico	-	100	100	100	100	100
Claris Lifesciences Philippines, INC.	Philippines	-	100	100	100	100	100
Claris SteriOne	Mauritius	-	-	-	-	100	100
Claris Pharmservices	Mauritius	-	-	-	-	-	100

2. On 29th September, 2008, the Group sold its 100% equity stake comprising of 49,940 Equity Shares of Rs. 10/- each in Xcelris Labs Limited, to Cygnus Laboratories Limited for a consideration of Rs.0.57 million. Profit of Rs.10.30 million on account of sale of the Shares was recognized during the year ended 31st December 2008.

3. Contingent Liabilities

						(Rs in Million)	
PARTICULARS		-----As at 31st December-----					As at 31 st May
		2005	2006	2007	2008	2009	2010
a.	Claims against the Company not acknowledged as debts in respect of sales tax and other matters	-	0.90	1.46	4.51	7.27	86.16
b.	Guarantees given by the bankers on behalf of the Company	-	-	4.68	21.52	6.30	8.50
c.	Disputed demand under Income tax	-	3.37	0.45	0.45	8.35	7.06
d.	Bills discounted	67.44	58.21	249.34	123.02	117.28	263.19
e.	Letters of credit outstanding	-	259.50	143.05	125.71	674.59	676.27

4. Commitments & Obligations

(Rs in Million)						
PARTICULARS	-----As at 31st December-----					As at 31 st May
	2005	2006	2007	2008	2009	2010
a. Estimated amount of contracts remaining to be executed on capital account and not provided for	536.58	594.64	612.57	135.05	526.47	219.04
b. i) Outstanding obligation to export goods within the stipulated period as per Export Promotional Capital Goods Scheme, failing which additional custom duty payable would amount to	254.77	447.52	539.36	554.43	562.73	459.93
ii) Timeframe within which such exports should be made	June 10 to May 11	June 11 to May 12	June 12 to May 13	June 13 to May 14	June 14 to May 15	June 15 to May 16
Failing which additional custom duty payable would amount to	-	106.88	45.35	113.15	104.00	90.55
<p>5. In March 2006, the Company and its founders entered into a Share Subscription and Shareholders Agreement (“the Agreement”) with First Carlyle Ventures III, Mauritius and other Co-investors (collectively “Investors”). As per the terms of the Agreement, in March 2006, the Company issued 1,000 equity shares Rs.10/- each at par (“Investor equity shares”) and 603,360 Cumulative Preference Shares of the face value of Rs.1,000/- each at a premium of Rs.500 each (“the Securities”) to the Investors.</p> <p>In accordance with the terms and conditions of the Agreement, in September 2009, the aforesaid 603,360 Cumulative Preference Shares of the face value of Rs.1,000 each have been converted into 4,766,269 Equity Shares of the face value of Rs.10 each resulting into share premium of Rs. 555.70 Mn. As per the terms and conditions of the Agreement, the Investor Equity Shares and the Securities, till their conversion into Equity Shares as stated above, carried differential rights as regards voting and right of dividend.</p>						
<p>6. Capital Work In Progress includes preoperative expenditure pending allocation to projects under implementation, the break up of which is as under:</p>						

(Rs in Million)						
PARTICULARS	-----As at 31st December-----					As at 31 st May
	2005	2006	2007	2008	2009	2010
Opening Balance	0.48	2.08	46.77	103.21	3.51	43.85
Add:						
Interest and Finance Charges	2.62	7.15	48.97	27.36	43.82	55.29
Consultancy / Professional fee	3.95	54.01	11.92	2.60	0.00	-
Material Consumed	0.49	1.12	5.31	0.00	0.01	0.12
Personnel Cost	1.91	5.86	9.59	1.80	0.00	-
Other Expenses	0.04	0.66	1.87	5.07	0.68	0.25
Sub-Total	9.49	70.88	124.43	140.04	48.02	99.51
Less: Capitalised during the year	7.41	24.11	21.22	136.53	4.17	16.19
Closing balance	2.08	46.77	103.21	3.51	43.85	83.32

7. Disclosure for operating leases under Accounting Standard 19 – “Accounting for Leases”

The company has entered into agreements for taking on lease and license basis residential / office premises including furniture and fittings therein, as applicable, for a period ranging from 11 to 60 months. The specified disclosure in respect of these agreements is given below:

		(Rs in Million)				
		-----As at 31st December-----				
PARTICULARS		2005	2006	2007	2008	As at 31 st May 2010
1	Lease payments recognized in the Profit and Loss	13.21	15.80	13.90	11.92	26.27
2	Minimum lease payments under the agreements are as follows.					12.45
	(a) Not later than one year	1.80	9.42	23.74	19.33	27.77
	(b) Later than one year but not later than 5 Year	6.66	21.65	42.47	64.10	112.26
	(c) Later than five year	0.84	-	-	61.60	78.90

8. Break-up of closing balance of net deferred tax liability into major components of Deferred Tax Assets and Deferred Tax Liabilities:

		(Rs in Million)				
		-----As at 31st December-----				
PARTICULARS		2005	2006	2007	2008	As at 31 st May 2010
<u>Deferred Tax Liability</u>						
Timing difference on account of difference between book depreciation and depreciation under Income-tax Act, 1961	(144.52)	(240.77)	(362.86)	(591.66)	(557.83)	(548.00)
<u>Deferred Tax Assets</u>						
Timing difference on account of disallowance of provisions / expenses	6.53	21.17	48.06	74.80	46.86	45.90
Net Deferred Tax Liability	(137.99)	(219.60)	(314.80)	(516.86)	(510.97)	(502.10)

9. Proposed Initial Public Offering Expenses:

The expenses aggregating to Rs.27.34 Million incurred during the five months period ended on 31st May 2010 in connection with the proposed Initial Public Offering (IPO) of the Company are shown under Miscellaneous Expenditure (to the extent not written off or adjusted). Such expenditure, being incurred in connection with issue of shares, will be adjusted against the Share Premium to be received on issue of such shares pursuant to the proposed IPO.

10. Provision for loss due to products recalled:

The Company has initiated a recall of certain products as a precautionary measure against possible contamination due to the packaging integrity of such recalled products. The provision for loss due to products recalled is based on estimates made by the management by applying principles laid down in Accounting Standard-29 “Provisions, Contingent Liabilities and Contingent Assets”. Further it is not possible to estimate the timing/uncertainty relating to the outflow. The movement in the provision during the period is as under: -

		(Rs in Million)				
		-----As at 31st December-----				
PARTICULARS		2005	2006	2007	2008	As at 31 st May 2010
Opening Balance	-	-	-	-	-	-
Provision made	-	-	-	-	-	74.35
Utilised	-	-	-	-	-	-
Reversal	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	74.35

ANNEXURE 29 - STATEMENT ON ADJUSTMENTS TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS
(Refer Annexure 30)

(Rs. in Million)

PARTICULARS	-----For the year ended 31st December-----					For Five months Period ended 31 st May
	2005	2006	2007	2008	2009	2010
Net Profit after taxation and before adjustments	179.09	466.93	832.72	1,083.95	1,303.80	627.28
<u>Prior Period Items</u>						
Prior Period Items	(1.84)	9.06	-	-	-	-
Sales	4.20	-	-	-	-	-
Operating & Other Expenses	(10.69)	-	-	-	-	-
Interest	(0.21)	-	-	-	-	-
Material Consumed	(2.36)	-	-	-	-	-
<u>Changes in accounting policy</u>						
Foreign Exchange Difference on acquisition of Fixed assets	(5.48)	24.83	-	-	-	-
Difference in depreciation due to change in accounting policy of foreign exchange difference.	(0.96)	(0.58)	(1.24)	(1.89)	(1.80)	(0.72)
Difference in Amount of Liability of employee benefits recalculated as per AS - 15 (Revised 2005)	(2.75)	0.88	1.15	-	-	-
<u>Others</u>						
Provision for Doubtful Debt no longer required	0.65	3.58	(4.23)	-	-	-
Bad Debt Recovered	-	-	10.80	(10.80)	-	-
Excess Provision of Expenses Written Back	(1.95)	-	-	-	-	-
Sales Tax Refund	14.23	-	-	-	-	(14.23)
Retainership Charges paid in earlier year recovered	12.00	8.50	9.00	-	-	(46.00)
Excess / Short Provision of Tax of Earlier Years	6.46	(2.66)	51.68	4.05	(53.07)	-
Total	11.30	43.61	67.16	(8.64)	(54.87)	(60.95)
Tax Rate	33.66%	33.66%	33.66%	33.99%	17.00%	18.17%
Tax impact on adjustments	(5.12)	(2.86)	(6.66)	3.67	-	10.94
Net Impact of adjustments	6.18	40.75	60.50	(4.97)	(54.87)	(50.01)
Profit After Tax, As Restated	185.27	507.68	893.22	1,078.98	1,248.93	577.27

1. Adjustments

a. Prior Period Items

In the Consolidated Financial Statements of the Group, certain items were identified as prior period items. For the purpose of this statement such prior period items have been appropriately adjusted to the respective years to which they relate and items relating to the period prior to the year ended 31st December 2005 have been appropriately adjusted to the opening balance of profit and loss account.

b. Excess provision of expenses written back

During the year ended on 31st December 2005, the certain excess provision of Rs. 1.95 Mn towards bonus to employees was written back. For the purpose of this statement, this excess provision of expenses written back has been adjusted to the opening balance of profit and loss account.

c. Bad Debts Recovered

Debts, considered doubtful and provided for during the year ended 31st December 2007 and subsequently recovered during the year ended 31st December 2008, for the purpose of this statement, have been adjusted in the year ended 31st December 2007 i.e. the year in which such debts were originally provided for.

d. Short \ (Excess) provision for tax for earlier years

Consolidated Profit and loss account of certain years include amounts paid/provided for, in respect of shortfall / excess of income tax arising out of assessments, appeals etc. which for the purpose of this statement, have been adjusted in the year to which they relate.

e. Proposed Dividend & Corporate Dividend Tax

For the year ended 31st December 2004

The Company had proposed dividend on equity shares amounting to Rs.46.14 Million, the said proposed dividend was not approved in the Annual General Meeting and was reversed during the year ended 31st December 2005 along with the corporate dividend tax of Rs. 6.03 Million. For the purpose of this statement the proposed dividend and the corporate dividend tax thereon was reversed during the year ended 31st December 2005 have been adjusted in the balance of profit and loss account brought forward from previous year.

For the year ended 31st December 2007

The Consolidated Profit and loss account for the year ended 31st December 2007 includes short provision of tax on dividend of earlier year. For the purpose of this statement the short provision of tax on dividend has been adjusted to the year to which it relates i.e. year ended 31st December 2006.

For the year ended 31st December 2009

The board of directors of the Company had recommended a dividend of Rs. 3.00 per Equity Share for the financial year ended on 31st December 2008. However with a view to retain sufficient reserves with the Company the shareholders at their Annual General Meeting approved a dividend of Rs. 0.80 per Equity Share. For the purpose of this statement the proposed dividend and the corporate dividend tax thereon no longer payable which was reversed during the year ended 31st December 2009 have been adjusted to the year in which they were originally appropriated, i.e. year ended 31st December 2008.

f. Changes in Accounting Policy

(i) Employee Benefits

During the year ended 31st December 2007, the Company had undertaken adoption of the Accounting Standard 15 (Revised 2005) "Employee Benefits". However, for the purpose of this statement the liability of employee benefits as provided for the years ended on 31st December 2006 and 2005 has been recalculated as per Accounting Standard 15 (Revised 2005) "Employee Benefits" as if the revised standard was adopted by the Company during the year ended 31st December 2005. Also the income tax has been computed on the adjustments as detailed above and has been adjusted in the summary statement of profit and loss, restated.

(ii) Foreign exchange liabilities pertaining to purchase of fixed assets

In view of withdrawal of the " Announcement " issued by the Institute of Chartered Accountants of India on 'Treatment of exchange differences under Accounting Standard (AS) 11 (revised 2003). The Effects of Changes in Foreign Exchange Rates vis-à-vis Schedule VI to the Companies Act, 1956', effective from 1st January 2007, any income or expense on account of exchange difference related to foreign exchange liabilities pertaining to purchase of fixed assets has been recognized in the Profit and Loss Account instead of giving effect thereof to the cost of the fixed assets.

For the limited purpose of restatement, any gain or loss on account of exchange difference related to foreign exchange liabilities pertaining to purchase of fixed assets arising during the years ended on 31st December 2005 and 31st December 2006, the effect of which was given to the cost of the fixed assets have been identified and restated by recognizing the same in Profit and Loss account. Consequentially, the depreciation on fixed assets for the relevant years has also been restated.

g. Tax impact of adjustments

For the purpose of the restated summary statements, adjustments have been made for the tax impact of the adjustments in the respective years to which the adjustment pertain.

h. Retainership Charges paid in earlier year recovered

During the five months period ended 31st May 2010, the Company recovered retainership fees paid in earlier years. For the purpose of this statement such recoveries have been appropriately adjusted to the respective years to which they relate and the recoveries relating to the period prior to the year ended 31st December 2005 have been appropriately adjusted to the opening balance of profit and loss account

i. Sales Tax Refund

During the Five months period ended 31st May 2010, the company received a refund of Sales Tax, this has been adjusted to the period to which it pertains i.e. year ended 31st December 2005.

2. Material Regroupings

a. Sale of goods traded in :

As required by the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009, for the purpose of this statement the total turnover has been bifurcated into sale of goods traded in has been derived aggregating the product of the quantity sold and the yearly average net realisable value of the respective products.

b. Material cost:

The material cost as shown in the profit & loss account was inclusive of cost of goods traded sold. In the restated summary statement of unconsolidated profit and loss account as required by the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009, the cost of goods traded sold has been shown separately from the material cost.

c. Appropriate adjustments have been made, wherever required, by a reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the financial statements for the period ended 31st May 2010.

ANNEXURE 31 - STATEMENT OF CHANGES IN SHARE CAPITAL

PARTICULARS	-----As at 31 st December-----					As at 31 st May
	2005	2006	2007	2008	2009	2010
Authorised Share Capital						
Equity Shares:						
Number of Shares of Rs. 10/- each	30,000,000	60,174,000	60,174,000	60,174,000	60,174,000	1,205,10,000
Amount (Rs. In Million)	300.00	601.74	601.74	601.74	601.74	12,051.00
Preference Shares:						
Cumulative Preference Shares of Rs. 1000/- each	-	603,360	603,360	603,360	603,360	-
Amount (Rs. In Million)	-	603.36	603.36	603.36	603.36	-
Issued, Subscribed and Paid up Share Capital						
Equity Shares:						
Number of Shares of Rs. 10/- each fully paid up	29,114,176	29,357,256	29,357,256	29,357,256	34,123,525	51,185,288
Amount (Rs. In Million)	291.14	293.57	293.57	293.57	341.24	511.85
Preference Shares:						
0.01% Series 'A' Cumulative Preference Shares of Rs.1,000/- each fully paid up	-	603,360	603,360	603,360	-	-
Amount (Rs. In Million)	-	603.36	603.36	603.36	-	-
Total	291.14	896.93	896.93	896.93	341.24	511.85

Notes:
Out of the above shares:-

- 1) Equity Shares of Rs.10 each allotted as fully paid up bonus shares

Out of Surplus in Profit Loss Account : 22,916,556 22,916,556 22,916,556 22,916,556 22,916,556 22,916,556 22,916,556

By capitalization of Share Premium: - - - - - 17,061,763

Total 22,916,556 22,916,556 22,916,556 22,916,556 22,916,556 39,978,319

- 2) Equity Share held by Sarjan Financial Private Limited, which company was the holding company of the Company till September 2009:

15,853,448 15,853,448 15,853,448 15,853,448 15,853,448 23,780,172

- 3) During the year ended on 31st December 2006:-

242,080 equity shares of Rs.10/- each were issued on preferential basis.

1,000 equity share of Rs.10/- each were issued to First Carlyle Ventures III, Mauritius.

603,360 preference share of Rs 1,000/- each issued First Carlyle Ventures III, Mauritius.

- 4) During the year ended on 31st December 2009: -

603,360 Cumulative Preference Shares of the face value of Rs.1,000 each have been converted into 4,766,269 Equity Shares of the face value of Rs.10. [Refer note 5 of Annexure 28].

- 5) 1,000 equity shares issued during the year ended 31st December 2006 to First Carlyle Ventures III, carried differential rights as regards voting and rights of dividend. [Refer note 5 of Annexure 28]

ANNEXURE 32 - CONSOLIDATED STATEMENT OF CHANGES IN RESERVES AND SURPLUS – RESTATED
(Rs. in Million)

PARTICULARS	-----As at 31st December-----					As at 31 st May
	2005	2006	2007	2008	2009	2010
A. General Reserve						
As per last balance sheet	25.00	37.50	85.00	161.00	266.00	356.00
Add : Transfer from Profit & loss account	12.50	47.50	76.00	105.00	90.00	-
Total	37.50	85.00	161.00	266.00	356.00	356.00
B. Share Premium Account						
As per last balance sheet	107.77	107.77	409.32	409.33	409.33	965.03
Add : Received during the year	-	323.46	0.01	-	555.70	-
Less: - Share issue expenses	-	21.91	-	-	-	-
Less:- Utilized for Issue of bonus shares	-	-	-	-	-	170.61
Total	107.77	409.32	409.33	409.33	965.03	794.42
C. Capital Redemption Reserve	50.00	50.00	50.00	50.00	50.00	50.00
D. Surplus in Profit & Loss account, as restated	356.53	757.78	1,458.03	2,399.95	3,439.11	4016.38
E. Foreign Currency Translation Reserve	(5.64)	3.36	11.33	1.68	19.72	17.28
F. Capital Reserve on Consolidation	5.93	-	-	-	-	-
TOTAL (A+B+C+D+E+F)	552.09	1,305.46	2,089.69	3,126.96	4,829.86	5,234.08

ANNEXURE 33 - DETAILS OF SECURED LOANS – RESTATED
(Rs in Million)

PARTICULARS	-----As at 31st December-----					As at 31st May
	2005	2006	2007	2008	2009	2010
<u>From Banks</u>						
Term loans						
In Foreign Currency	292.65	1,334.14	1,133.30	1,333.06	750.00	712.61
In Domestic Currency	-	-	-	200.00	768.09	1,364.63
Cash Credit accounts	163.78	-	506.76	1,360.57	1,433.90	1,603.65
Working Capital Loans	-	70.00	370.00	210.00	-	-
Vehicle Loans	6.33	18.66	14.31	7.92	9.08	7.97
Interest accrued and due on above loans	-	-	0.79	8.29	4.92	11.90
From Others						
Vehicle Loan from Finance Companies	10.77	8.31	8.20	5.74	2.81	4.46
Total	473.53	1,431.11	2,033.36	3,125.58	2,968.80	3,705.22

Principal Terms of Secured Loans.

(Rs in Million)

(Rs in Millions)					
Sr No	Particulars of Lenders	Balance as on 31.05.10	Rate of Interest as on 31.05.10	Repayment Terms	Security
Term Loans - In Foreign Currency					
1	Barclays Bank PLC	696.75	Tranches A: 6.3% per annum Tranches B: 8.28% per annum	Tranche A: Repayment in monthly installments as per deal until December 2010. Tranche B: Repayment in bullet payment in October 2011	Secured by first pari passu charge by way of hypothecation over certain specified moveable fixed assets, mortgage over the immovable fixed assets and second pari passu charge over stock and receivables and certain specified immovable properties in favour of the Bank.
2	Canara Bank	15.86	US LIBOR + 700 bps	12 equal quarterly installments from October 14, 2007	
Total		712.61			
Term Loans – In Domestic Currency					
3	Indian Overseas Bank	163.09	12.75% (BPLR+75 bps)	60 EMI after an initial holiday period of one year from date of first availment	Secured by first pari passu charge by way of hypothecation over certain specified moveable fixed assets, mortgage over the immovable fixed assets and second pari passu charge over stock and receivables and certain specified immovable properties in favour of the Bank.
	Indian Overseas Bank	35.44	12.50% (BPLR+50bps)	36 EMI after an initial holiday period of 18 months	
	Indian Overseas Bank	35.11	12.50% (BPLR+50bps)	36 EMI after an initial holiday period of 18 months	
4	The Lakshmi Vilas Bank	461.02	13.50%	24 quarterly installments after initial moratorium period of 2 years from date of first drawdown	
5	United Bank of India	179.14	12.75% (BPLR+75 bps)	16 quarterly installments from June 30, 2011 till March 31, 2015	
6	Allahabad Bank	240.53	12.00% (BPLR)	16 quarterly installments from September, 2011 after an initial holiday period of 21 months	
	Allahabad Bank	250.30	12.00% (BPLR)	18 quarterly installments from September, 2011 after an initial holiday period of 21 months	
Total		1,364.63			

Sr No	Particulars of Lenders	Balance as on 31.05.10	Rate of Interest as on 31.05.10	Repayment Terms	Security
Cash Credit Accounts					
7	HDFC Bank	174.83	13.25%	Renewable at the end of each year.	Secured by first pari passu charge by way of hypothecation on all current assets of the company (present and future); second pari passu charge by way of hypothecation on movable fixed assets (present & future) and by way of mortgage on certain specified immovable fixed assets of the company (present and future); by first pari passu charge through Equitable mortgage on specified immovable property of the Company
8	Punjab National Bank	259.50	13.25% (BPLR+1.00 or highest charged in consortium)	Renewable at the end of each year.	
9	Andhra Bank	45.27	12.00 % (BPLR)	Renewable at the end of each year.	
10	Central Bank of India	199.06	12.00 % (BPLR)	Renewable at the end of each year.	
11	Indian Overseas Bank	449.92	12.00 % (BPLR)	Renewable at the end of each year.	
12	Canara Bank	475.07	12.00 % (BPLR)	Renewable at the end of each year.	
Total		1,603.65			

(Rs in Million)

Vehicle Loans					
Sr No	Particulars of Lender	Balance as on 31.05.10	Rate of Interest as on 31.05.10	Repayment Terms	Security
1	Kotak Mahindra Prime Limited	0.16	8.28%	60 EMI of Rs.8,250 each	Hypothecation of specific vehicle(s).
		0.16	8.28%	60 EMI of Rs.8,250 each	
		0.52	8.28%	60 EMI of Rs 22,050 each	
		0.37	8.28%	60 EMI of Rs 19,560 each	
		0.46	11.30%	60 EMI of Rs 18,000 each	
		0.76	8.51%	36 EMI of Rs 24,960 each	
		0.76	8.51%	36 EMI of Rs 24,960 each	
		0.64	9.04%	36 EMI of Rs 21,164 each	
		0.64	9.04%	36 EMI of Rs 21,164 each	
2	HDFC Bank Limited	0.51	12.05%	60 EMI of Rs 16,606 each	Hypothecation of specific vehicle(s).
		0.87	12.05%	60 EMI of Rs 28,480 each	
		0.51	12.05%	60 EMI of Rs 16,430 each	

(Rs in Million)

Sr No	Particulars of Lender	Balance as on 31.05.10	Rate of Interest as on 31.05.10	Repayment Terms	Security
3	ICICI Bank Limited	0.51	11.36%	36 EMI of Rs 26,080 each	Hypothecation of specific vehicle(s).
		0.51	11.36%	36 EMI of Rs 26,080 each	
		1.37	12.05%	60 EMI of Rs 37,485 each	
		1.37	12.05%	60 EMI of Rs 37,485 each	
		0.77	11.36%	36 EMI of Rs 39,120 each	
		0.77	11.36%	36 EMI of Rs 39,120 each	
		0.77	11.36%	36 EMI of Rs 39,120 each	
	Total	12.43			
	Interest Accrued and Due	11.90			
	Grand Total	3,705.22			

Note :- BPLR stands for Benchmark Prime Lending Rate

ANNEXURE 34 - CONSOLIDATED STATEMENT OF UNSECURED LOANS – RESTATED
(Rs in Million)

PARTICULARS	-----As at 31st December-----					As at 31st May
	2005	2006	2007	2008	2009	2010
<u>UNSECURED LOANS</u>						
Fixed Deposits						
Promoters	0.28	0.11	0.12	-	-	-
Others	24.39	22.26	17.74	17.75	-	-
Loans From						
Promoters	-	-	-	-	-	-
Group Companies	86.37	84.65	133.69	106.88	-	-
Material Associate Company	-	-	-	-	-	-
Other Companies	171.04	176.26	71.47	57.96	-	-
Short Term Loan from Allahabad Bank	-	-	-	-	171.26	-
Director	-	-	-	0.05	-	-
Total	282.08	283.28	223.02	182.64	171.26	-

ANNEXURE 35 - CONSOLIDATED STATEMENTS OF INVESTMENTS
(Rs. in Million)

PARTICULARS	-----As at 31st December-----					As at 31st May
	2005	2006	2007	2008	2009	2010
LONG TERM, UNQUOTED:						
TRADE :						
19,400 Equity Shares of India Renal Foundation of Rs.10/- each fully paid-up	0.19	0.19	0.19	0.19	0.19	0.19
NON TRADE:						
In Government Securities:						
7 years National Savings Certificate VI Issue	0.01	0.01	0.01	-	-	-
TOTAL	0.20	0.20	0.20	0.19	0.19	0.19

ANNEXURE 36 - CONSOLIDATED STATEMENT OF SUNDRY DEBTORS – RESTATED
(Rs. in Million)

PARTICULARS	-----As at 31st December-----					As at 31 st May
	2005	2006	2007	2008	2009	2010
Considered good:						
Debts Outstanding for a period						
Exceeding Six months	32.55	119.34	497.15	781.01	923.95	1,005.33
Less than Six months	225.15	870.95	1,988.96	1,927.40	1,723.80	1,625.47
Total (A)	257.70	990.29	2,486.11	2,708.41	2,647.75	2,630.80
Considered Doubtful:						
Debts outstanding for a period						
Exceeding Six months	0.93	33.34	107.86	77.85	67.92	68.80
Less than Six months	-	1.59	-	-	-	-
Less: Provision for Doubtful Debts	(0.93)	(34.93)	(107.86)	(77.85)	(67.92)	(68.80)
Total (B)	-	-	-	-	-	-
Total (A+B)	257.70	990.29	2,486.11	2,708.41	2,647.75	2,630.80

Note :-
Sundry Debtors include amount due from:-

1. Directors / Promoters	-	-	-	-	-	-
2. Parties related to Directors Promoters / the Company	-	-	-	-	-	-

ANNEXURE 37 - CONSOLIDATED STATEMENT OF LOANS AND ADVANCES – RESTATED
(Rs. in Million)

PARTICULARS	-----As at 31st December-----					As at 31 st May
	2005	2006	2007	2008	2009	2010
(Unsecured, considered good unless otherwise stated)						
<u>Considered Good</u>						
Advances Recoverable in Cash or in Kind or for value to be received	76.21	120.86	126.09	58.04	123.00	274.70
Intercompany Deposits	62.90	53.51	1.77	73.75	73.41	71.86
Advances to suppliers	88.18	112.07	192.24	472.95	741.20	786.99
Balance with Government Authorities	5.37	0.65	4.21	38.76	44.37	11.27
Earnest Money Deposits & Tender Deposits	4.48	9.17	12.45	17.37	11.16	12.19
Electricity and other deposits	6.29	16.43	15.68	16.92	42.35	39.43
Total (A)	243.43	312.69	352.44	677.79	1,035.49	1,196.44
<u>Considered Doubtful</u>						
Advances Recoverable in Cash or in Kind or for value to be received	0.85	0.84	0.84	0.84	-	-
Less: Provision for Doubtful Advances	(0.85)	(0.84)	(0.84)	(0.84)	-	-
Total (B)	-	-	-	-	-	-
Total (A) + (B)	243.43	312.69	352.44	677.79	1,035.49	1,196.44

Note:-
Loans and advances include:-

1	Intercompany Deposits due from companies under same management u/s 370 (1B)	1.21	1.21	1.21	69.37	73.41	67.64
2	Amounts due from :						
a	Directors / Promoters / Officers of the Company	0.31	-	0.26	0.19	0.68	1.50
b	Parties related to Directors / Promoters	36.50	22.46	20.85	22.17	0.58	0.58
3	Advances Receivable from companies under same management u/s 370 (1B)	-	-	-	4.33	45.11	45.11

ANNEXURE 38 - CONSOLIDATED STATEMENT OF CURRENT LIABILITIES AND PROVISIONS – RESTATED
(Rs. in Million)

PARTICULARS	-----As at 31st December-----					As at 31 st May
	2005	2006	2007	2008	2009	2010
A. Current Liabilities						
Sundry Creditors :						
Small Scale Industrial Undertaking /Micro and Small Enterprises	16.51	41.08	12.49	2.33	17.68	22.49
Others	191.53	566.06	999.01	1,051.67	1,716.20	920.02
For Capital Goods	53.67	374.63	415.52	300.89	273.49	206.31
Other Current Liabilities:						
Advances received from Customers	124.87	225.26	260.16	353.51	1,321.44	959.17
Security Deposits	207.05	240.82	356.73	424.62	1,115.75	1,095.97
Interest Accrued but not due on Loans	4.72	18.15	18.42	11.98	10.43	9.15
Bank Overdraft as per Books	-	40.69	4.70	11.86	1.63	0.48
Total (A)	598.35	1,506.69	2,067.03	2,156.86	4,456.62	3,213.59
B. Provisions						
For Taxation (Net of Payments)	48.65	68.91	216.44	326.45	125.70	100.36
For Employees Benefits	18.74	30.23	38.75	66.41	56.88	80.70
For Proposed Dividend	50.36	50.36	99.98	27.28	102.37	-
For Tax on Distributed Profits	7.06	8.56	16.99	4.78	17.40	-
For Product Recall	-	-	-	-	-	74.35
Total (B)	124.81	158.06	372.16	424.92	302.35	255.41
Total (A+B)	723.16	1,664.75	2,439.19	2,581.78	4,758.97	3,469.00

						(Rs. in Million)
						For Five months Period ended 31 st May
PARTICULARS	-----For the year ended 31st December-----					
	2005	2006	2007	2008	2009	2010
A. Other Income, As Restated	54.22	108.55	262.41	106.65	158.76	69.48
B. Net Profit before tax, As Restated	253.83	698.81	1,212.22	1,410.14	1,435.41	632.40
Percentage (%) A/B	21.36%	15.53%	21.65%	7.56%	11.06%	10.99%

PARTICULARS	Related / Not related to business	-----For the year ended 31st December-----					For Five months period ended 31 st May
		2005	2006	2007	2008	2009	2010
A. Recurring Income							
Scrap Sales	Related	9.39	14.12	22.07	9.39	9.04	-
Sub Total		9.39	14.12	22.07	9.39	9.04	-
B. Non Recurring Income							
Service Contract Income	Related	3.72	3.77	1.62	-	-	-
Export Incentives	Related	29.20	64.53	3.80	-	-	-
Exchange Rate Difference (Net)	Related	11.91	21.81	224.37	-	119.62	55.37
Sale of Voluntary Carbon Reduction Units	Related	-	-	-	-	21.44	-
Excess provision written back	Related	1.95	-	-		-	-
Non refundable license fees forfeited	Related	-	-	-	32.56	-	-
Bad Debt Recovered	Related	-	-	-	10.80	-	-
Commission Earned	Related	-	-	-	9.31	-	-
Provision for doubtful debts no longer required	Not Related	-	0.65	4.23	-	-	-
Profit on Sale of Fixed Assets	Not Related	-	0.65	-	-	-	-
Insurance Claim Received	Not Related	-	0.12	-	-	-	-
Gain on Swap and Cancellation of Forward Cover	Not Related	-	-	-	55.39	-	-
Misc. Income	Not Related	-	3.55	10.55	(0.00)	8.66	14.11
Retainership charges paid in earlier years recovered	Not Related	-	-	-	-	-	46.00
Sales Tax Refund	Not Related	-	-	-	-	-	14.23
Sub Total		46.78	95.08	244.57	108.06	149.72	129.71
TOTAL (A+B)		56.17	109.20	266.64	117.45	158.76	129.71
Adjustments (Refer Annexure 29)		1.95	0.65	4.23	10.80	-	60.23
Other income, as restated		54.22	108.55	262.41	106.65	158.76	69.48

F-67

ANNEXURE 40 - CONSOLIDATED STATEMENT OF DIVIDEND PAID/PROPOSED

(Rs. in Million)							
PARTICULARS	Face Value	-----For the year ended 31st December-----					For Five months Period ended 31 st May
		2005	2006	2007	2008	2009	2010
Class of Shares							
Equity Shares – Numbers	10	29,114,176	29,357,256	29,357,256	29,357,256	34,123,525	51,185,288
0.01% Cumulative Preference Shares – Numbers	1,000	-	6,03,360	6,03,360	6,03,360	-	-
Dividend on Equity Shares							
Rate of Dividend (%)		15%	15%	30%	8%	30%	-
Dividend Per Share (Rs)		1.50	1.50	3.00	0.80	3.00	-
Amount of Dividend (Rs. in Million)		50.36	50.36	99.98	27.28	102.37	-
Corporate Dividend Tax (Rs. in Million).		7.06	8.57	16.99	4.78	17.40	-
Dividend On Preference Shares							
Rate of Dividend (%)		-	-	-	-	-	-
Dividend Per Share (Rs)		-	-	-	-	-	-
Amount of Dividend (Rs. in Million)		-	-	-	-	-	-

					(Rs. in Million)
-----For the year ended 31st December-----					For Five months Period ended 31 st May
2005	2006	2007	2008	2009	2010

Note

1,000 Equity Shares of Rs.10 each issued to First Carlyle Ventures - III (Refer note 5 of Annexure 28) carried differential rights as regards voting and right of dividend. Dividend on equity shares for the respective years includes dividend on such shares computed considering deemed conversion of 603,360 0.01% Cumulative Preference Shares amounting to Rs.

6.33	6.35	11.88	3.81	9.64	-
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ANNEXURE 41 - CONSOLIDATED STATEMENT OF ACCOUNTING RATIOS – RESTATED

PARTICULARS	-----For the year ended 31st December-----					For Five months Period ended 31 st May 2010
	2005	2006	2007	2008	2009	
A. Basic and Diluted Earning per Share (Rs.)						
Basic EPS						
Computation of Profit (Numerator)						
Net Profit for the year, as restated attributable to Equity Shareholders (Rs. in Million)	178.05	500.25	879.31	1,074.52	1,237.65	577.27
Weighted Average Number of Shares (Denominator)						
Weighted average number of Equity Share of Rs. 10 each	29,114,176	29,316,612	29,357,256	29,357,256	30,911,190	51,185,288
Add: Bonus Shares to be issued (refer note 1 below)	17,061,763	17,061,763	17,061,763	17,061,763	17,061,763	-
Weighted average number of Equity Shares of Rs. 10 each used for calculation of Basic Earning per Share after considering issue of Bonus Shares	46,175,939	46,378,375	46,419,019	46,419,019	47,972,953	51,185,288
Basic EPS (in Rs.)						
(After considering issue of bonus shares, refer note 1 below)	3.86	10.79	18.94	23.15	25.80	11.28
Face value per share (in Rs.)	10.00	10.00	10.00	10.00	10.00	10.00
Diluted EPS						
Computation of Profit (Numerator)						
Net Profit after tax, as restated (Rs. in Million)	185.27	507.68	893.22	1,078.98	1,248.93	577.27
Weighted Average Number of Shares (Denominator)						
Weighted average number of Shares used for calculating Diluted Earning per share.	33,332,330	33,534,766	33,325,705	34,123,525	34,123,525	51,185,288
Weighted average number of Shares used for calculating Diluted Earning per share after considering issue of Bonus Shares	50,394,093	50,596,529	50,387,468	51,185,288	51,185,288	51,185,288
Diluted EPS (in Rs.)						
(After considering issue of bonus shares, refer note 1 below)	3.68	10.03	17.73	21.08	24.40	11.28
Face value per share (in Rs.)	10.00	10.00	10.00	10.00	10.00	10.00
B. Net Asset Value Per Equity Share (Rs.)						
Net Assets, as restated (Rs. in Million)	841.50	1,599.03	2,383.26	3,420.53	5,171.10	5,718.59
Number of equity shares outstanding at the end of the year/period (Before considering issue of bonus shares)	29,114,176	29,357,256	29,357,256	29,357,256	34,123,525	51,185,288
Number of equity shares outstanding at the end of the year/period (After considering issue of bonus shares)	46,175,939	46,419,019	46,419,019	46,419,019	51,185,288	51,185,288
Net Assets Value per equity share(Before considering issue of bonus shares)	28.90	54.47	81.18	116.51	151.54	111.72
Net Assets Value per equity share (After considering issue of bonus shares)	18.22	34.45	51.34	73.69	101.03	111.72
C. Return on Network						
Net Profit after tax, as restated (Rs. in Million)	185.27	507.68	893.22	1,078.98	1,248.93	577.27
Net worth, as restated (Rs. in Million)	841.50	2,202.39	2,986.62	4,023.89	5,171.10	5,718.59
Return on Network	22.02%	23.05%	29.91%	26.81%	24.15%	10.09%

Notes:

- The Parent Company, on 7th April 2010, has issued 17,061,763 bonus shares to its existing share holders in the proportion of one Equity Share for every two Equity Shares held by capitalization of Share Premium account, In view of this, and in accordance with requirements of the accounting standards – 20 “Earning per share”, the bonus shares issued by the Parent company have been taken into consideration for calculation adjusting the basic and diluted earning per share for all the comparative periods presented.
- The ratios have been computed as per the following formulae:
 - Basic and Diluted Earnings per Share
$$\frac{\text{Net Profit after tax, as restated for the year / period attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year / period}}$$
 - Net Assets Value (NAV)
$$\frac{\text{Net Assets, as restated, at the end of the year / period}}{\text{Number of equity shares outstanding at the end of the year / period}}$$
 - Return on Net worth (%)
$$\frac{\text{Net Profit after tax, as restated for the year / period}}{\text{Net worth, as restated, at the end of the year / period}}$$

ANNEXURE 42 - CONSOLIDATED CAPITALISATION STATEMENT – RESTATED
(Rs. in Million)

PARTICULARS	As at 31st May 2010	Post-issue
Long Term debt	3,288.19	-
Short Term debt	417.03	-
Total Debts	3,705.22	-
Shareholders' Funds		
Share Capital	511.85	See Notes Below
Reserves & Surplus	5,234.08	See Notes Below
Total Shareholders' Funds	5,745.93	
Long-term Debt to Equity Ratio	0.57 : 1	See Note Below

Note:

1. Post Issue Capitalization will be determined after finalization of issue price.
2. Short term debts represent debts which are due within 12 months from 31st May 2010.
3. Long term debts represent debts other than short term debts, as defined above.

ANNEXURE 43 - CONSOLIDATED COMMITMENTS AND CONTINGENT LIABILITIES – RESTATED
(Rs. in Million)

PARTICULARS	-----As at 31st December-----					As at 31 st May
	2005	2006	2007	2008	2009	2010
<u>Contingent liability in respect of :</u>						
a. Claims against the Company not acknowledged as debts in respect of sales tax and other matters	-	0.90	1.46	4.51	7.27	86.16
b. Guarantees given by the bankers on behalf of the Company	-	-	4.68	21.52	6.30	8.50
c. Disputed demand under Income tax	-	3.37	0.45	0.45	8.35	7.06
d. Bills discounted	67.44	58.21	249.34	123.02	117.28	263.19
e. Letters of credit outstanding	-	259.50	143.05	125.71	674.59	676.27
<u>Commitments and Obligations:</u>						
a. Estimated amount of contracts remaining to be executed on capital account and not provided for	536.58	594.64	612.57	135.05	526.47	219.04
b. i)Outstanding obligation to export goods within the stipulated period as per Export Promotional Capital Goods Scheme, failing which additional custom duty payable would amount to	254.77	447.52	539.35	554.43	562.73	459.93
ii) Timeframe within which such exports should be made	June 10 to May 11	June 11 to May 12	June 12 to May 13	June 13 to May 14	June 14 to May 15	June 15 to May 16
Failing which additional custom duty payable would amount to	-	106.88	45.35	113.15	104.00	90.55

ANNEXURE 44 - CONSOLIDATED STATEMENT OF SEGMENT INFORMATION – RESTATED

Segment Information

(i) Primary Segment:

In accordance with the requirements of Accounting Standard - 17 on Segment Reporting, the Company has determined its business segment as "Drugs and Pharmaceuticals". Since all of the Company's business is from "Drugs and Pharmaceuticals", there are no other primary reportable segments. Thus the segment revenue, segment result, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, the total amount of charge for depreciation during the year are all reflected in the respective financial statements as at and for the year then ended.

(ii) Secondary Segment (Geographical Segment)

PARTICULARS	(Rs. in Million)					
	As at / For the Year Ended 31st December-----					
	2005	2006	2007	2008	2009	As at / For Five Months Period ended 31 st May 2010
Total Assets						
In India	2,434.89	5,545.92	6,474.90	7,667.02	9,716.88	11,568.89
Outside India	34.19	254.89	1,521.77	2,763.41	3,864.50	1,825.71
Total	2,469.08	5,800.81	7,996.67	10,430.43	13,581.38	13,394.60
Capital Expenditure						
In India	442.57	1,767.52	1,422.13	1,945.29	1,059.84	565.44
Outside India	3.86	5.44	22.57	-	6.11	-
Total	446.43	1,772.96	1,444.70	1,945.29	1,065.95	565.44
Revenue						
In India	1,578.10	2,184.82	3,797.08	3,748.81	3,367.07	1,259.91
Outside India	1,289.34	1,732.72	2,174.44	3,772.74	4,068.18	1,989.62
Total	2,867.44	3,917.54	5,971.52	7,521.55	7,435.25	3,249.53

ANNEXURE 45 - TAX SHELTER STATEMENT
(Rs in Million)

PARTICULARS		-----For the year ended 31st December-----					For Five Months Period ended 31 st May 2010
		2005	2006	2007	2008	2009	
Net Profit before Tax – Restated	(A)	253.83	698.81	1,212.22	1,410.14	1,435.41	632.40
Weighted Average Tax rate	(B)	33.66%	33.66%	33.99%	33.99%	33.99%	33.22%
Notional Tax at above rate	(C)	85.44	235.22	412.03	479.31	487.90	210.08
Adjustments for:							
Permanent differences on account of :							
Research & Development Expenses u/s. 35 (2AB)		71.82	245.33	275.05	120.65	13.76	4.99
Deduction in respect of export profits u/s.10 B		-	16.73	159.20	717.27	466.80	195.86
Capital Receipts not taxable / Capital Expenditure not deductible		-	-	106.59	(150.84)	-	-
Donation		(0.98)	(0.59)	(1.46)	(7.30)	(0.82)	(0.43)
Profit/(Loss) on sale of assets		(0.07)	0.26	(1.21)	(2.18)	(72.10)	-
Adjustments on consolidation (Includes eliminations of unrealized profits, Profit / loss of subsidiary companies, etc.)		(30.56)	(139.29)	87.64	(45.32)	542.31	285.90
Others		7.96	-	(8.16)	(18.30)	(7.62)	-
Total	(D)	48.17	122.44	617.65	613.98	942.33	486.32
Timing differences on account of							
Difference between Book Depreciation and Tax Depreciation		129.18	307.24	144.57	337.03	85.60	(0.75)
Disallowance under section 43B		(3.50)	(13.42)	(12.30)	(19.23)	-	-
Disallowance under section 40 (a) (i)		-	-	(239.89)	-	133.70	-
Provision for doubtful debts/advances		(0.85)	7.88	(10.80)	66.40	(85.21)	-
Total	(E)	124.83	301.70	(118.42)	384.20	134.09	(0.75)
Net Adjustments: (D) + (E)	(F)	173.00	424.14	499.23	998.18	1,076.42	485.56
Tax saving thereon	(G)	58.23	142.77	169.69	339.28	365.87	161.30
Total Current Tax (C) - (G)	(H)	27.21	92.45	242.34	140.03	122.03	48.78
Increase in tax expense on account of							
Rounding of		0.41	0.01	0.10	0.80	-	-
Short provision of tax		-	-	-	-	-	-
Interest		-	-	19.00	9.00	-	-
Taxes as accounted by Foreign Subsidiary Companies		3.73	1.19	4.93	21.26	0.20	0.01
Adjustment on account of Restatements		(5.12)	(2.86)	(6.66)	3.67	-	10.94
Total	(I)	26.23	90.79	259.71	174.76	122.23	59.73
Tax liability as per the provision of Section 115 JB of the Income Tax Act, 1961	(J)	-	-	-	-	189.40	77.72
Current tax provision for the year - Amount higher of (J) or (I)		26.23	90.79	259.71	174.76	189.40	77.72
Current tax provision for the period as per the books of accounts		26.23	90.79	259.71	174.76	189.40	77.72

Notes :

1. The tax year for the Company being the year ending 31st March, the provision for taxation for the year / period ended 31st December/31st May is the aggregate of the provision required for the three months ended 31st March and the provision required for the remaining nine/two months ended 31st December/31st May. The ultimate tax liability of which has been estimated on the basis of the actual / projected figures for the period from 1st April to 31st March. Accordingly the above computation has been made on the basis of the calculations of the tax liability made for determining the current tax provision for the respective accounting periods, which has been estimated on the basis of the actual / projected figures for the period from 1st April to 31st March.
2. Foreign subsidiary companies recognize tax liabilities in accordance with the applicable local laws. In absence of information and the current taxes provided for in their books of accounts being immaterial, the breakup of tax savings have not been disclosed in above working.

ANNEXURE 46 - CONSOLIDATED STATEMENT OF RELATED PARTY TRANSACTIONS**(A) Particulars of related parties and nature of relationship:**

Name of the Related Parties	Nature of Relationship
Sarjan Financial Private Limited	Holding Company (Upto September, 2009)
Xcelris Labs Limited	Subsidiary Company (Since 2006 Upto September, 2008)
Prarabdh Financial Private Limited	Company in which KMP have Controlling Interest (Upto October, 2007 and From March, 2009 onwards.)
Dialysis Healthcare Private Limited	Company in which KMP have Controlling Interest (Upto October,2007)
Darshnil Financial Private Limited	Company in which KMP have Controlling Interest.
Accelaris Technologies Limited	Company in which KMP have Controlling Interest (Upto February, 2008, and From February, 2009 onwards)
Matrix Logistics Limited	Company in which KMP have Controlling Interest (Since February, 2005 upto October, 2007)
Red Bricks Junior Education Limited	Company in which KMP have Controlling Interest (Since September,2009)
PI.Capital Limited	Company in which KMP have Controlling Interest (Upto October,2007)
Enthrills Infotech Limited	Company in which KMP have Controlling Interest (Upto October,2007)
Medical Technologies Limited	Company in which KMP have Controlling Interest
Cygnus Laboratories Limited	Company in which KMP have Controlling Interest (Since September,2008)
Levana Financial Services Limited	Company in which KMP have Controlling Interest (Since 2009)
Aventure Infrastructure Limited	Company in which KMP have Controlling Interest (Since 2009)
Abellon Agrisciences Limited (Formerly known as Olive Agrisciences Limited)	Company in which KMP have Controlling Interest (Since October,2009)
Mr. Chetan S. Majmudar	Key Management Personnel (KMP)
Mr. Amish Vyas	Key Management Personnel (KMP) (From November,2006 To January,2008 and then From July 2009 onwards)
Mr. Arjun S. Handa	Key Management Personnel (KMP)
Mr. Aditya S. Handa	Key Management Personnel (KMP)
Mr. Jatin R Jalundhwala	Key Management Personnel (KMP) (Up to November,2005)
Mr. Chandrasingh Purohit	Key Management Personnel (KMP) (Since March,2009)
Mr. Sushilkumar Handa	Relative of KMP
Mrs. Beena S. Handa	Relative of KMP
Sarjan Financial Private Limited	Company in which KMP have Controlling Interest (Since September, 2009)
Xcelris Labs Limited	Company in which KMP have Controlling Interest (Since September, 2008)

(B) Details of transactions with related parties:**(Rs in Million)**

PARTICULARS	-----For the year ended 31st December-----					For Five Months Period ended 31 st May 2010
	2005	2006	2007	2008	2009	
A Nature of Transactions						
Services Received						
Enthrills Infotech Limited	19.10	6.00	-	-	-	-
Accelarar Technologies Limited	20.60	0.50	-	-	-	-
Beena S. Handa	-	2.50	3.00	3.00	0.75	-
Xcelris Labs Limited	-	-	-	6.40	21.71	-
Dividend Paid						
Sarjan Financial Private Limited	-	23.78	47.56	47.56	11.19	47.56
Aditya S Handa	-	1.95	3.90	15.53	4.14	15.60
Arjun S Handa	-	1.95	3.90	15.53	4.14	15.60
Beena S. Handa	-	11.70	23.40	0.15	0.04	-
Medical Technologies Limited	-	4.65	4.65	9.31	2.48	9.01
Remuneration						
Jatin R. Jalundhwala	1.10	1.24	-	-	-	-
Chetan S. Majmudar	0.87	1.15	1.56	2.19	2.57	1.16
Amish Vyas	-	0.20	1.58	0.15	1.41	1.14
Aditya S Handa	-	-	-	6.00	-	-
Arjun S Handa	-	-	-	8.38	15.00	6.25
Chandrasingh Purohit	-	-	-	-	1.47	1.19
Retainership Charges Paid / (Recovered)						
Sushilkumar Handa	12.00	8.50	9.00	-	-	(46.00)
Advances Received during the year / period						
Xcelris Labs Limited	-	-	-	-	103.29	-
Advances Granted During the year / period						
Xcelris Labs Limited	-	-	-	-	144.07	-
ICD outstanding received back during the year/period						
Sarjan Financial Private Limited	-	-	-	1.21	1.87	-
Accelarar Technologies Limited	-	-	-	-	-	45.71
Medical Technologies Limited	-	-	-	-	-	7.20
ICD Received during the year/period						
Xcelris Labs Limited	-	-	-	201.88	-	-
Medical Technologies Limited	-	-	-	2.00	20.41	-
Cygnus Laboratories Limited	-	-	-	-	144.82	-
Prarabdh Financial Private Limited	-	-	-	187.29	46.46	-
Enthrills Infotech Limited	-	-	-	6.83	-	-
Accelarar Technologies Limited	-	-	-	-	119.04	-
ICD Paid During the year / period						
Accelarar Technologies Limited	-	-	-	31.78	106.51	39.94
Medical Technologies Limited	-	-	-	14.35	120.45	7.20
Xcelris Labs Limited	-	-	-	209.95	-	-
Cygnus Laboratories Limited	-	-	-	-	155.52	-
Red Bricks Junior Education Limited	-	-	-	-	0.06	-
Prarabdh Financial Private Limited	-	-	-	185.81	49.27	-
Sarjan Financial Private Limited	-	-	-	1.21	1.87	-
Abellon Agrisciences Limited	-	-	-	-	3.00	-
Investments Sold during the year / period						
Cygnus Lab Ltd (Share of Xcelris Labs Ltd.)	-	-	-	0.57	-	-

PARTICULARS	-----For the year ended 31 st December-----					For Five Months Period ended 31 st May 2010
	2005	2006	2007	2008	2009	
B. Balances at the end of the year/ period						
Outstanding Balance of Inter Corporate Deposit Granted						
Sarjan Financial Private Limited	1.21	1.21	1.21	-	-	-
Accelaris Technologies Limited	-	-	-	18.31	5.78	-
Cygnus Laboratories Limited	-	-	-	0.57	11.28	11.28
Prarabdh Financial Private Limited	-	-	-	50.49	53.30	53.30
Red Bricks Junior Education Limited	-	-	-	-	0.06	0.06
Abellon Agrisciences Limited	-	-	-	-	3.00	3.00
Loans/Advances Received Outstanding						
Accelaris Technologies Limited	1.98	1.12	13.47	-	-	-
Enthrills Infotech Limited	28.18	12.51	7.83	6.83	-	-
Matrix Logistics Limited	29.31	-	-	-	-	-
Medical Technologies Limited	26.91	71.02	112.39	100.05	-	-
Loans/Advances Granted Outstanding						
Amish Vyas	0.02	-	0.24	0.19	0.20	0.47
Chandrasingh Purohit	-	-	-	-	0.48	0.58
Accelaris Technologies Limited	-	-	-	-	1.73	1.73
Enthrills Infotech Limited	-	-	-	-	1.53	1.53
Xcelris Labs Limited	-	-	-	4.33	45.11	45.11
Sushilkumar Handa	35.60	22.46	20.85	22.17	0.58	0.58
Beena S. Handa	0.90	-	-	-	-	-
Jatin R. Jalundhwala	0.04	-	-	-	-	-
Chetan S. Majmudar	0.25	-	0.02	-	-	0.45
Fixed Deposits						
Arjun S. Handa	0.18	-	-	-	-	-
Aditya S. Handa	0.10	0.11	0.12	-	-	-
Outstanding Payables						
Jatin R. Jalundhwala	-	0.37	-	-	-	-
Chetan S. Majmudar	-	0.02	-	1.38	0.22	-
Amish Vyas	-	0.00	-	-	-	-
Beena S. Handa	-	1.67	1.39	2.21	3.19	3.19
Accelaris Technologies Limited	-	-	-	0.02	0.02	0.02
Xcelris Labs Limited	-	-	-	18.97	21.74	-

Note :

The above information includes the nature and extent of all transactions including those that are material to the company or the related party, or any transactions that are unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which the company or any of its parent company was a party.

SECTION 6 : MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with restated audited consolidated financial statements of our Company included in this Red Herring Prospectus, including the notes thereto and reports thereon. This financial information has been prepared in accordance with Indian GAAP, the SEBI ICDR Regulations and the Companies Act and restated in accordance with the SEBI ICDR Regulations. The restated financial information has been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and International Financial Reporting Standards. This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors and contingencies that could impact our financial condition and results of operations such as those set forth in the section titled "Risk Factors" beginning on page 18.

OVERVIEW

We are one of the largest Indian sterile injectables pharmaceutical companies with a presence in 76 countries worldwide. Our products offering comprises 128 products across multiple markets and therapeutic areas. All of our products are off-patent products, a significant majority of which are capable of being directly injected into the body and are predominantly used in the treatment of critical illnesses.

Our products range across various therapeutic segments, including anaesthesia, critical care, anti-infectives, renal care, infusion therapy, enteral nutrition, parenteral nutrition and oncology. We offer injectables in various delivery systems, such as glass and plastic bottles, vials, ampoules, pre-filled syringes and non-PVC and PVC bags. Our customer base primarily includes government and private hospitals, aid agencies and nursing homes.

For the five month period ended May 31, 2010, we recorded total sales of Rs. 3,249.53 million and net profit of Rs. 577.27 million. For the financial years ended December 31, 2009, 2008, and 2007, we recorded total sales of Rs. 7,435.25 million, Rs. 7,521.55 million and Rs. 5,971.52 million, respectively, and net profit of Rs. 1,248.93 million, Rs. 1,078.98 million, and Rs. 893.22 million, respectively.

Since the Company's inception, we have made efforts to grow our business in international markets. For the five month period ended May 31, 2010 our revenue from our international businesses amounted to Rs. 1,989.62 million, which accounted for 61.23% of total sales during the period. For the financial years ended December 31, 2009, 2008, and 2007, our revenue in international business amounted to Rs. 4,068.18 million, Rs. 3,772.74 million and Rs. 2,174.44 million, respectively, which accounted for 54.71%, 50.16% and 36.41% of total sales, respectively. We believe we have an established presence and offer a large product portfolio in emerging markets, such as regions of Latin America, the Middle East, Africa and Central, South East and Far East Asia. For the five month period ended May 31, 2010, our revenue from emerging markets amounted to Rs. 817.90 million which accounted for 25.17% of our total sales during this period. For the financial years ended December 31, 2009, 2008 and 2007, our revenue in emerging markets amounted to Rs. 2,658.08 million, Rs. 3,445.01 million and Rs. 1,858.87 million, respectively, which accounted for 35.75%, 45.80%, and 31.13% of our total sales, respectively. We also have a presence in certain regulated markets and one of our key growth strategies going forward is to further expand our distribution network and product offerings in markets such as the United States, Western Europe, Australia, New Zealand, Canada and South Africa, as potential sales and profit margins are higher than those in the emerging markets. In order to achieve growth in the regulated markets, we have filed 280 applications for product registrations in regulated markets up to September 30, 2010, including 36 applications in the United States, out of which we have obtained 145 product registrations, including 25 in the United States.

We and certain of our partners received a number of complaints in relation to certain of our products pursuant to which we and our partners/distributors recalled some or all of our products from certain countries. Further, the USFDA imposed an import alert on us and our products, which is subsisting. Furthermore, the USFDA carried out an inspection of our manufacturing facilities at Ahmedabad, subsequent to which it has issued a warning letter to us. Additionally, the registration of the Company and its products was suspended by the Drug and Food Control, Ministry of Health, State of Kuwait from June 8, 2010 till August 22, 2010. For more details, please see "– Recent Developments", "Management's Discussion and Analysis of Financial Condition and Results of Operations –Significant Developments since May 31, 2010", "Risk Factors - **The USFDA issued a warning**

letter to us pursuant to an inspection carried out at our manufacturing facilities at Ahmedabad. Such warnings and any future warnings to us and/or in relation to our products has had and may have an adverse effect on our business, financial condition and results of operations, as well as adversely affect our reputation and the demand for our products”, “Risk Factors – The USFDA imposed an import alert on us and our products pursuant to receipt of a number of complaints, in relation to certain of our products, by us and certain of our partners, which is subsisting. Such import alert, and any future import alerts to us and/or in relation to our products, has had and may have an adverse effect on our business, financial condition and results of operations as well as adversely affect our reputation and the demand for our products”, “Risk Factors – The registration of our Company and its products were suspended by the Drug and Food Control, Ministry of Health, State of Kuwait. Such suspension and/or any future suspensions to us and/or in relation to our products has had and may have an adverse effect on our business, financial condition and results of operations as well as adversely affect our reputation and the demand for our products” and “Risk Factors – We and certain of our partners received a number of complaints in relation to certain of our products pursuant to which we and our partners/distributors recalled some or all of our products from certain countries. Such complaints and/or recalls, and any future complaints and/or recalls to us and/or in relation to our products has had and may have an adverse effect on our business, financial condition and results of operations as well as adversely affect our reputation and the demand for our products”. For the five month period ended May 31, 2010, our revenue in regulated markets amounted to Rs. 1,171.72 million which accounted for 36.06% of our total sales during this period. For the financial years ended December 31, 2009, 2008 and 2007, our revenue in regulated markets amounted to Rs. 1,410.10 million, Rs. 327.73 million and Rs. 315.56 million, respectively, which accounted for 18.97%, 4.36%, and 5.28% of our total sales, respectively.

In addition to growing our international business, we continue to maintain our focus on the domestic business. For the five month period ended May 31, 2010 our revenue in our domestic business was Rs. 1,259.91 million which accounted for 38.77% of our total revenues during this period. For the financial years ended December 31, 2009, 2008, and 2007, our revenue in our domestic business was Rs. 3,367.07 million, Rs. 3,748.81 million and Rs. 3,797.08 million, respectively, which accounted for 45.29%, 49.84%, and 63.59%, respectively, of our total revenues.

Our manufacturing facilities are located in Ahmedabad, India. Certain of these facilities have been approved by foreign regulatory authorities including the USFDA, MHRA (UK), TGA (Australia), NAM (Finland), GCC FDCA (Gulf Cooperation Council, including Saudi Arabia, U.A.E. and other countries in the Middle East) and INVIMA (Colombia). One of our facilities, Clarion V, is currently under construction and we expect it to be operational by the third quarter of 2011. Our manufacturing facilities are ISO 9001-2000 and WHO GMP certified. In addition, the Company has won the Indian Drug Manufacturer Association’s Quality Excellence Award in 2007 and 2008 and the Frost & Sullivan India Manufacturing Excellence Award in 2007, 2008 and 2009 in recognition of the quality of its practices. The Company has also been given a certificate of excellence by the State Pharmaceuticals Corporation of Sri Lanka at the 13th SPC Suppliers Convention 2010. The Company has also been awarded the Silver Award in the Pharmaceutical Sector by Greentech Foundation for the Company’s outstanding achievement in safety management in respect of its manufacturing operations. In addition to manufacturing our own products which we sell under our own brands, we use our facilities to manufacture products which are sold to Indian and international companies who market such products under their own brands.

Out of our products offering, one of our key products, propofol, represented approximately 14.84% of our total sales for the financial year ended December 31, 2009 and for the five month period ended May 31, 2010 represented approximately 12.52% of our total sales in that period. We hold patents for APIs for our hydroxyl ethyl starch product. Our regulatory team has developed capabilities and processes to file product registrations in regulated and emerging markets; as of September 30, 2010, we had obtained over 1,100 registrations worldwide and approximately 324 applications were pending approval.

We adopt three different distribution models for the supply of our products across international markets. In certain countries, we register, import and store products as well as market them to customers through entities owned and controlled by us. In certain other countries, we partner with local distributors who import and distribute our products and, under our supervision, carry out marketing activities. In the rest of the countries where we operate, distributors and marketing partners are responsible for marketing our products. In March 2009, we entered into a business arrangement with the Pfizer group of companies (“Pfizer”) with a view to strengthen our presence in regulated markets. We believe Pfizer’s ability to market our products will extend the reach of our products and enable our business to grow in regulated markets in which Pfizer has a significant

presence. In addition to the seven ANDAs in relation to four products granted by the USFDA, we have, pursuant to an asset purchase and technology license agreement entered into with a pharmaceutical company, acquired 24 ANDAs for 16 products, out of which four ANDAs for two products were granted to us prior to this agreement, and two ANDAs for two products are yet to be granted by the USFDA. Accordingly, as of September 30, 2010, we have been granted 25 ANDAs in relation to 16 products by the USFDA in aggregate. For further details in relation to the asset purchase and technology license agreement please see “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Recent Developments” on page 209 of this Red Herring Prospectus.

Our domestic business is driven by our own sales and marketing network. As of September 30, 2010, we had a sales division of approximately 422 people covering various territories across India. We also had a network of approximately 43 clearing and forwarding agents, 40 distributors, 16 consignee agents and 1,120 stockists in the country.

For the financial years ended December 31, 2009, 2008, and 2007, we incurred Rs. 1,065.95 million, Rs. 1,945.29 million and Rs. 1,444.70 million, respectively, in capital expenditure to expand our production capacity and upgrade technology in our manufacturing facilities. For the five month period ended May 31, 2010, we incurred Rs. 565.44 million in capital expenditure to further expand our production capacity and upgrade technology in our manufacturing facilities. We expect to incur significant capital expenditures in 2010, 2011 and 2012 to set up new production lines as well as a research and development facility. For further details on our planned capital expenditures, please see the sections titled “Objects of the Issue” and “History and Certain Corporate Matters” on pages 88 and 145, respectively, of this Red Herring Prospectus.

Fitch Ratings India Private Limited granted our Company long-term and short-term debt ratings of ‘A-(ind)’ and ‘F2+(ind)’, respectively, on June 23, 2010.

OUR COMPETITIVE STRENGTHS

The following are our key strengths which we believe enable us to be competitive in our business:

Complex product portfolio

We believe we have a differentiated business model among Indian pharmaceutical companies due to our focus on a range of complex injectable products. We have established a portfolio of injectable products across various therapeutic segments, technologies and delivery systems. We have developed 98 products formulated from our portfolio of approximately 57 molecules. Our product portfolio comprises complex molecules, such as propofol and iron sucrose. Further, we believe our portfolio of injectables is one of the largest amongst Indian pharmaceutical companies. Our products span multiple technology platforms, including aqueous solutions as well as complex colloidal solutions, liposomal products and emulsions. These products are available across delivery systems, such as ampoules, vials, bottles ranging from 1 ml to 2000 ml, multi-chamber bags in PVC and non-PVC material. Hospitals are our key customers for injectables. Sales to hospitals are driven by a combination of width and depth in product range. By increasing the size of our product portfolio, we have been able to achieve sales growth in various markets.

Manufacturing competence across multiple drug delivery systems

Our products require an understanding of sophisticated technical processes and quality assurance methods to be able to maintain sterility. We believe we are one of the few manufacturers in India and in other emerging markets to have manufacturing facilities for large volume parenterals in glass bottles, emulsions manufacturing facilities and bag manufacturing facilities which are approved by multiple regulatory authorities in the regulated markets.

We have purchased technologies from international suppliers, such as double pass reverse osmosis system from Christ (Switzerland); distillation columns from Stillmas (Italy); manufacturing vessels from Diesel (Germany); glass vials washing and sterilization tunnels from Groninger (Germany); glass filling lines and form fill seal automatic bag manufacturing lines from Plumet (Germany); SVP manufacturing lines from Robert Bosch (Germany); sterilizers from SBM (Austria); leak testing machines from Breviti (Italy); and cleanrooms from Clestra (France).

Our manufacturing facilities are ISO 9001-2000 and WHO GMP certified. In addition, the Company has won the Indian Drug Manufacturer Association’s Quality Excellence Award in 2007 and 2008 and the Frost &

Sullivan India Manufacturing Excellence Award in 2007, 2008 and 2009 in recognition of the quality of its practices. The Company has also been awarded the Silver Award in the Pharmaceutical Sector by Greentech Foundation for the Company's outstanding achievement in safety management in respect of its manufacturing operations.

Established sales, marketing and distribution network across 76 countries

We have entered into business arrangements with the Pfizer group as well as with other local companies in regulated markets to grow our distribution network and to strengthen our sales and marketing presence across 76 countries.

As of September 30, 2010, we had a sales team of approximately 422 people who primarily sold our products to hospitals in India. We employed a total sales force of about 107 people for the international markets.

As of September 30, 2010, we had a network of approximately 43 clearing and forwarding agents, 40 distributors, 16 consignee agents and 1,120 stockists in India, enabling us to reach a significant number of hospitals, institutions and doctors. We also have existing business relationships with institutional public and private hospitals in the international markets. Our products are on the list of approved products maintained by certain hospitals in India and abroad to which we market our products.

Integrated business model

We believe that our capabilities and experience span across all business verticals in the generic injectables industry. We have a trained workforce across business divisions, such as R&D for product development, regulatory affairs for obtaining product registrations, manufacturing, supply chain management, and sales and marketing, and their understanding of the injectables business will allow us to better control variables in our business processes.

While we are dependent on various third parties such as distributors, consignee agents, clearing and forwarding agents, etc., for the marketing and distribution of our products, we believe our integrated business model allows us to reduce our dependence on third parties. For further details please refer to the section titled '*Risk Factors - Our success is dependent on our distribution and marketing arrangements, including the one with Pfizer, for the sale and distribution of our products and on our relationship with our customers. If any of these arrangements is terminated for any reason, our business, financial condition and results of operations may be adversely affected*' please refer to page 25 of this Red Herring Prospectus.

R&D capabilities

We believe our expertise in developing complex and difficult to develop products such as propofol, iron sucrose, hydroxyl ethyl starch and glutamine IV and complex and difficult to develop delivery systems, such as multichamber bags, provides us with a competitive advantage. For example, we believe we were one of first companies' in India to have developed a unibag non-PVC infusion system, which provides us with a competitive advantage as non-PVC bags are the preferred delivery system in regulated markets. Additionally, as of September 30, 2010, we had three registered patents and fifteen patent applications pending in India.

Total expenditures for our research and development ("R&D") activities relating to continuing operations, including product development costs, were Rs. 633.40 million, Rs. 368.08 million and Rs. 218.53 million for the financial years ended December 31, 2009, 2008 and 2007, respectively. Total expenditures for our R&D activities relating to continuing operations, including product development costs, were Rs. 335.72 million for the five month period ended May 31, 2010.

We have the R&D capability and experience to develop, manufacture and register products across various delivery systems to increase the efficiency of drug delivery and make our products better suited to market requirements. As of September 30, 2010, we employed approximately 75 scientists and specialists in India for our R&D activities. The size of our R&D team has grown approximately 74% since December 31, 2008 in line with our regulated markets strategy.

Committed senior management team and a well-qualified workforce

Our management team includes senior executives, a majority of whom have worked with the Company for over five years. We believe our management team has a long-term vision and provides stability and continuity to our business. We also believe that the strength of our management team in our business divisions, such as R&D for product development, regulatory affairs for obtaining product registrations, manufacturing, and sales and

marketing, and their understanding of the injectables market will enable our business to grow in a focused and constructive manner.

As of September 30, 2010, approximately 493 of our employees in India were post-graduates and around 805 held graduate degrees. We believe we benefit from a well-qualified workforce. Selling and marketing injectables involves developing capabilities to cater to multiple levels within hospitals. We believe we have developed a close association with hospitals as a result of our sales and marketing network. Our regulatory team has significant capabilities and experience in filing product registrations in regulated and emerging markets. We have obtained over 1,100 registrations across 76 countries.

For the risks relating to dependence on our senior management team and a well-qualified workforce, please see “*Risk Factors – We are dependent upon the experience and skill of our management team and key employees.*” On page 31 of this Red Herring Prospectus.

Cost advantage

A significant majority of our products are manufactured in India. This, coupled with the process efficiencies which we have developed in our Clarion facilities, we believe contributes to our production cost advantage over those of our competitors which manufacture their products in high cost developed markets.

OUR STRATEGY

Our business objective is to grow our revenues and profits through increased market presence. We intend to do so by increasing our product offerings in key emerging and regulated markets, through strategic business arrangements as well as by maintaining our focus on our domestic business. Our business strategy focuses on the following elements:

Increase our product range across existing and new technology platforms and delivery systems

As of September 30, 2010, we had filed 280 applications for product registrations in regulated markets, including 36 applications in the United States, out of which we had obtained 145 product registrations, including 25 in the United States. We intend to apply for additional approvals from the USFDA and from various other regulatory authorities for our manufacturing facilities and products to enable us to sell more of our products in these markets. We are primarily targeting injectable products which have or are due to go off-patent in regulated markets.

We are expanding our manufacturing facilities and plan to build a new facility for research and development in order to increase our product development and manufacturing capabilities and our product registrations in regulated markets. These products will be across existing technology platforms, such as aqueous, emulsion and colloidal solutions, as well as new technology platforms, such as lyophilized, and delivery systems, including pre-filled syringes. We have also initiated our foray into the oncology segment.

Grow sales in regulated markets through business arrangements

We have a presence in regulated markets such as the United States, Western Europe, Australia, New Zealand, Canada and South Africa and plan to establish our business presence in Japan. We plan to further grow our business in the United States and other regulated markets by expanding our sales and distribution network through our business arrangement with the Pfizer group. We plan to grow our business in other regulated markets through license and supply arrangements with companies that have an established presence in the relevant markets.

Establish and expand our presence in key emerging markets

We also plan to increase our presence in emerging markets, such as Brazil, Mexico, South Korea and Saudi Arabia, as well as to establish our business presence in new emerging markets, such as China, Russia, Turkey, Egypt and Argentina. We believe that demand for our products in these markets will continue to grow in line with changes in healthcare standards, insurance penetration and government spending on healthcare. Increased sales in such countries would allow us to achieve economies of scale. We plan to expand our presence in these markets by increasing our portfolio of product registrations and filings and by increasing our customer and distributor base through marketing arrangements with local pharmaceutical companies.

Focus on increasing market share for certain key and high potential products

Certain of our key products, such as propofol, iron sucrose and hydroxyl ethyl starch, ciprofloxacin and metronidazole and have large markets worldwide. Based on our internal management estimates, these products are manufactured in India only by a few companies for the global markets. We plan to focus our sales and marketing efforts on these product groups to capture larger market shares.

We believe we are currently the only company in India that possesses the technology to produce unibag non-PVC infusion system. This constitutes a unique competitive advantage domestically and, as non-PVC bags are the preferred delivery system for certain products in regulated markets, this gives us a competitive advantage over our Indian competitors. We expect our sales for products such as hydroxyl ethyl starch, ciprofloxacin and metronidazole to increase significantly once we obtain product registrations for this delivery system in the regulated markets.

Maintain cost leadership by expanding capacities

We plan to expand our Clarion manufacturing facilities in Ahmedabad, India. These facilities are in a low-cost location as compared to the facilities set up by our international competitors in North America or Western Europe. We aim to ensure that we continue to maintain and grow margins and maintain our cost leadership in the generic injectables business.

SIGNIFICANT DEVELOPMENTS SINCE MAY 31, 2010

Except as mentioned hereinbelow, in the opinion of our Board, there have not arisen any circumstances since the date of the last audited restated financial statements of our Company as disclosed in the RHP, and which materially and adversely affect or is likely to affect the trading and profitability of the Company, or the value of its assets, or its ability to pay its liabilities within the next twelve months.

Product Recall

We and certain of our partners received a number of complaints in relation to certain of our products, namely, ciprofloxacin, metronidazole and ondansetron that were contaminated or suspected to be contaminated; pursuant to which we and our partners/distributors recalled some or all of our products from the United States, Denmark, Finland, Canada, Australia and New Zealand. The recalls were initiated by us and by certain of our partners in Australia and the United States pursuant to receipt of complaints of contamination in some of our products, which could have posed risks if administered to patients, and in certain circumstances, could prove to be fatal. Further, the USFDA has imposed an import alert on us and our products, which is subsisting.

Furthermore, the USFDA carried out an inspection at our manufacturing facilities at Ahmedabad, in addition to earlier inspections carried out at the premises of our wholly owned subsidiary, Claris Lifesciences Inc., subsequent to which a warning letter dated November 1, 2010 (the “**Warning Letter**”) was issued to us mentioning the following:

1. The Company violated the Current Good Manufacturing Practice (“**CGMP**”) regulations for Finished Pharmaceuticals (Title 21 Code of Federal Regulations), which caused our drug products to be adulterated within the meaning of the Federal Food, Drug and Cosmetic Act (the “**FFDC Act**”).
2. We failed to submit field alert reports to the USFDA in compliance with the USFDA regulations as required by the FFDC Act.
3. Based on a review of the labeling/misbranding for the Sodium Bicarbonate Injection drug product manufactured by us and marketed through our subsidiary, Claris Lifesciences Inc., we had marketed, introduced or delivered for introduction an unapproved new drug product into inter-state commerce within the United States, which was in violation of the provisions of the FFDC Act and was subject to an import detention in the United States.
4. Violations of the post-marketing adverse drug experience reporting; which is required under the Code of Federal Regulations as well as the FFDC Act.
5. Despite various responses from us and Claris Lifesciences Inc. to the USFDA in relation to the CGMP violations, the field alert reporting violations, the unapproved new drug violations and adverse drug experience reporting violations, the USFDA has stated in the Warning Letter that these responses lack sufficient corrective actions.

A non-compliance of the FFDC Act may result in the FDA issuing warning letters, filing injunctions, seizing our products and pursuing civil and criminal prosecution for violations of the Act. Under applicable United States law, individuals who violate the Act can be fined \$100,000 per count (\$250,000 if a death occurs) and

corporations can be fined USD 200,000 per count (U.S. \$500,000 if a death occurs). Jail time can result if convicted of the criminal charges, corporations can be excluded from participating in Federal Health Care Programs and if serious enough violations occur, individuals and firms may be debarred (excluded from working in the pharmaceutical industry). We cannot assure you that any penalty imposed by the USFDA will not exceed the amounts quantified in this paragraph.

Additionally, the registration of the Company and its products was suspended by the Drug and Food Control, Ministry of Health, State of Kuwait from June 8, 2010 till August 22, 2010, as a result of which the Company's products were not marketed in Kuwait during that period.

Term Loan

On October 1, 2010, two term loans of Rs. 191.80 million and Rs. 278.60 million were sanctioned to the Company by Central Bank of India for setting up of a fat emulsion manufacturing line and towards capital expenditure for research and development, respectively. These loans are not expected to be used in relation to any of the use of Issue proceeds.

Acquisition of further ANDAs

Pursuant to an asset purchase and technology license agreement entered into with a pharmaceutical company, we had, subject to the approval of the USFDA, acquired the rights, title and interest in 24 ANDAs, granted by the USFDA, authorising us to promote, market, distribute and sell 16 pharmaceutical products underlying the ANDAs in the United States of America which was approved by the USFDA on or about June and July 2010. Out of these 24 ANDAs, four ANDAs for two products were granted to us prior to this agreement, and two ANDAs for two products are yet to be granted by the USFDA. Further, we acquired a perpetual and transferable right and license to use the documentation relating to the development and manufacture of certain generic pharmaceutical products as well as the product technology related to such generic pharmaceutical products, for the purpose of manufacturing and commercializing these generic pharmaceutical products for sale within the United States of America. As of September 30, 2010, we have been granted 25 ANDAs in relation to 16 products by the USFDA.

Certain Factors Affecting Our Results of Operations

Our results of operations are affected by a number of factors, including those delineated below.

Registration of Products and Regulatory Framework

Our Company's income is significantly dependent on the number of products we can sell in various markets. Our number of product registrations constitutes an important factor for our results of operations. Our operations in regulated markets are subject to a high degree of regulation with respect to the marketing and sale of our products. The grant of product registrations for existing products in new markets and for new products in existing and new markets, and the withdrawal of existing product registrations affect the Company's results of operations. Our Company must ensure that government and other regulatory agencies do not withdraw marketing approvals for sales of our existing products and continue to approve our products for sale in their respective markets in a timely manner, and our results of operations depend on our ability to obtain and retain these approvals.

Product Development

Our ability to manufacture and register products is critical to launch new products in the markets. To grow our product portfolio we continually invest in research and development. We regularly update existing technology and acquire or develop new technology for our Clarion manufacturing facilities. We must ensure that our research and development efforts result in the addition of new products to our existing products offering and improvements in our technology.

Manufacturing Capacity

Our results of operations depend on our ability to manufacture existing and new products for sale in India and abroad. The Company has begun implementing an expansion programme for its Clarion manufacturing facilities. Our ability to increase our production capacity and to grow our presence in regulated markets depend on us expanding our manufacturing facilities and obtaining and renewing (periodically) government approvals

for our facilities in these markets. For details of our capital expansion programme, please see the sections titled “Objects of the Issue” and “History and Certain Corporate Matters” on pages 88 and 145, respectively, of this Red Herring Prospectus.

Competition

Our competition includes multinational pharmaceutical companies with wide reach, namely in regulated markets, with greater financial resources. Our competitors’ ability to develop better process technology or improve process yields or to source raw materials at competitive prices, and therefore their ability to create new products or substitutes for our products at competitive prices, may affect our revenues and profitability. For details of our competition, please see the sections titled “Risk Factors” and “Our Business” on pages 18 and 122 of this Red Herring Prospectus.

Business Arrangements in Regulated Markets

We have entered into business arrangements with the Pfizer group as well as with other local companies in certain regulated markets to grow our distribution network and to strengthen our sales and marketing presence in such markets. Our income is affected by the success of such business arrangements.

Production Costs

The Company’s ability to maintain its position as a low-cost producer and increase its cost competitiveness is dependent on efficient management of its production costs. A significant part of our production cost structure is comprised of raw material costs, primary and secondary packaging costs, and labour costs. Any change in the price of these materials or in our labour costs due to various factors, some of which may not be within our control, can affect our results of operations. Our ability to have multiple suppliers and ensure consistent quality and availability of raw material, primary and secondary packaging materials is also important. Due to our global operations, our business also depends on efficient supply chain management. We need to curtail our supply chain costs to the minimum through optimal inventory levels, economic order quantities and other measures.

Expiring Patents

Our income and the results of our operations are affected by the number of pharmaceutical products whose patents expire. As existing patents for branded versions of products expire, we can file for marketing and sale of generic low-cost versions of these products with the relevant regulatory authorities. In the event that new pharmaceutical products the patents for which have expired are produced by our competitors, and such products are a cheaper and/or more effective (with lesser side effects) substitute to our existing products, our results may be adversely affected.

Price Erosion

The generics industry is subject to price erosion as the prices for a generic product typically decline as new competitors introduce their own versions of generic products and any marketing exclusivity enjoyed by a generics company expires.

Tax Benefits

We are registered under the export oriented unit scheme of the Government of India, which entitles us to an income tax exemption, under Section 10B of the Income Tax Act on our business profits derived from export of goods manufactured at our manufacturing facilities in village Chacharwadi Vasana, Taluka Sanand, Ahmedabad, Gujarat. We are currently eligible for this exemption for periods up to the assessment year 2011 - 12. Furthermore, we are eligible to write off additional amounts from our profit and loss statement based on our research and development expenditure under section 35(2AB) of the Income Tax Act. Loss of any of these tax benefits may result in a decrease in our margins.

Currency Exchange Fluctuations

Our products are typically priced in Rupees for Indian sales, in U.S. Dollar for sales in the United States, in Euros for sales in the European Union, GBP for sales in the United Kingdom and in the local currency of the other jurisdictions where we sell our products through our subsidiaries. A significant portion of our costs, including labour, packaging materials and transportation costs, and certain of our raw materials and capital expenditures are incurred in Rupees. As a consequence, we are exposed to currency rate fluctuations between the Rupee and the U.S. Dollar, Euro, GBP, and other local currencies in jurisdictions where sales are effected through our subsidiaries. We are also exposed to currency rate fluctuations on our foreign currency borrowings,

which are not fully hedged. A devaluation of any of the currencies mentioned above against the Rupee may result in a reduction of our margins. Since 2009, we have used the exchange rates found at www.oanda.com, whereas prior to 2009 we sourced the rates from www.gocurrency.com.

Macroeconomic Factors

Macroeconomic factors, both in the Indian and international contexts, such as economic instability, political uncertainty, social upheavals or acts of God could influence our performance, which in turn could influence our results. In addition, fluctuations in interest rates and inflation would have a material effect on key aspects of our operations, including the costs of our raw materials, the pricing of our products, the cost of borrowing required to fund our operations and our profit margins.

Geographical Segments

We disclose our operating activities in our financial statements by geographical segments. A geographical segment is a distinguishable component of the Company's operations that is engaged in providing products within a particular environment that is subject to risks and returns that are different from those components operating in other economic environments. In our financial statements, we disclose our revenue based on the location of our customers or distributors, as the case may be. We present assets and long-term investments based on the location of our assets. For the periods discussed herein, the substantial majority of our production assets were located in India.

Critical Accounting Policies

Basis of preparation of financial statements

The consolidated financial statements are prepared under the historical cost convention on the accrual basis of accounting, in accordance with the requirements of the Companies Act, including the accounting standards notified by the Central Government of India under Section 211 (3C) of the Companies Act.

Principles of Consolidation

The consolidated financial statements have been prepared on the basis of Accounting Standard 21, 'Consolidated Financial Statements', issued by the Institute of Chartered Accountants of India. The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances / transactions and resultant unrealized profits / losses in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent Company and its share in the post-acquisition increase in the relevant reserves of the subsidiaries. The excess or deficit of parent's portion of equity in the subsidiary Company over its cost of investment, if any, is treated as a capital reserve or recognised as goodwill respectively.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances except where it is not practicable to do so. Considering that the financial statements of the foreign subsidiaries have been prepared under the laws and regulations applicable to their respective country of incorporation, these consolidated financial statements have been prepared substantially in the same format adopted by the Company to the extent possible, as required by the Accounting Standard AS 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the period. All assets and liabilities are converted at the rates prevailing at the end of the period. Exchange gains / losses arising on conversion are recognised under Foreign Currency Translation Reserve.

Use of Estimates

The preparation of financial statements, in conformity with the generally accepted accounting principles requires that the management makes estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

Fixed Assets

Fixed assets are capitalized at cost including all direct costs and other expenses incurred in connection with acquisition of assets and are net of CENVAT. Capital work-in-progress includes advances for capital goods and expenditure on projects under implementation.

Depreciation

Indian companies

Depreciation on Fixed Assets is provided on the straight-line method at the rates and in the manner prescribed under Schedule XIV of the Companies Act. Leasehold improvements are amortized over a period of 36 months. Intangible assets are stated at cost and are amortized equally over a period of five years from the year in which incurred.

Foreign companies

Depreciation has been provided by the foreign companies on methods and at the rates required or permissible by the local laws so as to write-off assets over their useful life.

Goodwill

Goodwill arising on consolidation is not amortized but is tested for impairment periodically.

Investments

Long-term investments are stated at cost. Any diminution in the value, other than temporary, is provided for.

Inventories

Inventories are valued at cost or net realizable value, whichever is less. In case of parent company the cost (net of CENVAT credit availed) for raw materials and packaging materials is computed on moving average basis. The cost of work in progress and finished goods is determined on absorption cost basis and comprises of cost of materials, direct labour and manufacturing overheads.

Revenue Recognition

Sales include sales of products, dossiers and marketing rights. Sales include excise duty and exchange differences on sales transactions, but are net of sales tax. Sales are recognized at the time when significant risks and reward of ownership in the goods are transferred.

Revenue in respect of other income is recognised when no significant uncertainty as to its determination or realization exists.

Employee Benefits

Contributions to provident and other funds accruing during the accounting period are charged to the profit and loss account. Provision for liabilities in respect of gratuity and leave encashment are accrued and provided at the end of each accounting period on the basis of actuarial valuation.

Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of the transaction. Monetary items denominated in foreign currencies at the year-end are restated at the year-end rates. In case of items, which are covered by forward exchange contracts, the difference between the year end rate and the rate on the date of contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.

Non-monetary foreign currency items are carried at cost. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit and loss account.

Revenue items of non-integral foreign operations are consolidated at the average rate prevailing during the period. All assets and liabilities of non-integral foreign operations are converted at the rates prevailing at the end of the period. Exchange gains/losses arising on conversion are recognised under Foreign Currency Translation Reserve.

Research and Development Expenses

Revenue expenditure on Research and Development is expensed as incurred. Expenses of capital nature are capitalized and depreciation is provided thereon as per the policy stated above.

Expenditure on Product Registration

Expenditure incurred for registration of products for overseas markets and for product acquisitions are charged to the profit & loss account.

Borrowing Costs

Borrowing costs that are attributable to acquisition / construction of qualifying assets are capitalized as part of cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the profit & loss account.

Leases

Lease rentals in respect of assets taken on operating leases are charged to the profit and loss account on accrual and straight-line basis over the lease term.

Taxes on Income

Indian Companies

Current taxation

Current tax provision is determined on the basis of taxable income computed as per the provisions of the IT Act.

Fringe benefit tax

Fringe Benefit Tax is determined at current applicable rates on expenses falling within the ambit of "Fringe Benefit" as defined under the Income Tax Act, 1961.

Deferred taxation

Deferred tax is recognized for all timing differences that are capable of reversal in one or more subsequent periods, subject to consideration of prudence and by applying tax rates that have been enacted or substantively enacted as on the balance sheet date.

Foreign Companies

Foreign companies recognise tax liabilities and assets in accordance with the applicable local laws.

Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

Results of Operations

The following table sets out our consolidated restated profit and loss statement for the five month period ended May 31, 2010 and financial years ended December 31, 2009, December 31, 2008, December 31, 2007 and December 31, 2006, the components of which are expressed as a percentage of total sales for the relevant financial year indicated.

(Rs. in million, except percentages)

Particulars	For five month period ended	For the year ending December 31,
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	May 31, 2010	% of total sales for five month period as on May 31, 2010	2009	% of total sales in fiscal 2009	2008	% of total sales in fiscal 2008	2007	% of total sales in fiscal 2007	2006	% of total sales in fiscal 2006
INCOME :										
Turnover										
Sales	2,968.01	91.34%	6,241.42	83.94%	5,118.97	68.06%	3,591.99	60.15%	3,236.93	82.63%
Less: Excise Duty	10.10	0.31%	32.96	0.44%	81.63	1.09%	144.48	2.42%	85.11	2.17%
Net Sales	2,957.91	91.03%	6,208.46	83.50%	5,037.34	66.97%	3,447.51	57.73%	3,151.82	80.45%
Sales of Traded Products	291.62	8.97%	1,226.79	16.50%	2,484.21	33.03%	2,524.01	42.27%	765.72	19.55%
Total Sales	3,249.53	100.00%	7,435.25	100%	7,521.55	100%	5,971.52	100%	3,917.54	100%
Other Income	129.71	3.99%	158.76	2.14%	117.45	1.56%	266.64	4.47%	109.20	2.79%
Total Income	3,379.24	103.99%	7,594.01	102.14%	7,639.00	101.56%	6,238.16	104.47%	4,026.74	102.79%
EXPENDITURE :										
Increase in Stock	(34.36)	-1.06%	(62.42)	-0.84%	(345.20)	-4.59%	(133.03)	-2.23%	(195.52)	-4.99%
Material Consumed	809.41	24.91%	1,590.50	21.39%	1,544.70	20.54%	897.54	15.03%	1,087.12	27.75%
Purchase of Finished Goods	195.65	6.02%	908.42	12.22%	1,664.81	22.13%	1,421.73	23.81%	439.92	11.23%
Personnel Cost	229.82	7.07%	425.60	5.72%	532.05	7.07%	555.83	9.31%	379.66	9.69%
Operating & Other Expenses	1,147.35	35.31%	2,437.06	32.78%	2,141.79	28.48%	1,876.58	31.43%	1,434.58	36.62%
Total Expenditure	2,347.87	72.25%	5,299.16	71.27%	5,538.15	73.63%	4,618.65	77.34%	3,145.76	80.30%
Profit Before Interest, Depreciation, Prior Period Items and Tax (A-B)	1,031.37	31.74%	2,294.85	30.86%	2,100.85	27.93%	1,619.51	27.12%	880.98	22.49%
Interest (Net)	148.83	4.58%	409.57	5.51%	322.35	4.29%	154.72	2.59%	55.54	1.42%
Depreciation	189.19	5.82%	448.07	6.03%	365.97	4.87%	268.05	4.49%	163.84	4.18%
Prior period items	-	-	-	-	-	-	-	-	9.06	0.23%
Total	338.02	10.40%	857.64	11.53%	688.32	9.15%	422.77	7.08%	228.44	5.83%
Profit Before Taxation and Exceptional Items	693.35	21.34%	1,437.21	19.33%	1,412.53	18.78%	1,196.74	20.04%	652.54	16.66%
Exceptional Items										
Profit on disposal of Subsidiary	-	-	-	-	10.30	0.14%	-	-	-	-
Profit Before Taxation and After Exceptional Item	693.35	21.34%	1,437.21	19.33%	1,422.83	18.92%	1,196.74	20.04%	652.54	16.66%
Provision for Taxation										
Current tax	77.72	2.39%	189.40	2.55%	174.76	2.32%	259.71	4.35%	90.79	2.32%

Particulars	For five month period ended		For the year ending December 31,							
	May 31, 2010	% of total sales for five month period as on May 31, 2010	2009	% of total sales in fiscal 2009	2008	% of total sales in fiscal 2008	2007	% of total sales in fiscal 2007	2006	% of total sales in fiscal 2006
Fringe Benefit Tax	-	-	1.72	0.02%	10.93	0.15%	6.40	0.11%	4.85	0.12%
Deferred Tax	(11.65)	-0.36%	(4.64)	-0.06%	202.21	2.69%	95.25	1.60%	89.97	2.30%
Current Tax of Earlier Periods	-	-	(53.07)	-0.71%	(49.02)	-0.65%	2.66	0.04%	-	0%
Total	66.07	2.03%	133.41	1.79%	338.88	4.51%	364.02	6.10%	185.61	4.74%
Net Profit After Taxation and Before Adjustments	627.28	19.30%	1,303.80	17.54%	1,083.95	14.41%	832.72	13.94%	466.93	11.92%
Adjustments	(50.01)	-1.54%	(54.87)	-0.74%	(4.97)	-0.07%	60.50	1.01%	40.75	1.04%
Net Profit After Taxation, As Restated	577.27	17.76%	1,248.93	16.80%	1,078.98	14.35%	893.22	14.96%	507.68	12.96%

Income

Our total income comprises income from sales and other income.

Income from total sales

Our income from total sales accounted for Rs. 3249.53 million in the five month period ended May 31, 2010. Our income from total sales accounted for Rs. 7,435.25 million, Rs. 7,521.55 million, Rs. 5,971.52 million and Rs. 3,917.54 million for the financial years ended December 31, 2009, December 31, 2008, December 31, 2007 and December 31, 2006, respectively.

Our income from total sales mainly comprises sale of sterile parenteral preparations, critical care products and hospital products. The therapies in which we operate are anaesthesia, critical care, anti-infectives and anti-fungal, renal care, infusion therapy, clinical nutrition and oncology. We sell our products in both the domestic and the international markets and we have increased our focus on the international markets on a year on year basis for the periods under review. Some of the key products sold by the Company include propofol, ciprofloxacin, metronidazole, ofloxacin, fluconazole, tetrastarch, erythropoetin, parenteral lipids, and unibag IV solutions.

We report our income from total sales under the following heads: (i) sales, which includes sales of products manufactured by us, dossiers and marketing rights; and (ii) sales of traded products.

Net sales

Our income from net sales, in the five month period ended May 31, 2010 was Rs. 2957.91 million which constituted 91.03% of our total sales for such period. Our income from net sales, in the financial years ended December 31, 2009, December 31, 2008, December 31, 2007 and December 31, 2006 was Rs. 6,208.46 million, Rs. 5,037.34 million, Rs. 3,447.51 million and Rs. 3,151.82 million, respectively, which constituted 83.50%, 66.97%, 57.73% and 80.45% of our total sales, respectively.

Sales of traded products

Our income from sales of traded products the five month period ended May 31, 2010 was Rs. 291.62 million which constituted 8.97% of our total sales for such period. Our income from sales of traded products in the

financial years ended December 31, 2009, December 31, 2008, December 31, 2007 and December 31, 2006 was Rs. 1,226.79 million, Rs. 2,484.21 million, Rs. 2,524.01 million and Rs. 765.72 million, respectively, which constituted 16.50%, 33.03%, 42.27% and 19.55% of our total sales, respectively.

Other income

Our other income mainly comprises foreign exchange gains, export incentives, sale of scrap and other miscellaneous income. For the five month period ended May 31, 2010, our other income was Rs. 129.71 million. For the financial years ended December 31, 2009, December 31, 2008, December 31, 2007 and December 31, 2006, our other income was Rs. 158.76 million, Rs. 117.45 million, Rs. 266.64 million and Rs. 109.20 million, respectively.

Expenditure

Our expenditure mainly consists of cost of raw materials, packaging materials and consumables, purchase of finished goods, personnel cost and operating and other expenses.

Increase in stock

The increase in stock consists of the change in our finished goods inventory and work-in-progress inventory. The increase in stock in the five month period ended May 31, 2010 was Rs. 34.36 million. The increase in stock for the, financial years ended December 31, 2009, December 31, 2008, December 31, 2007 and December 31, 2006 were Rs. 62.42 million, Rs. 345.20 million, Rs. 133.03 million and Rs. 195.52, respectively.

Material consumed

The cost of material includes cost of raw materials and packaging materials. We source our raw materials and packaging materials from both the domestic and international market. We also manufacture three APIs, which are consumed as the raw material in the manufacture of certain of our products. The total expenditure incurred by us as cost of material consumed in the five month period ended May 31 2010 was Rs. 809.41 million, which amounted to 24.91% of our total sales for such period. The total expenditure incurred by us as cost of material consumed in the financial years ended December 31, 2009, December 31, 2008, December 31, 2007 and December 31, 2006 were Rs. 1,590.50 million, Rs. 1,544.70 million, Rs. 897.54 million and Rs. 1,087.12 million, respectively, which amounted to 21.39%, 20.54%, 15.03% and 27.75% of our total sales for such respective years.

Purchase of finished goods

Purchase of finished goods includes the cost of acquiring the products traded in. These products are not manufactured by us. The total expenditure incurred by us as cost of purchase of finished goods in the five month period ended May 31, 2010 was Rs. 195.65 million which amounted to 6.02% of our total sales for such period. The total expenditure incurred by us as cost of purchase of finished goods in the financial years ended December 31, 2009, December 31, 2008, December 31, 2007 and December 31, 2006 were Rs. 908.42 million, Rs. 1,664.81 million, Rs. 1,421.73 million and Rs. 439.92 million, respectively, which amounted to 12.22%, 22.13%, 23.81% and 11.23% of our total sales for such respective years.

Personnel cost

Our personnel cost mainly comprise salaries, wages and other allowances paid to our employees, contributions to statutory funds and other staff and welfare expenses. The total expenditure incurred by us as personnel cost in the five month period ended May 31, 2010 was Rs.229.82 million which amounted to 7.07% of our total sales for such period. The total expenditure incurred by us as personnel cost in the financial years ended December 31, 2009, December 31, 2008, December 31, 2007 and December 31, 2006 were Rs. 425.60 million, Rs. 532.05 million, Rs. 555.83 million and Rs. 379.66 million, respectively, which amounted to 5.72%, 7.07%, 9.31% and 9.69% of our total sales for such respective years.

Operating & other expenses

Our operating and other expenses mainly include expenses incurred towards manufacturing costs, selling, marketing and administration costs, provision for doubtful debts, legal and consultancy fees, loss on sale of fixed assets sold or discarded, bank charges and charges for opening letters of credit. The total expenditure incurred by the Company as operating and other expenses in the five month period ended May 31, 2010, was Rs.1,147.35 million which amounted to 35.31% of our total sales for such period. The total expenditure incurred by the Company as operating and other expenses in the financial years ended December 31, 2009, December 31,

2008, December 31, 2007 and December 31, 2006 were Rs. 2,437.06 million, Rs. 2,141.79 million, Rs. 1,876.58 million and Rs. 1,434.58 million, respectively, which amounted to 32.78%, 28.48%, 31.43% and 36.62% of our total sales for such respective years.

Interest

Interest includes cost of short term and long term borrowings availed from banks and exports bill discounting cost. Interest earned on fixed deposits has been netted against interest expense. Our interest cost in the five month period ended May 31, 2010, was Rs. 148.83 million which amounted to 4.58% of our total sales for such period. Our interest cost in the financial years ended December 31, 2009, December 31, 2008, December 31, 2007 and December 31, 2006 were Rs. 409.57 million, Rs. 322.35 million, Rs. 154.72 million and Rs. 55.54, respectively, which amounted to 5.51%, 4.29%, 2.59% and 1.42% of our total sales for such respective years.

Depreciation

Depreciation costs are the depreciation charges on our capital expenditure. Our capital expenditures include expenditure on buildings, leasehold improvements, plant and machinery, electrical installations, furniture and fixtures, office equipment, vehicles, data processing equipments, facility inspection charges and computer software. Our depreciation cost in the five month period ended May 31, 2010, was Rs.189.19 million which amounted to 5.82% of our total sales for such period. Our depreciation cost in the financial years ended December 31, 2009, December 31, 2008, December 31, 2007 and December 31, 2006 were Rs. 448.07 million, Rs. 365.97 million, Rs. 268.05 million and Rs. 163.84, respectively, which amounted to 6.03%, 4.87%, 4.49% and 4.18% of our total sales for such respective years.

Provision for taxation

Our provision for taxation includes income tax, fringe benefit tax, and deferred tax. Deferred tax liability/asset arises mainly due to the difference between tax and book written down value of assets. Our provision for taxation in the five month period ended May 31, 2010 was Rs. 66.07 million which amounted to 2.03% of our total sales for such period. Our provision for taxation in the financial years ended December 31, 2009, December 31, 2008, December 31, 2007 and December 31, 2006 was Rs. 133.41 million, Rs. 338.88 million, Rs. 364.02 million and Rs. 185.61, respectively, which amounted to 1.79%, 4.51%, 6.10% and 4.74% of our total sales for such respective years.

Adjustments

Adjustments include changes due to the restatement of certain accounting items to the net profit after taxation and before adjustments. These adjustments primarily include changes such as prior period items, excess provision of expenses written back, bad debts recovered, excess/short provisions of tax for earlier years and changes in accounting policy. Our adjustments in the five month period ended May 31, 2010 was Rs. (50.01) million. Our adjustments in the financial years ended December 31, 2009, December 31, 2008, December 31, 2007 and December 31, 2006 was Rs. (54.87) million, Rs. (4.97) million, Rs. 60.50 million and Rs. 40.75, respectively.

Changes in accounting policy

(i) Employee Benefits

During the year ended 31st December 2007, the Company had undertaken adoption of the Accounting Standard 15 (Revised 2005) "Employee Benefits". However, for the purpose of this statement the liability of employee benefits as provided for the years ended on 31st December 2006 and 2005 has been recalculated as per Accounting Standard 15 (Revised 2005) "Employee Benefits" as if the revised standard was adopted by the Company during the year ended 31st December 2005. Also the income tax has been computed on the adjustments as detailed above and has been adjusted in the summary statement of profit and loss, restated.

(ii) Foreign exchange liabilities pertaining to purchase of fixed assets

In view of withdrawal of the " Announcement " issued by the Institute of Chartered Accountants of India on 'Treatment of exchange differences under Accounting Standard (AS) 11 (revised 2003). The Effects of Changes in Foreign Exchange Rates vis-à-vis Schedule VI to the Companies Act, 1956', effective from 1st January 2007,

any income or expense on account of exchange difference related to foreign exchange liabilities pertaining to purchase of fixed assets has been recognized in the Profit and Loss Account instead of giving effect thereof to the cost of the fixed assets.

For the limited purpose of restatement, any gain or loss on account of exchange difference related to foreign exchange liabilities pertaining to purchase of fixed assets arising during the years ended on 31st December 2005 and 31st December 2006, the effect of which was given to the cost of the fixed assets have been identified and restated by recognizing the same in Profit and Loss account. Consequentially, the depreciation on fixed assets for the relevant years has also been restated.

Five Month Period Ended May 31, 2010

Income

Our total income for the five month period ended May 31, 2010 amounted to Rs. 3,379.24 million.

Income from total sales

Our income from total sales for the five month period ended May 31, 2010 amounted to Rs. 3,249.53 million. Our total sales primarily comprised of export sales, which as a percentage to total sales, stood at 61.23% for the five month period ended May 31, 2010. Furthermore, our export revenue primarily comprised of sales income from the regulated markets.

Income from net sales

Our income from net sales for the five month period ended May 31, 2010 amounted to Rs. 2,957.91 million.

Income from sale of products traded

Our income from sales of products traded for the five month period ended May 31, 2010 amounted to Rs. 291.62 million.

Other Income

Our other income for the five month period ended May 31, 2010, amounted to Rs. 129.71 million primarily on account of a foreign exchange gain and recovery of retainership charges pertaining to prior periods.

Expenditure

Our total expenditure for the five month period ended May 31, 2010, amounted to Rs. 2,347.87 million.

Increase in stock

Our inventory of finished goods and work-in-progress increased by Rs. 34.36 million during the five month period ended May 31, 2010, primarily due to increase in raw material and packaging material prices.

Material consumed

Our expenditure on material consumption for the five month period ended May 31, 2010, amounted to Rs. 809.41 million.

Purchase of finished goods

Our purchase of finished goods for the five month period ended May 31, 2010, amounted to Rs. 195.65 million, which is in line with our trend of reducing the sale from graded products in recent periods under review.

Personnel cost

Our personnel cost for the five month period ended May 31, 2010, amounted to Rs. 229.82 million.

Operating & other expenses

Our operating and other expenses for the five month period ended May 31, 2010, amounted to Rs. 1,147.35 million. These expenses primarily comprise logistics cost, power and fuel cost and consultancy charges.

Profit before interest, depreciation and taxes

Our profit before interest, depreciation and taxes (“**EBITDA**”) for the five month period ended May 31, 2010, amounted to Rs. 1,031.37 million. As a percentage of total sales, EBITDA margins comes at 31.74%.

Interest

Our net interest expense for the five month period ended May 31, 2010, amounted to Rs. 148.83 million. Our interest costs primarily comprises interest payments on secured and unsecured borrowings.

Depreciation

Our Company’s depreciation expense for the five month period ended May 31, 2010, amounted to Rs. 189.19 million. During the five month period ended May 31, 2010 net additions to the gross block amounted to Rs.565.44 million.

Profit before taxation and after exceptional items

Our profit before taxation and after exceptional items for the five month period ended May 31, 2010, amounted to Rs. 693.35 million. As a percentage of total sales, our profit before taxation and after exceptional items margins comes at 21.34%.

Provision for taxes

Our provision for taxes for the five month period ended May 31, 2010, amounted to Rs. 66.07 million.

Adjustments

Our adjustment for the five month period ended May 31, 2010, reduced our net profit after taxation and before adjustments, during this period, by Rs. 50.01 million primarily due to reversal of certain retainership charges and sales tax refunds, which have been restated and included in our income in previous years.

Profit after taxes, as restated

Our profit after taxes (PAT) for the five month period ended May 31, 2010, amounted to Rs. 577.27 million. As percentage of total sales, our profit after taxes margins comes at 17.75%.

Financial Year Ended December 31, 2009 Compared to Financial Year Ended December 31, 2008

Income

Our total income decreased marginally by Rs. 44.99 million, or 0.59%, from Rs. 7,639 million in fiscal 2008 to Rs. 7,594.01 million in fiscal 2009. Income from net sales increased by 23.25% and other income increased by 35.17% in fiscal 2009 compared to that in fiscal 2008. This increase in income was offset by a decrease in our sale of traded products by 50.62% in fiscal 2009 compared to fiscal 2008.

Income from total sales

Our income from total sales decreased marginally by Rs. 86.30 million, or 1.15%, from Rs. 7,521.55 million in fiscal 2008 to Rs. 7,435.25 million in fiscal 2009.

Our income from total sales in the international markets increased by Rs. 295.44 million, or 7.83%, in fiscal 2009 compared to fiscal 2008. The exports revenue, which, as a percentage of total sales, stood at 50.16% in fiscal 2008 increased to 54.71% in fiscal 2009. There was a significant increase in our total sales in the regulated markets in fiscal 2009. However, income from total sales in the domestic market decreased by Rs. 381.74 million, or 10.18%, in fiscal 2009 compared to fiscal 2008, primarily on account of a decrease in sales of certain of our traded products such as IV fluids and cephalosporin.

Income from net sales

Our income from net sales increased by Rs. 1,171.12 million, or 23.25%, from Rs. 5,037.34 million in fiscal 2008 to Rs. 6,208.46 million in fiscal 2009, primarily due to an increase in total sales in regulated markets as a result of the Company obtaining product registrations in these markets in fiscal 2008, such as for metronidazole, ciprofloxacin and ondansetron, and business arrangements with partners, including with Pfizer in fiscal 2009. The Company also increased its manufacturing of certain products, which it previously traded, such as IV fluids, thereby increasing sale of products manufactured by it.

Income from sale of products traded

Our income from sale of products traded decreased by Rs. 1,257.42 million, or 50.62%, from Rs. 2,484.21 million in fiscal 2008 to Rs. 1,226.79 million in fiscal 2009, primarily due to the Company increasing the production of certain products in fiscal 2009, such as IV fluids, which were previously traded in fiscal 2008, our Company's decision to discontinue the sale of cephalosporin, and our Company's decision to preserve liquidity by reducing cash outflows required as advances towards the procurement of finished goods.

Other income

Our other income increased by Rs. 41.31 million, or 35.17%, from Rs. 117.45 million in fiscal 2008 to Rs. 158.76 million in fiscal 2009, primarily on account of a foreign exchange gain in fiscal 2009 on translation of foreign currency borrowings due to the appreciation of the Rupee against the USD.

Expenditure

Our total expenditure decreased by Rs. 238.99 million, or 4.32%, from Rs. 5,538.15 million in fiscal 2008 to Rs. 5,299.16 million in fiscal 2009. This decrease was mainly on account of a 45.43% decrease in purchase of goods traded in by our Company in fiscal 2009 compared to fiscal 2008.

Increase in stock

Our inventory of finished goods and work-in-progress inventory increased by Rs. 62.42 million in fiscal 2009 compared to an increase of Rs. 345.20 million in fiscal 2008, primarily due to an increase in production of existing products and of products which were previously traded.

Material consumed

Our expenditure on material consumption increased by Rs. 45.80 million, or 2.96%, from Rs. 1,544.70 million in fiscal 2008 to Rs. 1,590.50 million in fiscal 2009, primarily due to our decision to increase the manufacture of certain higher margin products, such as propofol, metronidazole and ciprofloxacin, for which the raw material costs are higher.

Purchase of finished goods

Our purchase of finished goods decreased by Rs. 756.39 million, or 45.43%, from Rs. 1,664.81 million in fiscal 2008 to Rs. 908.42 million in fiscal 2009, primarily due to the Company increasing the manufacture of certain products in fiscal 2009, such as IV fluids, which were previously traded in fiscal 2008, our Company's decision to discontinue the sale of cephalosporin, and our Company's decision to preserve liquidity by reducing cash outflows required as advances towards the procurement of finished goods.

Personnel cost

Our personnel cost decreased by Rs. 106.45 million, or 20.01%, from Rs. 532.05 million in fiscal 2008 to Rs. 425.60 million in fiscal 2009, primarily due to a decrease in personnel in our subsidiaries. We changed our distribution model in certain markets in fiscal 2009 by partnering with distributors who began carrying out certain sales and marketing activities in such markets that were previously undertaken by our subsidiaries in fiscal 2008.

Operating & other expenses

Our operating and other expenses increased by Rs. 295.27 million, or 13.79%, from Rs. 2,141.79 million in fiscal 2008 to Rs. 2,437.06 million in fiscal 2009, primarily on account of an increase in power and fuel cost, labour charges and other manufacturing expenses due to increase in production, and partially due to an increase in consultancy charges and laboratory expenses for research and development.

Profit before interest, depreciation and taxes

Principally due to the reasons mentioned above, our profit before interest, depreciation and taxes ("EBITDA") increased by Rs. 194 million, or 9.23%, from Rs. 2,100.85 million in fiscal 2008 to Rs. 2,294.85 million in fiscal 2009. As a percentage of total sales, EBITDA margins increased from 27.93% in fiscal 2008 to 30.86% in fiscal 2009.

Interest

Our net interest expense increased by Rs. 87.22 million, or 27.06%, from Rs. 322.35 million in fiscal 2008 to Rs. 409.57 million in fiscal 2009, primarily attributable to an increase in working capital borrowings of Rs. 300 million during fiscal 2008 and Rs. 150 million during fiscal 2009.

Depreciation

Our Company's depreciation expense increased by Rs. 82.10 million, or 22.43%, from Rs. 365.97 million in fiscal 2008 to Rs. 448.07 million in fiscal 2009, primarily due to an increase in our fixed assets in fiscal 2009 in connection with our capital expansion programme.

Profit before taxation and after exceptional items

Principally due to the reasons mentioned above, our profit before taxation and after exceptional items increased by Rs. 14.38 million, or 1.01%, from Rs. 1,422.83 million in fiscal 2008 to Rs. 1,437.21 million in fiscal 2009. As a percentage of total sales, our profit before taxation and after exceptional items margins increased from 18.92% in fiscal 2008 to 19.33% in fiscal 2009.

Provision for taxes

Our provision for taxes decreased by Rs. 205.47 million, or 60.63%, from Rs. 338.88 million in fiscal 2008 to Rs. 133.41 million in fiscal 2009, primarily due to reversal of deferred tax liability. Current taxes in fiscal 2009 remained in line with those in fiscal 2008.

Adjustments

Our adjustment in fiscal 2009 reduced our net profit after taxation and before adjustments by Rs. 54.87 million as compared to our adjustment in fiscal 2008, which reduced our net profit after taxation and before adjustments by Rs. 4.97 million. The adjustment in fiscal 2009 was primarily on account of excess/short provision of tax of Rs. 53.07 million, which was adjusted for the earlier fiscal years to which they related, i.e. fiscal 2006, fiscal 2007 and fiscal 2008.

Profit after taxes, as restated

Principally due to the reasons mentioned above, our profit after taxes (PAT) increased by Rs. 169.95 million, or 15.75%, from Rs. 1,078.98 million in fiscal 2008 to Rs. 1,248.93 million in fiscal 2009. As percentage of total sales, our profit after taxes margins increased from 14.35% in fiscal 2008 to 16.80% in fiscal 2009.

Financial Year Ended December 31, 2008 Compared to Financial Year Ended December 31, 2007

Income

Our total income increased by Rs. 1,400.84 million, or 22.46%, from Rs. 6,238.16 million in fiscal 2007 to Rs. 7,639 million in fiscal 2008. Sale of products increased by 46.12% in fiscal 2008 compared to fiscal 2007. This increase in income from sale of products was partially offset by a decrease in our sale of traded products and by a decrease in other income in fiscal 2008 compared to fiscal 2007.

Income from total sales

Our income from total sales increased by Rs. 1,550.03 million, or 25.96%, from Rs. 5,971.52 million in fiscal 2007 to Rs. 7,521.55 million in fiscal 2008, primarily due to an increase in income from total sales of Rs. 1,598.30 million, or 73.50%, in the international markets in fiscal 2008 compared to fiscal 2007. The exports revenue, which, as a percentage of total sales, amounted to 36.41% in fiscal 2007, increased to 50.16% in fiscal 2008 mainly as a result of an increase in total sales in the emerging markets.

Total sales in the domestic market declined by Rs. 48.27 million, or 1.27%, from Rs. 3,797.08 million in fiscal 2007 to Rs. 3,748.81 million in fiscal 2008, primarily on account of the Company starting the process of phasing out cephalosporin injectables from its product portfolio.

Income from net sales

Our income from net sales increased by Rs. 1,589.83 million, or 46.12%, from Rs. 3,447.51 million in fiscal 2007 to Rs. 5,037.34 million in fiscal 2008, primarily due to an increase in total sales in emerging markets as a result of the Company obtaining product registrations for certain of our products, such as propofol, ciprofloxacin and metronidazole, in these markets in fiscal 2007 and fiscal 2008 and partially due to the Company increasing the manufacture of certain products in fiscal 2008, which it previously traded in fiscal 2007.

Income from sale of products traded

Our income from sale of products traded decreased by Rs. 39.80 million, or 1.58%, from Rs. 2,524.01 million in fiscal 2007 to Rs. 2,484.21 million in fiscal 2008, primarily due to our Company decreasing the trading of certain products, such as IV fluids and cephalosporin, in fiscal 2008, which were traded in fiscal 2007.

Other income

Our other income decreased by Rs. 149.19 million, or 55.95%, from Rs. 266.64 million in fiscal 2007 to Rs. 117.45 million in fiscal 2008, primarily on account of a foreign exchange gain in fiscal 2007 on translation of foreign currency borrowings, which did not occur in fiscal 2008.

Expenditure

Our total expenditure increased by Rs. 919.50 million, or 19.91%, from Rs. 4,618.65 million in fiscal 2007 to Rs. 5,538.15 million in fiscal 2008, primarily on account of an increase in cost of raw materials and packaging materials in fiscal 2008 compared to fiscal 2007, due to an increase in sale of products. The total material cost, including the cost of products traded in, increased from 36.61% of total sales in fiscal 2007 to 38.08% of total sales in fiscal 2008.

Increase in stock

Our inventory of finished goods and work-in-progress inventory increased by Rs. 345.20 million in fiscal 2008 compared to an increase of Rs. 133.03 million in fiscal 2007, primarily on account of an increase in products manufactured as well as the Company shortening the receivables period for certain customers leading to reduction in sales to such customers.

Material consumed

Our expenditure on material consumption increased by Rs. 647.16 million, or 72.10%, from Rs. 897.54 million in fiscal 2007 to Rs. 1,544.70 million in fiscal 2008. The increase was on account of an increase in production due to greater demand for our products in the international markets as well as an increase in prices of raw materials and packaging materials in fiscal 2008 compared to fiscal 2007.

Purchase of finished goods

Our purchase of finished goods increased by Rs. 243.08 million, or 17.10%, from Rs. 1,421.73 million in fiscal 2007 to Rs. 1,664.81 million in fiscal 2008, primarily to fulfill demand for certain traded products, such as immunoglobulin and erythropoietin.

Personnel cost

Our personnel cost decreased by Rs. 23.78 million, or 4.28%, from Rs. 555.83 million in fiscal 2007 to Rs. 532.05 million in fiscal 2008, primarily due to an increased automation of manual processes and a reduction in our number of full-time employees.

Operating & other expenses

Our operating and other expenses increased by Rs. 265.21 million, or 14.13%, from Rs. 1,876.58 million in fiscal 2007 to Rs. 2,141.79 million in fiscal 2008, primarily on account of a foreign exchange loss in fiscal 2008 on translation of foreign currency borrowings due to the depreciation of the Rupee against the USD.

Profit before interest, depreciation and taxes

Principally due to the reasons mentioned above, our EBITDA increased by Rs. 481.34 million, or 29.72%, from Rs. 1,619.51 million in fiscal 2007 to Rs. 2,100.85 million in fiscal 2008. As a percentage of total sales, EBITDA margins increased from 27.12% in fiscal 2007 to 27.93% in fiscal 2008.

Interest

Our net interest expense increased by Rs. 167.63 million, or 108.34%, from Rs. 154.72 million in fiscal 2007 to Rs. 322.35 million in fiscal 2008, primarily attributable to a significant increase in working capital borrowings from Rs. 876.76 million as at December 31, 2007 to Rs. 1,570.57 million as at December 31, 2008.

Depreciation

Our depreciation expense increased by Rs. 97.92 million, or 36.53%, from Rs. 268.05 million in fiscal 2007 to Rs. 365.97 million in fiscal 2008. This increase was principally due to an increase in our fixed assets in relation to our capacity expansion in fiscal 2008.

Profit before taxation and after exceptional items

Our profit before taxation and after exceptional items increased by Rs. 226.09 million, or 18.89%, from Rs. 1,196.74 million in fiscal 2007 to Rs. 1,422.83 million in fiscal 2008, primarily on account of the reasons cited above. However, as a percentage of total sales, our profit before taxation and after exceptional items margins decreased marginally from 20.04% in fiscal 2007 to 18.92% in fiscal 2008. This was mainly due to an increase in net interest expense incurred in fiscal 2008 compared to fiscal 2007.

Provision for taxes

Our provision for taxes decreased by Rs. 25.14 million, or 6.91%, from Rs. 364.02 million in fiscal 2007 to Rs. 338.88 million in fiscal 2008, primarily due to a decrease in current taxes by 32.71% as a result of the increase in the Company's exports, the profits from which were eligible for an exemption under the export oriented unit scheme of the Government of India.

Adjustments

Our adjustment in fiscal 2008 reduced our net profit after taxation and before adjustments by Rs. 4.97 million as compared to our adjustment in fiscal 2007, which increased our net profit after taxation and before adjustments by Rs. 60.50 million. The adjustment in fiscal 2008 was primarily on account of Rs. 10.80 million of bad debts recovered, which were adjusted to the earlier fiscal year to which it related, i.e. fiscal 2007. However, this decreased due to the above adjustment was partly offset by the effect of excess/short provision of tax of Rs. 4.05 million adjusted in fiscal 2008 from fiscal 2009.

Profit after taxes, as restated

Principally, due to the reasons mentioned above, our profit after taxes increased by Rs. 185.76 million, or 20.80%, from Rs. 893.22 million in fiscal 2007 to Rs. 1,078.98 million in fiscal 2008. As percentage of total sales, profit after taxes margins decreased from 14.96% in fiscal 2007 to 14.35% in fiscal 2008.

Financial Year Ended December 31, 2007 Compared to Financial Year Ended December 31, 2006

Income

Our total income increased by Rs. 2,211.42 million, or 54.92%, from Rs. 4,026.74 million in fiscal 2006 to Rs. 6,238.16 million in fiscal 2007, primarily as a result of an increase in income from sale of traded products, which increased significantly by 229.63% in fiscal 2007 compared to fiscal 2006, and an increase in other income, which increased by 144.18% in fiscal 2007 compared to fiscal 2006. Net sales increased by 9.38% in fiscal 2007 compared to fiscal 2006.

Income from total sales

Our income from total sales increased by Rs. 2,053.98 million, or 52.43%, from Rs. 3,917.54 million in fiscal 2006 to Rs. 5,971.52 million in fiscal 2007, primarily on account of an increase in income from total sales in the domestic market, which grew by Rs. 1,612.26 million, or 73.79%, from Rs. 2,184.82 million in fiscal 2006 to Rs. 3,797.08 million in fiscal 2007. The Company introduced several products into the domestic market during fiscal 2007 as well as non-PVC IV bags. The Company also launched its oncology division, selling products such as docetaxel, doxorubicin, gemcitabine and imatinib, in India during fiscal 2007, which contributed to an increase in the sale of products traded.

The income from total sales in the international markets increased by Rs. 441.72 million, or 25.49%, from Rs. 1,732.72 million in fiscal 2006 to Rs. 2,174.44 million in fiscal 2007, primarily as a result of an increase in total sales in the emerging markets.

Income from net sales

Our income from net sales increased by Rs. 295.69 million, or 9.38%, from Rs. 3,151.82 million in fiscal 2006 to Rs. 3,447.51 million in fiscal 2007, primarily due to the introduction of new products such as "Unibag" and "Lipeg" in the domestic market as well as an increase in total sales in emerging markets.

Income from sale of products traded

Our income from the sale of products traded increased by Rs. 1,758.29 million, or 229.63%, from Rs. 765.72 million in fiscal 2006 to Rs. 2,524.01 million in fiscal 2007, primarily due to an increase in sales of renal and critical care products and the launch of our oncology products in India.

Other income

Our other income increased by Rs. 157.44 million, or 144.18%, from Rs. 109.20 million in fiscal 2006 to Rs. 266.64 million in fiscal 2007, primarily on account of a foreign exchange gain in fiscal 2007 on translation of foreign currency borrowings due to the appreciation of the Rupee against the USD.

Expenditure

Our total expenditure increased by Rs. 1,472.89 million, or 46.82%, from Rs. 3,145.76 million in fiscal 2006 to Rs. 4,618.65 million in fiscal 2007, primarily due to an increase in purchase of finished goods of 223.18% in

fiscal 2007 compared to fiscal 2006. The total material cost including the cost of products traded in increased from 33.99% of total sales in fiscal 2006 to 36.61% of total sales in fiscal 2007.

Increase in stock

Our inventory of finished goods and work-in-progress inventory increased by Rs. 133.03 million in fiscal 2007 compared to an increase of Rs. 195.52 million in fiscal 2006, primarily on account of an increase in our purchase of certain of our traded products and partially on account of an increase in products manufactured.

Material consumed

Our expenditure on material consumption decreased by Rs. 189.58 million, or 17.44%, from Rs. 1,087.12 million in fiscal 2006 to Rs. 897.54 million in fiscal 2007, primarily due to our an increase in the manufacture of certain products, such as propofol, metronidazole and ciprofloxacin, for which the raw material costs are higher.

Purchase of finished goods

Our purchase of finished goods increased by Rs. 981.81 million, or 223.18%, from Rs. 439.92 million in fiscal 2006 to Rs. 1,421.73 million in fiscal 2007. This increase in purchase of finished goods in fiscal 2007 as compared to fiscal 2006 was on account of the launch of our oncology products and expanding the sale of traded products in the international markets.

Personnel cost

Our personnel cost increased by Rs. 176.17 million, or 46.40%, from Rs. 379.66 million in fiscal 2006 to Rs. 555.83 million in fiscal 2007, primarily due to an increase in manufacturing personnel, an increase in sales force in the domestic and international markets and recruitment in permanent office staff.

Operating & other expenses

Our operating and other expenses increased by Rs. 442 million, or 30.81%, from Rs. 1,434.58 million in fiscal 2006 to Rs. 1,876.58 million in fiscal 2007, primarily on account of an increase in marketing and sales promotional expenses due to the launch of new products in the domestic and international markets, power and fuel charges, labour charges, and other manufacturing overheads due to increase in production.

Profit before interest, depreciation and taxes

Our EBITDA increased by Rs. 738.53 million, or 83.83%, from Rs. 880.98 million in fiscal 2006 to Rs. 1,619.51 million in fiscal 2007, primarily on account of increase in sales of higher margin products and increase in other income in fiscal 2007 compared to fiscal 2006. As a percentage of total sales, EBITDA margins increased from 22.49% in fiscal 2006 to 27.12% in fiscal 2007.

Interest

Our net interest expense increased by Rs. 99.18 million, or 178.57%, from Rs. 55.54 million in fiscal 2006 to Rs. 154.72 million in fiscal 2007, primarily on account of an increase in working capital borrowings from Rs. 70 million in fiscal 2007 to Rs. 876.76 million in fiscal 2008.

Depreciation

Our depreciation expense increased by Rs. 104.21 million, or 63.60%, from Rs. 163.84 million in fiscal 2006 to Rs. 268.05 million in fiscal 2007, primarily due to an increase in our fixed assets in fiscal 2007 in order to enhance our manufacturing capabilities.

Profit before taxation and after exceptional items

Our profit before taxation and after exceptional items increased by Rs. 544.20 million, or 83.40%, from Rs. 652.54 million in fiscal 2006 to Rs. 1,196.74 million in fiscal 2007. As a percentage of total sales, our profit before taxation and after exceptional items margins increased from 16.66% in fiscal 2006 to 20.04% in fiscal 2007. This increase was mainly on account of the reasons cited above for each line item.

Provision for taxes

Our provision for taxes increased by Rs. 178.41 million, or 96.12%, from Rs. 185.61 million in fiscal 2006 to Rs. 364.02 million in fiscal 2007, primarily on account of increase in profit before tax in fiscal 2007 compared to fiscal 2006.

Adjustments

Our adjustment in fiscal 2007 increased our net profit after taxation and before adjustments by Rs. 60.50 million as compared to our adjustment in fiscal 2006, which increased our net profit after taxation and before

adjustments by Rs. 40.75 million. The adjustment in fiscal 2007 was primarily on account of excess/short provision of tax of Rs. 51.68 million, which was adjusted in fiscal 2007 from fiscal 2008 and of Rs. 10.80 million of bad debts recovered, which were written back to fiscal 2007 from fiscal 2008.

Profit after taxes, as restated

Principally due to the reasons described above, our profit after taxes increased by Rs. 385.54 million, or 75.94%, from Rs. 507.68 million in fiscal 2006 to Rs. 893.22 million in fiscal 2007. As a percentage of total sales, profit after taxes margins increased from 12.96% in fiscal 2006 to 14.96% in fiscal 2007.

Liquidity and Capital Resources

Liquidity

As of May 31, 2010, we had cash and cash equivalents of Rs. 1,562.11 million. Cash and cash equivalents consist of cash in hand, cheques in hand, remittance in transit and balance in current accounts with scheduled and other banks. We finance our working capital requirements primarily through funds generated from our operations and bank financing.

Cash flow

The following table sets forth our cash flows for the five month ended Period May 31, 2010 and each of the years ended December 31, 2009, December 31, 2008, December 31, 2007 and December 31, 2006:

(Rs. in million)

Particulars	For the five month period ended	For the year ended 31st December,			
		2009	2008	2007	2006
	May 31, 2010				
Net Cash Generated from Operating Activities	(527.51)	3,807.97	1,362.40	492.49	422.90
Net Cash from Investing Activities	(628.47)	(1,038.08)	(2,018.17)	(1,393.50)	(1,432.81)
Net Cash from Financing Activities	348.67	(569.53)	673.88	280.97	1,670.03
Net Increase / (Decrease) in cash and cash equivalents	(807.31)	2,200.36	18.11	(620.04)	660.12
Cash and Cash Equivalents at beginning of the year	2,369.42	169.06	150.95	770.99	110.87
Cash and Cash Equivalents at the end of the year	1,562.11	2,369.42	169.06	150.95	770.99

Net cash generated from operating activities

Net cash from operating activities for the five month period ended May 31, 2010, amounted to Rs. (527.51) million and our operating profit before working capital changes was Rs. 990.49 million. The difference was attributable to an increase of Rs. 171.36 million in trade and other receivables, an increase of Rs. 103.07 million in inventories, a decrease of Rs. 1,148.55 million in other trade and other payables, including advances and security deposits received from customers, and due to Rs. 95.02 million direct taxes paid.

Net cash from operating activities in fiscal 2009 was Rs. 3,807.97 million and our operating profit before working capital changes was Rs. 2,419.56 million. The difference was attributable to an increase of Rs. 371.75 million in trade and other receivables, an increase of Rs. 159.14 million in inventories, an increase of Rs. 2,343.49 million in other trade and other payables, including advances and security deposits received from customers, and due to Rs. 424.19 million direct taxes paid.

Net cash from operating activities in fiscal 2008 was Rs. 1,362.40 million and our operating profit before working capital changes was Rs. 2,322.61 million. The difference was primarily as a result of increases of Rs. 495.11 million in trade and other receivables and of Rs. 328.84 million in inventories, and partially due to a decrease of Rs. 127.49 million in our trade and other payables and Rs. 8.77 million direct taxes paid.

Net cash from operating activities in fiscal 2007 was Rs. 492.49 million and our operating profit before working capital changes was Rs. 1,531.72 million. The difference was primarily due to a Rs. 1,547.97 million increase in trade and other receivables and a Rs. 915.74 million increase in our trade and other payables, and partially due to Rs. 294.69 million in direct taxes paid and a Rs. 112.31 million increase in inventories.

Net cash from operating activities in fiscal 2006 was Rs. 422.90 million and our operating profit before working capital changes was Rs. 938.46 million. The difference was attributable to increase of Rs. 708.03 million in trade and other receivables, Rs. 261.54 million in inventories and Rs. 549.67 million in our trade and other payables and to Rs. 95.66 million in direct taxes paid.

Net cash used in investing activities

For the five month period ended May 31, 2010, net cash used in investing activities was Rs. 628.47 million. This includes the purchase of fixed assets of Rs. 564.66 million which was partially offset by proceeds received from the sale of fixed assets of Rs. 0.91 million and interest income of Rs. 2.47 million. There was also a decrease of Rs. 67.19 million in trade payables for capital expenditure during the year.

In fiscal 2009, net cash used in investing activities was Rs. 1,038.08 million. This includes the purchase of fixed assets of Rs. 1,066.45 million which was partially offset by proceeds received from the sale of fixed assets of Rs. 49.66 million and interest income of Rs. 6.10 million. There was also a decrease of Rs. 27.39 million in trade payables for capital expenditure during the year.

In fiscal 2008, our net cash used in investing activities was Rs. 2,018.17 million. This includes the purchase of fixed assets of Rs. 1,951.31 million which was partially offset by proceeds received from the sale of fixed assets of Rs. 35.96 million, proceeds received from the sale of investment of Rs. 0.01 million and interest income of Rs. 11.80 million. There was a decrease in trade payables for capital expenditure of Rs. 114.63 million during the year.

In fiscal 2007, net cash used in investing activities was Rs. 1,393.50 million. This includes the purchase of fixed assets of Rs. 1,441.19 million which was partially offset by proceeds received from interest income of Rs. 6.81 million and an increase in the trade payables for capital expenditure of Rs. 40.88 million during the year.

In fiscal 2006, net cash used in investing activities was Rs. 1,432.81 million. This includes the purchase of fixed assets of Rs. 1,775.75 million which was partially offset by proceeds received from the sale of fixed assets of Rs. 2.52 million and interest income of Rs. 15.67 million and an increase in trade payables for capital expenditure of Rs. 324.75 million during the year.

Net cash used in financing activities

For the five month period ended May 31, 2010, net cash generated from financing activities was Rs. 348.67 million. This was mainly attributable to proceeds received from borrowings of Rs. 597.19 million. These cash flows were offset Rs. 102.37 million paid for dividends and Rs. 146.15 million of interest paid on outstanding indebtedness.

In fiscal 2009, net cash utilised in financing activities was Rs. 569.53 million. This was mainly attributable to net repayment of secured loans of Rs. 126.58 million, dividends paid of Rs. 27.28 million and interest paid of Rs. 415.67 million.

In fiscal 2008, net cash generated from financing activities was Rs. 673.88 million. This was mainly attributable to proceeds received from borrowings of Rs. 1,052.63 million and to a gain on swap cancellation forward cover of Rs. 55.39 million. These cash flows were offset by Rs. 99.98 million paid for dividends and interest paid of Rs. 334.16 million on outstanding indebtedness.

In fiscal 2007, net cash generated from financing activities was Rs. 280.97 million. This was mainly attributable to proceeds received from borrowings of Rs. 541.19 million which was offset by Rs. 99.98 million paid for dividends and interest paid of Rs. 160.24 million on outstanding indebtedness.

In fiscal 2006, net cash generated from financing activities was Rs. 1,670.03 million. This was mainly attributable to net proceeds received from borrowings, both secured and unsecured of Rs. 891.34 million, proceeds received from the issue of equity shares of Rs. 2.43 million, and proceeds received from the issue of

preference shares to First Carlyle Ventures III of Rs. 603.36 million and a share premium of Rs. 301.55 million. This cash flow was offset by Rs. 57.43 million paid for dividends and interest paid of Rs. 71.22 million on outstanding indebtedness.

Liabilities and Provisions

The following table sets forth our liabilities and provisions as at five month ended Period May 31, 2010 December 31, 2009, December 31, 2008, December 31, 2007 and December 31, 2006:

(Rs. in million)

Particulars	As at Five month period ended	As at December 31,			
		2009	2008	2007	2006
	May 31, 2010				
Secured Loans	3,705.22	2,968.80	3,125.58	2,033.36	1,431.11
Unsecured Loans	-	171.26	182.64	223.02	283.28
Deferred Tax Liability	502.10	510.97	516.86	314.80	219.60
Current Liabilities	3,213.59	4,456.62	2,156.86	2,067.03	1,506.69
Provisions	255.41	302.35	424.92	372.16	158.06
Total	7676.32	8,410.00	6,406.86	5,010.37	3,598.74

Contingent Liabilities

As at May 31, 2010 we had contingent liabilities, which primarily consisted of letters of credit outstanding, as follows:

(Rs. in million)

Nature of Liability	Amount
Claims against the Company not acknowledged as debts in respect of sales tax and other matters	86.16
Guarantees given by the bankers on behalf of the Company	8.50
Disputed demand under income tax	7.06
Bills discounted	263.19
Letters of credit outstanding	676.27
Total	1041.18

Historical and Planned Capital Expenditures

Our capital expenditure for the five month period ended May 31, 2010, was Rs. 565.44 million. Our capital expenditure for the financial years ended December 31, 2009, 2008 and 2007 was Rs. 1,065.95 million, Rs. 1,945.29 million and Rs. 1,444.70 million, respectively.

The capital expenditure has gone to increase capacities, modernise operations and invest in our infrastructure.

Related Party Transactions

In the normal course of business the Company enters into transactions with its related parties. For details please refer to the discussion in the section titled “Financial Information - Related Party Transactions” beginning on page 208 in this Red Herring Prospectus.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet transactions.

Quantitative and Qualitative Disclosure about Market Risks

Unusual or infrequent events or transactions

There have been no events, to our knowledge which may be called “unusual” or “infrequent” other than that certain of our partners received a number of complaints in relation to certain of our products pursuant to which

we and our partners/distributors recalled some or all of our products from certain countries. Further, the USFDA has imposed an import alert on us and our products, which is subsisting. Furthermore, the USFDA had carried out an inspection of our manufacturing facilities at Ahmedabad, subsequent to which it has issued a warning letter to us. Additionally, the registration of the Company and its products was suspended by the Drug and Food Control, Ministry of Health, State of Kuwait from June 8, 2010 till August 22, 2010.

Significant economic changes that materially affected or are likely to affect income from continuing operations

Other than as mentioned under “Certain Factors Affecting Our Results of Operations” of this section, to our knowledge, there are no significant economic changes that materially affect or are likely to affect income from continuing operations.

Known trends or uncertainties that have material adverse impact on sales

Our business has been impacted and we expect will continue to be impacted by the trends identified above in “Certain Factors Affecting our Results of Operations” and the uncertainties described in “Risk Factors” on page 18 of this Red Herring Prospectus. To our knowledge, there are no known factors, which we expect to have a material adverse impact on our revenues or income from continuing operations, except as we have described in this Red Herring Prospectus, and in particular, certain of our partners received a number of complaints in relation to certain of our products pursuant to which we and our partners/distributors recalled some or all of our products from certain countries. Further, the USFDA has imposed an import alert on us and our products, which is subsisting. Furthermore, the USFDA had carried out an inspection of our manufacturing facilities at Ahmedabad, subsequent to which it has issued a warning letter to us. Additionally, the registration of the Company and its products was suspended by the Drug and Food Control, Ministry of Health, State of Kuwait from June 8, 2010 till August 22, 2010.

Future changes in relationship between costs and revenues

Except as described in “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 18, 122, and 209, respectively, of this Red Herring Prospectus, to the best of our knowledge, there is no future relationship between expenditure and income that will have a material adverse impact on the operations and finances of our Company.

Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices

Changes in revenues during the last three years are as explained under the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 209 of this section.

Status of any publicly announced new products or business segments

Except as disclosed under the section titled “Our Business” on page 122 of this Red Herring Prospectus, the Company has no publicly announced new products or business segments.

Seasonality of business

The Company’s revenue and results of operations may be affected by seasonal factors. For example, certain of the products manufactured by the Company, such as infusion therapy products, are more in demand in India during the summer months as compared to their demand in the winter months.

Significant dependence on few suppliers or customers

Our operations are not significantly dependent on a single or a few suppliers or customers. Information regarding raw material suppliers is given in the section titled “Our Business” on page 122 of this Red Herring Prospectus.

Competitive conditions

For details of the competitive conditions we face please refer to the discussions in the sections titled “Risk Factors” and “Our Business” beginning on pages 18 and 122 of this Red Herring Prospectus.

Significant regulatory changes

Except as described in “Regulations and Policies in India” on page 141 of this Red Herring Prospectus, there have been no significant regulatory changes that could affect our income from continuing operations.

Foreign exchange risk

We are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the U.S. Dollar and the Euro. Currently, we hedge a portion of our open net foreign exchange position to hedge the

risks associated with foreign currency fluctuations, but remain affected by fluctuations in exchange rates between the U.S. Dollar, the Rupee and other currencies

Interest rate risk

We are exposed to market rate risk due to changes in interest rates on our credit facilities that we entered into. As at May 31, 2010, we had Rs. 3,705.22 million of outstanding indebtedness, which exposed us to market risk as a result of changes in interest rates. We undertake debt obligations to support our working capital needs and capital expenditure. Upward fluctuations in interest rates increase the cost of debt and interest cost of outstanding variable rate borrowings. We do not currently use any derivative instruments to modify the nature of our debt so as to manage our interest rate risk.

Inflation risk

Although India has experienced fluctuation in inflation rates in recent years, inflation has not had a material impact on our business or results of operations.

Recent Accounting Pronouncements

There are no recent accounting pronouncements that were not yet effective as at May 31, 2010 that will result in a change in our Company's significant accounting policies.

SECTION 7 : LEGAL & OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding litigations, suits, criminal or civil prosecutions, proceedings or tax liabilities against our Company, Subsidiaries, Promoters, erstwhile Promoters, Directors, Group Companies and group companies of Mr. Aditya S. Handa, and there are no defaults, non-payment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions, defaults in dues payable to holders of any debenture, bonds and fixed deposits and arrears of preference shares issued by our Company, defaults in creation of full security as per terms of issue/other liabilities, proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than unclaimed liabilities of our Company or Subsidiaries and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, Promoter or Directors.

Cases against our Company

Criminal cases against our Company

1. Food Inspector has filed a complaint (C.C. No. 113 of 2005) before the Judicial Magistrate at Kadi, District Mehsana against our Company and 6 persons, including one of our independent Directors and Mr. Sushil Kumar Handa, one of our erstwhile promoters, and a relative of our individual Promoter (included in our Promoter Group) and one distributor of the Company, for an offence alleged to be committed under the Prevention of Food Adulteration Act, 1954. It is alleged in the complaint that Food Inspector Mr. A.B. Ghelani, Mehsana Circle, had collected a sample of our product “Nutritionally Balanced Diet” under the brand “Nourish Plus”, bearing batch No.7120132, which was sent to State Food and Drugs Laboratory, Baroda for test and analysis purpose. Subsequently, Mr. A.K. Patel, the public analyst declared that the sample of “Nutritionally Balanced Diet” is adulterated under section 2 (1A-A) of Prevention of Food Adulteration Act, 1954, alleging that the chemical composition of the product advertised did not match up with the actual chemical composition as at dated May 5, 2005. Thereafter, the Food Inspector has sent a notice under section 13 (2) of the Prevention of Food Adulteration Act, 1954 notifying the accused whether they wish to send the sample to Central Food Laboratory. Our Company filed a reply dated February 14, 2006 requesting the Food Inspector to send the sample to the Central Food Laboratory (“CFL”), Mysore, stating that the batch in question was manufactured in March 2005 and contending that the allegations against the above ex-directors of the Company do not hold as except for one of our independent directors, who was not responsible for the day to day management/ affairs of the Company, the other 5 ex-directors were not on the Board of our Company at the time of manufacturing of the batch in question. Accordingly the sample has been tested in CFL and CFL has sent the report confirming that the quantity of nutrient declared on the label is at variance with the determined values. During the pendency of proceedings before the Judicial Magistrate at Kadi, District Mehsana, the above mentioned six persons filed a Miscellaneous Criminal Application dated July 8, 2010 bearing No. 7483 of 2010, before the High Court of Gujarat for quashing and setting aside the criminal case before the Judicial Magistrate by contending that the report issued by the public analyst appeared to be in contravention of the rules prescribed under the Prevention of Food Adulteration Act, 1954 and principally on this ground, amongst others, contended that the complaint was unwarranted and not legally sustainable. Additionally, the Petitioners have sought interim relief in the form of a stay against the proceedings before the Judicial Magistrate at Kadi, District Mehsana. By way of its interim order dated July 19, 2010, the High Court held that the Company has produced abstracts of Form No. 32 to establish that all Directors of the Company, except one, had resigned from the Company before the alleged incident of food adulteration was detected. The High Court has, through its above order, granted a stay against the proceedings before the Judicial Magistrate in favour of the above six Petitioners.
2. The Food Inspector, Office of the Chief Medical and Health Officer, Jaipur issued a letter dated December 15, 2009 to our Company seeking certain information including in relation to a product of Company, Nourish (nutritionally balance diet) and the appointment of a nominee of our Company. Our Company by way of its letter dated January 9, 2010, provided the details pertaining to our Company’s business and clarified that as the product batch in question expired a year ago, the request for the details by the Food Inspector was not justifiable. In addition, our Company enclosed the name of the responsible person nominated under Form 8 for compliance with the provisions of the Prevention of Food Adulteration Act, 1954 (the “PFA Act”). Pursuant to the above and a report of the State Central Public Health Laboratory,

Jaipur, Rajasthan, dated February 26, 2008, it was opined that the sample of “Nourish (Nutritionally balance diet)” is adulterated on account of the presence of heavy insect infestation. The Food Inspector filed a case bearing no. PFA167/2010, on February 4, 2010 against our Company, before the Chief Judicial Magistrate, Jaipur City, Jaipur – Rajasthan alleging an offence under section 7(1) (111) 110 of the PFA Act. Further, the Food Inspector issued a letter dated February 8, 2010 to the aforesaid nominee of our Company, Mr. Navinchandra and our Company enclosing the aforesaid report stating that if the same was not acceptable, our Company may approach the Chief Judicial Magistrate, Jaipur City, Jaipur with an application to re-test the sample. As a result, our Company filed an application under Section 13(2) of the PFA Act, praying that the proceedings under the PFA Act be discontinued, as the report was issued two years ago and the product had expired in February 2008. The matter is currently pending before the Chief Judicial Magistrate Court at Jaipur City, Jaipur.

Civil cases against our Company

1. Ms. Nitaben Navinbhai Patel (mother of the deceased, Kartik N. Patel) and Mr. Nitesh Navinbhai Patel (brother of the deceased) filed a complaint bearing no. 1102 of 2006 in the Motor Accident Claim Tribunal at Ahmedabad (rural) at Navrangpura against Bhavsar Rakesh Bipinchandra (the driver), our Company, Royal Sundaram Alliance Insurance Co. Ltd., Nilay N. Patel (friend of the deceased) and National Insurance Company Limited claiming compensation of Rs. 1,500,000 for the death of Kartik N. Patel in an accident involving a vehicle belonging to our Company. Mr. Nilay N. Patel has filed another case being case no. 7 of 2007 against Bhavsar Rakeshbhai Bipinchandra, our Company and Royal Sundaram Alliance Insurance Company Ltd. u/s 166, 140 and 163 (A) of the Motor Vehicles Act claiming an amount of Rs. 100,000 for the severe injury caused to him in the above-mentioned accident involving a vehicle belonging to our Company. The case filed by Mr. Nilay Patel has been settled by Royal Sundaram Alliance Insurance Co. Ltd. on payment of Rs. 41,500. This fact has been recorded in the Motor Accidents’ Claims Tribunal’s order dated December 11, 2007. The complaint filed by Ms. Nitaben Patel and Mr. Nitesh Patel are presently pending before the Motor Accidents’ Claims Tribunal.
2. The labourers of Samrat Consultants and Shivam Enterprises (labour contractors hired by our Company) have filed industrial dispute case bearing No. 199 of 2006 against Samrat Consultants, Shivam Enterprises, and our Company before the Industrial Disputes Tribunal at Ahmedabad under the Industrial Disputes Act, 1947. The labourers of Samrat and Shivam had joined a union called Gujarat Majdoor Sabha and were demanding certain changes in their wages. The labourers alleged that they were relieved from their services and prayed for re-instatement of services. To expedite the matter, the Gujarat Majdoor Sabha, on behalf of the labourers, filed Special Civil Application bearing No.13375 of 2006, before the High Court of Gujarat. By an Order dated July 11, 2006 the High Court of Gujarat, while disposing the petition, directed the Labour Commissioner, State of Gujarat to inquire and investigate into the matter and take effective steps to resolve the disputes between the parties pursuant to the Industrial Disputes Act, 1947. The matter is currently pending.
3. Mr. M. H. Zaidy along with his mother viz., Mrs. M. A. Zaidy (the patient), filed a Complaint bearing Consumer Case No. 1267 of 2008 before the District Consumer Forum at Sangli and got an ex-parte order dated November 14, 2008 against our Company to stay the implementation and operation of termination notice dated August 26, 2008 issued by our Company terminating the contract for supplying the CAPD bags to Mrs. Zaidy under a scheme launched by our Company. The complaint was initiated against the termination notice dated August 26, 2008 issued by our Company terminating the contract with Mrs. Zaidy and in the said notice our Company had made provision for supply of the goods for 3 months from the date of the notice looking at the nature and importance of the life saving medicine like CAPD. It has been alleged in the complaint that Mrs. Zaidy who is suffering from kidney related problem and using the product of our Company since September 1, 2002 under a scheme on payment of Rs. 0.32 million as one time payment including a non-refundable amount of Rs. 25,000 is not being supplied CAPD bags as per the terms of the agreement and that our Company has terminated the said agreement by sending the said notice dated August 26, 2008. The District Consumer Forum has passed an interim order dated November 14, 2008 against our Company to continue the supply of the CAPD bags as per the terms of the agreement and the District Consumer Forum has further admitted an application on December 18, 2008 from the complainant to supply additional bags as required by the Complainant. Our Company has filed a revision application before the State Consumer Disputes Redressal Commission Maharashtra at Mumbai on December 23, 2008 which has been disposed off. On July 8, 2009, Mrs. M. H Zaidy, filed an amendment application before the Consumer Disputes Redressal Forum at Sangli, claiming a total compensation of Rs. 785,000 with interest. Our Company filed a reply on July 20, 2009 praying that the petition is unwarranted,

illegal and is required to be dismissed. The amendment application was subsequently allowed by the Consumer Disputes Redressal Forum by its order dated July 31, 2009. The applicant thereafter filed an application dated November 4, 2009 seeking appointment of a court commissioner wherein Mr. M. H. Zaidy also suggested the name of Dr. Sanjay Kulkarni. The Company filed its counter to the application filed by the Complainant and disputed the prayer seeking appointment of a court commissioner. This counter was also filed by the Company on November 4, 2009. However the said application by Mr. M. H. Zaidy was allowed by the Consumer Disputes Redressal Forum pursuant to its order dated November 4, 2009. Subsequently the Company made an application dated November 7, 2009 stating that the Court Commissioner has to be a Government laboratory which was rejected by the District Consumer Forum on November 7, 2009. In terms of the said order Dr. Sanjay Kulkarni was appointed as the Court Commissioner and was directed to submit the report before the District Consumer Forum. The Court Commissioner filed his report dated December 3, 2009 before the District Consumer Forum among other things, stating that the CAPD bags contain fungus, foreign bodies and hair and other substances harmful to the patient. Further on March 3, 2010 the Company had filed a written say to the court commissioner's report specifically denying the contents of the report and further denying the observation and conclusion of the report. It was further stated in our written say that the report was not carried out in any laboratory and that the court commissioner was a Medical Surgeon and not a pathologist and therefore the report is liable to be rejected. It was also stated that proper procedure was not followed by the Commissioner for drug analysis. The matter is currently pending.

4. Sonam Owners Association and Sonal Owners Association filed a civil suit bearing no. 1289/2006 against our Company before the City Civil Court, Ahmedabad seeking a declaration and permanent injunction and also sought mandatory injunction against the defendants to stop closure of gate that was previously commonly accessible to plaintiffs and from entering into their premises. An order of status quo was granted by the Chamber Judge on June 22, 2006. By way of an order dated October 19, 2006, the court vacated the afore-granted status quo and dismissed the injunction application. The plaintiffs appealed the order of the City Civil Court and approached the High Court of Gujarat by way of interim civil application no. 2039/2006 and have filed appeal stamp no. 399/06 which was subsequently converted into Appeal no. 79/2007 with civil application no. 3191 of 2007 in the High Court of Gujarat. The High Court, by its order dated November 10, 2008, has dismissed the application filed by the plaintiffs. The matter is currently pending before the City Civil Court, Ahmedabad.
5. Mr. Korat Kuldip Vatsalkumar through his father, Mr. Korat Vatsalkumar J. and Rajkot Seher / Jilla Grahak Suraksha Mandal, (the “**Plaintiffs**”) have filed a complaint before the Consumer Disputes Redressal State Commission, at Ahmedabad being Complaint No. 58 of 2008 against (1) the Managing Director of our Company and (2) Krishna Medical Stores, Sabarkantha alleging grave negligence and defective goods under the provisions of Section 2(1)(f) and (g) of the Consumer Protection Act, 1986. One of the Plaintiffs was admitted in a hospital and before administering the product *i.e.* DNS Bottle, it is alleged that the doctor found a scamp of fungus and some foreign body floating in the liquid. The present complaint is pursuant to an alleged legal notice issued by Rajkot Saher / Jilla Suraksha Mandal dated October 8, 2007, addressed to the Chief Executive / Managing Director of our Company. The plaintiffs have prayed *inter alia* for damages amounting to Rs. 2.5 million. Our Company has filed a reply refuting the allegations stated in the complaint. The matter is currently pending.
6. A consumer case (Case No. 162/06) has been filed against our Company before the Consumer Dispute Redressal Forum at Akola by Dr. Satyanarayan Agarwal for the refund of a cost of machine bought by the doctor. The total amount claimed is Rs. 565,000. This complaint was dismissed by the Consumer Dispute Redressal Forum by way of its order dated April 25, 2007. The complainant, Dr. Satyanarayan Agarwal had preferred Appeal No. 483 of 2007 before the Consumer Disputes Redressal Commission, Maharashtra, Mumbai in May 2007. The matter is currently pending adjudication before the Consumer Disputes Redressal Commission.
7. Ms. Kalavati Devi has filed a consumer complaint bearing complaint no. 855/09 against our Company before the District Consumer Protection Forum, Jaipur, alleging that her husband expired due to negligence and unfair trade practice of our Company and further alleged that her husband expired on account of consumption of our Company's product “Nourish” prescribed by a doctor. She has claimed damages amounting to Rs. 1.97 million. The matter is currently pending.

8. Mr. Deepak Ramanbhai Patel has filed a complaint bearing no. 432/2009 against our Company before the Labour Court, Ahmedabad, based on the representation of the “All Gujarat Employers Association”, demanding reinstatement of employment with full back wages and other benefits. The matter is currently pending.
9. Ms. Hansaben Bharatbhai Bhangi and two others have filed motor accident claim application no. MACP/2010/438 against vehicle owners as well as the insurance company on account of the death of Mr. Bharatbhai Dahyabhai Bhangi (the “**Deceased**”). The Company has been made a party to this litigation since the Company’s luxury bus for plying employees was at the scene of the accident and the tanker collided with the Company’s luxury bus before running over the deceased. The applicants have prayed for compensation of Rs. 6,00,000 along with interest at the rate of 15% per annum.
10. Mr. Ambagar Gandagar Goswami had filed a suit bearing no. 163/ 2005 on September 28, 2005 against Mr. Pravinbhai Maganbhai Patel on seeking a permanent injunction against Mr. Patel from breaking a water way passing through S. No. 204 and 205 and further seeking injunction for transfer or selling of the said land before the prior permission of the Plaintiff, Mouje Chcharwadi-Vasana, Tal Sanand, Dist. Ahmedabad. The suit was filed when Mr. Patel was owner of the aforementioned property. The Company purchased the property from Mr. Patel by way of a registered sale deed dated September 28, 2005. On account of the transfer, the Company became the owner of the property. The Company has filed an implead application dated October 18, 2005 seeking to implead itself in the matter as a defendant. The plaintiff has filed its reply dated February 27, 2006 and subsequently, the Company filed its rejoinder to such application on June 20, 2006. The matter is now pending orders of the Court on the Company’s implead application.

Intellectual property cases against our Company

1. Neon Laboratories Limited filed suit no. 3419 of 2005 in the High Court of Bombay for infringement of its registered trade mark “ROFOL” restraining our Company and Medical Technologies Limited from using the trademark “PROFOL”. It was alleged that the said trademark was similar to the opponent’s registered trade mark “ROFOL”. The opponent filed a notice of motion dated December 14, 2005, praying for (i) the appointment of a receiver for all the goods, products *etc.* bearing the impugned trademark “PROFOL” or any other trademark similar to the opponents trade mark “ROFOL” and (ii) an injunction restraining the defendant by themselves, their servants and agents by an order of the High Court of Bombay for using the impugned mark “PROFOL” in any manner in relation to any pharmaceutical preparations or any other trade mark deceptively similar to the Opponents registered trade mark “ROFOL”. Neon Laboratories Limited has also filed an injunction application before the High Court of Bombay for ad-interim and interim injunction against our Company on December 14, 2005. Our Company and Medical Technologies Limited had filed their written statement against the suit on April 9, 2008. The High Court of Bombay has not granted any reliefs in favour of Neon Laboratories Ltd., and the matter is currently pending for hearing.

Revenue proceedings against our Company

Assessment Year – 2000 - 2001

1. The Income Tax department (“**Department**”) has preferred an appeal no. 1362/2008 before the High Court, Gujarat against the order dated August 10, 2007 (“**Order**”) passed by the Income Tax Appellate Tribunal (“**ITAT**”) whereby the ITAT has dismissed the appeal filed by the Department. The ITAT by its Order has confirmed the order of the Commissioner of Income Tax cancelling the penalty levied by the Assessing Officer under Section 271(1)(c) in relation to concealment of and inaccuracies in the returned income, amounting to Rs. 1,088,350. The matter is currently pending before the High Court of Gujarat.
2. The High Court of Gujarat, Ahmedabad has issued a notice dated September 13, 2010 to the Company stating that an appeal had been filed by the Income tax Department on October 7, 2008 against an order passed by the Commissioner of Income tax on August 11, 2008 in favour of the Company. In view of a 34 day delay in filing of the appeal by the Department, a Miscellaneous Application dated October 7, 2008 bearing no. 364/2008 was also filed for condonation of the delay in filing the appeal and consequent admission of the appeal. By way of an order dated September 27, 2010, the High Court of Gujarat condoned the delay by the Department in filing the appeal. The matter is currently pending admission by the High Court of Gujarat.

3. The Additional Commissioner of Income Tax (Transfer Pricing Officer) – 1, Ahmedabad issued a show cause notice dated September 29, 2010, in relation to transfer pricing proceedings under section 92CA(3) read with section 92C(3) of the Income Tax Act, 1961 for the Assessment year 2007-08 to our Company for submitting explanation/details with respect to various transactions with its subsidiary companies to determine the arms length nature of such transactions, and fixed a personal hearing on October 6, 2010 in this regard. The Additional Commissioner of Income Tax, (Transfer Pricing) – I, Ahmedabad passed order an order dated October 26, 2010 directing the Assessing Officer to make an upward adjustment of Rs.19,86,525 to the income of our Company in order for one certain transaction scrutinized to be not at arms length. As at the date of this letter, the company has not received any assessment order from Assessing Officer for recovery of the above amount. The matter is currently pending.

Notices issued to our Company by tax authorities

1. The Central Excise Department has issued a demand cum show cause notice being SCN No. V.30/15-71/Dem/2009 dated December 8, 2009 for the recovery of Cenvat Credit availed at our infusion plant for Rs.3,429,389 and to show cause within 30 days to the Additional Commissioner, Central Excise, Ahmedabad-II. It is alleged in the notice that on the basis of objections raised by the Internal Audit Department of Central Excise audit wing (“**IAD**”) that our Company had availed the input Service Tax credit on the basis of Input Service Distributor (“**ISD**”) invoices issued from our ISD registration No.SD/AHD/ISD/85/2005 under rule 7 of the Cenvat Credit Rules, 2004. Further IAD has raised the objection that the ISD had not distributed the credit among all the manufacturing plant where the services had been rendered but has distributed to infusion plant only and therefore, the same has not been done as per the said rules and accordingly the credit of Rs. 3,429,389 is not admissible. Our Company has received an Order in Original (OIO) dated March 31, 2010 confirming the demand of Rs. 3,429,389. The Company has preferred an appeal along with an application to stay the OIO, both dated May 18, 2010 and respectively bearing numbers 107/Ahd-II/10/2010 and 42/2010

Notices against the Company by Commercial Taxes Department

1. The Commercial Taxes Officer, Commercial Taxes Department, Andhra Pradesh has issued a Notice of Assessment of Value Added Tax (VAT) dated March 22, 2010 to our Company for examination of records for the period November 1, 2006 to March 3, 2010, demanding Rs. 1,428,327, alleging that the correct amounts of VAT have not been declared in the VAT returns filed by our Company. Further, the Commercial Taxes Officer by way of its notice for penalty to a VAT Dealer dated March 30, 2010 demanded a penalty of Rs. 357,081 @ 25% on tax of Rs. 1,428,327. Further, the Commercial Taxes Officer confirmed the liability of Rs. 1,428, 327 by way of its Assessment Order dated March 30, 2010. Subsequently by an order dated April 16, 2010 the Commercial Taxes Officer also confirmed the penalty of Rs. 357,081. The Company has preferred an appeal against the order of the Commercial Taxes Officer before the Appellate Deputy Commissioner, Commercial Taxes Department, Warangal on April 27, 2010 seeking relief to stay the collection of disputed tax and to delete the penalty imposed by the Assessing Authority respectively. The Company also filed an application dated August 7, 2010 to stay the collection of tax and penalty amounts totalling to Rs. 17,85,408 demanded by the Commercial Taxes Officer. The same has been rejected by the Appellate Deputy Commissioner vide its order dated August 13, 2010 and subsequently the Company has filed a revision petition before the Additional Commissioner of Commercial Taxes, for setting aside the order of the Appellate Deputy Commissioner. The revision petition was filed on August 31, 2010 and is pending hearing before the Additional Commissioner, Commercial Taxes. By way of two orders, both dated September 21, 2010, the Appellate Deputy Commissioner has dismissed the appeal filed by the Company on the ground that the value of goods specified in the relevant stock transfer forms is more than the sales turnover reported by the Company. Accordingly, the tax and penalty demand amounting to Rs. 17,85,408 has been confirmed against the Company. The Company will either pay the demand of Rs. 17,85,408 raised by the Appellate Deputy Commissioner or appeal against the order, and this decision is currently pending.
2. The office of the Deputy Commissioner Division – 09, Commercial Tax, Lucknow (“**Deputy Commissioner’s Office**”) has issued two orders dated April 24, 2010 under Section 54 (1) (1) of the Uttar Pradesh Value Added Tax Act, 2008 imposing a penalty for late deposit of tax for the months of December 2009 and January 2010 amounting to Rs. 49,578 and Rs. 19,912 respectively. The Company preferred an appeal, bearing number 969/10 and 970/10, against both the above orders before the Court of the Joint Commissioner (Appeals), Range III, Lucknow along with applications for waiver of pre-deposit. Through its order dated July 23, 2010, the appellate authority has waived pre-deposit of the tax amount, up to 70% of

the amount demanded, pending final disposal of the appeal. The balance 30% of the tax amount has already been deposited by the Company with the tax authorities.

Notices issued to our Company

1. An agreement dated February 13, 2006 was executed between our Company and Paddock Laboratories, Inc. (“**Paddock**”) for manufacturing of pharmaceutical products (as per the agreement) for distribution in the USA. Pursuant to the agreement, Paddock issued a letter dated March 1, 2010 alleging that there were deficiencies in the Abbreviated New Drug Application (ANDA) which was concealed by our Company, pursuant to which Paddock rescinded and cancelled the agreement and claimed USD 437,250 in milestone payments, USD 353,000 as advance payment owed to them and USD 5,000,000 in damages. The advocates of our Company have issued an interim denial letter to Paddock dated March 17, 2010 and a subsequent letter dated April 9, 2010. The Company has received another letter dated July 1, 2010 from the legal representatives of Paddock wherein they have reiterated their demand for the payment of above amounts by the Company. The Company has replied to the above letter through its letter dated July 30, 2010 wherein specific responses have been provided to the averments made by Paddock. The Company has also contended that Paddock has caused loss to the business of the Company with losses of approximately USD 11 million, payable by Paddock on an immediate basis. However, till date, the Company has not received any intimations regarding proceedings initiated with respect to this dispute.
2. Pursuant to an agreement dated July 29, 2004 between our Company and DAA Pharma, our Company had agreed to manufacture certain products (as contemplated in the agreement) and DAA Pharma was to obtain marketing authorisations in respect of these products and supply these products in France. DAA Pharma, by way of a letter dated September 29, 2009 alleged that our Company had not complied with its obligations as per the agreement. The total amount claimed by DAA Pharma as reimbursement of fees is Euro 332,775. Our Company, by way of a letter dated November 14, 2009, replied to the aforesaid letter stating that pursuant to a change in the management of DAA Pharma, our Company had a right under the agreement whether to continue with the agreement and further denied all the allegations made by DAA Pharma. DAA Pharma has replied to this through its letter dated March 8, 2010. Our Company has replied to the above by way of letter dated May 27, 2010. However, till date, the Company has not received any intimations regarding proceedings initiated with respect to this dispute.
3. A manufacturing and supply agreement dated June 27, 2008 was executed between our Company and Sagent Holding Company (“**Sagent**”), whereby our Company was required to manufacture and supply certain products, as contemplated therein. Pursuant to this agreement, Sagent by way of a letter dated February 25, 2010 alleged inability by our Company in supplying certain products covered under the agreement and terminated the agreement. Our Company has issued an interim letter dated April 15, 2010 to Sagent. Our Company is in the process of replying to Sagent’s letter dated February 25, 2010. However, till date no proceedings have been initiated with respect to this dispute.
4. The Company received a notice dated June 24, 2010 from the advocates of M/s. Technomed (proprietor, Mr. Varun Singh) alleging, among other things, that the Company had appointed M/s. G.K. Surgimed as super distributors of the Company’s products, who sold goods to M/s. Technomed and demanding that the Company make good the three debit notes issued by M/s. Technomed to M/s. G. K. Surgimed amounting to Rs. 1,91,818.38 owing to breakage, expiry or return of medicines procured by M/s. Technomed along with interest at the rate of 24% per annum. The Company has replied to the above notice by its counsel’s letter dated July 15, 2010, wherein it has been expressly stated that the Company does not have any business relationship with M/s Technomed or M/s. G. K. Surgimed and therefore, all the averments made in the legal notice are false.
5. The Company received a notice dated July 30, 2010 from the legal representatives of M/s Minimax Enterprises, Mumbai (“**Minimax**”). In the notice, it has been alleged that in terms of the contract between the Company and Minimax, the Company was responsible for effecting payments to Minimax within a period of 30 days of the requisite products being supplied by Minimax to the Company. Where payments were not released by the Company within the agreed time frame, the Company was liable to pay interest to Minimax at the rate of 18% per annum. The notice lists out four (4) instances of delayed payments by the Company, wherein only part payments have been effected, and seeks the balance principal amount of Rs. 709,803.50 which remains due along with damages for breach of contract amounting to Rs. 400,000 from the Company.

6. A notice under Section under Sections 433(e) read with Section 434 of the Companies Act, 1956, dated August 28, 2010 has been served upon the Company by advocates of Colpitt, BV, Netherlands ("Colpitt"). It has been alleged that in terms of the contract between Colpitt and the Company, the Company was required to pay Colpitt Euro 2,301,312 (approx. Rs. 140,926,824) in twelve equal instalments between May 2008 and May 2011, towards the delivery of machinery for manufacturing blood bags. The notice further alleges that out of the amounts due to Colpitt on dates preceding the issue of the notice, the Company has short paid Colpitt to the tune of Euro 1,031,211.63 (approx Rs. 63,148,887). The notice calls upon the Company to pay the outstanding amount along with interest thereon to Colpitt, within three weeks from receipt of the notice. The Company has filed its reply against the said notice on September 14, 2010. In its reply, the Company has averred, among other things, that the Colpitt had supplied faulty machinery to the Company, and despite repeated reminders and requests from the Company for rectification of the non-performing machine, there was no response from Colpitt and hence, the Company was justified in retaining amounts payable to Colpitt for the faulty machine. The Company has further claimed compensation in respect of loss of business totalling to USD 19 Million (INR 846,955,400) from Colpitt, payable within a period of 3 weeks from the date of the reply.

Defaults by our Company

1. **NIL**

Penalties imposed against our Company

1. Our Company and our Executive Director, Mr. Chetan S. Majmudar had, by way of an application dated April 6, 2010, applied to the Company Law Board, Western Region, Mumbai ("CLB") under Section 621A of the Companies Act for compounding of contravention of AS18 read with Section 211 of the Companies Act for the year 2005, whereby our Company failed to disclose transactions with related parties *i.e.* Medical Technologies Limited, Matrix Logistics Limited and CHL in the audited balance sheet of our Company. Our Company and Mr. Chetan S. Majmudar have prayed for compounding of the aforesaid offences by acceptance of such sum as the CLB may specify. The CLB, by way of its order dated July 12, 2010, compounded the aforesaid offence by our Company for the Financial Years 2005, 2006, 2007 and 2008 on payment of Rs. 4,000 by Mr. Chetan S. Majmudar.
2. Our Company and our Executive Director (President – Finance), Mr. Chandrasingh Purohit had, by way of an application dated April 13, 2010, applied to the Company Law Board, Western Region, Mumbai ("CLB") under Section 621A of the Companies Act for compounding of contravention of Section 233B of the Companies Act, whereby our Company had failed to audit the cost accounting records for bulk drugs and formulations by a qualified cost accountant and submit the report of the cost auditors for the year ended March 31, 2006 and for the Financial Years 2007 and 2008. Our Company and Mr. Chandrasingh Purohit have prayed for compounding of the aforesaid offence under Section 233B of the Companies Act by acceptance of such sum as the CLB may specify. By way of a revised application dated May 13, 2010, our Company clarified that during the term of the default the executive director was Mr. Chetan S. Majmudar and hence, the office in default was Mr. Chetan S. Majmudar. However, the CLB, by way of its order dated July 12, 2010, compounded the aforesaid offence by our Company and Mr. Chandrasingh Purohit for the year ended March 31, 2006 and for the Financial Years 2007 and 2008 on payment of Rs. 7,000 by our Company and Rs. 2,500 by Mr. Chandrasingh Purohit.
3. Our Company and our Executive Director, Mr. Chetan S. Majmudar had, by way of an application dated June 14, 2008, applied to the Company Law Board, Western Region, Mumbai ("CLB") under Section 621A of the Companies Act for compounding of an offence committed under Section 383A of the Companies Act, *i.e.* failure by our Company to employ a whole time company secretary from December 16, 1994 to July 31, 1995 and from January 1, 1996 to November 9, 2006. The CLB, by way of its order dated December 4, 2008, compounded the aforesaid offence by our Company for the period from January 1, 1996 to November 9, 2006 on payment of Rs. 1,000 by our Company and Rs. 1,000 by Mr. Chetan S. Majmudar.
4. Our Executive Director, Mr. Chetan S. Majmudar had, by way of an application dated June 14, 2008, applied to the Company Law Board, Western Region, Mumbai ("CLB") under Section 621A of the Companies Act for compounding of the following offences committed under Section 212 of the Companies Act:
 - failure to attach certain documents including the balance sheet, profit and loss account, directors' report, auditors' report etc. in respect of 16 subsidiaries of our Company, which should have been

attached with the audited balance sheet of our Company as required under the Companies Act, for the years ended September 30, 1999, June 30, 2000, June 30, 2001, December 31, 2002, December 31, 2004, December 31, 2005 and December 31, 2006;

- representation of foreign investments by our Company in certain foreign subsidiaries solely in US\$ as opposed to the actual currency of foreign investment; and
- error in presentation in the audited balance sheet of our Company (with respect to the audited accounts of certain subsidiaries of our Company) and non-compliance with Schedule VI of the Companies Act in relation to investments by our Company in foreign subsidiaries.

The CLB, by way of its order dated December 4, 2008, compounded the offence committed under Section 212 of the Companies Act in respect of non-attachment of the annual report and the balance sheet of the 16 subsidiaries of our Company for the period from September 30, 1999, June 30, 2000, June 30, 2001, December 31, 2002, December 31, 2004, December 31, 2005 and December 31, 2006 against our Executive Director, Mr. Chetan S. Majmudar on payment of Rs. 3,500.

5. Our erstwhile director, Mr. Jatin Jalundhwala and our Executive Director, Mr. Chetan S. Majmudar had, by way of an application dated January 11, 2007, applied to the Regional Director, Western Region Ministry of Company Affairs at Mumbai (“RD”) under Section 621A of the Companies Act for compounding of the following offences:
 - failure to prepare the balance sheets of five foreign wholly owned subsidiaries of our Company in accordance with Section 212 of the Companies Act for the year ended December 31, 2003; and
 - failure to represent the financial figures in the currency of the respective country for the balance sheet for the year ended December 31, 2003.

The RD, by way of its order dated March 7, 2007, compounded the offence committed under Section 212 of the Companies Act against our erstwhile director, Mr. Jatin Jalundhwala and our Executive Director, Mr. Chetan S. Majmudar on payment of Rs. 3,000 by each of them.

Other Proceedings

The USFDA had carried out an inspection of our manufacturing facilities at Ahmedabad, in addition to earlier inspections carried out at the premises of our wholly owned subsidiary, Claris Lifesciences Inc., subsequent to which a warning letter dated November 1, 2010 (the “Warning Letter”), was issued to us mentioning the following:

- The Company violated the Current Good Manufacturing Practice (“CGMP”) regulations for Finished Pharmaceuticals (Title 21 Code of Federal Regulations), which has caused our drug products to be adulterated within the meaning of the Federal Food, Drug and Cosmetic Act (the “FFDC Act”).
- We failed to submit field alert reports to the USFDA in compliance with the USFDA regulations as required by the FFDC Act.
- Based on a review of the labeling / misbranding for the Sodium Bicarbonate Injection drug product manufactured by us and marketed through our subsidiary, Claris Lifesciences Inc., we had marketed, introduced or delivered for introduction of an unapproved new drug product into inter-state commerce within the United States, which was in violation of the provisions of the FFDC Act. We were subjected to an import detention in relation to this product and have discontinued marketing this product in the United States.
- Violations of the post-marketing adverse drug experience reporting; which is required under the Code of Federal Regulations as well as the FFDC Act.
- Despite various responses from us and Claris Lifesciences Inc. to the USFDA in relation to the CGMP violations, the field alert reporting violations, the unapproved new drug violations and adverse drug experience reporting violations, the USFDA has stated in the Warning Letter that these responses lack sufficient corrective actions.

Litigation against our Subsidiaries

Civil cases filed against our Subsidiaries

1. Bruno Pereira, a medical representative of Claris Productos Farmaceuticos Do Brazil Ltda has filed a case against Claris Productos Farmaceuticos Do Brazil Ltda Court of Work of Belo Horizonte, claiming Non-payment of food ticket/coupons, incentive amount which is based on the incentive circular of the company.

The initial claim has been made for BRL 59,751.64 (approx. Rs. 1,549,515). The 1st Degree court has given decision in favour of Bruno Pereira on March 29, 2010 and has ordered Claris Productos Farmaceuticos Do Brazil Ltda to pay BRL 50,000 (approx. Rs. 1,296,630). Claris Productos Farmaceuticos Do Brazil Ltda has preferred an appeal before the second degree court against the same and by order dated July 15, 2010, the matter has been remanded back to the lower authority for re-computation of the amount of compensation. The court accountant has re-calculated the compensation as BRL 41,494.22 (approx Rs. 1,076,053) submitted to the second degree court on August 16, 2010. The matter is pending for the order of the court.

2. Andrea Riberio, a medical representative of Claris Productos Farmaceuticos Do Brazil Ltda has filed a case against Claris Productos Farmaceuticos Do Brazil Ltda before the 1st Degree Court on grounds of non-payment of food ticket/coupons and additional overtime charges. The initial claim has been made for BRL 30,000 (approx. Rs. 777,978) and Claris Productos Farmaceuticos Do Brazil Ltda has filed its reply against the claim on November 3, 2009. The matter is currently pending decision of the court.
3. CMA-CGM a logistics company had filed a law suit against Claris Productos Farmaceuticos Do Brazil Ltda for non-payment of demurrage charges of BRL 64,282.38 (approx. Rs. 1,666,999). The matter was decreed in favour of CMA-CGM from the Judge of the 1st Civil Court of the district of Sao Paulo. Claris Productos Farmaceuticos Do Brazil Ltda has filed an appeal before the 2nd Degree Court of Sao Paolo. The 2nd Degree Court has upheld the decision of the 1st Degree Court and Claris Productos Farmaceuticos Do Brazil Ltda has filed it's Special appeal against this order before the Second Degree Court on April 13, 2010 which was also not admitted by the court vide its decision dated August 30, 2010. Aggrieved by this Claris Productos Farmaceuticos Do Brazil Ltda has directly filed an appeal on September 9, 2010 before the Superior Court of Justice . The matter is currently pending.
4. Bruite Comercio E. Represtacoes Ltda. has filed a case against Claris Productos Farmaceuticos Do Brazil Ltda before the 7th Circuit Court of the State capital of Para claiming BRL 42,051 (approx. Rs. 1,090,492). Claris Productos Farmaceuticos Do Brazil Ltda had supplied products to Bruit Commercial E. Represtacoes Ltda. After the date of our supply, ANVISA de-notified the products of Claris Productos Farmaceuticos Do Brazil Ltda. Bruit Commercial has claimed for a refund.
5. Promed Commercial de material cirugico ltda ("Promed") filed 6 (six) law suits against Claris Productos Farmaceuticos Do Brazil Ltda for a total claim of BRL 24,800.40 (approx. Rs. 643,128). The invoices raised by Claris Productos Farmaceuticos Do Brazil Ltda were dishonoured because of the absence of commercial relationship. . Owing to the default in payment Claris Productos Farmaceuticos Do Brazil Ltda approached CARTORIO, (a private credit rating agency in Brazil, where trading default is listed online) and added Promed in the defaulter's list. Thus aggrieved, Promed has filed the suits for moral damages against Claris Productos Farmaceuticos Do Brazil Ltda.
6. Jomafe Comemrcio and C&N Distributor have filed two separate cases against Claris Productos Farmaceuticos Do Brazil Ltda before the 3rd Circuit Court for the State of Piaui. In both the cases the opposite parties have dishonoured their payment commitment and in spite of several extensions awarded by Claris Productos Farmaceuticos Do Brazil Ltda. Thus in pursuance of the default Claris Brazil approached SERESA, (a private company that owns one of the largest databases in the world and devotes its activities to the provision of services of general interest and is recognized by the Code of Consumer Protection as an entity of a public character (Law 8078, Article 43, paragraph 4)) and added them into the defaulters list. Thus aggrieved, the parties have instituted a suit for moral damages against Claris Productos Farmaceuticos Do Brazil Ltda. Total amount as claimed for both the cases is approximately BRL 3,111 (approx. Rs. 80,676).
7. Proteam Consultaria has filed a case against Claris Productos Farmaceuticos Do Brazil Ltda for an amount of BRL 45,281.70 (approx. Rs. 1,174,280). Proteam Consultaria is the service provider of the software (MICROCIGA) used for regularizing inventory & accounting. It was installed in the year 2008. However, after its installation at a later stage it developed discrepancy and Claris Productos Farmaceuticos Do Brazil Ltda reported about its malfunction. Due to the malfunction in the software there were inventory differences. Correspondence via email regarding the malfunction was also exchanged and the same was not sorted out by our service provider. Therefore, payment was stopped by Claris Productos Farmaceuticos Do Brazil Ltda to the service provider which is now being contested. The 1st Degree Court has directed payment of the requisite amount of BRL 45,281.70 (approx. Rs. 1,174,280) against Claris Productos Farmaceuticos Do Brazil Ltda through its order dated August 16, 2010. This order has been appealed

against by the Company before the 2nd Degree Court on August 31, 2010 and is currently pending hearing before the 2nd Degree Court.

8. On December 8, 2005 Claris Productos Farmaceuticos Do Brazil Ltda received a notification for case of non payment of demurrage charges from Safmarine Brasil Ltda. Safmarine Brasil Ltda is claiming demurrage charges and pecuniary damages against loss of business opportunity from Claris Productos Farmaceuticos Do Brazil Ltda. The amount claimed by Safmarine is BRL 18,703.07 (approx. Rs.485,017). The matter is currently pending.
9. Fresenius Kabi (plaintiff) has filed a suit (processo Judicial) against Claris Productos Farmaceuticos Do Brazil Ltda (respondent) in the Court of the Judge at Law of the 33rd Civil Jurisdiction of the Central Forum of Sao Paulo alleging unfair competition. Both Fresenius Kabi and Claris Productos Farmaceuticos Do Brazil Ltda are engaged in the manufacture of “plasma expanders” which are drugs used in surgeries to increase the volume of blood in circulation. The plaintiff’s product is called “Voluven” and that of the respondent is called as “Expan”. It was alleged that the product monograph of Expan was misleading and that certain experiments which were performed with “Voluven” were accredited to “Expan”. It was alleged that the respondent had issued a misleading advertisement attributing to its products the results of scientific tests not performed on its products. It was prayed that the respondent be prevented from publicising promotional material for the product Expan and a fine of BRL 300,000 (approx. Rs. 7,779,780) be imposed and which prayer was granted by an order dated August 14, 2007 on a preliminary basis. The plaintiff’s plea for damages was not granted. The respondent has filed its reply dated November 27, 2007 to the said suit (processo Judicial). It is also stated that the respondent started importing Expan in May, 2006 and stopped the sale of the product in January, 2007 and further the publicity of the said product was stopped after its sale was stopped. The court has appointed an accountant to calculate the actual loss claimed by the plaintiff. The respondent has also appointed an accountant to verify the calculation made by the court accountant. The court appointed accountant has given his results on March 5, 2010. The accountant’s report states that Fresenius has not presented any documents to establish that the loss faced by them is on account of Claris. Hence, it is not possible to define the loss made to Fresenius by Claris considering that there are other companies also operating in the market. However, through its order issued in June 2010, the Forum has restrained the Company from marketing, distributing and otherwise remove from the market, the product ‘Expan’. The Forum has also directed the Company to pay BRL 10,000 (approx. Rs. 259,326) as fixed penalty and BRL 98,888.93 (approx. Rs. 2,564,447) as damages to the plaintiff, in addition to bearing a percentage of the costs. Claris Productos Farmaceuticos Do Brazil Ltd has preferred its appeal against this order of the Forum before the Higher Tribunal on August 12, 2010 and the matter is currently pending.
10. Denis Manoel da Silva (“**Denis**”), an employee (Accountant Analyst) of Claris Productos Farmaceuticos Do Brazil Ltd has filed a case against Claris Productos Farmaceuticos Do Brazil Ltd before the 4th Work Pole of Sao Paulo – Capital *inter alia* for unjustified termination of employment. The initial claim was made for BRL 50,577.21 (approx. Rs. 1,311,599) which includes *inter alia* amounts allegedly due to Denis on account of salary difference due to salary equalisation, encashment of holidays, notice period, reimbursement for transport vouchers and other statutory amounts. The matter has been settled by Claris Productos Farmaceuticos Do Brazil Ltd with Denis. The Order of the Court issued in August 2010 reflects the settlement arrived at. The Court has directed the Company to settle compensation to Denis over a nine month period, ending April 26, 2011 through equated instalments. The total value of the settlement is BRL 13,500 (approx. Rs. 350,090).

Tax claims by “Imposto sobre Circulação de Mercadorias e Serviços” (ICMS) of Claris Farmaceutico Do Brazil Ltda.

1. Process IC -19875/2009. Record GDOC: 1000184-19875/2009. Tax assessment notice and Imposition of fine: 3105135-2. This is the assessment and imposition of fines (AIIM) drawn up by State Tax authorities against Claris Productos Farmaceuticos Do Brazil Ltda., on grounds of alleged non-payment of GST and alleged violations relating to tax documents, input, output, shipping, transportation, receipt, storage or deposit of goods or services in between 2006 and 2007, whose value amounts to a total of BRL 653, 136.34 (approx. Rs. 16,937,523) which added interest and penalty, totalling BRL 2,116, 968.16 (approx. Rs. 54,898,484). The challenge was dismissed and the case was referred to the Post Audit Committee. The Company presented its challenge to this decision before the Police Tributaria and the same was dismissed on July 23, 2010. The matter is currently pending before the State Tax authorities for collecting of the tax debt.

Notices Issued to Our Subsidiaries

HMED Distribution of Hospital Products Ltd., a distributor of Claris Productos Farmaceuticos Do Brasil Ltda (“**Claris Brasil**”), issued a notice dated October 14, 2010 to recover BRL 4,281 (Rs. 111,017) in relation to goods returned by HMED Distribution of Hospital to Claris Brasil. Claris Brasil is in the process of replying to the above notice. As at the date of this letter, no proceedings have been initiated with respect to the above claim.

Other Proceedings

The USFDA had carried out an inspection of our manufacturing facilities at Ahmedabad, in addition to earlier inspections carried out at the premises of our wholly owned subsidiary, Claris Lifesciences Inc., subsequent to which a warning letter dated November 1, 2010 (the “Warning Letter”), was issued to us mentioning the following:

- The Company violated the Current Good Manufacturing Practice (“**CGMP**”) regulations for Finished Pharmaceuticals (Title 21 Code of Federal Regulations), which has caused our drug products to be adulterated within the meaning of the Federal Food, Drug and Cosmetic Act (the “**FFDC Act**”).
- We failed to submit field alert reports to the USFDA in compliance with the USFDA regulations as required by the FFDC Act.
- Based on a review of the labeling / misbranding for the Sodium Bicarbonate Injection drug product manufactured by us and marketed through our subsidiary, Claris Lifesciences Inc., we had marketed, introduced or delivered for introduction of an unapproved new drug product into inter-state commerce within the United States, which was in violation of the provisions of the FFDC Act. We were subjected to an import detention in relation to this product and have discontinued marketing this product in the United States.
- Violations of the post-marketing adverse drug experience reporting; which is required under the Code of Federal Regulations as well as the FFDC Act.
- Despite various responses from us and Claris Lifesciences Inc. to the USFDA in relation to the CGMP violations, the field alert reporting violations, the unapproved new drug violations and adverse drug experience reporting violations, the USFDA has stated in the Warning Letter that these responses lack sufficient corrective actions.

Cases against our Promoters

1. A complaint was filed before the Consumer Disputes Redressal State Commission, at Ahmedabad being Complaint No. 58 of 2008 against, among others, the Managing Director of our Company, who is one of our Promoters, alleging grave negligence and defective goods under the provisions of the Consumer Protection Act, 1986. For more details on these proceedings, please refer page 238 of this Red Herring Prospectus.

Criminal cases against one of our erstwhile promoters and a relative of the individual Promoter of our Company

The following cases have been filed against Mr. Sushil Kumar Handa, one of our erstwhile promoters and a relative of our individual Promoter (included in our Promoter Group).

1. Ramsagarsingh Parihar filed a complaint (no.1 of 2005) before the Additional Principal City Sessions and Special Judge Court No. – 2, Ahmedabad against CHL, Mr. Sushil Kumar Handa (Chairman cum Managing Director), Mrs. Beena S. Handa and other directors of CHL for an alleged fraud of Rs. 3,150 million. According to the complainant, CHL had borrowed sums from a consortium and other banks for its expansion and diversification, but allegedly used the loan proceeds for purposes other than those for which they had been sanctioned. The Additional Principal City Sessions Judge, in its order dated February 27, 2005, directed the Anti Corruption Bureau, Ahmedabad, to carry out the investigation, and the investigating officer submitted his report on September 11, 2005. The complainant filed a miscellaneous application before the Additional Principal City Sessions Judge with a prayer to summon the investigating officer alleging that a fair and proper investigation had not been carried out and that a false and misleading report had been prepared in collusion with the accused. Against this order dated February 27, 2005, the State of Gujarat filed a criminal revision application bearing No. 227/2007 before the High Court of Gujarat. The revision application was allowed by the High Court by its order dated June 11, 2007. The High Court of

Gujarat determined that the Additional Principal City Sessions Judge may accept the report submitted by the investigating officer or may order further investigation as it may deem fit, and further directed that the matter shall continue in accordance with procedure established under criminal law. The Additional Principal City Sessions Judge, by its order dated September 11, 2007, directed the Anti Corruption Bureau to file a detailed report before November 11, 2007, which has been so filed before it. The Additional Principal City Sessions Judge, by its order dated February 27, 2008, held that the report was vague and ambiguous, and issued summons against all the accused. CHL filed a Criminal Miscellaneous Application bearing no. 3761 of 2008 before the Gujarat High Court on March 26, 2008. Mr. Sushil Kumar Handa, Ms. Beena S. Handa and other directors also filed Criminal Miscellaneous Application bearing no. 4149 of 2008 before Hon'ble Gujarat High Court, and accordingly, the Hon'ble High Court on March 31, 2008, inter alia set aside the earlier order dated February 27, 2008. The Court, by its orders dated March 26, 2008, March 31, 2008 and April 2, 2008, granted stay in the respective Criminal Applications against the order passed by the Additional Principal City Sessions Judge on February 27, 2008. The High Court of Gujarat, by its order dated April 1, 2008, stayed further proceedings of the complaint being inquiry case No. 1 of 2005 and also stayed the implementation and operation of the order dated February 27, 2008 passed by the Additional Principal City Sessions and Special Judge. The matter is currently pending final determination at the High Court of Gujarat.

2. The Central Bureau of Investigation, Economic Offenses Unit, Delhi (the "CBI"), on its own accord, initiated an investigation (complaint no. RC EOU-1-2004 E 0006) and addressed its notices/letters dated October 10, 2005 (under section 91 of Cr.P.C.), December 9, 2005 (under section 160 of Cr.P.C.) and May 3, 2007 to Chairman-cum Managing Director, Core Healthcare Limited. As per the above letters, the CBI asked for certain records / documents including records pertaining to disbursement of funds by IDBI, IFCI & ICICI and its utilization in relation to the expansion cum diversification scheme (phase II); balance sheet of CHL for the year of 1995-96 and 1996-97, details of subsidiary/ group companies of CHL along with the names of directors/ stake holders of the same, names of the officials / directors of CHL who had handled the said matter; copy of requests for sanction of term loan of Rs. 100 crores each to the IFCI, IDBI and ICICI; copy of expansion project report "Expansion cum Diversification Project – II"; details of loans/request for term loan etc. sanctioned by IDBI for the "Scheme – II".

In response to the above and in response to the queries raised during the course of the investigation, CHL through its letters dated October 26, 2005, November 22, 2005, February 3, 2006, February 4, 2006, February 7, 2006, February 13, 2006 and June 3, 2007 submitted the balance sheet of CHL for the year 1995-1996 and 1996-1997, details of its subsidiary namely Span Medical Limited, details of disbursement of funds by IDBI, IFCI & ICICI and its utilization in respect of its Expansion-cum-Diversification Project including copies of the sanction letter and appraisal report of IFCI and ICICI, details with regard to its transactions with Span Medicals Limited, details with regard to its transactions with Meridian Industries Limited, agreement with Dhanushya Financial Pvt. Ltd. and Technology Finance Ltd. for acquiring land, agreement with Aaradhya Financial Pvt. Ltd. and Technology Finance Ltd. for acquiring land and building, Balance Sheet of Core International Ltd. for the FY 1995-96, details of loan received from UTI Bank, American Express Bank and Hong Kong Bank and copy of Form 8 & 13 evidencing the creation of charge on fixed assets in favour of these banks, copy of board meetings extending the period for infusion of certain amount by the promoters towards the project, details of directors and shareholding pattern of Span Medical Ltd., Meridian Industries Ltd., Core Biologicals Ltd., Matrix Logistics Ltd., Medical Finance Ltd. and Rajbal Financial Pvt. Ltd. during the financial year 1994 to 1997, Form No. 32 filings for resignation of Mr. Sunil Kumar Handa and Mr. B.R. Handa, contact details of the authorized signatories for cheques and details relating to its acquisitions of the international business from Core International Limited.

Further, in addition to the above, Mr. Sushil Kumar Handa by his letters dated February 4, 2006, April 4, 2008, April 21, 2008 and June 14, 2008 also submitted information regarding the utilization of all the loans from ICICI, IDBI and IFCI and also from other banks for the purpose of expansion and setting up new projects planned including transactions relating to Core International; Span Medical Ltd; Meridian Industries Ltd.; acquisition of land and building comprising CHL office; and Core Pharmasanoat, Uzbekistan.

Further, by his letter dated December 14, 2009, Mr. Sushil Kumar Handa has also requested CBI for an update to be provided to the Bank of Baroda and a copy to him. CBI had submitted its final closure report bearing no. 05/2009/EOU-1 dated October 12, 2009 under Section 173 of the Cr. P.C before the court of the Chief Metropolitan Magistrate, Tis Hazari Court, New Delhi. The closure report was accepted by the

Additional Chief Metropolitan Magistrate (South Extension), New Delhi in its order dated April 26, 2010 and the matter stands closed.

3. Mr. Pravesh Kumar, proprietor of Dolphin Sales, filed a Complaint case no. 240 (c) 2001 before the Court of Chief Judicial Magistrate, Patna against Mr. Sushil Kumar Handa, Chairman cum Managing Director, and certain officials of CHL alleging that the accused persons misappropriated amounts of up to Rs. 1.4 million by forging and fabricating documents. The Judicial Magistrate took cognizance of the offence u/s 406, 420, 468, 471, 120(B) and passed an order on February 19, 2001 for issuance of warrant of arrest (non-bailable) against the accused persons u/s 204 (b) Cr.P.C. A petition (ABP No. 548 of 2001) for anticipatory bail was filed by Mr. Sushil Kumar Handa before the Court of Sessions Judge, Patna, however the same was not granted. Thereafter, Mr. Sushil Kumar Handa and others filed criminal application no. 13802 of 2001 in the High Court of Judicature at Patna for anticipatory bail. The High Court of Patna by its order dated August 7, 2001 disposed of the said application by granting anticipatory bail to the applicants. Subsequently the said order was modified by an order dated December 19, 2001. Thereafter, Mr. Sushil Kumar Handa and others filed criminal application no. 14046 of 2001 in the High Court of Judicature at Patna for quashing the order dated February 19, 2001 in the case no. 240 (c) of 2001. The High Court by its order dated January 17, 2002 directed that during the pendency of criminal misc. application no. 14046 of 2001, further proceeding in the complainant case no. 240 (c) 2001/TR 731 /2001, pending in the Court of Judicial Magistrate First Class, Patna shall be remain stayed. Through its order dated July 8, 2010, the Hon'ble High Court of Patna had directed the Petitioners to settle the matter before the Metropolitan Magistrate Court, Ahmedabad. Subsequently, through another order dated August 23, 2010, the Court has again granted time to both parties up to the first week of November to settle the matter.
4. Mr. Jagdishbhai K. Patel, director of Shreerangam Private Limited has filed a Criminal Complaint against (1) Core Healthcare Limited, (2) Shri Sushil Kumar Handa, Chairman cum Managing Director of CHL and certain officials of CHL under section 420 , 406 and 506 (2) and 114 of IPC. Shreerangam Pvt. Ltd claimed that it was supplying corrugated boxes to Core Healthcare Limited and an outstanding of Rs.20,53,550 along with interest @ 24% which amounts to Rs.19,88,133, total Rs.40,41,663 remains unpaid by Core Healthcare Limited. The said complaint has been filed before the Metropolitan Magistrate Court No. 18 at Ahmedabad against CHL and others for criminal intimidation. A Criminal Revision Application No. 396 of 2010 has been filed before the Honorable Sessions Court at Ahmedabad on September 1, 2010 wherein its has been prayed to quash and set aside the above case no. 1234/2003 pending before the Metropolitan Magistrate Court and to stay the proceedings in the said matter, which was subsequently granted and upheld by the Honourable Sessions Court at Ahmedabad by its order dated September 29, 2010. The matter now stands closed.

Cases filed under Drugs and Cosmetics Act, 1940 against Mr. Sushil Kumar Handa

1. State of Andhra Pradesh, through Drugs Inspector filed a complaint bearing CC No. 108/2001 against 15 entities/persons namely CHL, Mr. Sushil Kumar Handa and certain officials of CHL before the Court of Judicial Magistrate First Class, Kuppam for violation of section 18 (a) (1) read with section 16 punishable u/s 27(d) and also section 24A punishable u/s 28 of the Drugs and Cosmetics Act, 1940 since drugs manufactured by CHL were not found to be of standard quality as they failed in sterility. Thereafter, the Judicial Magistrate First Class, Kuppam has issued warrant against all the accused due to non appearance of the accused persons for examination under Section 313 of Criminal Procedure Code (Cr.P.C) The accused persons filed Miscellaneous Petition no. 874 of 2002 under section 205 of the Cr.P.C. for dispensing with the personal attendance of the accused which was allowed by order dated July 18, 2002. Thereafter, the Judicial Magistrate First Class, Kuppam has issued warrant against all the accused due to non appearance of the accused persons for examination and against the said order all the accused persons preferred a criminal petition under section 482 of Cr.P.C. for recalling the warrant and exemption of all the accused for the examination. The High Court has allowed the said criminal petition directing all the accused to deposit Rs. 25,000 each as surety for their appearance at the time of pronouncement of the judgement. Accordingly, all the accused has deposited Rs. 25,000 each. The matter is currently pending.
2. CHL received a notice dated June 22, 2000 from Drugs Inspector (Intelligence Branch), Office of the Asst. Drugs Controller, Central Zone, Ernakulam stating that a petition dated October 6, 1998 was received from Sri. Thadevus N. T. alleging that his child got admitted for treatment of burn injury and while undergoing treatment the child died on September 30, 1998 due to the usage of contaminated drug i.e. KIDRAL – 500 ml bearing batch no. 1.25.2340. It was also alleged that the sample was not of standard quality and contained multifilamentous fungus CHL was also asked to furnish certain documents and information.

CHL, vide its letter dated July 14, 2000, replied that the subjected batch was declared of standard quality by the Kerala state government analyst as per the Drugs and Cosmetic Act sampling procedure complied by the concerned Drugs Inspector and the subjected contaminated drug was neither administered to the deceased nor sampling and testing was carried out as per pharmacopoeial method. Therefore, CHL requested that no action should be initiated against it. Thereafter, the concerned Drugs Inspector (Intelligence Branch) issued two another notices dated August 17, 2000 and August 24, 2001 requesting for the documents and information called as per first letter dated June 22, 2000. Thereafter, the Drugs Inspector (Intelligence Branch), Office of the Asst. Drugs Controller, Ernakulam filed C.C No. 1628/02 before the Court of Additional Chief Judicial Magistrate Court, Ernakulam under Section 32 of the Drugs and Cosmetics Act, 1940 (Act 23 of 1940) against CHL, Mr. Sushil Kumar Handa and certain officials of CHL for violation of Section 18(a) (i) of the said Act punishable under section 27(b) and 27 (d) read with 16 (1) (a) and 17 (A) (a) of the said Act. The matter is currently pending.

3. State of Haryana, through Senior Drugs Inspector, Gurgaon Zone filed case no. 721/1995 against (1) Mr. Ajaykumar, (2) Ajay Medicals store, (3) Mr. Rajesh Kumar, (4) Mr. Dinesh Kumar, (5) Aryan Medical Agencies, (6) Mr. Jagdish Kumar, (7) Adarsh Medical agencies, (8) Mr. Sushil Kumar Handa, (9) Mr. Sunil Kumar Handa, (10) Mr. B. R. Handa, (11) Prof. Balakrishnan, (12) Mr. Prem Sagar, (13) Mr. Ashok Gandhi, (14) Mr. Shakti Bajaj, (15.) Mr. Pankaj Shah, (16) Mr. Mukund Shah, (17) Mr. K. M. Bhalja (Analytical Chemist) and (18) CHL in the Court of Chief Judicial Magistrate, Gurgaon for violation of Section 18(a)(vi) of the Drugs and Cosmetics Act, read with Sections 76 of the Drugs and Cosmetics Rule, 1945 which is punishable under section 27 (d) of the said Act, alleging that the subjected drugs manufactured by CHL were substandard, misbranded and adulterated drugs. The Drugs Inspector initiated proceedings based on the sample report. Notices were issued to parties but none remained present. CHL made an application for dispensing with the appearance which was dismissed. Thereafter, Criminal Revision Application No. 58 of 2002 was preferred before the Court of Sessions Judge, Gurgaon which was later on withdrawn by an order dated January 8, 2004. In the meantime, proclamation proceedings u/s 82 of the Criminal Procedure Code were initiated against the accused in the Court of the Chief Judicial Magistrate at Gurgaon and the accused were proclaimed as offenders by order dated December 23, 1999. Thereafter, Mr. Sushil Kumar Handa and others filed a Criminal Miscellaneous Application No. 25437/2001 under Section 482 of the Criminal Procedure Code in the High Court of Punjab and Haryana, at Chandigarh for quashing the order passed by the Chief Judicial Magistrate, Gurgaon under which proclamation was issued under Section 82 of the Criminal Procedure Code. The Honourable High Court vide an order dated July 9, 2001 cancelled the proclamation, but directed the petitioners to appear before the learned Chief Judicial Magistrate, Gurgaon on August 13, 2001. CHL further moved an application before the Chief Judicial Magistrate requesting exemption of personal appearance based on various grounds. The Chief Judicial Magistrate did not grant exemption and directed proclamation u/s 82 of Criminal Procedure Code be issued in newspaper, requiring accused No. 8 to 18 to appear in the court on January 13, 2005. None of the accused appear on the said date. An application for exemption from personal appearance was moved for the second time, wherein the Court considering that the petitioners are ready and willing to appear before the trial court and furnish the bail bonds to the satisfaction of the court directed to appear before the Chief Judicial Magistrate, Gurgaon on or before November 11, 2005 and submit necessary undertakings appear regularly unless granted exemption for personal appearance. By an order dated August 4, 2006 the Chief Judicial Magistrate, Gurgaon discharged accused no. 1 to 7 and the accused No. 8 to 18 have been declared proclaimed offenders and it has also been directed that file be consigned to record room and shall be taken up again as and when accused No. 8 to 18 appear or are produced before the Court and the matter is currently pending in the Court of Chief Judicial Magistrate, Gurgaon.
4. State of Madhya Pradesh, through Drugs Inspector, Bhopal filed case no. RT/5433/98 dated July 27, 1998 before the Court of Chief Judicial Magistrate, Bhopal against CHL, Mr. Sushil Kumar Handa, Mr. Sunil Kumar Handa, Mrs. Divya Dipti Handa, Mrs. Beena Handa, Mrs. Raj Handa, Mr. Milan P. Singh and Mr. Tejendrasingh Malhotra for violation of Section 18(a)(1) punishable u/s 27 of the Drugs and Cosmetics Act, 1940. It has been alleged in the complaint that the sample of subjected drugs failed to comply with the statutory quality standards. CHL filed application before the Judicial Magistrate Bhopal, to send the seized samples to Central Drugs Laboratory for testing and the said application was rejected vide order dated July, 21, 1998 against which CHL filed Cr. Revision No. 410 of 2005 before the Sessions Court, Bhopal challenging the order of Judicial Magistrate Bhopal dated July 21, 1998. All the above accused were issued bailable arrest warrants, against which an appeal was made before the Chief Judicial Magistrate for exemption of personal appearance of the subscribers/ directors considering the fact that most of the accused were subscribers of our Company. CHL also pleaded before the Chief Judicial Magistrate, that the

Drugs Department has filed the said criminal complaint without statutory compliance of Drugs and Cosmetics Act, and without any communication to CHL. However the application was rejected by the Chief Judicial Magistrate. CHL further in December 2005, approached the Sessions Court, Bhopal with a plea to quash the entire matter and at the same time seeking exemption from personal appearance. Thereafter, Sessions Court Bhopal by its order dated March, 31, 2008 rejected the revision application. The Chief Judicial Magistrate, Bhopal has further issued Non-Bailable Warrants against all the accused in the matter. The matter is pending in the Court of Chief Judicial Magistrate, Bhopal.

- Food Inspector has filed a complaint (C.C. No. 113 of 2005) against our Company and 6 persons, (including one of our independent directors), and Mr. Sushil Kumar Handa, one of our erstwhile promoters and a relative of our individual Promoter (included in our Promoter Group) and one distributor of the Company for an offence alleged to be committed under the Prevention of Food Adulteration Act, 1954. Further, the above named six persons filed a Criminal Miscellaneous Application No. 7483/2010 before the High Court of Gujarat wherein the High Court passed an ad-interim order on July 19, 2010 staying Criminal Case No.113 of 2005 pending before the Court of Hon'ble Judicial magistrate First Class, Kadi, District Mehsana. The High court held that the Company has produced abstracts of Form no. 32 to establish that all directors of the Company, except one, had resigned from the Company before the alleged incident of food adulteration was detected. The High Court has granted stay against the proceedings before the Judicial Magistrate in favour of the above Petitioners.

Cases against our Directors

- Food Inspector has filed a complaint (C.C. No. 113 of 2005) against our Company and 6 persons, including one of the independent directors and an erstwhile promoter (included in our Promoter Group) and one distributor of the Company, for an offence alleged to be committed under the Prevention of Food Adulteration Act, 1954. For more details on these proceedings, please refer page 236 of this Red Herring Prospectus.
- A complaint was filed before the Consumer Disputes Redressal State Commission, at Ahmedabad being Complaint No. 58 of 2008 against, among others, the Managing Director of our Company alleging grave negligence and defective goods under the provisions of the Consumer Protection Act, 1986. For more details on these proceedings, please refer page 238 of this Red Herring Prospectus.

Show cause notices issued to our Director, Mr. Surrinder Lal Kapur by the Ministry of Company Affairs

- Mr. Surrinder Lal Kapur, in his capacity as a director on the board of directors of Yes Bank Limited, and the other directors of Yes Bank Limited have received two show cause notices dated June 15, 2006 and September 1, 2006 from the Ministry of Company Affairs ("MCA") alleging violation of the provisions of Section 68A(1) of the Companies Act in connection with the IPO of Yes Bank Limited. The directors have filed a collective response, denying the allegations made as well as bringing to the notice of the MCA that pursuant to Section 55A of the Companies Act, the power to administer the provisions of Section 68A of the Companies Act vests with SEBI, and there exists no basis for issuance of these showcause notices to the directors. Further, various information has been sought by investigating agencies, from time to time from Yes Bank Limited, in connection with the IPO scam unearthed by SEBI. However, no investigation / proceeding has been initiated against Yes Bank or its Directors till date.

Litigation against our Group Companies

There is no litigation pending against our Group Companies.

Litigation against group companies of Mr. Aditya S. Handa

Civil proceedings against group companies of Mr. Aditya S. Handa

- Neon Laboratories Limited filed suit no. 3419 of 2005 in the High Court of Bombay for infringement of its registered trade mark "ROFOL" restraining our Company and Medical Technologies Limited from using the trademark "PROFOL". It was alleged that the said trademark was similar to the opponent's registered trade mark "ROFOL". For additional details regarding these proceedings, please refer to page 239 of this Red Herring Prospectus.

2. M/s Prarabdh Financial Pvt. Ltd. (“Prarabdh”) purchased agricultural land admeasuring 5946 sq. mtrs. situated at Block No. 1380, Mouje – Santej, Sub-District Kalol, District Gandhinagar from one Neha Kiritbhai Shah through registered sale deed dated August 11, 2006, for bonafide industrial purposes. Subsequently, Prarabdh ascertained that there was a dispute pending before the Principal Senior Civil Judge, Civil Court, Gandhinagar, Camp Kalol vide suit no. 172/06 dated September 21, 2006 in respect of the said property. Prarabdh has since impleaded itself as a defendant in the above suit by virtue of its ownership in the property. The honourable court vide its order dated March 19, 2010 has made Prarabdh a party to the proceedings. The brief facts of the case are provided hereunder.

The original land owners, Mr. Thakore Jenarji Desharji and Mr. Thakore Ambaram Desharji, executed an irrevocable Power of Attorney dated December 30, 1987 in favour of Mr. Dhirenbbhai Valchandbhai and Mr. Dilipbhai Shantilal Shah to deal with this property, including the power to sell the land. Based on the Power of Attorney, the land was sold to Mr. Rameshbhai Maneklal Patel and thereafter, Mr. Rameshbhai Maneklal Patel sold the land to Ms. Neha Kiritbhai Shah.

It is alleged by the legal heirs of Thakore Ambaram Desharji against the legal heirs of Thakore Jenarji Desharji that the Power of Attorney was obtained from their father without his consent and was with malafide intent. The Plaintiffs have sought the cancellation of the subsequent sale of the land and to mutate their names onto the land records. They have also sought an injunction against subsequent sale of the land which has been granted by the Court. The matter is listed for further hearing before the Principal Senior Civil Judge, Civil Court, Gandhinagar, Camp Kalol.

In the meantime, Prarabdh has filed special civil suit no. 33/2009 dated April 6, 2009 against Sakriben Ambaram and seven others seeking declaration that the defendants have no rights in the said land and further seeking injunction against dispossession of the land from Prarabdh. The Court has granted an injunction in Prarabdh’s favour by its order dated June 30, 2010.

Revenue proceedings against Medical Technologies Limited

1. The Assessing Officer (“AO”) issued a notice to M/s Medical Technologies Limited (“MTL”) under Section 148 of the Income Tax Act, 1956 dated September 29, 2006, re-opening assessment proceedings for the Assessment Year 2000-01. In terms of the notice, the AO alleged that some components of MTL had not been assessed to Income Tax. The AO alleged that export proceeds in respect of some items have not been realized by MTL in convertible foreign exchange before September 30, 2009 and MTL had made an application to the competent authority for granting extension of time for receipt of these amounts up to March 31, 2001. Accordingly, it was alleged that MTL was not entitled for deduction under Section 80HHC on the value of exports that have not been realized. Further, it was alleged that MTL had claimed long term capital loss on transfer of shares on amalgamation while such transactions of capital assets on amalgamation of companies are not regarded as transfer. Through his order, the AO disallowed deductions amounting to Rs. 1,25,11,780/- and disallowed the claim of carry forward of losses amounting to Rs. 5,23,41,962/- on MTL. The Order was appealed by MTL before the Commissioner of Income Tax (Appeals) on January 9, 2008 and pursuant to an order dated March 26, 2008, the CIT (Appeals) allowed the appeal filed by MTL and set aside the order of the AO. The Department has filed its appeal against the order of the CIT (Appeals) before the Income Tax Appellate Tribunal, Gujarat bearing number 2097/ 2008 dated May 30, 2008.
2. The Assessing Officer (“AO”) issued a notice to M/s Medical Technologies Limited (“MTL”) under Section 148 of the income Tax Act, 1956 dated September 29, 2006, re-opening assessment proceedings. In terms of the notice, the AO alleged that MTL had wrongly computed its income for purposes of charging Income tax for the Assessment Year 2001-02. The AO, by way of an order dated December 28, 2007, disallowed the commission paid by MTL as a deductible expense, included unaccounted investments into the income stream, included writing back of a loan liability, disallowed interest expenses and included interest on FDR to re-compute the income of MTL at Rs. 8,80,09,310/- and directed payment of tax and interest thereon, along with initiation of penalty proceedings. MTL proceeded in appeal before the Commissioner of Income Tax (Appeals) on January 9, 2008. Vide its order dated March 13, 2008, the CIT (Appeals) set aside the order of the AO and allowed MTL’s appeal. The Department has preferred an appeal dated May 30, 2008 bearing appeal number 2098/ 2008 against the Order of the CIT (Appeals) before the Income Tax Appellate Tribunal, Gujarat.

3. The Assessing Officer (“AO”) issued a notice to Medical Technologies Limited (“MTL”) under Section 148 of the Income Tax Act, 1956 dated September 26, 2006, re-opening assessment proceedings for the Assessment Year 2002-03. In terms of the notice, the AO alleged that MTL had wrongly computed its income for purposes of charging Income tax. The AO, vide order dated December 28, 2007, disallowed losses proposed to be carried forward by MTL to the extent of Rs. 335,08,600 and sought to include out of pocket expenses to the tune of Rs. 100,000 to re-compute the income of MTL at Rs. 15,37,130 and directed payment of tax and interest thereon, along with initiation of penalty proceedings. MTL proceeded in appeal before the Commissioner of Income Tax (Appeals) and by way of order dated March 14, 2008, the CIT (Appeals) set aside the order of the AO and allowed MTL’s appeal. The Department has preferred an appeal dated May 30, 2008 bearing appeal no. 2099/ 2008 against the Order of the CIT (Appeals) before the Income Tax Appellate Tribunal, Gujarat.
4. The Assessing Officer (“AO”) issued a notice to Medical Technologies Limited (“MTL”) under Section 142(1) of the Income Tax Act, 1956 dated January 25, 2008 and August 26, 2008. In terms of the notice, the AO alleged that MTL had wrongly computed its income for purposes of charging Income tax for the Assessment Year 2006-07. The AO, vide its order dated December 28, 2007 included dividend deemed to be received by the Company into the income stream, included sundry balances to the income stream on the ground that the same had not been considered for computing total income and included Service tax receivable by the Company from its customers into the income stream, to re-compute the income of MTL at Rs. 1,78,92,757/- and directed payment of tax and interest thereon, along with initiation of penalty proceedings. MTL proceeded in appeal before the Commissioner of Income Tax (Appeals), filed on January 9, 2008 and vide its order dated July 1, 2009, the CIT (Appeals) entirely set aside the order of the AO and allowed MTL’s appeal. The Department has preferred an appeal dated November 5, 2009 bearing number 2985/ 2009 against the Order of the CIT (Appeals) before the Income Tax Appellate Tribunal, Gujarat. MTL has filed its cross objection dated November 27, 2009 bearing no. 279/Ahd/2009, against the appeal filed by the department.

Cases filed by our Company

Criminal cases filed by or on behalf of our Company

1. Rashminbhai Pranshankar Bhatt (the security officer of Company) has filed an FIR no. 60/2006 dated April 27, 2006 against three workers named Mr. Dineshvan Bachuvan Gonsai, Mr. Harshad Tulsidas and Mr. Rakesh Mansingh Patel, hired by the labour contractors, being labourers of the contractor, u/s 147, 148, 149, 323, 326, 337, 427, 506(a) and 504 of the Indian Penal Code, 1860, for attacking the staff buses and employees of our Company. The matter is currently pending.
2. Dipakbhai Shivabhai Chauhan, one of the contractors hired by our Company, has filed an FIR No. 50/2006 dated April 12, 2006 against fourteen people being Mr. Dhaval Prabhudas Patel, Mr. Dhananjay Raviram Sadhu, Mr. Mansingh Bhika Makwana, Mr. Vanraj Natwarlal, Mr. Dinesh Bachuvat, Mr. Mahipat Bhika, Mr. Harshad Tulsidas, Mr. Hari Sakra, Mr. Amit Mafatlal, Mr. Kamlesh Bhagvandas, Mr. Rajesh Keshavlal, Mr. Jitendra Govind, Mr. Hitesh Jagdish and Mr. Bharat Dhana u/s 143, 342, 506(2) and 504 of the Indian Penal Code, 1860 for unlawful assembly and preventing workers from going to work for our Company and threatening to kill them. The charge sheet has been filed and the matter is currently pending.
3. Our Company has filed a criminal complaint bearing no. 759 of 2009 before the Metropolitan Court at Ahmedabad against Mr. Naveen Simlote who was working as an Executive - Business Development and later on as a country manager at Venezuela under sections 379, 420, 406 of IPC on October 8, 2008 alleging criminal breach of trust, misusing the authority and power given to Mr. Naveen Simlote. Our Company has also alleged that Mr. Naveen Simlote has not returned our Company’s property including a laptop, *etc.* and has not complied with Company’s policies and regulations such as joining our Company’s associate at Venezuela. The Metropolitan Magistrate issued a summons to the accused on February 2, 2009. The accused filed a special criminal application (1208 of 2009) before the High Court of Gujarat at Ahmedabad contending that since the Metropolitan Magistrate had held that no offence under section 379 was made out, the said summons should be quashed along with the proceeding. The High Court has stayed further proceedings on the complaint and has issued a notice to our Company. Our Company has filed a reply and the matter is currently pending.
4. Our Company has filed a criminal complaint no. 758 of 2009 before the Metropolitan Court at Ahmedabad against Mr. Hemal Shah who was working as a product executive and was later promoted to Philippines as

a country manager, U/s 379, 420, 406 of IPC on October 8, 2008, alleging criminal breach of trust, misusing our Company's confidential information and associating with competing entities of our Company. It was also alleged that Mr. Hemal Shah had intentionally not complied with Company's policies and regulations. The Metropolitan Magistrate issued a summons to the accused on February 2, 2009. The accused filed a special criminal application (1171 of 2009) before the High Court of Gujarat at Ahmedabad contending that since the Metropolitan Magistrate had held that no offence under section 379 was made out, the said summons should be quashed along with the proceeding. The High Court has stayed further proceedings on the complaint and has issued a notice to our Company. Our Company has filed a reply and the matter is currently pending.

5. Our Company has filed a criminal case no. 33 of 2009 before the Metropolitan Magistrate Court at Ahmedabad against Mr. M. A. Zaidy under section 296, 294(b), 504, 500 of the IPC for abusing and extorting employees of our Company. The Metropolitan Magistrate Court has, vide order dated January 1, 2009, directed the issue of summons on Mr. Zaidy. The matter is currently pending.

Civil cases filed by our Company

1. Our Company filed a Civil Suit No. 382 of 2007 against Sonam Owners Association and Sonal Owners Association at City Civil Court, Ahmedabad seeking a permanent injunction to restrain the defendants, their agents, servants, representatives, associates or persons claiming through them from making any kind of temporary or permanent construction upon sub plot no 36 of final plot no 711, 713 to 717 of Parimal Co-operative Housing Society and from depriving, preventing or obstructing the opponents, their officers, etc. from having access and ingress to the building known as "Net Vision" constructed upon final plot no 720 Part – 4. By way of an order dated February 24, 2007, the court has stayed the construction. Subsequently, by way of its order dated August 17, 2010, the Court has extended the stay on construction till final disposal of the suit. The matter is now posted for final hearing.
2. Our Company filed civil suit no. 1215 of 2006 against Sonam Owners Association and Sonal Owners Association (defendants) at City Civil Court, Ahmedabad seeking an injunction to (i) direct the defendants by a temporary mandatory order to break open the lock put on the entrance to the "C" wing through the Terrace of C wing and open the iron grill put on the said entrance and to allow the plaintiff and its officers, employees to access the 10th Floor on the C and D wings of Sangita Complex through the said entrance on the terrace of the C wing and its staircase. The matter is currently pending for hearing.
3. Our Company has filed a Special Civil Application bearing SCA No. 11459 of 2008 before the High Court of Gujarat at Ahmedabad for issuing writ of certiorari and prohibition against the National Pharmaceutical Pricing Authority. Our Company introduced the use of Polypropylene bag under the trade name Unibag for Normal Saline and Dextrose in India. The National Pharmaceutical Pricing Authority (NPPA) has fixed the price of Normal Saline and Dextrose in bottle form under non-scheduled formulation. NPPA sent a notice demanding that our Company is charging excessive price for their Unibag than the price fixed by them for Non Schedule formulation of Normal Saline and Dextrose in bottle form. Our Company has contended that the notification which fixes the price of Normal Saline and Dextrose in bottle form does not apply to the products being sold by our Company (being sold in Unibag) The High Court of Gujarat at Ahmedabad was pleased to grant ad-interim injunction staying the implementation and execution and operation of the said notices by order dated September 15, 2008. The matter is currently pending.
4. Our Company has filed a civil suit (Civil Suit No. 217 of 2009) against M/s Pharsafer Associates Limited before the City Civil Court, at Ahmedabad ("Pharsafer") and Dr. Graeme Ladds, claiming Rs. 70,000,000. Our Company had entered into an agreement with Pharsafer for the services of qualified Pharmacovigilance for the European Union Territory. However, Pharsafer terminated the said agreement assigning various reasons. Our Company has filed the suit against Pharsafer for various losses claimed by us arising as a result of this termination. Pharsafer has filed a counterclaim against our Company. The Company has filed its reply to the counter claim filed by M/s Pharsafer on July 28, 2010. The matter is currently pending.
5. Our Company has filed a civil suit (Special civil Suit No. 283 of 2009) before the Civil Judge of Ahmedabad at Mirzapur against M/s Cadila Pharmaceuticals. Our Company and Cadila executed an agreement for Cadila to conduct a bio equivalent study to enable us to submit a dossier to Medicines and Health Care Products Regulatory Agency of United Kingdom ("MHRA"). MHRA rejected the bio-equivalent study conducted by Cadila. Our Company has alleged that as per the terms of the Agreement

Cadila was either supposed to conduct the restudy free of cost or to refund the 75 % of consideration. Our Company has filed the suit to enforce such term. The matter is currently pending.

6. In the year 2001, our Company had lodged an insurance claim to recover the loss arising from the non-delivery of a certain consignment valued at Rs. 29,459, with United India Insurance Co. Limited (“**United India**”), which was lost in transit. United India finalised our claim and paid our Company a sum of Rs. 29,459. Further, our Company granted the right to recover damages for the insured goods from the transporter of the lost goods, GATI Transport Limited, by issuing a letter of subrogation and special power of attorney dated August 8, 2003. For recovery of the above claimed amount, United India (as the insurer) and our Company jointly filed the summary suit no. 1208/2004 against Gati Transport Company dated February 27, 2004 before Small Cause Court Ahmedabad for recovery of an amount of INR 34,676 as damages due to loss arising from non-delivery of the consignment. The above matter was transferred on August 21, 2010 from the Small Cause Court, Ahmedabad to Lok Adalat for amicable settlement. The matter is currently pending before the Lok Adalat.

Intellectual property cases filed by our Company

1. Medical Technologies Limited (“**MTL**”) and our Company have filed suit no. 1244 of 2005 in the City Civil Court at Ahmedabad against Neon Laboratories Limited and V. S. Medical Stores along with injunction application for interim relief praying to restrain the defendants from using trademark “ROFOL” which is deceptively similar to the trademark “PROFOL” which is applied by Medical Technologies Limited for registration. Medical Technologies Limited has assigned the said Trademark to our Company vide Deed of assignment dated September 28, 2006. The defendants have alleged that ‘ROFOL’ is a registered trademark and hence no action for passing-off can be maintained. The City Civil Court at Ahmedabad had granted interim injunction in favour of our Company on October 17, 2005. The defendant i.e. Neon Laboratories Limited, have preferred an appeal in the High Court of Gujarat at Ahmedabad vide Appeal from Order, bearing A O no. 361 of 2005 praying for stay of operation of the order dated October 17, 2005. The Gujarat High Court vide its order dated December 19, 2005 dismissed the appeal. Being aggrieved from the order passed by the High Court of Gujarat, Neon Laboratories Limited preferred a special leave petition bearing no. 1717 of 2006 before the Supreme Court of India praying stay of operation of order dated December 19, 2005 passed by the Gujarat High Court. The Special Leave Petition is pending before the Supreme Court of India for final hearing. Due to all this pending procedure in the different courts Medical Technologies Limited has filed rectification of registered Trademark u/s 47/57/125 of Trade Marks Act, 1999 for removal of trade mark ROFOL before the Intellectual Property Appellate Board (“**IPAB**”) in the year 2006 on the ground that Neon Laboratories Limited, had no intention to use the mark and have got the mark registered just to block the mark in the trade. The said matter came up for the hearing before the Hon'ble Intellectual Property Appellate Board on February 4, 2009 where the Hon'ble board has dismissed the application in its order dated June 9, 2009. Therefore, Medical Technologies Limited has filed Clarificatory Application against the order passed by IPAB at Chennai on August 7, 2009 which has been registered by the Intellectual property Appellate Board and same has been given No. Misc. Petition No. 219/2009 dated August 7, 2009, through its order dated August 10, 2010, dismissed the clarificatory application filed by MTL.

Revenue proceedings filed by our Company

1. Assessment Year 2004-2005

Our Company had preferred an appeal before the Commissioner of Income Tax (Appeals) (“**CIT(A)**”) dated January 29, 2007 against an order dated December 26, 2006 passed under section 143(3) of the Income Tax Act, 1961 by the assessing officer, requesting the CIT(A) (i) to allow deduction of expenses of Rs. 9,097,756 claimed as per revised return of income; (ii) to delete disallowance of interest of Rs. 4,937,388 and (iii) to grant deduction u/s 80 HHC as claimed. The matter is currently pending before the CIT(A).

2. Assessment Year 2004-2005

Our Company has preferred an appeal dated February 27, 2009 before the Commissioner of Income Tax (Appeals), Ahmedabad (“**CIT(A)**”) against an order dated February 5, 2009 passed by the assessing officer under section 154 of the Income Tax Act, 1961 requesting the CIT(A) to delete interest charged u/s 234B of

the Income Tax Act, 1961 amounting to Rs. 771,804 and u/s 234D of the Income Tax Act, 1961 of Rs. 105,379 on enhanced tax liability under Minimum Alternate Tax arising on account of retrospective amendment to section 115JB of the Income Tax Act, 1961 which relates to the adjustment of deferred tax liability for computation of Minimum Alternate Tax. The matter is currently pending before the CIT(A).

3. **Period: 2003 - 2004**

Our Company has preferred an Appeal bearing No. 28 (A1)/2005-06 of 2006 before the Deputy Commissioner, Commercial Taxes, South Circle, West Bengal against the order passed by the Assistant Commissioner, Commercial taxes for disallowing the exempted sales under the category of sterile water amounting to Rs. 953,579 and charging the same with tax @ 8.5% plus surcharge, additional surcharge and penalty resulting in a total liability of Rs. 95,704. The case is currently pending before the Deputy Commissioner, West Bengal. Since the matter has been pending before the Deputy Commissioner for adjudication in appellate proceedings for a period in excess of 3 years, the Company preferred an application before the West Bengal Taxation Tribunal (“**the Tribunal**”) dated September 3, 2010 seeking directions from the Tribunal to the Deputy Commissioner for early adjudication in appellate proceedings. The Company has contended that since it is closing its West Bengal operations, it would be in the Company’s interest to have all pending tax disputes resolved by the authorities. The Company has also sought costs of the application and other incidental expenses to be paid by the Income Tax Department.

4. **Assessment Year 2006-2007**

Against the disallowances by the Assessing Officer, Additional Commissioner of Income Tax, Ahmedabad Range –1, pursuant to the order dated December 24, 2009 u/s 143(3) of the Income Tax Act, 1961 in respect of: (i) Rs. 34,570 of expenses under section 14A of the Income Tax Act, 1961; (ii) Rs. 397,006 out of claim for additional depreciation on co-generation power plant; (iii) Rs. 1,085,100 under section 35D of the Income Tax Act, 1961 incurred for increasing authorised capital holding as capital expenditure, and (iv) Rs. 103,02,660 (net of depreciation of Rs. 2,151,623) towards product registration expenses holding it as capital expenditure. Our Company had preferred an appeal before the Commissioner of Income Tax (Appeals) (“**CIT(A)**”) dated January 29, 2010 against the said order passed by the Assessing Officer, requesting the CIT(A) to delete these disallowances. The matter is currently pending before the CIT(A).

5. **Period: November 2009**

The Deputy Commissioner of Commercial Taxes, Range IX, Lucknow (“**DC**”) by an order dated March 3, 2010 passed under Section 25(1) of Uttar Pradesh VAT Act has levied VAT at the rate of 13.5% on sale of our Company’s product for the month of November 2009 and has raised a demand against our Company of Rs. 142,982. Our Company has filed an appeal before the Joint Commissioner Commercial Taxes (Appeals), Lucknow on April 12, 2010. The matter is currently pending.

Litigation filed by our Subsidiaries

Civil cases filed by our subsidiaries

1. Claris Productos Farmaceuticos Do Brazil Ltda filed a case against Cassimed Distributor Mat Med Hosp. Ltda before the 04^a Civil Court of District of Araras, State of Sao Paulo. This was an enforcement action filed by Claris Productos Farmaceuticos Do Brazil Ltda because of the debt of BRL 55,790.97 (approx. Rs. 1,446,805), which Cassimed has not paid. The matter is currently pending.
2. Claris Productos Farmaceuticos Do Brazil Ltda has filed a suit against Arnaldo Taleisnik before the Civil Court of the Capital City of Sao Paulo for an amount of BRL 69,196.77 (approx. Rs. 1,794,452). Arnald Talesnik was our old lawyer who defrauded the company by mis-utilizing the money he had received as a receiver. Claris Productos Farmaceuticos Do Brazil Ltda had filed a case against him and signed a debt confection with him. On account of his failure to the pay the money due to Claris Productos Farmaceuticos Do Brazil Ltda, the Court ordered attachment and auction of his properties to recover the amount due through its order dated June 29, 2010. The matter is currently pending for effecting sale of Arnaldo Taleisnik’s properties.
3. Claris Productos Farmaceuticos Do Brazil Ltda. has filed a civil suit against Oswaldo Costa Sobrinho before the: 05^a Civil Court of the Region of Jabaquara, Sao Paulo for failure to pay the debt amount of BRL

31,000 (approx. Rs. 803,911). The promissory notes which have not been honoured by the Oswaldo Costa Sobrinho were issued in guarantee of a debt contracted by the Oswaldo Costa Sobrinho with Claris Productos Farmaceuticos Do Brazil Ltda. Claris Productos Farmaceuticos Do Brazil Ltda has applied for the attachment of Oswaldo Costa Sobrinho's properties for recovery auction and recovery of debts on June 11, 2010. The matter is currently pending adjudication of this application.

4. Claris Productos Farmaceuticos Do Brazil Ltda filed a suit against Macromed comercio de material medico e hospitalar before the 01^a Civil Court of District of Diadema, Saopualo State. This is a case filed for bankruptcy against the company Macromed, in which Claris Productos Farmaceuticos Do Brazil Ltda is listed as creditor with value of BRL 247,387.53 (approx. Rs. 6,415,402). The matter is currently pending.
5. Claris Productos Farmaceuticos Do Brazil Ltda filed a case against Oswaldo costa sobrinho before the 05^a Civil Court of District of Jabaquara, State of Sao Paulo. This was an enforcement action filed by Claris Productos Farmaceuticos Do Brazil Ltda because of the debt of BRL 14,000 (approx. Rs. 363,056) distributed in two cases dated August 3, 2006 and December 15, 2006, which Oswaldo has not paid. Claris Productos Farmaceuticos Do Brazil Ltda has applied for the attachment of Oswaldo Costa Sobrinho's properties for recovery auction and recovery of debts on June 21, 2010. The matter is currently pending adjudication of this application.

Litigation filed by group companies of Mr. Aditya S. Handa

Civil proceedings filed by group companies of Mr. Aditya S. Handa

1. Medical Technologies Limited ("MTL") and our company have filed a civil suit against Neon Laboratories Limited and V. S. Medical Stores along with injunction application for interim relief praying to restrain the defendants from using trademark "ROFOL" which is deceptively similar to the trademark "PROFOL" which is applied for registration by Medical Technologies Limited. Medical Technologies Limited has assigned the said Trademark to our Company vide Deed of assignment dated September 28, 2006. For further details regarding these proceedings, please refer to page 254 of this Red Herring Prospectus.

Contingent Liabilities

Our contingent liabilities as on May 31, 2010 were as follows:

(Rs. in million)

Nature of liability	Amount
Claims against the Company not acknowledged as debts in respect of sales tax and other matters	86.16
Guarantees given by the bankers on behalf of the Company	8.50
Disputed demand under income tax	7.06
Bills discounted	263.19
Letters of credit outstanding	676.27
Total	1041.18

GOVERNMENT AND OTHER APPROVALS

In view of the approvals/licenses listed below, our Company can undertake this Issue and our current business activities and no further major approvals/licenses from any governmental or regulatory authority or any other entity are required to undertake the Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of this Red Herring Prospectus. It must be distinctly understood that, in granting these approvals, the Government of India, the Reserve Bank of India or any other authority does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. For further details in connection with the regulatory and legal framework within which we operate, please refer to the section titled “Regulations and Policies in India” beginning on page 141 of this Red Herring Prospectus.

Approvals related to the Issue

1. The Board of Directors has, pursuant to a resolution passed at its meeting held on February 23, 2010, authorised the Issue subject to the approval of the shareholders of our Company under Section 81(1A) of the Companies Act and approvals by such other authorities as may be necessary.
2. The shareholders of our Company have, pursuant to a resolution dated April 7, 2010 under Section 81(1A) of the Companies Act, authorized the Issue.
3. The IPO Committee, pursuant to its resolution dated November 18, 2010, has approved and authorized this RHP.
4. Our Company has obtained an in-principle listing approval from the BSE dated June 3, 2010.

Approvals related to our Company

1. Certificate of incorporation: 04-22543
2. Corporate Identification Number: U85110GJ1994PLC022543
3. Permanent Account Number: AAACC6366Q
4. Tax Assessment Number: AHMC00478C
5. Service Tax Registration Number: AAACC6366QST001

Business Approvals

We have received the following significant government and other approvals pertaining to the business conducted by our Company:

Sr. No.	Issuing Authority & Place	Registration / License No.	Nature of Registration/ License	Valid up to
1.	Department of Scientific and Industrial Research, New Delhi.	TU/IV/2168/2009	Recognition of in-house R&D unit.	March 31, 2012
2.	Drugs Controller General (I), New Delhi along with Food and Drugs Control Administration, Guj. State,	G/LVP/5	To manufacture and market large volume parenteral products	March 21, 2012
3.	Food and Drugs Control Administration, Guj. State,	G/1156	To manufacture and market small volume parenteral products	March 26, 2012

Sr. No.	Issuing Authority & Place	Registration / License No.	Nature of Registration/ License	Valid up to
5.	Food and Drugs Control Administration, Guj. State	G/25A/3543-A	Loan license to manufacture external preparations, tablets and capsules	April 17, 2011
6.	Food and Drugs Control Administration, Guj. State	G/28A/4216-A	Loan license to manufacture and market small volume parenteral products	May 28, 2011
7.	Food and Drugs Control Administration, Guj. State	G/25A/3603-A	Loan license to manufacture tablets and capsules	July 16, 2011
8.	Food and Drugs Control Administration, Guj. State	G/28A/4309-A	Loan license to manufacture and market small volume parenteral products	November 21, 2011
9.	Food and Drugs Control Administration, Guj. State	G/28A/4353-A	Loan license to manufacture and market small volume parenteral products	February 13, 2012
10.	Food and Drugs Control Administration, Guj. State	G/25A/3700-A	Loan license to manufacture tablets and capsules	May 9, 2012
11.	Food and Drugs Control Administration, Guj. State	G/25A/3716-A	Loan license to manufacture tablets and capsules	July 2, 2012
12.	Food and Drugs Control Administration, Guj. State	G/28A/3351-A	Loan license to manufacture surgical items	January 16, 2013
13.	Food and Drugs Control Administration, Guj. State	G/28A/4504-A	Loan license to manufacture and market small volume parenteral products	March 18, 2013
14.	Food and Drugs Control Administration, Guj. State	G/25A/3792-A	Loan license to manufacture tablets and capsules	April 1, 2013
15.	Food and Drugs Control Administration, Guj. State	G/28A/3735-A	Loan license to manufacture and market small volume parenteral products	May 31, 2014
16.	Food and Drugs Control Administration, Guj. State	G/25A/3671-A	Loan license to manufacture tablets and capsules	October 11, 2014
17.	Food and Drugs Control Administration, Guj. State	G/28A/4249-A	Loan license to manufacture and market small volume parenteral products	September 22, 2014
18.	Director, Medical and Health Services, UT of Daman & Diu	DD/L/383	Loan license to manufacture tablets and capsules	June 27, 2011
19.	Director, Medical and Health Services, UT of Daman & Diu	DD/L/519	Loan license to manufacture and market small volume parenteral products	October 10, 2011
20.	Director, Medical and Health Services, UT of Daman & Diu	DD/L/299	Loan license to manufacture tablets and capsules	February 10, 2012
21.	Licensing Authority Cum Controlling Authority, Health and Family Welfare Department, Himachal Pradesh	L/08/636/MB	Loan license to manufacture and market small volume parenteral products	March 20, 2014
22.	Licensing Authority Cum Controlling Authority, Health and Family Welfare Department, Himachal Pradesh	L/08/591/MB	Loan license to manufacture and market small volume parenteral products	November 17, 2013

Sr. No.	Issuing Authority & Place	Registration / License No.	Nature of Registration/ License	Valid up to
23.	Food and Drugs Control Administration, Guj. State	G/28A/4188-A	Loan license to manufacture and market small volume parenteral products	April 27, 2011
24.	Food and Drugs Control Administration, Guj. State	G/1156 & G/LVP-5	WHO GMP certificate for small & large volume parenteral products categories	June 30, 2011
25.	Food and Drugs Control Administration, Guj. State	G/28A/3735-A	WHO GMP certificate for small & large volume parenteral products categories under loan license	July 26, 2011
26.	Food and Drugs Control Administration, Guj. State	G/28A/4188-A	WHO GMP certificate for small volume parenteral products categories under loan license	February 12, 2011
27.	Director, Medical and Health Services, UT of Daman & Diu	DD/L/383 & DD/L/419	WHO GMP certificate for small volume parenteral products, tablets & capsules categories under loan license	April 10, 2011
28.	Assistant Commissioner, Food and Drugs Control Administration, Gandhinagar	ADR – 71181 ADR – 71182	License to sell, stock or exhibit for sale and distribute by wholesale.	March 12, 2013
29.	Assistant Commissioner, Food and Drugs Control Administration, Gandhinagar	20B/G/A/R/A/2934 21B/G/A/R/A/2945	License to sell, stock or exhibit for sale and distribute by wholesale.	December 20, 2011
30.	Assistant Commissioner, Food and Drugs Control Administration, Ahmedabad	G/A/A 7663 and G/A/A 7634	License to sell, stock or exhibit for sale and distribute by wholesale.	December 31, 2012
31.	Drugs Licensing Authority, Director, Medical and Health Services, UT of Daman & Diu	15/2007/F-20-B & 16/2007/F-21-B	License to sell, stock or exhibit for sale and distribute by wholesale	April 19, 2012
32.	Joint Director and Licensing Authority, Drug Control Administration, Government of Andhra Pradesh	13/RR/AP/2010/F/G(L)	Loan license for 32 specified injectable items	June 9, 2015
33.	Commissioner, Food and Drugs Control Administration, Gujarat State	G/25A/4051-A	Loan license to manufacture for wholesale dealing and storage for sale of specified tablets and powder items.	May 9, 2015
34.	Commissioner, Food and Drugs Control Administration, Gujarat State	G/28A/4855–A	Loan license to manufacture for wholesale dealing and storage for sale of specified injectable liquids.	May 9, 2015
35.	Commissioner, Food and Drugs Control Administration, Gujarat State	G/28A/4216-A	Loan license to manufacture for export outside India of Heparin	June 2, 2012
36.	Commissioner, Food and Drugs Control Administration, Gujarat State	G/28A/4841-A	Loan license to manufacture for wholesale dealing and storage for sale of specified medicines	July 26, 2011

Sr. No.	Issuing Authority & Place	Registration / License No.	Nature of Registration/ License	Valid up to
37.	Commissioner, Food and Drugs Control Administration, Gujarat State	G/25A/3792-A	Loan license to manufacture for wholesale dealing and storage for sale of ciprofloxacin tablets	June 23, 2012

We have applied for renewal of the following government and other approvals pertaining to the business conducted of our Company:

Sr. No.	Filing Authority & Place	Nature of Registration/ License applied for	Date of filing
1.	Commissioner, Food and Drugs Control Administration, Gandhinagar	Loan license to manufacture surgical items	September 1, 2010
2.	Commissioner, Food and Drugs Control Administration, Gandhinagar	Loan license to manufacture surgical items	June 16, 2010
3.	Commissioner, Food and Drugs Control Administration, Gandhinagar	License to manufacture bulk drugs	September 18, 2010

Other Licenses

Sr. No.	License / Certificate	Name of Authority	Date of Validity
1.	Factory License - Clarion	Director of Industrial Safety and welfare office	December 31, 2010
2.	Factory License - PKD (Packaging Division)	Director of Industrial Safety and welfare office	December 31, 2010
3.	Factory License – Nourish	Director of Industrial Safety and welfare office	December 31, 2010
4.	Certificate of Boiler No. GT-5366	Boiler Office	December 1, 2010
5.	Certificate of Boiler No. GT-4867	Boiler Office	July 6, 2011
6.	Certificate of Boiler No. GT-5221	Boiler Office	March 10, 2011
7.	RS-II License	State Prohibition and Excise Department, State of Gujarat	March 31, 2011
8.	AC-II license	State Prohibition and Excise Department	March 31, 2011
9.	Explosive License	Department of Commerce and Industry Petroleum and Explosive Safety Organisation	December 31, 2011
10.	Solvent License	Collector office, Ahmedabad District	December 31, 2010
11.	Environmental Clearance (Bulk Drugs - Hydroxy Ethyl Starch)	Ministry of Environment & Forest	Valid until cancelled

Sr. No.	License / Certificate	Name of Authority	Date of Validity
12.	Environmental Clearance (Bulk Drugs - Hydroxy Ethyl Starch (Expansion), Iron Sucrose and Pamidronic Acid	Ministry of Environment & Forest	Valid until cancelled
13.	Consent to Establishment (Bulk Drugs - Hydroxy Ethyl Starch)	State Pollution Control Board	Valid until cancelled
14.	Consent to Establishment (Bulk Drugs - Hydroxy Ethyl Starch-Expansion) (No objection certificate)	State Pollution Control Board	Valid until cancelled
15.	Consent to Operate (Hydroxy Ethyl Starch - Bulk Drugs)	State Pollution Control Board	Valid until cancelled
16.	IEM Registration (formulations)	Ministry of Commerce & Industry	Valid until cancelled
17.	IEM Registration (Bulk Drugs)	Ministry of Commerce & Industry	Valid until cancelled
18.	Release order of 1000KVA power supply	Uttar Gujarat Viji Company Ltd. (formerly know as Gujarat Electricity Board)	Valid until cancelled
19.	Release order of additional power supply of 400KVA	Uttar Gujarat Viji Company Ltd. (formerly know as Gujarat Electricity Board)	Valid until cancelled
20.	Release order of additional power supply of 300KVA	Uttar Gujarat Viji Company Ltd. (formerly know as Gujarat Electricity Board)	Valid until cancelled
21.	Release order of additional power supply of 700KVA	Uttar Gujarat Viji Company Ltd. (formerly know as Gujarat Electricity Board)	Valid until cancelled
22.	Release order of additional power supply of 1600KVA	Uttar Gujarat Viji Company Ltd. (formerly know as Gujarat Electricity Board)	Valid until cancelled
23.	Consent of 1.4 MW CPP (1750KVA) i.e. 1250KVA + 500KVA D G Sets	Uttar Gujarat Viji Company Ltd. (formerly know as Gujarat Electricity Board)	Valid until cancelled
24.	Consent of 2 MW (2500KVA) Captive Generating Plant	Office of the Electrical Inspector & Collector of Electricity Duty Gandhinagar	Valid until cancelled
25.	Generation and Distribution of other non-conventional energy for power plant, for capacity of 2.00MW	Under Secretary, Secretariat for Industrial Assistance, Ministry of Commerce and Industry, Government of India	Valid until cancelled

We have applied for renewal of the following license/certificate:

Sr. No.	License/ Certificate	Name of Issuing Authority	Date of application
1.	Consent to operate – Clarion (Formulations)	State Pollution Control Board	May 21, 2010

Other Approvals

Sr. No.	Issuing Authority	Registration / License Number	Nature of Registration	Validity
Tax				
1.	Deputy/Assistant Commissioner, Central Excise, Ahmedabad.	AAACC6366QXM003	Central Excise Registration Certificate	Valid until cancelled

Sr. No.	Issuing Authority	Registration / License Number	Nature of Registration	Validity
2.	Deputy/Assistant Commissioner, Central Excise, Ahmedabad	AAACC6366QXM004	Central Excise Registration Certificate	Valid until cancelled
3.	Deputy/Assistant Commissioner, Central Excise, Ahmedabad	AAACC6366QXM006	Central Excise Registration Certificate	Valid until cancelled
4.	Deputy/Assistant Commissioner, Central Excise, Ahmedabad	AAACC6366QXM002	Central Excise Registration Certificate	Valid until cancelled
5.	Assistant Commissioner, Central Excise, Division-IV, Ahmedabad-II	VIII/48-29/CUS/100%EOU/06-07/6739	License for Private Bonded Ware House	October 30, 2011
6.	Assistant Commissioner, Central Excise, Division – IV, Ahmedabad-II	VIII/48-29/CUS/100%EOU/06-07/6738	Permission for manufacturing under section 65 of customs Act, 1962	Valid until cancelled
7.	Sales Tax Office, Division 29, Ahmedabad	24573701080	CST Registration Certificate	Valid
8.	Sales Tax Officer Sub-section (1) Class-I, Division 9, Ahmedabad	24073701080	Gujarat Sales Tax Registration Certificate	Valid
9.	Gujarat State Tax on Professions, Trades, Callings, and Employment Act, 1976	PRC015070056	Professional Tax Registration Certificate	Valid until cancelled
Trade related				
10.	Foreign Trade Development Officer	895000440	Certificate of Importer and Exporter Code	Valid until cancelled
11.	Joint Director General of Foreign Trade under the EXIM Policy	C-0467	Certificate of recognition as a Export House	Valid until cancelled
Others				
12.	Inspector of Legal Metrology	92	Standard Weights and Measures Act	September 27, 2011
13.	Assistant Labour Commissioner & Registration Officer, Ahmedabad	1158/2000	Contract Labour Registration	Valid until cancelled
14.	Deputy Municipal Commissioner of Shops & Establishment Department	PII/EL/01/0001604	The Shops & Establishment	December 31, 2010
15.	Provident Fund Act	GJ/AH/25148	Provident Fund Registration Certificate	Valid until cancelled

The Company has obtained local tax registrations at various locations in India.

Statutory Approvals/Licenses Required for the Proposed Expansion and Setting Up New Manufacturing Units

We have not yet applied for the approvals and licenses for the proposed expansion and setting up of the new manufacturing facility. A majority of such approvals and licences will be applied for in due course after completion of land acquisition.

SECTION 8 : OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Board of Directors has, pursuant to a resolution passed at its meeting held on February 23, 2010, authorised the Issue subject to the approval of the shareholders of our Company under Section 81(1A) of the Companies Act, and such other authorities as may be necessary.

The shareholders of the Company have, pursuant to a resolution dated April 7, 2010 under Section 81(1A) of the Companies Act, authorised the Issue.

The IPO Committee, through its resolutions dated April 19, 2010 and November 18, 2010, approved the Draft Red Herring Prospectus and this RHP, respectively.

Prohibition by SEBI

We confirm that neither (i) Our Company, its Subsidiaries, our Promoters, persons in control of the Company, the Promoter Group, our Directors and our Group Companies, nor (ii) companies with which any of the Promoters, Directors or persons in control of the Company are or were associated as a promoter, director or person in control are debarred or have been prohibited from accessing the capital markets under any order, direction passed by SEBI or any other authority.

None of our Directors are associated with the securities market in any manner other than (i) Dr. Pravin P. Shah, who is on the board of directors of JM Financial Consultants Private Limited, JM Financial & Investment Consultancy Services Private Limited, JM Financial Services Private Limited and Milestone Capital Advisors Limited, which are registered with SEBI; and (ii) Mr. Surrinder Lal Kapur, who is a director on the board of directors of Yes Bank Limited, which is registered with SEBI.

SEBI has not initiated any action against any of our Directors.

The listing of securities of our Company has never been refused at any time by any stock exchange in India.

Prohibition by RBI

None of our Company, our Promoters, our Group Companies or any of the relatives of our Promoters has been declared as wilful defaulters by the RBI or any other authority except as below:

Core Healthcare Limited (“CHL”), a Company promoted by Mr. Sushil Kumar Handa, one of our erstwhile promoters and a relative of our individual Promoter (included in our Promoter Group), became unable to repay its debt under certain term and working capital loans granted to it by various lenders, including the Bank of Baroda (“BoB”). CHL and its directors, including Mr. Sushil Kumar Handa, were included in the list of wilful defaulters maintained by the Credit Information Bureau (India) Limited for loan default of Rs. 25 lacs and above at the behest of BoB.

ARCIL took over the possession of CHL’s assets in 2005 u/s 13(2) of SARFAESI. Subsequently, Gujarat High Court, by its order dated March 1, 2007, sanctioned a scheme of demerger of the erstwhile CHL and transferred the Sachana unit to Nirma Limited. As per High Court order upon receipt of a pre-agreed amount realized by the sale of all assets of CHL, “any proceedings, civil or criminal, pending against the Demerged Company (CHL) and/or its Directors and/or its officers or its promoters and/or any other person arising due to or for reason of, directly or indirectly, non payment of any part of Liabilities by the Demerged Company (CHL), shall, on the Scheme becoming effective”, stand absolved. The Rajpur unit was subsequently sold by ARCIL in the year 2008. ARCIL issued a no-dues certificate dated November 21, 2008 pursuant to the scheme and also issued letters dated May 25, 2007, September 20, 2007 and November 21, 2008 to CIBIL to consider removing CHL and its promoters and directors from the wilful defaulter list. CHL was wound up by an order of the Gujarat High Court dated June 24, 2009, however, CHL, as well as its directors, as they then were, including Mr. Sushil Kumar Handa, remained on the list of wilful defaulters maintained by the Credit Information Bureau (India) Limited in relation to the indebtedness mentioned above. With effect from August 12, 2010, Mr. Sushil Kumar Handa’s name now stands removed from the list of wilful defaulters by CIBIL.

For further details in this regard please refer to the section titled “Risk Factors” on page 18 of this Red Herring

Prospectus.

Eligibility for the Issue

The Company is eligible to make the Issue in terms of Regulation 26(1) of the ICDR Regulations, in accordance with which the Company satisfies the following criteria:

- (a) it has net tangible assets of at least Rs. 30 million in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;
- (b) it has a track record of distributable profits in terms of section 205 of the Companies Act, not counting extraordinary items, for at least three out of the immediately preceding five years;
- (c) it has a net worth of at least 10 million rupees in each of the preceding three full years (of 12 months each);
- (d) the aggregate size of the Issue does not exceed five times the pre-Issue net worth of the Company, which is Rs. 5,171.10 million as per the audited balance sheet for FY 2009, as restated
- (e) it has not changed its name in the year prior to the Issue.

Further, in accordance with Regulation 26(4) of the ICDR Regulations, the Company shall ensure that the number of prospective Allotees to whom Equity Shares will be Allotted in the Issue shall not be less than 1,000, failing which the entire application monies will be refunded forthwith. In case of delay, if any, in refund, the Company shall pay interest on the application money at the rate of 15% per annum for the period of delay. In addition, in accordance with Rule 19(2)(b)(ii) of the SCRR

- a minimum of two million securities are being offered to the public;
- the size of the Issue shall aggregate at least Rs.1,000 million; and
- the Issue is made through the Book Building method with 60% of the Issue size allocated to QIBs as specified by SEBI.

Disclaimer clause

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 TO MEAN 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 ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (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 ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED APRIL 19, 2010 WHICH READS 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 IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE.**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS**

DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER,

WE CONFIRM THAT:

- (A) THE DRAFT RED HERRING PROSPECTUS FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
 - (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED / ISSUED BY SEBI, 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 ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE 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 FULFILL THEIR UNDERWRITING COMMITMENTS – NOTED FOR COMPLIANCE.**
 - 5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF HIS SPECIFIED SECURITIES AS PART OF PROMOTER’S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES 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 THE DRAFT RED HERRING PROSPECTUS WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.**
 - 6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTER’S 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 SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER’S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS’ CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. 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 ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. NOT APPLICABLE.**

8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE 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 ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. NOTED FOR COMPLIANCE.
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 AS THE OFFER SIZE IS MORE THAN RS. 10 CRORES, HENCE UNDER SECTION 68B OF THE COMPANIES ACT, 1956, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT ONLY.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 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 ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND
 - (B) AN UNDERTAKING FROM THE ISSUER 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 SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHILE MAKING THE ISSUE.
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 ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER'S EXPERIENCE , ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, 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."

JM Financial has signed the due diligence certificate prior to filing of the Draft Red Herring Prospectus with SEBI and accordingly has been disclosed as a BRLM. Further, in compliance with the proviso to regulation 21A(1) and explanation (iii) to regulation 21A(1) of SEBI (Merchant Bankers) Regulations, 1992, read with Regulation 110 and Schedule XX of the SEBI ICDR Regulations, JM Financial would be involved only in the marketing of the Issue.

The filing of the Red Herring Prospectus does not, however, absolve the Company from any liabilities under Section 63 or Section 68 of the Companies Act or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the Book Running Lead Managers, any irregularities or lapses in the RHP.

Disclaimer from the Company and the BRLMs

Our Company and the BRLMs accept no responsibility for statements made otherwise than those contained in this Red Herring Prospectus or in any 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.clarislifesciences.com, or the website of any Subsidiaries, Group Company, Promoter Group company, or of any affiliate or associate of our Company or its Subsidiaries, would be doing so at his or her own risk.

Caution

The BRLMs accept no responsibility, save to the limited extent as provided in the Issue Agreement entered into among the BRLMs and our Company dated April 19, 2010 and in the Underwriting Agreement to be entered into among the Underwriters and our Company.

All information shall be made available by us, 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 or at bidding centres or elsewhere.

Neither our Company nor the Syndicate shall be liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Note:

Investors that bid in the Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

Disclaimer in respect of jurisdiction

This Issue is being made in India to persons resident in India including Indian nationals resident in India who are not minors, Hindu Undivided Families (HUFs), Limited Liability Partnerships, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or Trusts registered under the Societies Registration Act, 1860, as amended, or any other trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to non-residents including NRIs and FIIs. The Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Ahmedabad, India 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 the Red Herring Prospectus has been filed with SEBI for observations and SEBI has given its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this 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 Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been any change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Transfer Restrictions

Because the following restrictions will apply to the Issue, purchasers are advised to consult their own legal counsel prior to making any offer, resale, pledge or transfer of the Equity Shares.

Regulation S

Each purchaser of the Equity Shares outside the United States, by accepting delivery of this document, will be deemed to have represented and agreed that it is purchasing the Equity Shares outside the United States in an offshore transaction in accordance with Regulation S under the Securities Act.

Each purchaser of the Equity Shares, by accepting delivery of this document, will be deemed to have represented, agreed and acknowledged that:

- (1) It is relying on this document and not on any other information or representation concerning us or the Equity Shares and neither we nor any other person responsible for this document or any part of it, nor the BRLMs, will have any liability for any such other information or representation.
- (2) We, the BRLMs and their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each person in a Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”) who acquires any Equity Shares under the offers contemplated in this Red Herring Prospectus will be deemed to have represented and agreed that:

- (a) it is a qualified investor within the meaning of the law implementing Article 2(1)(e) of the Prospectus Directive; and
- (b) In the case of any Equity Shares acquired by a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will be deemed to have represented and agreed that the Equity Shares acquired by it in the Issue have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the BRLMs has been given to the offer or resale.

For the purposes of this representation, the expression an “offer of Equity Shares to the public” in relation to any Equity Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any 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 “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Disclaimer Clause of the BSE

The BSE has *vide* its letter dated June 3, 2010 granted permission to our Company to use the BSE’s name in this Red Herring Prospectus as the stock exchange on which our Company’s securities are proposed to be listed. The relevant extract of this letter is reproduced below:

“Bombay Stock Exchange (‘the Exchange’) has given vide its letter dated June 03, 2010, permission to this Company to use the Exchange’s name in this offer document as one of the stock exchanges on which this company’s securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or*
- ii. warrant that this Company’s securities will be listed or will continue to be listed on the Exchange; or*
- iii. take any responsibility for the financial or other soundness of this Company, its promoters, its*

management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.”

Filing

A copy of the Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, Plot No. C4-A, “G” Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051. A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, has been delivered to the RoC, The Registrar of Companies, Gujarat, Dadra & Nagar Haveli, ROC Bhavan, CGO Complex, Opposite Rupal Park Society, Near Ankur Bus Stand, Naranpura, Ahmedabad – 380 013. A copy of the Prospectus required to be filed under Section 60 of the Companies Act will be delivered for registration with the concerned RoC upon closure of the Issue and finalization of the Issue Price.

Listing

Application has been made to BSE for permission to deal in and for an official quotation of our Equity Shares. BSE will be the Designated Stock Exchange with which the basis of allotment will be finalized.

If the permission to deal in and for an official quotation of our Equity Shares is not granted by BSE, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within eight days after our Company become liable to repay it, i.e. from the date of refusal of such permission or within 10 weeks from the Bid/Issue Closing Date, whichever is earlier, then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

Our Company shall ensure that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 12 Business Days of the Bid/Issue Closing Date

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

“Any person who:

- (a) makes in a fictitious name, an application to a company for acquiring or subscription, for, any shares therein, or**
- (b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,**

shall be punishable with imprisonment for a term which may extend to five years.”

Consents

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, the Statutory Auditors, Bankers to the Company; and (b) the BRLMs, Registrar to the Issue, the domestic legal advisor to the Company and the domestic legal advisor to the Underwriters to act in their respective capacities, have been obtained and shall be filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 60 and 60B of the Companies Act.

In accordance with the Companies Act and the SEBI ICDR Regulations, Shah & Shah Associates, Chartered

Accountants, have provided their written consent for the inclusion of name as experts for statement of tax benefits dated September 14, 2010 relating to the possible tax benefits, as applicable, which is available to our Company and its shareholders and is included in this Red Herring Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus for registration with the RoC.

Expert opinion

Except for the report of Fitch Ratings India Private Limited in respect of the IPO grading of this Issue which is annexed to the Red Herring Prospectus and the “Statement of Tax Benefits” provided by Shah & Shah Associates, Chartered Accountants and such persons that are deemed to be experts under the Companies Act, we have not obtained any expert opinions.

Issue related expenses

The expenses of this Issue include, among others, underwriting commission, brokerage and selling commission, fees to SCSBs for ASBA applications, fees to the Registrar to the Issue, printing and distribution expenses, legal fees, statutory advertisement expenses, and listing fees.

The estimated Issue expenses are as under:

Particulars	Estimated Expenses (Rs. in million)	% of Estimated Issue Size	% of Estimated Issue expenses
Fees of the BRLMs, underwriting commission, brokerage and selling commission	[●]	[●]	[●]
Fees to SCSBs for ASBA applications	As may be applicable		
Fees of the Registrar to the Issue	[●]	[●]	[●]
Printing and stationery, distribution, postage, etc.	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Others (IPO grading fees, fees to the legal counsel, stamp duty, SEBI and stock exchange filing fees, listing fees, etc.)	[●]	[●]	[●]
Total	[●]	[●]	[●]

* Table will be completed after finalization of the Issue Price

All expenses with respect to the Issue will be borne by our Company.

Fees, brokerage and selling commission payable to the Book Running Lead Managers

The total fees payable to the BRLMs (including underwriting commission and selling commission) is as stated in their respective engagement letters dated February 23, 2010 and March 15, 2010 among our Company and the BRLMs, a copy of which will be made available for inspection at our Registered Office from 10.00 a.m. to 4.00 p.m. on Business Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

Fees payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue, for processing of application, data entry, printing of Anchor Investor Confirmation of Allocation Note/CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the memorandum of understanding between our Company and the Registrar to the Issue dated March 15, 2010. A copy of this Memorandum of Understanding will be made available for inspection at our Registered Office from 10.00 a.m. to 4.00 p.m. on Business Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

The Registrar to the Issue 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 Issue to enable it to send refund orders or Allotment advice by registered post/speed post/under certificate of posting.

IPO grading

This Issue has been graded by Fitch Ratings India Private Limited and has been assigned the grade of “IPO Grade 3/5” indicating average fundamentals, through its letter dated July 22, 2010. The IPO grading is assigned on a five point scale from 1 to 5 wherein an “IPO Grade 5” indicates strong fundamentals and an “IPO Grade 1” indicates poor fundamentals. A copy of the report provided by Fitch Ratings India Private Limited, will be made available for inspection at our Registered Office from 10.00 a.m. to 4.00 p.m. on Business Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

Summary of rationale for grading by the IPO Grading Agency

A copy of the report provided by Fitch Ratings India Private Limited, furnishing the rationale for its grading will be annexed to the Red Herring Prospectus and will be available for inspection at our Registered Office from 10:00 am to 4:00 p.m. on Business Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

Previous rights and public issues

We have not made any previous rights and public issues, and are an “Unlisted Company” in terms of the SEBI ICDR Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI ICDR Regulations.

Previous issues of Equity Shares otherwise than for cash

Except as stated in the Sections titled “Capital Structure” and “History and Certain Corporate Matters” beginning on pages 72 and 145, respectively, of this Red Herring Prospectus, we have not issued any Equity Shares for consideration other than for cash.

Underwriting Commission and Brokerage on Previous Issues

We have not made any previous public issues. Therefore, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring for, or agreeing to procure subscription for any of the Equity Shares of our Company since its inception.

Companies under the same Management

Other than as disclosed in the section titled “History and Certain Corporate Matters” on page 145 of this Red Herring Prospectus, there are no companies under the same management within the meaning of former section 370 (1B) of the Companies Act. No company under the same management as our Company within the meaning of Section 370(1B) of the Companies Act has made any public issue (including any rights issues to the public) during the last three years.

Promise v/s performance

Our Company is an “Unlisted Company” in terms of the SEBI ICDR Regulations, and this Issue is an “Initial Public Offering”. Further, we have no listed Group Companies.

Outstanding debentures, bonds, redeemable preference shares and other instruments issued by our Company

Our Company has no outstanding debentures or bonds. The Company has issued redeemable preference shares in the past, which have been redeemed. For details, please refer to the section titled “Capital Structure” beginning on page 72 of this Red Herring Prospectus.

Stock market data for our Equity Shares

This being an initial public issue of our Company, the Equity Shares of our Company are not listed on any stock exchange.

Mechanism for redressal of investor grievances

The memorandum of understanding entered into by the Registrar to the Issue and us provides for retention of records with the Registrar to the Issue for a period of at least three years from the last date of dispatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA Process may be addressed to the Registrar to the Issue with a copy to the relevant/ appropriate SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidder.

Disposal of Investor Grievances by the Company

We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven Business Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

For further details, please refer to the Section titled “Our Management” beginning on page 161 of this Red Herring Prospectus.

We have also appointed Mr. Pradyotsen Shukla as the Compliance Officer for this Issue and he may be contacted at the registered office of our Company. His contact details are as follows:

Mr. Pradyotsen Shukla
Address: Claris Corporate Headquarters, Near Parimal Railway Crossing,
Ellisbridge, Ahmedabad- 380 006
Tel: 079 - 26563331
Fax: 079 - 26408053/26565879
E-mail: <mailto:ipo.corp@clarislifesciences.com>

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

Disposal of investor grievances by listed companies under the same management as the Company

No company under the same management as our Company within the meaning of Section 370(1B) of the Companies Act has made any public issue (including any rights issues to the public) during the last three years.

Change in Auditors

There have been no changes in the Company’s auditors in the last 3 years.

Capitalisation of reserves or profits

The details regarding capitalisation of reserves are enumerated in the Section titled “Capital Structure” beginning on page 72 of this Red Herring Prospectus. Other than as mentioned therein, we have not capitalised any of our reserves or profits.

Revaluation of assets

We have not revalued our assets in the last five years.

SECTION 9 : ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, the SCRR, our Memorandum of Association and Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, the Bid cum Application Form, the Revision Form, the Anchor Investor Confirmation of Allocation Note, CAN 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 Issue. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, the Stock Exchange, RBI, RoC, FIPB and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for the Issue

The Board of Directors has, pursuant to a resolution passed at its meeting held on February 23, 2010, authorised this Issue subject to the approval of the shareholders of our Company, and such other authorities as may be necessary.

The shareholders of our Company have, pursuant to a resolution dated April 7, 2010, under Section 81(1A) of the Companies Act, authorised this Issue.

The IPO Committee, pursuant to its resolutions dated April 19, 2010 and November 18, 2010 has approved and authorised the Draft Red Herring Prospectus and this RHP, respectively.

Our Company has obtained an in-principle listing approval dated June 3, 2010 from the BSE.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of our Memorandum and Articles of Association and shall rank *pari passu* with the existing Equity Shares including rights in respect of dividends. The Allottees of the Equity Shares in this Issue shall be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see the section titled “Main Provisions of the Articles of Association” on page 319 of this Red Herring Prospectus.

Mode of Payment of Dividend

Our Company shall pay dividend to the shareholders of our Company in accordance with the provisions of the Companies Act.

Face value and Issue Price

The Equity Shares with a face value of Rs. 10 each will be issued in terms of the Red Herring Prospectus at a price of Rs. [●] per share. The Price Band is Rs. [●] to Rs. [●]. At any given point of time, there shall be only one denomination for the Equity Shares of our Company, subject to applicable laws. The Anchor Investors will be issued shares at a price of [●] per Equity Shares.

Option to Subscribe

Equity Shares being offered through the Red Herring Prospectus can be applied for in dematerialized form only.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles, the equity shareholders of our Company shall have the following rights:

- right to receive dividends, if declared;
- right to attend general meetings and exercise voting powers, unless prohibited by law;
- right to vote on a poll either in person or by proxy;

- right to receive offers for rights shares and be allotted bonus shares, if announced;
- right to receive surplus on liquidation, subject to any statutory or other preferential claims being satisfied;
- right of free transferability of Equity Shares, subject to applicable foreign direct investment policy, foreign exchange regulations and other applicable laws; and
- such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreement executed with the Stock Exchange, and our Company's Memorandum and Articles of Association.

For further details on the main provisions of our Company's Articles of Association including those dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, please refer to the section titled "Main Provisions of our Articles of Association" beginning on page 319 of this Red Herring Prospectus.

Market Lot and Trading Lot

As per the applicable law, the allotment and trading of our Equity Shares shall only be in dematerialised form for all investors. Since trading of our Equity Shares will be in dematerialised form, the tradable lot is one Equity Share. In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialised form. Allotment in this Issue will be done only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares to successful Bidders.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Ahmedabad, India.

Nomination Facility to the Investor

In accordance with Section 109A of the Companies Act, the sole or 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 transferred, 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 in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/ transfer/ alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can be made only on the prescribed form available on request at the registered office of our Company or at the registrar and transfer agent of our Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, 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 ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in this Issue will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the applicant would prevail. If the investors require a change to their nomination, they are requested to inform their respective Depository Participant.

Minimum subscription

If our Company does not receive the minimum subscription of 90% of the Issue to the Public, including devolvement of the Underwriters, if any, within 60 days from the Bid/Issue Closing Date, our Company shall forthwith refund the entire subscription amount received forthwith, but not later than 10 weeks of the Bid/Issue Closing Date.

If at least 60% of the Issue cannot be allotted to QIBs, then the entire application money will be refunded forthwith. If there is a delay beyond the prescribed period after our Company becomes liable to pay the amount, our Company shall pay interest as per Section 73 of the Companies Act.

Our Company shall ensure that the number of prospective allottees to whom Equity Shares in the Issue will be allotted will be not less than 1,000 failing which we shall forthwith refund the entire subscription amount received.

Application by Eligible NRIs, FIIs registered with SEBI and FVCIs registered with SEBI

It is to be distinctly understood that there is no reservation for eligible NRIs and FIIs registered with SEBI or FVCIs registered with SEBI. All NRIs, FIIs and foreign venture capital funds, multi-lateral and bilateral development financial institutions and any other foreign investor applicants will be treated on the same basis with other categories for the purpose of allocation. As per existing regulations, OCBs cannot participate in the Issue.

Arrangements for disposal of odd lots

Since our Equity Shares will be traded in dematerialized form only, the market lot for our Equity Shares will be one, no arrangements for disposal of odd lots are required.

Restriction on transfer and transmission of shares

There are no restrictions on transfers and transmission of shares/ debentures and on their consolidation/ splitting except as provided in our Articles of Associations. For details, please refer to the Section titled “Main Provisions of our Articles of Association” beginning on page 319 of this Red Herring Prospectus. For details on restrictions on foreign ownership, please refer to the section titled “Regulations and Policies” beginning on page 141 of this Red Herring Prospectus.

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.

SECTION 10: ISSUE STRUCTURE

The Issue of [●] Equity Shares for cash at a price of Rs. [●] per Equity Share including a share premium of Rs. [●] per Equity Share, aggregating up to Rs. 3,000 million, is being made through the 100% Book Building Process. The Issue would constitute [●]% of the post Issue paid-up capital of our Company.

If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith.

	QIBs	Retail Individual Bidders	Non Institutional Bidders
Number of Equity Shares*	At least [●] Equity Shares	Available for Allocation of not less than [●] Equity Shares or Issue Size less allocation to QIB Bidders and allocation to Non Institutional Bidders.	Available for Allocation of not less than [●] Equity Shares or Issue Size less allocation to QIB Bidders and allocation to Retail Individual Bidders.
Percentage of Issue Size available for allotment/allocation	At least 60% of the Issue being allocated. However, up to 5% of the Net QIB Portion shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the 5% reservation will also be eligible for allocation in the remaining QIB portion. The unsubscribed portion in the Mutual Fund reservation will be available to the remaining QIBs. Up to 30% of the QIB Portion, equal to a maximum [●] of Equity Shares of the Company to be allocated to Anchor Investors on a discretionary basis, out of which [●] Equity Shares shall be reserved for domestic Mutual Funds.	Not less than 30% of the Issue or Issue less allocation to the QIB Portion and allocation to Non Institutional Bidders.	Not less than 10% of the Issue or Issue less allocation to the QIB Portion and allocation to Retail Individual Bidders.
Basis of Allotment / Allocation if respective category is oversubscribed**	Proportionate as follows: (a) [●] Equity Shares constituting 5% of the Net QIB portion shall be available for allocation on a proportionate basis to Mutual Funds. (b) [●] Equity Shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares, in multiples of [●] Equity Shares, so that the Bid Amount exceeds Rs. 200,000	[●] Equity Shares and in multiples of [●] Equity Share such that the Bid Amount does not	Such number of Equity Shares, in multiples of [●] Equity Shares, so that the Bid Amount exceeds Rs. 200,000

	QIBs	Retail Individual Bidders	Non Institutional Bidders
		exceed Rs. 200,000.	
Maximum Bid	Such number of Equity Shares not exceeding the Issue Size, subject to applicable limits.	Such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount does not exceed Rs. 200,000.	Such number of Equity Shares not exceeding the Issue Size, subject to applicable limits.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Who Can Apply ***	Public financial institutions, as specified in Section 4A of the Companies Act, scheduled commercial banks, Mutual Funds, FII's registered with SEBI other than FIIs sub-accounts who are foreign companies or foreign individuals, multilateral and bilateral development financial institutions, and State Industrial Development Corporations, permitted insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs. 250 million, pension funds with minimum corpus of Rs. 250 million in accordance with applicable law and the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India and insurance funds set up and managed by the Army, Navy or Air Force of the Union of India, eligible for bidding in this Issue.	Resident Indian individuals, eligible NRIs and HUFs (in the name of the <i>karta</i>).	Resident Indian individuals, eligible NRIs, HUFs (in the name of the <i>Karta</i>), Limited Liability Partnerships, companies, corporate bodies, scientific institutions societies and trusts and FIIs and their sub-accounts which is a foreign corporate or foreign individual.
Terms of Payment#	Bid Amount shall be payable at the time of submission of Bid cum Application Form to the BRLMs.	Bid Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Members.	Bid Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Members.
Margin amount	Full Bid Amount on bidding	Full Bid Amount on bidding	Full Bid Amount on bidding

* Subject to valid Bids being received at or above the Issue Price and in accordance with the first proviso to Rule 19(2)(b)(ii) of the SCRR, this Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue shall be allocated to Qualified Institutional Buyers on a

proportionate basis out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Issue would be available for allocation to Non Institutional Bidders and not less than 30% of the Issue would be available for allocation to Retail Individual Bidders on a proportionate basis, subject to valid bids being received from them at or above the Issue Price. Under-subscription, if any, in the Non Institutional Bidders category and the Retail Individual Bidders category would be met with the spill over from any other category at the sole discretion of our Company in consultation with the BRLMs. Such inter-se spillover if any, would be effected in accordance with applicable laws, rules, regulations and guidelines.

The Company may consider participation by Anchor Investors for up to [●] Equity Shares in accordance with applicable SEBI ICDR Regulations. Allocation to all categories, except the Anchor Investor Portion, if any, shall be made on a proportionate basis. The QIB Portion includes the Anchor Investor Portion, as per the SEBI ICDR Regulations.

- ** Mutual Funds participating in the aforesaid 5% of the QIB portion will also be eligible for allocation in the remaining QIB portion. The unsubscribed portion in the Mutual Fund reservation portion will be available to the remaining QIBs. If the aggregate demand by Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allocated proportionately to the QIBs in proportion to their Bids.*
- *** In case the Bid cum Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.*
- # In case of ASBA Bidders, SCSBs shall be authorised to block such funds in the bank accounts of the ASBA Bidders that are specified in the Bid cum Application Form.*

Withdrawal of the Issue and Conditions Subsequent to Allotment

The Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before the Board meeting for Allotment. If the Company withdraws from the Issue, it shall issue a public notice within two days of the closure of the Issue. The public notice shall be issued in the same newspapers where the pre-Issue advertisements had appeared and the Company shall also promptly inform the BSE and the NSE. If the Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with an initial public offering of its Equity Shares, it shall file a fresh red herring prospectus with the SEBI.

We are also required to obtain final acknowledgement of the Prospectus from the RoC after it is filed with the RoC. Notwithstanding the foregoing, subsequent to Allotment, the Issue is also subject to obtaining the final listing and trading approval of the Stock Exchange, which the Company shall apply for only after Allotment.

Letters of Allotment or Refund Orders

The Company shall credit each beneficiary account with its Depository Participant within 12 Business Days of the date of Bid/ Issue Closing Date. Applicants having a bank account at any of the 68 centres, as mentioned in the paragraph titled 'Mode of making refunds' in the section titled "Issue Procedure" on page 282 of this Red Herring Prospectus will receive refunds only through ECS (subject to availability of all information for crediting the refund through ECS) except where the applicant is eligible to receive refunds through direct credit, NEFT or RTGS. In the case of other applicants the Company shall ensure the dispatch of refund orders, if any, of value up to Rs.1,500 by "Under Certificate of Posting", and shall dispatch refund orders above Rs.1,500, if any, by registered post or speed post at the sole or First Bidder's, sole risk within 12 Business Days of the Bid/Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter (refund advice) through ordinary post informing them about the mode of credit of refund, within 12 Business Days of the Bid/Issue Closing Date.

Interest in Case of Delay in Dispatch of Allotment Letters/ Refund Orders or Instructions to SCSBs

In accordance with the Companies Act, the requirements of the Stock Exchange and SEBI ICDR Regulations, our Company undertakes that:

- Allotment of Equity Shares shall be completed within 12 Business Days of the Bid/Issue Closing Date and credit in dematerialised form into the Bidders' demat account shall be made within 12 Business Days of the Bid/Issue Closing Date;
- Dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 12 Business Days of the Bid/Issue Closing Date would be ensured.;
- Instructions to SCSBs to unblock the funds in the relevant ASBA Account for withdrawn rejected or unsuccessful Bids shall be made within 12 Business Days of the Bid/Issue Closing Date.
- It shall pay interest at 15% per annum. if the allotment letters/ refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT, RTGS or ECS, the refund instructions have not been given to the clearing system in the disclosed manner within 12 Business Days from the Bid/Issue Closing Date or if instructions to SCSBs to unblock funds in the ASBA Accounts are not given within 12 Business Days of the Bid/Issue Closing Date.

Our Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar to the Issue. Refunds will be made by cheques, pay orders or demand drafts drawn on any one or more of the Escrow Collection Banks/ Refund Banker(s) and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

In case of ASBA Bidders, the SCSBs will unblock funds in the ASBA Account to the extent of the refund to be made based on instructions received from the Registrar to the Issue.

Bid/Issue Program

BID/ISSUE OPENS ON	November 24, 2010
BID/ISSUE CLOSES ON	November 26, 2010

Our Company may consider participation by Anchor Investors in terms of the SEBI ICDR Regulations. Anchor Investors shall submit their Bid on November 23, 2010 *i.e.* one Business Day (other than Saturdays) prior to the Bid/Issue Opening 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) during the Bidding/Issue Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form, however, on the Bid/Issue Closing Date, Bids by all Bidders shall be accepted only between **10.00 a.m. and 3.00 p.m. IST** and uploaded until (i) 4.00 p.m. (Indian Standard Time) in case of Bids by QIB Bidders and Non-Institutional Bidders where the Bid Amount is in excess of Rs. 200,000 and (ii) until 5:00 p.m., (Indian Standard Time) or such time as may be extended by BSE and NSE, in case of Bids by Retail Individual Bidders, where the Bid Amount is up to Rs. 200,000. Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date, and, in any case, no later than 3:00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, the Issuer, BRLMs, Syndicate Members and the SCSBs will not be responsible. Bids will only be accepted on days other than Saturdays or Sundays or days on which commercial banks in Mumbai, India are open for business. Bids by ASBA Bidders shall be uploaded by the SCSBs in the electronic system to be provided by the NSE and the BSE.

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid form, for a particular Bidder, the details as per physical application form of that Bidder 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 ASBA Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSB for rectified data.

On the Bid/Issue Closing Date, extension of time may be granted by the BSE and the NSE only for uploading the Bids received by Retail Individual Bidders after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid cum Application Forms and ASBA Forms as stated herein and reported by the BRLMs to the BSE and the NSE within half an hour of such closure.

Our Company in consultation with the BRLMs, reserves the right to revise the Price Band during the Bidding/Issue Period in accordance with the SEBI ICDR Regulations provided that the Cap Price is less than or equal to 120% of the Floor Price. The Floor Price can be revised upwards or downwards to a maximum of 20% of the Floor Price advertised at least one day before the Bid/Issue Opening Date.

In case of any revision in the Price Band, the Bidding/Issue Period shall be extended for 3 additional Business Days (other than Saturdays) after such revision, subject to the total Bidding/Issue Period not exceeding 10 Business Days (other than Saturdays). Any revision in the Price Band, and the revised Bidding/Issue Period, if applicable, shall be widely disseminated by notification to the BSE and the NSE, 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.

ISSUE PROCEDURE

This section applies to all Bidders. Please note that all Bidders (except Anchor Investors) can participate in the Issue through the ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to the other Bidders. Bidders applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Bidders (other than ASBA Bidders) are required to make payment of the full Bid Amount with the Bid cum Application Form. In case of ASBA Bidders, an amount equivalent to the full Bid Amount will be blocked by the SCSB.

It may be noted that pursuant to the SEBI Circular (no. CIR/CFD/DIL/2/2010) dated April 6, 2010 SEBI has decided to extend the ASBA facility to QIBs in all public issues opening on or after May 1, 2010.

In terms of to Rule 19(2)(b)(ii) of the SCRR, this being an Issue for less than 25%, but not less than 10%, of the post-Issue share capital, is being made through the 100% Book Building Process wherein at least 60% of the Issue shall be allocated on a proportionate basis to QIBs, out of which 5% (excluding the portion of Anchor Investors) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIB Bidders including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. The QIB Portion shall include the Anchor Investor Portion in accordance with SEBI ICDR Regulations. If at least 60% of the Issue cannot be allotted to QIB Bidders, then the entire application money will be refunded forthwith. In addition, in accordance with Rule 19(2)(b) of the SCRR, a minimum of two million securities are being offered to the public and the size of the Issue shall aggregate to at least Rs. 1,000 million. Further, not less than 10% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received from them at or above the Issue Price. Bidders may participate in this Issue through ASBA by providing the details of their respective bank accounts in which the corresponding Bid Amounts will be blocked by Self Certified Syndicate Banks. The Company may allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price. Allocation to Anchor Investors shall be on a discretionary basis.

Bidders are required to submit their Bids through the Syndicate. Further, QIB Bids (other than QIB Bids through ASBA) can be procured only through the BRLMs or their affiliates. In the case of QIB Bidders (other than QIB Bidders through ASBA), our Company, in consultation with the BRLMs, may reject Bids at the time of acceptance of the Bid cum Application Form provided that the reasons for such rejection shall be disclosed to such Bidder in writing. In the cases of Non-Institutional Bidders and Retail Individual Bidders, our Company will have a right to reject the Bids only on technical grounds.

Single bid from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines.

Investors should note that Allotment to all successful Bidders will only be in dematerialised form. Bidders will not have the option of receiving Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchange.

Please note that Dr. Pravin P. Shah is the non-executive chairman and an independent director on the Board of our Company and also a non-executive independent director on the board of directors of JM Financial. Accordingly, in compliance with proviso to regulation 21A (1) and explanation (iii) to regulation 21A (1) of the SEBI (Merchant Bankers) Regulations, 1992, read with Regulation 110 and Schedule XX of the SEBI ICDR Regulations, JM Financial would be involved only in the marketing of the Issue.

Bid cum Application Form

Bidders (other than ASBA Bidders) are required to submit their Bids through the Syndicate. Such Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of the Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids. ASBA Bidders shall submit an ASBA Bid cum Application Form either in physical or electronic form, or directly to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the ASBA Bid cum Application Form only. The ASBA Bid cum Application Form will also be available on the websites of the BSE and the NSE at least one day prior to the Bid/Issue

Opening Date and shall bear an unique application number. The BRLMs and the SCSBs will provide the hyperlink to BSE or NSE on their websites. Only QIBs can participate in the Anchor Investor Portion and such Anchor Investors cannot submit their Bids through the ASBA process.

Upon despatch of CANs and filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completion and submission of the Bid cum Application Form to a member of the Syndicate/SCSBs/Designated Branches, the Bidder is deemed to have authorised the Company to make the necessary changes in the Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour of Bid cum Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs applying on a repatriation basis, FIIs and their sub-accounts registered with SEBI other than a sub-account which is a foreign corporate or foreign individual, FVCIs, registered Multilateral and Bilateral Development Financial Institutions and other Non-Residents applying on a repatriation basis	Blue
Anchor Investors	White
ASBA Bidders bidding through a physical form	White

**Bid cum Application forms for Anchor Investors have been made available at the office of the BRLMs.*

In accordance with the SEBI ICDR Regulations, only QIBs can participate in the Anchor Investor Portion.

Bidders (other than ASBA Bidders) are required to submit their Bids through the Syndicate. Such Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of the Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids. ASBA Bidders shall submit an ASBA Bid cum Application Form either in physical or 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 ASBA Bid cum Application Form only. The ASBA Bid cum Application Form will also be available on the websites of the BSE and the NSE at least one day prior to the Bid/Issue Opening Date and shall bear an unique application number. The BRLMs and the SCSBs will provide the hyperlink to BSE or NSE on their websites. Only QIBs can participate in the Anchor Investor Portion and such Anchor Investors cannot submit their Bids through the ASBA process.

Upon despatch of CANs and filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completion and submission of the Bid cum Application Form to a member of the Syndicate/SCSBs/Designated Branches, the Bidder is deemed to have authorised the Company to make the necessary changes in the Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

Who can Bid?

1. Persons eligible to invest under all applicable laws, rules, regulations and guidelines;
2. Indian nationals resident in India who are not minors in single or joint names (not more than three);
3. Hindu Undivided Families in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids by HUFs would be considered at par with those from individuals;
4. Eligible NRIs on a repatriation basis or a non-repatriation basis subject to compliance with applicable laws.
5. Sub accounts of FII's registered with SEBI, which are foreign corporates or foreign individuals, only under the Non-Institutional Bidders category and FII's registered with SEBI and sub accounts of FII's which are not foreign corporates or foreign individuals under the QIB portion;
6. State industrial development corporations;

7. Insurance companies registered with the Insurance Regulatory and Development Authority, India;
8. Provident Funds with a minimum corpus of Rs. 250 million and who are authorised under their constitution to invest in equity shares;
9. Pension funds with a minimum corpus of Rs. 250 million and who are authorised under their constitution to invest in equity shares;
10. Limited Liability Partnerships, Companies, corporate bodies and societies registered under applicable laws in India and authorised to invest in equity shares;
11. VCFs registered with SEBI;
12. FVCIs registered with SEBI;
13. Mutual Funds registered with SEBI;
14. Indian financial institutions, commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to the RBI regulations and the SEBI ICDR Regulations and regulations, as applicable);
15. Multilateral and bilateral development financial institutions;
16. Trusts registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts and who are authorised under their constitution to hold and invest in equity shares;
17. National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India.
18. Scientific and/or industrial research organisations in India authorised to invest in equity shares; and
19. Insurance funds set up and managed by the army, navy or air force of the Union of India.
20. As per existing regulations, OCBs cannot Bid in the Issue. For further details, please see section titled 'Terms of the Issue' beginning on page 274 of this Red Herring Prospectus.

Participation by Associates/Affiliates of the BRLMs and Syndicate Members

Associates/affiliates of the BRLMs and Syndicate Members may Bid and subscribe to Equity Shares in the Issue either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such investors. Such bidding and subscription may be on their own account or on behalf of their clients. Allotment to all investors including associates/affiliates of the BRLMs and Syndicate Members respectively shall be on a proportionate basis.

The BRLMs and Syndicate Members shall not be allowed to subscribe to the Issue including the Anchor Investor Portion in any manner except towards fulfilling their underwriting obligations.

Bids by Mutual Funds

Under the SEBI ICDR Regulations, one-third of the Anchor Investor Portion will be available for allocation to domestic Mutual Funds on a discretionary basis. An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Funds Portion. In the event that the demand is greater than [●] Equity Shares, allocation shall be made to Mutual Funds on a proportionate basis to the extent of the Mutual Funds Portion. The remaining demand by Mutual Funds shall, as part of the aggregate demand by QIB Bidders, be made available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Funds Portion.

In the 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 for which the Bid has been made.

In accordance with current regulations, the following restrictions are applicable for investments by Mutual Funds:

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry-specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up capital carrying voting rights.

Bids by Eligible NRIs

Bid cum Application Forms have been made available for Eligible NRIs at the Registered Office and with members of the Syndicate and the Registrar to the Issue.

Eligible NRI Bidders should note that only such Bids as are accompanied by payment in free foreign exchange shall be considered for Allotment under the Eligible NRI category. The Eligible NRIs who intend to make payment through the NRO Account shall use the Bid cum Application form meant for Resident Indians (white form).

In accordance with the SEBI ICDR Regulations, eligible NRIs can subscribe to this Issue under the ASBA process. For further details, see the section titled “Issue Procedure – Issue Procedure for ASBA Bidders” on page 308 of this Red Herring Prospectus.

Bids by FIIs

In accordance with the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of our post-Issue issued capital (i.e. 10% of [●] Equity Shares). In respect of an FII investing in our Equity Shares on behalf of its Sub-Accounts, the investment on behalf of each Sub-Account shall not exceed 10% of our total issued capital. As of now, the aggregate FII holding in our Company cannot exceed 24 % of our total issued capital. With the approval of the board and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100%. However, as on this date, no such resolution has been recommended to the shareholders of the company for adoption.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of regulation 15A(1) of the SEBI (Foreign Institutional Investor) Regulations, 1995, an FII or its Sub-Account may issue, deal or hold, off shore derivative instruments such as “Participatory Notes”, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed on any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of “know your client” requirements. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

Associates and affiliates of the Underwriters, including the BRLMs, that are FIIs or its sub-account may issue offshore derivative instruments against Equity Shares allocated to them in the Issue.

Bids by SEBI-registered Venture Capital Funds and Foreign Venture Capital Investors

The SEBI (Venture Capital Funds) Regulations, 1996, as amended and the SEBI (Foreign Venture Capital Investors) Regulations, 2000, as amended prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. For example, the holding by any individual VCF should not exceed 25% of the corpus of the VCF in one venture capital undertaking. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

Pursuant to the SEBI ICDR Regulations, the shareholding of SEBI-registered VCF and FVCI held in a company prior to making an initial public offering would be exempt from lock-in requirements only if the shares have been held by them for at least one year prior to the time of filing the draft prospectus with SEBI.

The above information is given for the benefit of the Bidders. The Bidders are advised to make their own enquiries about the limits applicable to them. Our Company, its Directors and officers, the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company, its Directors and officers, the BRLMs are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this 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.

Maximum and Minimum Bid Size

- a) **For Retail Individual Bidders:** The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs. 200,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 200,000. Where the Bid Amount is over Rs. 200,000 due to revision of the Bid or revision of the Price Band or on exercise of the option to Bid at Cut-Off Price, the Bid would be considered for

allocation under the Non-Institutional Portion. The Cut-Off Price option is given only to Retail Individual Bidders indicating their agreement to the Bid and to purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.

- b) **For Non-Institutional Bidders and QIB Bidders:** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 200,000 and is a multiple of [●] Equity Shares. A Bid cannot be submitted for more than the Issue size. However, the maximum Bid by a QIB should not exceed the investment limits prescribed for them under applicable laws. **Under the SEBI ICDR Regulations, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay the full Bid Amount upon submission of the Bid.**
- c) **For Bidders in the Anchor Investor Portion:** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount is at least Rs. 100 million and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than 30% of the QIB Portion. Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date and are required to pay the full bid amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay in date mentioned in the revised Anchor Investor Allocation Notice.

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 200,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 200,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Non-Institutional Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIB Bidders are not allowed to Bid at the Cut-Off Price.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus.

Refund amounts following a permitted withdrawal or rejection of a Bid shall be paid in the manner described under paragraph “Issue Procedure - Payment of Refund” beginning on page 282 of this Red Herring Prospectus.

Information for the Bidder:

1. Our Company will file the Red Herring Prospectus with the RoC at least three days before the Bid/Issue Opening Date.
2. Our Company in consultation with the BRLMs will declare the Bid/Issue Opening Date and the Bid/Issue Closing Date at the time of filing the Red Herring Prospectus with the RoC and also publish the same in an English national newspaper and a Hindi national newspaper, each with wide circulation, and a Gujarati newspaper of wide circulation in the place where our Registered Office is situated. The Floor Price is [●] times the face value and the Cap Price is [●] times the face value. The Price Band and the Minimum Bid Size will be decided by the Company in consultation with the BRLMs and advertised by our Company at least two Business Days prior to the Bid/Issue Opening Date.
3. The members of the Syndicate will circulate copies of the Bid cum Application Form to potential investors respectively, and at the request of potential investors, copies of the Red Herring Prospectus. Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and/or the Bid cum Application Form can obtain the same from the Registered Office or from any of the members of the Syndicate.
4. Eligible investors who are interested in subscribing for the Equity Shares should approach any of the BRLMs, Syndicate Members or their authorised agent(s), as applicable to register their Bids. Bidders (other than Anchor Investors) who wish to use the ASBA process should approach the SCSBs to register their Bids.
5. The Bids should only be submitted on the prescribed Bid cum Application Form. Bid cum Application Forms should bear the stamp of the member of the Syndicate. Bid cum Application Forms which do not bear the stamp of a member of the Syndicate will be rejected. Bids by ASBA Bidders will be accepted by the designated branches of the SCSBs in accordance with SEBI Regulations and any circulars issued by SEBI in this regard. Bidders (other than Anchor Investors) applying through the ASBA process also may have an

option to submit the ASBA bid cum application form through net banking facilities offered by the SCSBs.

6. The Price Band will be decided by the Company in consultation with the BRLMs and shall be published in an English national newspaper and a Hindi national newspaper, each with wide circulation, and a Gujarati newspaper of wide circulation in the place where our Registered Office is situated at least two Business Days prior to the Bid/Issue Opening Date. Further, it shall also be displayed on the website of the Company, www.clarislifesciences.com. The Bidders can Bid at any price within the Price Band, in multiples of [●] Equity Shares. In accordance with the SEBI ICDR Regulations, our Company in consultation with the BRLMs, reserves the right to revise the Price Band during the Bidding/Issue Period. The cap on the Price Band will not be more than 120% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.
7. In case the Price Band is revised, the Bidding/Issue Period shall be extended, by an additional three Business Days (other than Saturdays), subject to the total Bidding/Issue Period not exceeding 10 Business Days (other than Saturdays). The revised Price Band and Bidding/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, and by publishing it in an English national newspaper and a Hindi national newspaper, each with wide circulation, and a Gujarati newspaper of wide circulation in the place where our Registered Office is situated, and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate.
8. Our Company in consultation with the BRLMs, shall finalize the Issue Price within the Price Band, without the prior approval of, or intimation to, the Bidders.

IN CASE THE DP ID, CLIENT ID AND PAN MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC BIDDING SYSTEM OF THE BSE AND THE NSE BY THE SYNDICATE/THE SCSBS DO NOT MATCH WITH THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE RECORDS WITH THE DEPOSITORIES, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.

Method and Process of Bidding

1. Our Company along with the BRLMs shall declare the Bid/Issue Opening Date and the Bid/Issue Closing Date in the Red Herring Prospectus to be filed with the RoC and also publish the same in an English national newspaper and a Hindi national newspaper, each with wide circulation, and a Gujarati newspaper of wide circulation in the place where our Registered Office is situated. This advertisement, subject to the provisions of Section 66 of the Companies Act, shall contain the disclosure requirements as specified under Schedule XIII of the SEBI ICDR Regulations. The BRLMs and Syndicate Members shall accept Bids from the Bidders during the Bidding/Issue Period in accordance with the terms of the Syndicate Agreement. The Price Band will be decided by the Company in consultation with the BRLMs and shall be published in an English national newspaper and a Hindi national newspaper, each with wide circulation, and a Gujarati newspaper of wide circulation in the place where our Registered Office is situated at least two Business Days prior to the opening of the Issue.
2. The Bidding/Issue Period shall be for a minimum of three Business Days (other than Saturdays) and shall not exceed seven Business Days (other than Saturdays). In case the Price Band is revised, the revised Price Band and Bidding/Issue Period shall be published in an English national newspaper and a Hindi national newspaper, each with wide circulation, and in a Gujarati newspaper of wide circulation in the place where our Registered Office is situated and also by indicating the change on the website of the BRLMs and at the terminals of the members of the Syndicate. The Bidding/Issue Period shall be extended by an additional three Business Days (other than Saturdays), subject to the total Bidding/Issue Period not exceeding 10 Business Days (other than Saturdays).
3. Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid price, will become automatically invalid.

4. The Bidder cannot Bid on another Bid cum Application Form after Bid(s) on one Bid cum Application Form have been submitted to any member of the Syndicate or a SCSB, respectively. Submission of an additional Bid cum Application Form to either the same or to another member of the Syndicate or ASBA Form to any SCSB will be treated as multiple bidding and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point in time before the Allotment. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed section titled “Issue Procedure – Build-up of the Book and Revision of Bids” beginning on page 282 of this Red Herring Prospectus. Provided that Bids submitted by a QIB in the Anchor Investor Portion and in the Net QIB Portion will not be considered as Multiple Bids.
5. The members of the Syndicate will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.
6. During the Bidding/Issue Period, Bidders may approach the members of the Syndicate to submit their Bids. Every member of the Syndicate shall accept Bids from all clients/investors who place orders through them and shall have the right to vet the Bids, subject to the terms of the Syndicate Agreement and the Red Herring Prospectus.
7. Along with the Bid cum Application Form, as applicable, all Bidders will make payment in the manner described under the section titled “Issue Procedure - Terms of Payment and Payment into the Escrow Accounts” on page 282 of this Red Herring Prospectus.

Escrow Mechanism

Escrow Accounts shall be opened with one or more Escrow Collection Banks for collection of application money. The Bidders shall draw the cheque or demand draft in respect of his or her Bid and/or revision of the Bid in favour of the payee detailed under the section titled “Issue Procedure - Terms of Payment and Payment into the Escrow Accounts” on page 282 of this Red Herring Prospectus. Cheques or demand drafts received for the full Bid Amount from Bidders in a particular category would be deposited in the Escrow Accounts. The Escrow Collection Banks will act in terms of the Red Herring Prospectus, the Prospectus and the Escrow Agreement. The monies in the Escrow Accounts shall be maintained by the Escrow Collection Banks for and on behalf of the Bidders. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the monies from the Escrow Accounts to the Public Issue Account and the Refund Account as per the terms of the Escrow Agreement, the Red Herring Prospectus and the Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established to facilitate collections from the Bidders and shall be governed by the terms of the Red Herring Prospectus and the Escrow Agreement.

Terms of Payment and Payment into the Escrow Accounts

Each Bidder, shall pay the Bid Amount with the submission of the Bid cum Application Form, draw a cheque or demand draft in favour of the Escrow Accounts of the Escrow Collection Bank(s) (see the section titled “Issue Procedure - Payment Instructions” on page 282 of this Red Herring Prospectus) and submit such cheque or demand draft to the member of the Syndicate to whom the Bid is being submitted. The Bidder may also provide the Bid Amount by way of an electronic transfer of funds through the RTGS mechanism. Each QIB shall provide their Bid Amount only to a BRLM. Bid cum Application Forms accompanied by cash/stockinvest/money order shall not be accepted. The Bid Amount has to be paid at the time of submission of the Bid cum Application Form.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Banks, which will hold the monies for the benefit of the Bidders until the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds from the Escrow Accounts, as per the terms of the Escrow Agreement, the Red Herring Prospectus and the Prospectus into the Public Issue Account. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account on the Designated Date.

Each category of Bidders, *i.e.*, QIB Bidders, Non-Institutional Bidders and Retail Individual Bidders would be required to pay a uniform Bid Amount at the time of submission of the Bid cum Application Form. The Bid Amount payable by each category of Bidders is mentioned under the heading “Issue Structure” on page 277 of this

Red Herring Prospectus. If the payment is not made favouring the Escrow Accounts as stipulated above, the Bid of such a Bidder is liable to be rejected.

Where the Bidder has been allocated a lesser number of Equity Shares than he or she had Bid for, the excess amount paid on Bidding, if any, after adjustment for Allotment, will be refunded to such Bidder within 12 Business Days from the Bid/Issue Closing Date, failing which our Company shall pay interest according to the provisions of the Companies Act for any delay beyond the periods as mentioned above.

Electronic Registration of Bids

1. The members of the Syndicate and designated branches of the SCSBs will register the Bids using the on-line facilities of the stock exchange. There will be at least one on-line connectivity facility in each city where a stock exchange is located in India and where Bids are being accepted.
2. The NSE and the BSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate and their authorised agents during the Bidding/Issue Period. The members of the Syndicate can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for book building on a regular basis. On the Bid/Issue Closing Date, the members of the Syndicate and SCSBs shall upload the Bids until such time as may be permitted by the stock exchanges.
3. The aggregate demand and price for Bids registered on electronic facilities of the NSE and the BSE will be uploaded on a regular basis, consolidated and displayed on-line at all bidding centres as well as on the NSE's website at www.nseindia.com and on the BSE's website at www.bseindia.com. A graphical representation of consolidated demand and price will be made available at the bidding centres during the Bidding/Issue Period.
4. At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:
 - Name of the Bidder(s). Bidders should ensure that the name given in the Bid cum Application Form is exactly the same as the name in which the depository account is held. In case the Bid cum Application Form is submitted in joint names, Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form;
 - Investor category—Individual, Corporate, QIBs, Eligible NRI, FVCI, FII or Mutual Fund, etc.;
 - Numbers of Equity Shares Bid for;
 - Bid price;
 - Bid cum Application Form number;
 - PAN;
 - Cheque / DD number;
 - Bid Amount that has been paid upon submission of bid cum application form; and
 - Depository Participant identification number and client identification number of the demat account of the Bidder.
5. A system-generated TRS will be given to the Bidder as proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate or SCSBs as applicable. The registration of the Bid by the member of the Syndicate or SCSB does not guarantee that the Equity Shares shall be allocated either by the members of the Syndicate, SCSBs or our Company.
6. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
7. In the case of QIB Bidders, members of the Syndicate also have the right to accept the Bid or reject the Bid.

However, such rejection should be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids would not be rejected except on the technical grounds listed in this Red Herring Prospectus.

8. The permission given by the NSE and the BSE to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company or the BRLMs are cleared or approved by the NSE and the BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the Promoters, the management or any scheme or project of our Company.
9. It is also to be distinctly understood that the approval given by the BSE should not in any way be deemed or construed that the Red Herring Prospectus has been cleared or approved by the BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the BSE.
10. Details of Bids in the Anchor Investor Portion will not be registered on the online facilities of the BSE and the NSE.

Build-up of the Book and Revision of Bids

1. Bids registered by various Bidders through the members of the Syndicate or SCSBs shall be electronically transmitted to the NSE or BSE mainframe on a regular basis.
2. The book gets built up at various price levels. This information will be available from the BRLMs on a regular basis.
3. During the Bidding/Issue Period, any Bidder 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 printed Revision Form, which is a part of the Bid cum Application Form.
4. Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. The Bidder must complete the details of all the options in the Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still complete all the details of the other two options that are not being changed in the Revision Form. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.
5. The Bidder can make this revision any number of times during the Bidding/Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom the original Bid was placed.
6. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only on such Revision Form or copies thereof.
7. Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Red Herring Prospectus. In the case of QIB Bidders, the BRLMs shall collect the payment in the form of cheque or demand draft or electronic transfer of funds through RTGS for the incremental portion of the Bid Amount, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders.
8. When a Bidder revises a Bid, the Bidder shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. It is the responsibility of the Bidder to request and obtain the revised TRS, which will act as proof of revision of the original Bid.
9. Only Bids that are uploaded on the online IPO system of the NSE and the BSE shall be considered for allocation/Allotment. In the event of a discrepancy of data between the Bids registered on the online IPO system and the physical Bid cum Application Form, the decision of the BRLMs and the Designated Stock

Exchange, based on the physical records of Bid cum Application Forms shall be final and binding on all concerned.

Revision of Bids in case of Revision of Price Band

1. The Bidder can Bid at any price within the Price Band in multiples of Re. 1 (Rupee One). The Bidder has to Bid for the desired number of Equity Shares at a specific price.

Retail Individual Bidders applying for a maximum Bid in any of the bidding options not exceeding up to Rs. 200,000 may Bid at the Cut-Off Price. However, bidding at the Cut-Off Price is prohibited for QIB Bidders or Non-Institutional Bidders and such Bids from QIB Bidders and Non-Institutional Bidders shall be rejected.

2. Retail Individual Bidders who Bid at the Cut-Off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at the Cut-Off Price shall deposit the Bid Amount based on the Cap Price in the Escrow Accounts. In the event that the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders who Bid at Cut-Off Price, such Bidder shall receive the refund of the excess amounts from the Escrow Accounts in the manner described under the section titled "Issue Procedure - Payment of Refund" on page 282 of this Red Herring Prospectus.
3. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders, who had Bid at the Cut-Off Price could either (i) revise their Bid or (ii) make additional payment based on the higher cap of the revised Price Band (such that the total amount i.e., the original Bid Amount plus additional payment does not exceed Rs. 200,000 if the Bidder wants to continue to Bid at the Cut-Off Price), with the members of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the Red Herring Prospectus. In case of Retail Individual Bidders who do not revise the Bid or make additional payment, where the Issue Price is higher than the cap of the Price Band before revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of Allotment, such that no additional payment would be required from such Bidder and the Bidder is deemed to have approved such revised Bid at the Cut-Off Price.
4. In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have Bid at the Cut-Off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Accounts. In case of downward revision in the Price Band, the number of Equity Shares Bid for shall be adjusted upwards to the higher Bid lot for the purpose of Allotment.
5. In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size and the Bid lot shall remain [●] Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of Rs. 5,000 to Rs. 7,000.

Price Discovery and Allocation

1. After the Bid/Issue Closing Date, the BRLMs shall analyze the demand generated at various price levels and discuss the pricing strategy with our Company.
2. Our Company in consultation with the BRLMs shall finalize the Issue Price.
3. Allocation to Anchor Investors shall be at the discretion of the Company with the BRLM, subject to compliance with ICDR Regulations.
4. The Allotment to QIBs will be at least 60% of the Issue, on a proportionate basis and the availability for allocation to Non-Institutional and Retail Individual Bidders will be not less than 10% and 30% of the Issue, respectively, on a proportionate basis, in a manner specified in the SEBI ICDR Regulations and this Red Herring Prospectus, in consultation with the Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price. If at least 60% of the Issue cannot be Allotted to QIBs then the entire application money will be refunded.

5. In case of over-subscription in all categories, at least 60% of the Issue shall be available for allocation on a proportionate basis to QIBs, out of which 5% shall be reserved for Mutual Funds. Mutual Funds participating in the 5% share in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. However, if the aggregate demand by Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares from the portion specifically available for allocation to Mutual Funds in the QIB Portion will be added to the QIB Portion and be allocated proportionately to the QIBs in proportion to their Bids.
6. Under-subscription, if any, in the Retail and Non-Institutional categories, would be allowed to be met with spill-over from any other category or combination of categories at the sole discretion of our Company, in consultation with the BRLMs. However, if the aggregate demand by Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the QIB Portion and be Allotted proportionately to the QIB Bidders.
7. Allotment to Eligible NRIs, FIIs, Sub-Accounts, or Mutual Funds or FVCIs will be subject to applicable laws, rules, regulations, guidelines and approvals.
8. Our Company in consultation with the BRLMs, reserve the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before the Allotment, without assigning any reason thereof.
9. In terms of the SEBI ICDR Regulations, QIBs shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.
10. The BRLMs, in consultation with the Company, shall notify the members of the Syndicate of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.
11. Our Company, in consultation with the BRLMs, reserves the right to reject any Bid procured from QIB Bidders, by any or all members of the Syndicate. Rejection of Bids made by QIBs, if any, will be made at the time of submission of Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing.

Signing of Underwriting Agreement and RoC Filing

- (a) Our Company, the BRLMs and the Syndicate Members shall enter into the Underwriting Agreement upon finalization of the Issue Price.
- (b) After signing the Underwriting Agreement, our Company will update and file the Red Herring Prospectus with RoC, which then will be termed "Prospectus". The Prospectus will have details of the Issue Price, Issue size, underwriting arrangements and will be complete in all material respects.

Filing of the Red Herring Prospectus and the Prospectus with the RoC

We will file a copy of the Red Herring Prospectus and the Prospectus with the RoC in terms of sections 56, 60 and 60B of the Companies Act.

Announcement of pre-Issue Advertisement

Subject to section 66 of the Companies Act, our Company shall, after receiving final observations, if any, on this Red Herring Prospectus from the SEBI, publish an advertisement, in the form prescribed by the SEBI ICDR Regulations, in an English national newspaper and a Hindi national newspaper, each with wide circulation, and a Gujarati newspaper of wide circulation in the place where our Registered Office is situated.

Advertisement regarding Issue Price and Prospectus

A statutory advertisement will be issued by our Company after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price along with a table showing the number of Equity Shares and the amount payable by an investor. Any material updates between the date of the Red Herring Prospectus and the Prospectus shall be included in such statutory advertisement.

Issuance of Confirmation of Allotment Notice

- (a) Upon approval of the Basis of Allotment by the Designated Stock Exchange and Allotment of the Equity Shares, the Registrar shall send to the Bidders who have been Allotted Equity Shares a confirmation of allotment notice. The approval of the Basis of Allotment by the Designated Stock Exchange for QIB Bidders (including Anchor Investors) may be done simultaneously with or prior to the approval of the Basis of Allotment for the Retail and Non-Institutional Bidders. However, Bidders should note that our Company shall ensure that the Allotment of the Equity Shares is done within 12 Business Days of the Bid/Issue Closing Date.
- (b) The Registrar will then dispatch a CAN to the Bidders who have been Allotted Equity Shares. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares Allotted to such Bidder.

Notice to Anchor Investors: Anchor Investor Confirmation of Allocation Notice, Allotment Reconciliation and CAN

A physical book will be 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 Company and the BRLMs, select Anchor Investors may be sent an Anchor Investor Confirmation of Allocation Notice, within two Business Days of the Anchor Investor Bidding Date, indicating the number of Equity Shares that may be allocated to them. This provisional Anchor Investor Confirmation of Allocation Notice and the final allocation is subject to the physical application being valid in all respect along with receipt of stipulated documents, the Issue Price being finalised at a price not higher than the Anchor Investor Issue Price and Allotment by the Board of Directors. In the event that the Issue Price is higher than the Anchor Investor Issue Price, a CAN will be sent to the Anchor Investors. The price of Equity Shares in such CAN shall be different from that specified in the Anchor Investor Confirmation of Allocation Notice. Anchor Investors should note that they shall be required to pay additional amounts, being the difference between the Issue Price and the price at which such Anchor Investors made their original Bid, as indicated in the CAN within two Business Days after the Bid/Issue Closing Date. Any CAN, if issued, will supersede in entirety the Anchor Investor Confirmation of Allocation Notice.

Designated Date and Allotment

- (a). The Company will ensure that the Allotment of Equity Shares is done within 12 Business Days of the Bid/Issue Closing Date. After the funds are transferred to the Public Issue Account on the Designated Date, the Company would ensure the credit to the successful Bidders depository account within 12 Business Days from Bid/ Issue Closing Date.
- (b) As per Section 68B of the Companies Act, Allotment of the Equity Shares will be only in dematerialised form to the allottees.
- (c) Successful Bidders will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated to them pursuant to this Issue.

GENERAL INSTRUCTIONS

DOs:

- (a) Check if you are eligible to apply having regard to applicable laws, rules, regulations, guidelines and approvals and the terms of the Red Herring Prospectus;
- (b) Ensure that you Bid within the Price Band;
- (c) Read all the instructions carefully and complete the Bid cum Application Form;
- (d) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as Equity Shares will be Allotted in dematerialised form only;
- (e) Ensure that you have collected a TRS for all your Bid options;

- (f) Submit Revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;
- (g) Except for Bids submitted on behalf of the Central Government or the State Government and officials appointed by a court, all Bidders should mention their PAN allotted under the IT Act;
- (h) Ensure that the DP ID & Client ID and PAN mentioned in the Bid cum Application Form match with the DP ID & Client ID and PAN available in the depository database;
- (i) Ensure that the demographic details (as defined in the section titled “Issue Procedure – Bidder’s Depository Account and Bank Account Details” on page 282 of this Red Herring Prospectus) are updated, true and correct in all respects;
- (j) Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate or with respect to ASBA Bidders ensure that your Bid is submitted at a Designated Branch of the SCSB where the ASBA Bidder or the person whose bank account will be utilised by the ASBA Bidder for Bidding has a bank account;
- (k) With respect to ASBA Bids ensure that the ASBA 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 ASBA Form;
- (l) Ensure that you have funds equal to the Bid Amount in your bank account maintained with the SCSB before submitting the ASBA Form to the respective Designated Branch of the SCSB; and
- (m) Instruct your respective banks to not release the funds blocked in the bank account under the ASBA process.

DON'Ts:

- (a) Do not Bid for lower than the minimum Bid size;
- (b) Do not Bid or revise Bid to a price that is less than the Floor Price or higher than the Cap Price;
- (c) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;
- (d) Do not pay the Bid amount in cash, by money order, by postal order, or by stock investment;
- (e) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate or the SCSBs only;
- (f) Do not Bid at the Cut-Off Price (for QIB Bidders and Non-Institutional Bidders);
- (g) Do not Bid such that the number of Equity Shares bid for exceeds the Issue size and/or the investment limit or the maximum number of 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 this Red Herring Prospectus;
- (h) Do not Bid at Bid Amount exceeding Rs. 200,000 for in case of a Bid by a Retail Individual Bidder; and
- (i) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

Bidders can obtain Bid cum Application Forms and/or Revision Forms from the members of the Syndicate.

Bids and Revisions of Bids for all Bidders

Bids and revisions of Bids must be:

1. Made only on the prescribed Bid cum Application Form or Revision Form, as applicable (white, or blue).

2. Made in a single name or in joint names (not more than three, and in the same order as their Depository Participant details).
3. Completed in full, in BLOCK LETTERS in English and in accordance with the instructions contained herein, on the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected.
4. Bids from the Retail Individual Bidders must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter subject to a maximum Bid Amount of Rs. 200,000.
5. For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 200,000 and in multiples of [●] Equity Shares thereafter. Bids cannot be made for more than the Issue size. Bidders are advised to ensure that a single Bid from them does not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws and regulations.
6. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bidder's Depository Account and Bank Account Details

Bidders should note that on the basis of the PAN, Depository Participant's name, Depository Participant identification number and beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository, demographic details of the Bidders such as their address, PAN, occupation and bank account details (hereinafter referred to as "Demographic Details") for printing on refund orders or giving credit through NECS, RTGS or Direct Credit. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in credit of refunds to Bidders at the Bidders' sole risk and neither the BRLMs nor its Company its Directors and officers, shall have any responsibility or undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details on the Bid cum Application Form.

IT IS MANDATORY FOR ALL THE BIDDERS TO RECEIVE THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER AND PAN IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN ON THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IF THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND SUCH JOINT NAMES ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR ON THE BID CUM APPLICATION FORM.

These Demographic Details will be used for all correspondence with the Bidders including mailing of the refund orders/NECS credit for refunds/direct credit of refund/CANs/Anchor Investor Confirmation of Allocation Note/NEFT or RTGS for refunds and printing of Company particulars on the refund order. The Demographic Details given by Bidders in the Bid cum Application Form will not be used for any other purposes by the Registrar to the Issue.

By signing the Bid cum Application Form, the Bidder will be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund orders/allocation advice/Anchor Investor Confirmation of Allocation Note/CAN would be mailed to the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/allocation advice/Anchor Investor Confirmation of Allocation Note/CANs may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form would be used only to ensure re-dispatch of refund orders. Please note that any such delay shall be at the Bidder's sole risk and neither our Company, its Directors and officers, Escrow Collection Banks, the BRLMs nor the Registrar to the Issue shall

be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or pay any interest for such delay. **In case of refunds through electronic modes as detailed in this Red Herring Prospectus, Bidders may note that refunds may get delayed if bank particulars or the MICR code obtained from the Depository Participant are incorrect or incomplete.**

Where no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidder's (including the order of names of joint holders), the Depository Participant's identity and the beneficiary's identity, then such Bids are liable to be rejected.

Bids by Non-Residents, including Eligible NRIs, FIIs and FVCIs on repatriation basis

Bids and revision to the Bids must be made:

1. On the Bid cum Application Form or the Revision Form, as applicable (blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
2. In a single name or joint names (not more than three and in the same order as their Depository Participant details).
3. Eligible NRIs for a Bid Amount of up to Rs. 200,000 would be considered under the Retail Portion for the purposes of allocation and for a Bid Amount of more than Rs. 200,000 would be considered under Non-Institutional Portion for the purposes of allocation. Other Non-Resident Bidders must Bid for a minimum of such number of Equity Shares and in multiples of [●] that the Bid Amount exceeds Rs. 200,000. For further details, see the section titled "Issue Procedure - Maximum and Minimum Bid Size" on page 282 of this Red Herring Prospectus.
4. In the names of individuals, or in the names of FIIs, FVCIs, etc but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding Eligible NRIs) or their nominees.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only, at the rate of exchange prevailing at the time of remittance, net of bank charges and/or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will 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 will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE Accounts, details of which are received from the Depositories as part of the demographic details of the First Bidder/ sole Bidder. Our Company, its Directors and officers will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

It is to be distinctly understood that there is no reservation for Non-Residents, including Eligible NRIs, FIIs and FVCIs and all Non-Residents will be treated on the same basis with other categories for the purpose of allocation.

As per the existing policy of the GoI, OCBs cannot participate in this Issue. Further, NRIs, who are not Eligible NRIs and sub-accounts of FIIs which are foreign corporates or foreign individuals, are not permitted to participate in this Issue.

As per the current regulations, the following restrictions are applicable for investments by FIIs:

No single FII can hold more than 10% of the post-Issue paid-up capital of our Company. In respect of an FII investing in our Equity Shares on behalf of its Sub-Accounts, the investment on behalf of each Sub-Account shall not exceed 10% of our total issued capital.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 15(A)(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII or its Sub-Account may issue, deal or hold, offshore derivative instruments such as participatory notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "know your client" requirements. An FII or Sub-Account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, 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 and articles of association and/or bye laws must be lodged along with the Bid cum Application Form as applicable. Failing this, our Company reserves the right to reject such Bids in whole or in part without assigning reasons thereof.

In case of the Bids made pursuant to a power of attorney by FIIs, FVCIs, VCFs and Mutual Funds, 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 their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to reject such Bid in whole or in part without assigning reasons thereof. Our Company in its absolute discretion, reserves 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 BRLMs may deem fit without assigning reasons thereof.

Bids made by Insurance Companies

In case of the Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to reject such Bids in whole or in part without assigning reasons thereof.

Bids made by Provident Funds

In case of the Bids made by provident funds, subject to applicable law, with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

PAYMENT INSTRUCTIONS

Escrow Accounts shall be opened with the Escrow Collection Banks for the collection of the Bid Amount payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation in the Issue. Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation as per the following terms:

Payment into Escrow Accounts

1. The Bidders shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Accounts and submit the same to the members of the Syndicate.
2. The Bidders shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Accounts and submit the same to the members of the Syndicate. The payment instruments for payment into the Escrow Accounts should be drawn in favour of:
 - (a) In the case of Resident QIB Bidders: “Claris Lifesciences - IPO - Escrow Account - QIB - R”.
 - (b) In the case of Non-Resident QIB Bidders: “Claris Lifesciences - IPO - Escrow Account - QIB - NR”.
 - (c) In the case of Resident Retail and Non-Institutional Bidders: “Claris Lifesciences - IPO – Escrow Account - R”.
 - (d) In the case of Non-Resident Retail and Non-Institutional Bidders: “Claris Lifesciences – IPO - Escrow Account - NR”.
 - (e) In case of Resident Anchor Investors: “Claris Lifesciences - IPO - Escrow Account - Anchor - R”.

- (f) In case of Non-Resident Anchor Investors: “Claris Lifesciences - IPO - Escrow Account - Anchor - NR”.
3. In the case of Bids by Eligible NRIs applying on a repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of NRO Account of the Non-Resident Bidder bidding on a repatriation basis. Payment by draft should be accompanied by a bank certificate confirming that the draft has been issued by debiting a NRE Account or a FCNR Account.
 4. In the case of Bids by Eligible NRIs applying on a non-repatriation basis, the payments must be made by Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application, remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of an NRO Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or a FCNR or an NRO Account.
 5. In case of Bids by FIIs and FVCIs the payment should be made out of funds held in a special rupee account along with documentary evidence in support of the remittance. Payment by draft should be accompanied by a bank certificate confirming that the draft has been issued by debiting a special rupee account.
 6. Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on Bidding, after adjustment towards the balance amount payable on the Equity Shares allocated, will be refunded to the Bidder from the Refund Account.
 7. The monies deposited in the Escrow Accounts will be held for the benefit of the Bidders until the Designated Date.
 8. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Accounts as per the terms of the Escrow Agreement, the Red Herring Prospectus and the Prospectus into the Public Issue Account.
 9. No later than 12 Business Days from the Bid/Issue Closing Date, the Escrow Collection Banks shall refund all amounts payable to unsuccessful Bidders (other than ASBA bidders) and the excess amount paid on Bidding, if any, after adjusting for allocation to the Bidders.
 10. **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. 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 are liable to be rejected. Cash/stockinvest/money orders/postal orders will not be accepted.**
 11. Bidders are advised to mention the number of application form on the reverse of the cheque/demand draft to avoid misuse of instruments submitted along with the Bid cum Application Form.
 12. In case clear funds are not available in the Escrow Accounts as per final certificates from the Escrow Collection Banks, such Bids are liable to be rejected.

Payment by Stockinvest

Under the terms of the RBI Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the option to use the stockinvest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn. Accordingly, payment through Stockinvest will not be accepted in this Issue.

Submission of Bid cum Application Form

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or

drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid.

Separate receipts shall not be issued for the money payable on the submission of Bid cum Application Forms or Revision Forms. However, the collection centre of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all refund payments will be made in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same. In this regard, all Bids will be checked for common DP ID/Client ID and common PAN **as per Depository records** and all such Bids will be treated as multiple Bids and are liable to be rejected.

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.

Permanent Account Number

Except for Bids on behalf of the Central or State Government and officials appointed by courts, the Bidders, or in the case of a Bid in joint names, each of the Bidders, should mention his/her PAN allotted under the IT Act. **In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. Any Bid cum Application Form without the PAN is liable to be rejected, except for residents 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.** It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN, as the Bid is liable to be rejected on this ground.

With effect from August 16, 2010, the DEMAT accounts of Bidders for which PAN details have not been verified shall be “suspended credit” and no credit of equity shares pursuant to the issue shall be made into accounts of such Bidders.

Right to reject Bids by our Company

In case of QIB Bidders, our Company, in consultation with the BRLMs, may reject Bids provided that the reason for rejecting the Bid shall be provided to such Bidders in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company will have a right to reject Bids based on technical grounds only. Consequent refunds shall be made as described in this Red Herring Prospectus and will be sent to the Bidder’s address at the Bidder’s risk.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected on, *inter alia*, the following technical grounds:

1. Amount paid is less than the amount payable for the highest value of Equity Shares Bid for;
2. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;

3. Bids by persons not competent to contract under the Indian Contract Act, 1872 including minors (except through their natural/legal guardian); and insane persons;
4. PAN not stated, or GIR number furnished instead of PAN;
5. Bids for lower number of Equity Shares than specified for that category of investors;
6. Age of first bidders not given;
7. Submission of Bids by Anchor Investors through ASBA process;
8. Bids at a price less than the lower end of the Price Band;
9. Bids at a price more than the higher end of the Price Band;
10. Bids at Cut-Off Price by Non-Institutional Bidders and QIB Bidders;
11. Bids for a number of Equity Shares, which are not in multiples of [●];
12. Category not ticked;
13. Multiple Bids;
14. In the case of a Bid under power of attorney or by limited companies, corporates, trusts etc., relevant documents are not submitted;
15. Bids accompanied by money order/postal order/cash;
16. Signature of sole and/or joint Bidders missing;
17. Bid cum Application Form does not have the stamp of the BRLMs or the Syndicate Members;
18. Bid cum Application Form does not have the Bidder's depository account details;
19. Bid is not registered within the time prescribed and as per the instructions in the Bid cum Application Form;
20. In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary account number;
21. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
22. Bids by QIBs not submitted through members of the Syndicate;
23. Bids by OCBs;
24. Bids by persons who are not eligible to acquire Equity Shares under any applicable law, rule, regulation, guideline or approval, inside India or outside India;
25. Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
26. Bids by any person outside India if not in compliance with applicable foreign and Indian Law, including Bids by persons in the United States;
27. Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
28. Bids not uploaded in the Book;

29. Bids or revision thereof by QIB Bidders and Non – Institutional Bidders where the Bid amount is in excess of Rs. 200,000, uploaded after 4.00 P.M;
30. Bids which do not comply with securities laws at their specific jurisdictions.

Equity Shares in Dematerialised form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Equity Shares in this Issue shall be Allotted only in a dematerialised form (i.e., not in the form of physical certificates but fungible statements issued in electronic mode).

In this context, two tripartite agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- (a) an agreement dated July 16, 2008, among NSDL, our Company and the Registrar to the Issue; and
 - (b) an agreement dated February 15, 2008 among CDSL, our Company and the Registrar to the Issue.
- Bidders will be Allotted Equity Shares only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.
1. A Bidder applying for Equity Shares must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the Bid.
 2. The Bidder must necessarily fill in the details (including the beneficiary account number and Depository Participant's identification number) appearing on the Bid cum Application Form and Revision Form.
 3. Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.
 4. Names in the Bid cum Application Form, Bid Revision Form should be identical to those appearing in the account details with the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details with the Depository.
 5. If incomplete or incorrect details are given under the heading "Bidders Depository Account Details" in the Bid cum Application Form or Bid Revision Form, it is liable to be rejected.
 6. The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form or vis-à-vis those recorded with his or her Depository Participant.
 7. Equity Shares in electronic form can be traded only on the Stock Exchange having electronic connectivity with NSDL and CDSL. BSE has electronic connectivity with CDSL and NSDL.
 8. The trading of the Equity Shares would be in dematerialised form only for all investors in the demat segment of the Stock Exchange.

COMMUNICATIONS

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or first Bidder, Bid cum Application Form number or ASAB number, details of Depository Participant, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate or SCSB where the Bid was submitted and cheque or draft number and issuing bank thereof.

Anchor Investor Portion

Our Company may consider participation by Anchor Investors in the Issue for up to [●] Equity Shares in accordance with the applicable SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Business Day (other than Saturdays) prior to the Bid/Issue Opening Date. The QIB Portion shall be reduced to the extent of allocation under the Anchor Investor Portion. In accordance with the SEBI ICDR Regulations, the key terms for participation in the Anchor Investor Portion are as follows:

- (a) Anchor Investors shall be QIBs as defined in the SEBI ICDR Regulations.
- (b) The Anchor Investor Bid must be for a minimum of such number of Equity Shares so that the Anchor Investor Bid Amount exceeds Rs. 100 million and in multiples of [●] Equity Shares thereafter. An Anchor Investor Bid cannot be submitted for more than the Anchor Investor Portion. For the purposes of this clause, Bids by individual schemes of the same Mutual Fund will be clubbed together to calculate the minimum application of Rs. 100 million.
- (c) One-third of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds.
- (d) The bidding for Anchor Investors shall open one Business Day (other than Saturdays) before the Bid/Issue Opening Date and shall be completed on the same day.
- (e) The Company, in consultation with the BRLMs, shall finalize allocation to the Anchor Investors on a discretionary basis subject to a minimum of 2 Anchor Investors for allocation of up to Rs. 2,500 million and 5 Anchor Investors for allocation of more than Rs. 2500 million.
- (f) The number of Equity Shares allocated to the Anchor Investors and the price at which the allocation is made, shall be made available in public domain by the BRLMs before the Bid/Issue Opening Date.
- (g) Anchor Investors shall pay the Bid Amount at the time of submission of the Anchor Investor Bid.
- (h) In the event that the Issue Price is greater than the Anchor Investor Issue Price, the additional amount being the difference between the Issue Price and the Anchor Investor Issue Price shall be paid by the Anchor Investors on the Pay-in Date. In the event the Issue Price is lower than the Anchor Investor Issue Price, the Allotment to Anchor Investors shall be at the Anchor Investor Issue Price.
- (i) The Equity Shares Allotted in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.
- (j) The BRLMs or any person related to the BRLMs / Promoters / Group Companies shall not participate in the Anchor Investor Portion.
- (k) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.
- (l) The payment instruments for payment into the Escrow Account should be drawn in favour of:
 - In case of Resident Anchor Investors: “Claris Lifesciences - IPO - Escrow Account - Anchor - R”
 - In case of Non-Resident Anchor Investor: “Claris Lifesciences - IPO - Escrow Account - Anchor -NR”

PAYMENT OF REFUND

Bidders should note that on the basis of the PAN, Depository Participant's name, Depository Participant identification number and beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the Bidder's bank account details including a nine digit MICR code. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in credit of refunds to Bidders, as the case may be, at the Bidder's sole risk and neither our Company, its Directors and officers, the Syndicate Members, the Escrow Collection Banks, the BRLMs nor the Registrar to the Issue shall have any responsibility and undertake any liability for the same.

Mode of making refunds

The payment of refund, if any, would be done through various modes in the following order of preference:

1. NECS - Payment of refund would be done through ECS for applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of the

abovementioned centres, except where the applicant, being eligible, opts to receive refund through direct credit or RTGS.

2. NEFT - Payment of refund may be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code, which can be linked to a MICR code, if any, available to that particular bank branch. IFSC will be obtained from the website of RBI as at a date immediately prior to the date of payment of refund, duly mapped with MICR code of the Bidder's bank. Wherever the applicants have registered the nine digit MICR code of the branch of the bank where they are having their account and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC of that particular bank branch and the payment of refund will be made to the applicants through this method.
3. Direct Credit - Applicants having their bank account with the Refund Banker shall be eligible to receive refunds, if any, through direct credit. Charges, if any, levied by the Refund Bank(s) for the same will be borne by our Company.
4. RTGS - Where the refund amount exceeds Rs. 1 million, the same shall be remitted through RTGS on the basis of the MICR code of the Bidder as per the Depository's records and the corresponding IFSC code of the Bidder available from the RBI Master. Charges, if any, levied by the applicant's bank receiving the credit will be borne by the applicant.
5. For all the other applicants, including applicants who have not updated their bank particulars along with the nine-digit MICR Code, the refund orders will be dispatched "Under Certificate of Posting" for refund orders of value up to Rs. 1,500 and through Speed Post/Registered Post for refund orders of Rs. 1,500 and above. Refunds will be made by cheques, pay orders or demand drafts drawn on the Refund Banker(s) which shall be payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Interest on refund of excess Bid Amount

Our Company shall pay interest at the rate of 15% p.a. on the excess Bid Amount received if refund orders are not dispatched or if instructions to SCSBs are not issued for unblocking ASBA Accounts within the prescribed period for any delay beyond such prescribed time period.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEY AND INTEREST IN CASE OF DELAY

Our Company shall ensure dispatch of Allotment advice, transfer advice or refund orders and submit the documents pertaining to the Allotment to the Stock Exchange within 12 Business Days of the Bid/Issue Closing Date. Our Company and the Registrar shall file confirmation of demat credit with the Stock Exchange within 12 Business Days of the Bid/Issue Closing Date. Our Company shall dispatch refunds above Rs. 1,500, if any, by registered post or speed post at the sole or first Bidder's sole risk, except for refunds through the NECS facility or RTGS or Direct Credit.

In case of applicants who receive refunds through NECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 12 Business Days from the Bid/ Issue Closing Date. A suitable communication shall be sent to the bidders receiving refunds through this mode within 12 Business Days of Bid/ Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

Our Company shall use its best efforts to ensure that all steps for completion of the necessary formalities for Allotment and trading at the Stock Exchange where the Equity Shares are proposed to be listed are taken within 12 Business Days of the Bid/Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI ICDR Regulations, the Company further undertakes that:

- Allotment of Equity Shares is done within 12 Business Days of the Bid/Issue Closing Date. After the funds are transferred to the Public Issue Account on the Designated Date, the Company would ensure the credit to the successful Bidders depository account within 12 Business Days of the Bid/Issue Closing Date;

- Dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 12 Business Days of the Bid/Issue Closing Date would be ensured;
- Instructions to SCSBs for unblocking ASBA Accounts shall be issued within 12 Business Days of the Bid/Issue Closing Date; and
- They shall pay interest at 15% p.a. for any delay beyond the prescribed time period as mentioned above.

Our Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar to the Issue.

Save and except for refunds effected through the electronic mode, i.e., NECS, NEFT, direct credit or RTGS, refunds will be made by cheques, pay orders or demand drafts drawn on a bank appointed by us, as a Refund Banker which shall be payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

“Any person who:

- (a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or*
- (b) otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name,*

shall be punishable with imprisonment for a term which may extend to five years”.

ALLOTMENT

Basis of Allotment

A. For Retail Individual Bidders

- Bids received from Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all successful Retail Individual Bidders will be made at the Issue Price.
- The Issue size less Allotment to Non-Institutional Bidders and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the valid Bids in this portion are less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Retail Individual Bidders to the extent of their valid Bids.
- If the valid Bids in this portion are greater than [●] Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis of not less than [●] Equity Shares and in multiples of one Equity Share thereafter. For the method of proportionate basis of allocation, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Issue size less allocation to QIB Bidders and Retail Individual Bidders shall be available for

allocation to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the valid Bids in this portion are less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their valid Bids.
- If the valid Bids in this portion are greater than [●] Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis of not less than [●] Equity Shares and in multiples of one Equity Share thereafter. For the method of proportionate basis of allocation, refer below.

C. For QIB Bidders

- Bids received from QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allocation to QIB Bidders will be made at the Issue Price.
- The QIB Portion shall be available for allocation to QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
- Allotment shall be undertaken in the following manner:
 - (a) Allotment to Anchor Investors shall be made in accordance with the SEBI ICDR Regulations.
 - (b) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion shall be determined as follows:
 - (i) After allotment to Anchor Investors, if Bids from Mutual Funds exceed 5% of the QIB Portion, allocation to Mutual Funds shall be made on a proportionate basis of not less than [●] Equity Shares and in multiples of one Equity Share thereafter up to 5% of the QIB Portion.
 - (ii) If the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
 - (iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available to QIB Bidders as set out in (b) below.
 - (c) In the second instance allocation to all Bidders shall be determined as follows:
 - (i) In the event of an oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be Allotted Equity Shares on a proportionate basis of not less than [●] Equity Shares and in multiples of one Equity Share thereafter for up to 95% of the QIB Portion.
 - (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 of not less than [●] Equity Shares and in multiples of one Equity Share thereafter along with other QIB Bidders.
 - (iii) Under-subscription below 5% of the Mutual Fund Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

The BRLMs, the Registrar to the Issue and the Designated Stock Exchange shall ensure that the basis of Allotment is finalized in a fair and proper manner in accordance with the SEBI ICDR Regulations. The drawing of lots (where required) to finalize the basis of Allotment shall be done in the presence of a public representative on the Governing Board of the Designated Stock Exchange.

Procedure and Time of Schedule for Allotment and demat Credit of Equity Shares

The Issue will be conducted through a “100% Book Building Process” pursuant to which the members of the Syndicate will accept Bids for the Equity Shares during the Bidding/Issue Period. The Bidding/Issue Period will commence on November 24, 2010 and expire on November 26, 2010. Following the expiration of the Bidding/Issue Period, our Company in consultation with the BRLMs, will determine the Issue Price. Our Company in consultation with the BRLMs will determine the basis of allocation and entitlement to Allotment based on the Bids received and subject to confirmation by the Designated Stock Exchange. Successful bidders will be provided with a confirmation of their allocation (subject to a revised confirmation of allocation) and will be

required to pay any unpaid amount for the Equity Shares within a prescribed time. The SEBI ICDR Regulations require our Company to complete the Allotment and refund of excess application monies to successful bidders within 12 Business Days of the expiration of the Bidding/Issue Period. The Equity Shares will then be credited and Allotted to the investors' demat accounts maintained with the relevant Depository Participant. Upon approval by the Stock Exchange, the Equity Shares will be listed and trading will commence.

Method of proportionate Basis of Allotment

In the event the Issue is oversubscribed, the Allotment shall be as per the basis of allocation approved by the Designated Stock Exchange. The executive director or managing director of the Designated Stock Exchange along with the BRLMs and the Registrar to the Issue shall be responsible for ensuring that the basis of Allotment is finalized in a fair and proper manner. Allotment to Bidders shall be made in marketable lots on a proportionate basis as explained below:

- (a) Bidders will be categorised according to the number of Equity Shares applied for by them.
- (b) The total number of Equity Shares to be Allotted to each category as a whole shall 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 oversubscription ratio.
- (c) The number of Equity Shares to be Allotted to the successful Bidders will be arrived at on a proportionate basis, which is the total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the oversubscription ratio.
- (d) If the proportionate Allotment to a Bidder is a number that is more than [●] but is not a multiple of one (which is the market lot), the decimal will 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 will be rounded off to the lower whole number. Allotment to all Bidders in such categories shall be arrived at after such rounding off.
- (e) In all Bids where the proportionate Allotment is less than [●] Equity Shares per Bidder, the Allotment shall be made as follows:
 - Each successful Bidder shall be Allotted a minimum of [●] Equity Shares; and
 - The successful Bidders out of the total Bidders for a portion shall be determined by the drawing 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 (c) above.
- (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 portion, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance of Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for the minimum number of Equity Shares.

Illustration of Allotment to QIBs (other than Anchor Investors) and Mutual Funds ("MF")

Issue details

Particulars	Issue details
Issue size	200 million Equity Shares
Allocation to QIB (at least 60% of the Issue)	120 million Equity Shares
Of which:	
a. Reservation For Mutual Funds, (5%)	6 million Equity Shares
b. Balance for all QIBs including Mutual Funds	114 million Equity Shares
Number of QIB applicants	10
Number of Equity Shares applied for	500 million Equity Shares

Details of QIB Bids

S. No.	Type of QIBs	No. of shares bid for (in million)
1.	A1	50
2.	A2	20
3.	A3	130
4.	A4	50
5.	A5	50
6.	MF1	40
7.	MF2	40
8.	MF3	80
9.	MF4	20
10.	MF5	20
11.	Total	500

* A1-A5: (QIBs other than Mutual Funds), MF1-MF5 (QIBs which are Mutual Funds) Details of Allotment to QIBs Applicants

Type of QIB	Shares bid for	Allocation of 5% Equity Shares	Allocation of 95% Equity Shares	Aggregate allocation to Mutual Funds
(I)	(II)	(III)	(IV)	(V)
	<i>(Number of equity shares in million)</i>			
A1	50	0	11.52	0
A2	20	0	4.60	0
A3	130	0	29.94	0
A4	50	0	11.52	0
A5	50	0	11.52	0
MF1	40	1.2	8.97	9.68
MF2	40	1.2	8.97	9.68
MF3	80	2.4	17.96	20.36
MF4	20	0.6	4.49	5.09
MF5	20	0.6	4.49	5.09
	500	6	114	49.99

1. The illustration presumes compliance with the requirements specified in this Red Herring Prospectus in the section titled “Issue Structure” beginning on page 277 of this Red Herring Prospectus.
2. Out of 114 million Equity Shares allocated to QIBs, 6 million (i.e., 5%) will be Allotted on a proportionate basis among 5 Mutual Fund applicants who applied for 200 million Equity Shares in the QIB Portion.
3. The balance 108 million Equity Shares i.e., 114 - 6 (available for Mutual Funds only) will be Allotted on a proportionate basis among 10 QIB Bidders who applied for 500 million Equity Shares (including 5 Mutual Fund applicants who applied for 200 million Equity Shares).
4. The figures in the fourth column entitled “Allocation of balance 114 million Equity Shares to QIBs proportionately” in the above illustration are arrived at as explained below:

For QIBs other than Mutual Funds (A1 to A5) = Number of Equity Shares Bid for \times 114/494

For Mutual Funds (MF1 to MF5) = (No. of shares bid for (i.e., in column II of the table above) less Equity Shares Allotted (i.e., column III of the table above) \times 114/494

The numerator and denominator for arriving at the allocation of 114 million Equity Shares to the 10 QIBs are reduced by 6 million shares, which have already been Allotted to Mutual Funds in the manner specified in column III of the table above.

Undertakings by our Company

Our Company undertakes as follows:

- that complaints received in respect of this Issue shall be dealt with expeditiously and satisfactorily;
- that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 12 Business Days of the Bid/Issue Closing Date;
- that the funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
- that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 12 Business Days of the Bid/Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- that the refund orders or Allotment advice to the Non-Resident Bidders shall be dispatched within the specified time;
- no further issue of Equity Shares shall be made until the Equity Shares offered through the Red Herring Prospectus and the Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.; and
- that adequate arrangements shall be made to collect all ASBA Forms and all ASBA applications shall be considered similar to other applications while finalizing the basis of Allotment.

The Board of Directors certifies that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in section 73(3) of the Companies Act;
- details of all monies utilised out of the Issue shall be disclosed under an appropriate heading in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
- details of all unutilised monies out of the Issue, if any, shall be disclosed under the appropriate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested; and
- our Company shall not have recourse to the proceeds of the Issue until the final listing and trading approval from the Stock Exchange has been obtained.

ISSUE PROCEDURE FOR ASBA BIDDERS

This section is only to facilitate better understanding of aspects of the procedure for bidding which is specific to ASBA Bidders. ASBA Bidders should nonetheless read this document in its entirety

Our Company, its Directors and officers, the BRLMs are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Form is correctly filled up, as described in this section.

The list of banks who have been notified by SEBI to act as SCSBs for the ASBA are provided at <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the ASBA Form, please refer the above mentioned SEBI link.

ASBA Process

A Bidder, other than Anchor Investors, can submit his Bid through an ASBA Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Bidder or bank account utilised by the ASBA Bidder is maintained. The SCSB shall block an amount equal to the Bid Amount in the ASBA Account specified in the ASBA Form, physical or electronic, on the basis of an authorisation to this effect given by the

account holder at the time of submitting the ASBA Bid. The ASBA Bid data shall thereafter be uploaded by the SCSB in the electronic IPO system of the BSE and the NSE. The Bid Amount shall remain blocked in the ASBA Account until finalization of the basis of Allotment and consequent transfer of the Bid Amount against the allocated Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Bid, as the case may be. Once the basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful ASBA Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

ASBA Form

An ASBA Bidder shall use the ASBA Form obtained from the Designated Branches for the purpose of making an ASBA Bid in terms of the Red Herring Prospectus. ASBA Bidders are required to submit their bids under the Issue, either in physical or electronic mode. In case of application in physical mode, the ASBA Bidder shall submit the ASBA Form at the Designated Branch. In case of application in electronic form, the ASBA Bidder shall submit the ASBA Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Bids. For further information on how to complete ASBA Forms, see the section titled “Issue Procedure - Instructions for Completing the ASBA Form” on page 282 of this Red Herring Prospectus.

- The ASBA Bidders can submit only one ASBA Form. After determination of the Issue Price, the number of Equity Shares Bid for by the ASBA Bidders will be considered for allocation along with the other Bidders who have Bid for the Equity Shares.
- In the ASBA Form, the ASBA Bidder shall, *inter alia*, give the following confirmations/declarations:
 - a. That he/she is an ASBA Bidder as per the SEBI ICDR Regulations;
 - b. That he/she has authorized the SCSBs to do all acts as are necessary to make an application in the Issue, upload his/her Bid, block or unblock the funds in the ASBA Account and transfer the funds from the ASBA Account to the Public Issue Account after finalization of the basis of Allotment entitling the ASBA Bidder to receive Equity Shares in the Issue etc.; and
 - c. That he/she has authorized the Registrar to the Issue to issue instructions to the SCSBs to unblock the funds in the ASBA Account upon finalization of the basis of Allotment and to transfer the requisite money to the Public Issue Account.
- An ASBA Bidder cannot Bid under the Issue, either in physical or electronic mode, on another ASBA Form or Bid cum Application Form after bidding on one ASBA Form either in physical or electronic mode. Submission of a second ASBA Form to either the same or another Designated Branch or a Bid cum Application to the members of the Syndicate will be treated as multiple Bid and will be liable to be rejected either before entering the Bid into the electronic Bidding System, or at any point of time prior to the Allotment of Equity Shares in the Issue.
- Upon submission of the ASBA Form to the Designated Branch, the ASBA Bidder is deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

Maximum and Minimum Bid Size for ASBA Bidders

The ASBA Bid, in case of a Retail Individual Bidder cannot exceed [●] Equity Shares in order to ensure that the total ASBA Bid Amount blocked in respect of such ASBA Bidder does not exceed Rs. 200,000. The ASBA Bid, in case of Non Institutional Bidders must be for a minimum of [●] Equity Shares and cannot exceed [●] Equity Shares.

Information for the ASBA Bidders:

1. Our Company will file the Red Herring Prospectus with the RoC at least three days before the Bid/Issue

Opening Date.

2. Our Company, the BRLMs will declare the Bid/Issue Opening Date and the Bid/Issue Closing Date at the time of filing the Red Herring Prospectus with the RoC and also publish the same in an English national newspaper and a Hindi national newspaper, each with wide circulation, and a Gujarati newspaper of wide circulation in the place where our Registered Office is situated. The Price Band and the Minimum Bid Size will be decided by the Company in consultation with the BRLMs and advertised by the Company at least two Business Days prior to the Bid/Issue Opening Date.
3. ASBA Bidders who would like to obtain the Red Herring Prospectus and/or the ASBA Form, can obtain the same from the Designated Branches. ASBA Bidders can also obtain a copy of the Red Herring Prospectus and/or the ASBA Form in electronic form on the websites of the SCSBs.
4. The ASBA Bids should be submitted to the SCSBs in the prescribed ASBA Form if applied in physical mode. SCSBs may provide the electronic mode of bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the ASBA Account. For further information on how to complete ASBA Forms, see the section titled "Issue Procedure - Instructions for Completing the ASBA Form" on page 282 of this Red Herring Prospectus.
5. The Price Band has been fixed at Rs. [●] to Rs. [●] per Equity Share. In accordance with the SEBI ICDR Regulations, our Company in consultation with the BRLMs, reserves the right to revise the Price Band during the Bidding/Issue Period. In case of revision, the cap on the Price Band will not be more than 120% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.
6. Our Company, in consultation with the BRLMs, shall finalize the Issue Price within the Price Band, without the prior approval of, or intimation to, the ASBA Bidders.
7. Our Company, the BRLMs shall declare the Bid/Issue Opening Date and the Bid/Issue Closing Date in the Red Herring Prospectus to be filed with the RoC and also publish the same in an English national newspaper and a Hindi national newspaper, each with wide circulation, and in a Gujarati newspaper of wide circulation in the place where our Registered Office is situated. The Price Band and the Minimum Bid Size will be decided by the Company in consultation with the BRLMs and advertised by the Company at least two Business Days prior to the Bid/Issue Opening Date. This advertisement, subject to the provisions of Section 66 of the Companies Act, shall contain the disclosure requirements as specified under Schedule XIII of the SEBI ICDR Regulations. The SCSBs shall accept ASBA Bids from the ASBA Bidders during the Bidding/Issue Period.
8. The Bidding/Issue Period shall be for a minimum of three Business Days (other than Saturdays) and shall not exceed 10 Business Days (other than Saturdays). In case the Price Band is revised, the revised Price Band and Bidding/Issue Period will be published in an English national newspaper and a Hindi national newspaper, each with wide circulation, and a Gujarati newspaper of wide circulation in the place where our Registered Office is situated and also by indicating the change on the website of the BRLMs and at the terminals of the members of the Syndicate. The Bidding/Issue Period shall be extended by an additional three Business Days (other than Saturdays), subject to the total Bidding/Issue Period not exceeding 10 Business Days (other than Saturdays).

Mode of Payment

Upon submission of an ASBA Form with the SCSB, whether in physical or electronic mode, each ASBA Bidder shall be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch to block the Bid Amount in the ASBA Account.

An ASBA Form should not be accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account.

SCSBs shall block the Bid Amount in the ASBA Account. The Bid Amount shall remain blocked in the ASBA Account until finalization of the basis of Allotment or withdrawal/failure of the Issue or withdrawal/failure of the ASBA Bid, as the case may be. In the event the ASBA Account does not have a sufficient credit balance for the Bid Amount, the ASBA Bid shall be rejected by the SCSB and no funds shall be blocked in the that ASBA

Account.

On the Designated Date, the SCSBs shall unblock and transfer the Bid Amount from the ASBA Account for successful Bids into the Public Issue Account and the balance amount, if any, shall be unblocked.

Electronic Registration of Bids

Upon receipt of the ASBA Form, the Designated Branch shall register and upload the Bid. **The BRLMs, our Company and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Bids accepted by SCSBs, Bids uploaded by SCSBs, Bids accepted but not uploaded by SCSBs or Bids accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Bids uploaded by SCSBs, the Bid Amount has been blocked in the relevant ASBA Account.**

At the time of registering each Bid, the Designated Branches shall enter the information pertaining to the investor into the online system, including the following details:

- Name of the Bidder(s);
- Application number;
- Permanent account number;
- Bank Account number;
- Bid Amount;
- Number of Equity Shares Bid for;
- Depository Participant's identification No.; and
- Client identification number of the Bidder's beneficiary account.

In case of an electronic ASBA Form, the ASBA Bidder shall himself fill in all the above mentioned details, except the application number which shall be system generated. The SCSBs shall thereafter upload all the abovementioned details in the electronic bidding system provided by the BSE and the NSE.

A system generated TRS will be given to the ASBA Bidder upon request as proof of the registration of the Bid. **It is the ASBA Bidder's responsibility to obtain the TRS from the Designated Branches.** The registration of the Bid by the Designated Branch does not guarantee that the Equity Shares Bid for shall be Allocated to the ASBA Bidders. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

The BSE and the NSE offers a screen-based facility for registering Bids for the Issue which will be available on the terminals of Designated Branches during the Bidding/Issue Period. The Designated Branches can also set up facilities for offline electronic registration of Bids subject to the condition that they will subsequently upload the offline data file into the online facilities for book building on a regular basis. On the Bid/Issue Closing Date, the Designated Branches shall upload the Bids till such time as may be permitted by the BSE and the NSE.

Unblocking of ASBA Account

Once the basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branches for unblocking the ASBA Accounts and for the transfer of requisite amount to the Public Issue Account. On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and shall unblock excess amount, if any in the ASBA Account. However, the Bid Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch regarding finalization of the basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or withdrawal or rejection of the ASBA Bid, as the case may be.

Price Discovery and Allocation

1. After the Bid/Issue Closing Date, the Registrar to the Issue shall aggregate the demand generated under the ASBA along with the demand generated by other Bidders to determine the demand generated.
2. Our Company, in consultation with the BRLMs, shall finalize the Issue Price.
3. The Allotment to QIBs will be at least 60% of the Issue (including QIBs Bidding *via* ASBA), on a

proportionate basis and the availability for allocation to Non-Institutional and Retail Individual Bidders (including ASBA Bidders) will be not less than 10% and 30% of the Issue, respectively, on a proportionate basis, in a manner specified in the SEBI ICDR Regulations and this Red Herring Prospectus, in consultation with the Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.

4. Our Company in consultation with the BRLMs, reserve the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before the Allotment, without assigning any reason thereof.

Interest in Case of Delay in Dispatch of Allotment Letters/ Refund Orders or Instructions to SCSBs

In accordance with the Companies Act, the requirements of the stock exchange and the SEBI ICDR Regulations, our Company undertakes that:

- Allotment of Equity Shares is done within 12 Business Days of the Bid/Issue Closing Date. After the funds are transferred to the Public Issue Account on the Designated Date, the Company would ensure the credit to the successful Bidders depository account within 12 Business Days of the Bid/Issue Closing Date;
- Dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 12 Business Days of the Bid/Issue Closing Date would be ensured;
- Instructions to the SCSBs to unblock funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful Bids shall be made within 12 Business Days of the Bid/Issue Closing Date.
- They shall pay interest at 15% p.a. if the allotment letters/ refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT, RTGS or NECS, the refund instructions have not been given to the clearing system in the disclosed manner if instructions to SCSBs to unblock funds in the ASBA Accounts are not given within the prescribed time period.

Our Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar to the Issue. Refunds will be made by cheques, pay orders or demand drafts drawn on any one or more of the Escrow Collection Banks/Refund Bankers and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

In case of ASBA Bidders, the SCSBs will unblock funds in the ASBA Accounts to the extent of the refund to be made based on instructions received from the Registrar to the Issue.

Our Company shall not have recourse to the proceeds of the Issue until the approvals for trading of the Equity Shares has been received from the Stock Exchange.

Filing of the Red Herring Prospectus and the Prospectus with the RoC

We will file a copy of the Red Herring Prospectus and the Prospectus with the RoC in terms of sections 56, 60 and 60B of the Companies Act.

Announcement of Pre-Issue Advertisement

Subject to section 66 of the Companies Act, our Company shall, after receiving final observations, if any, on this Red Herring Prospectus from the SEBI, publish an advertisement, in the form prescribed by the SEBI ICDR Regulations, in an English national newspaper and a Hindi national newspaper, each with wide circulation, and a Gujarati newspaper of wide circulation in the place where our Registered Office is situated.

Advertisement regarding Issue Price and Prospectus

A statutory advertisement will be issued by our Company after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price along with a table showing the number of Equity Shares and the amount payable by an investor. Any material updates between the date of the Red Herring Prospectus and the Prospectus shall be included in such statutory advertisement.

Issuance of Confirmation of Allotment Notice

- (a) Upon approval of the Basis of Allotment by the Designated Stock Exchange and Allotment of the Equity Shares, the Registrar shall send to the Bidders who have been Allotted Equity Shares a confirmation of allotment notice. The approval of the Basis of Allotment by the Designated Stock Exchange for QIB Bidders (including Anchor Investors) may be done simultaneously with or prior to the approval of the Basis of Allotment for the Retail and Non-Institutional Bidders. However, Bidders should note that our Company shall ensure that the Allotment of the Equity Shares is done within 12 Business Days of the Bid/Issue Closing Date.
- (b) The Registrar will then dispatch a CAN to the Bidders who have been Allotted Equity Shares. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares Allotted to such Bidder.

Notice to Anchor Investors: Anchor Investor Confirmation of Allocation Notice, Allotment Reconciliation and CAN

A physical book will be 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 Company and the BRLMs, select Anchor Investors may be sent an Anchor Investor Confirmation of Allocation Notice, within two Business Days of the Anchor Investor Bidding Date, indicating the number of Equity Shares that may be allocated to them. This provisional Anchor Investor Confirmation of Allocation Notice and the final allocation is subject to the physical application being valid in all respect along with receipt of stipulated documents, the Issue Price being finalised at a price not higher than the Anchor Investor Issue Price and Allotment by the Board of Directors. In the event that the Issue Price is higher than the Anchor Investor Issue Price, a CAN will be sent to the Anchor Investors. The price of Equity Shares in such CAN shall be different from that specified in the Anchor Investor Confirmation of Allocation Notice. Anchor Investors should note that they shall be required to pay additional amounts, being the difference between the Issue Price and the price at which such Anchor Investors made their original Bid, as indicated in the CAN within two Business Days after the Bid/Issue Closing Date. Any CAN, if issued, will supersede in entirety the Anchor Investor Confirmation of Allocation Notice.

Allotment of Equity Shares

- Our Company will ensure that the Allotment of Equity Shares is done within 12 Business Days of the Bid/Issue Closing Date. After the funds are transferred from the ASBA Accounts to the Public Issue Account on the Designated Date, to the extent applicable, our Company would ensure the credit of the Allotted Equity Shares to the depository accounts of all successful ASBA Bidders' within 12 Business Days of the Bid/Issue Closing Date.
- As per the SEBI ICDR Regulations, Equity Shares will be issued, transferred and Allotted only in the dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares so Allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ Allotted to them pursuant to this Issue.

GENERAL INSTRUCTIONS

DO's:

- (b) Check if you are eligible to apply;
- (c) Ensure that you use the ASBA Bid cum Application Form specified for the purposes of ASBA process;
- (d) Read all the instructions carefully and complete the ASBA Bid cum Application Form (if the Bid is submitted in physical mode, the prescribed ASBA Bid cum Application Form is white in colour);
- (e) Ensure that you have Bid within the Price Band;
- (f) Ensure that the details of your Depository Participant and beneficiary account are correct and that your beneficiary account is activated, as Equity Shares will be Allotted in dematerialised form only;
- (g) Ensure that your Bid is submitted at a Designated Branch of an SCSB, with a branch of which the

ASBA Bidder or a person whose bank account will be utilized by the ASBA Bidder for bidding has a bank account and not to the Bankers to the Issue/Collecting Banks (assuming that such Collecting Bank is not a SCSB), to our Company or Registrar or Book Running Lead Managers to the Issue;

- (h) Ensure that the ASBA Bid cum Application Form is signed by the account holder in case the applicant is not the account holder.
- (i) Ensure that you have mentioned the correct bank account No. in the ASBA Bid cum Application Form.
- (j) Ensure that you have funds equal to the number of Equity Shares Bid for at Cut-off Price available in the ASBA Account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch of the SCSB.
- (k) Ensure that you have correctly checked the authorisation box in the ASBA Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the Designated Branch to block funds equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form in your ASBA Account maintained with a branch of the concerned SCSB.
- (l) Ensure that you receive an acknowledgement from the Designated Branch of the concerned SCSB for the submission of your ASBA Bid cum Application Form.
- (m) Ensure that you have mentioned your Permanent Account Number (“PAN”) allotted under the I.T. Act.
- (n) Ensure that the name(s) and PAN given in the ASBA Bid cum Application Form is exactly the same as the name(s) and PAN in which the beneficiary account is held with the Depository Participant. In case the ASBA Bid is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the ASBA Bid cum Application Form.
- (o) Ensure that the Demographic Details are updated, true and correct, in all respects.

DON'Ts:

- (a) Do not Bid for lower than the minimum Bid size.
- (b) Do not Bid on another ASBA or Non-ASBA Bid cum Application Form after you have submitted a Bid to a Designated Branch of the SCSB
- (c) Payment of Bid Amounts in any mode other than blocked amounts in the bank accounts maintained by SCSBs shall not be accepted under the ASBA process.
- (d) Do not send your physical ASBA Bid cum Application Form by post; instead submit the same to a Designated Branch of the SCSB only.
- (e) Do not submit the GIR number instead of the PAN Number.
- (f) Do not instruct your respective banks to release the funds blocked in the bank account under the ASBA process.

INSTRUCTIONS FOR COMPLETING THE ASBA FORM

1. Bids through ASBA must be made only in the prescribed ASBA Form (if submitted in physical mode) or electronic mode.
2. The ASBA Bid may be made in single name or in joint names (not more than three, and in the same order as their Depository Participant details).
3. Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein and in the ASBA Form.
4. The ASBA Bid, in case of Retail Individual Bidders, cannot exceed [●] Equity Shares in order to ensure that such that the total ASBA Bid Amount blocked with respect to such ASBA Bidder does not exceed Rs. 200,000. The ASBA bid in case of Non Institutional Bidders, must be for a minimum of [●] Equity Shares.
5. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the

Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

6. ASBA Bidders should correctly mention the ASBA Account number in the ASBA Form and ensure that funds equal to the Bid Amount are available in the ASBA Account before submitting the ASBA Form to the respective Designated Branch.
7. If the ASBA Account holder is different from the ASBA Bidder, the ASBA Form should be signed by the account holder as provided in the ASBA Form.
8. ASBA Bidders should correctly mention their DP ID and Client ID in the ASBA Form. For the purpose of evaluating the validity of Bids, the demographic details of ASBA Bidders shall be derived from the DP ID and Client ID mentioned in the ASBA Form.

ASBA Bidder's Depository Account and Bank Details

ALL ASBA BIDDERS SHALL RECEIVE THE EQUITY SHARES ALLOTTED TO THEM IN DEMATERIALISED FORM. ALL ASBA BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE ASBA FORM. ASBA BIDDERS MUST ENSURE THAT THE NAME GIVEN IN THE ASBA FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE ASBA FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE ASBA FORM.

ASBA Bidders should note that on the basis of name of the ASBA Bidders, Depository Participant's name and identification number and beneficiary account number provided by them in the ASBA Form, the Registrar to the Issue will obtain from the Depository, demographic details of the ASBA Bidders including address. Hence, ASBA Bidders should carefully fill in their Depository Account details in the ASBA Form.

As these demographic details would be used for all correspondence with the ASBA Bidders they are advised to update their demographic details as provided to their Depository Participants.

By signing the ASBA Form, the ASBA Bidder is deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

CANs/allocation advice would be mailed at the address of the ASBA Bidder as per the Demographic Details received from the Depositories. ASBA Bidders may note that delivery of CAN/allocation advice may be delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Note that any such delay shall be at the sole risk of the ASBA Bidders and neither of the Designated Branches, the members of the Syndicate, the Company or the Registrar to the Issue shall be liable to compensate the ASBA Bidder for any losses caused to the ASBA Bidder due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, namely, names of the ASBA Bidders (including the order of names of joint holders), the DP ID and the beneficiary account number, then such Bids are liable to be rejected.

ASBA Bidders are required to ensure that the beneficiary account is activated, as Equity Shares will be Allotted in dematerialised form only.

ASBA Bids under Power of Attorney

In case of an ASBA Bid pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the ASBA Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject such Bids. Our Company, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the ASBA Form, subject to such terms and conditions that we, in consultation with the BRLMs may deem fit.

OTHER INSTRUCTIONS

Withdrawal of ASBA Bids

The ASBA Bidders can withdraw their Bids during the Bidding/Issue Period by submitting a request for the same to the SCSBs who shall do the requisite, including deletion of details of the withdrawn ASBA Form from the electronic bidding system of the stock exchange and unblocking of the funds in the ASBA Account.

In case the ASBA Bidder wishes to withdraw the Bid after the Bid/Issue Closing Date, the same can be done by submitting a withdrawal request by the ASBA Bidder to the Registrar to the Issue. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file and give instruction to the SCSB for unblocking the ASBA Account after finalization of the basis of Allotment.

Joint ASBA Bids

ASBA Bids may be made in single or joint names (not more than three). In case of joint ASBA Bids, all communication will be addressed to the first Bidder and will be dispatched to his address.

Multiple ASBA Bids per ASBA Account

More than one ASBA Bidder may Bid for Equity Shares using the same ASBA Account, provided that the SCSBs shall not accept more than five ASBA Forms from any such ASBA Bidders with respect to any single ASBA Account.

Mechanism for revision of ASBA Bids

During the Bidding/Issue Period, an ASBA Bidder, which / who desires to revise an ASBA Bid, may submit a request with respect to the revised ASBA Bid to the SCSB which shall do the necessary, including uploading all the revised details in the electronic bidding system of the BSE and the NSE.

Permanent Account Number

The ASBA Bidder or in the case of a Bid in joint names, each of the Bidders, should mention his/her PAN allotted under the IT Act. **Applications without this information will be considered incomplete and are liable to be rejected by the SCSBs.** It is to be specifically noted that ASBA Bidders should not submit the GIR number instead of the PAN, as the Bid is liable to be rejected on this ground.

RIGHT TO REJECT ASBA BIDS

The Designated Branches shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the ASBA Account, the respective Designated Branch ascertains that sufficient funds are not available in the ASBA Account and shall not accept more than five ASBA Forms from any such ASBA Bidders with respect to any single ASBA Account.

Further, in case any DP ID, Client ID or PAN mentioned in the ASBA Form does not match with one available in the depository's database, such ASBA Bid shall be rejected by the Registrar to the Issue.

Grounds for Technical Rejections under the ASBA Process

ASBA Bidders are advised to note that Bids under the ASBA Process are liable to be rejected on, *inter alia*, the following technical grounds:

1. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
2. Bids by persons not competent to contract under the Indian Contract Act, 1872 including minors and insane persons;
3. Amount mentioned in the ASBA Form does not tally with the amount payable for the value of Equity Shares Bid for;
4. PAN not stated, or GIR number furnished instead of PAN;

5. Bids for number of Equity Shares, which are not in multiples of [●];
6. Authorisation for blocking funds in the ASBA Account not ticked or provided;
7. Multiple Bids as described in this Red Herring Prospectus;
8. In case of Bid under power of attorney, relevant documents are not submitted;
9. Signature of sole and/or joint Bidders missing in case of ASBA Forms submitted in physical mode;
10. The ASBA Form does not have the Bidder's depository account details;
11. The ASBA Form is not delivered, either in physical or electronic form, by the Bidder within the time prescribed and as per the instructions provided in the ASBA Form and the Red Herring Prospectus;
12. Inadequate funds in the ASBA Account to block the Bid Amount specified in the ASBA Form at the time of blocking such Bid Amount in the ASBA Account; and
13. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the DP ID and the beneficiary account number.
14. Submission of more than five ASBA Forms per ASBA Account.

COMMUNICATIONS

All future communication in connection with ASBA Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or first ASBA Bidder, ASBA Form number, details of Depository Participant, number of Equity Shares applied for, date of ASBA Form, name and address of the Designated Branch where the ASBA Bid was submitted and bank account number of the ASBA Account, with a copy to the relevant SCSB. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances. The SCSB shall be responsible for any damage or liability resulting from any errors, fraud or wilful negligence on the part of any employee of the concerned SCSB, including its Designated Branches and the branches where the ASBA Accounts are held.

ASBA Bidders can contact the Compliance Officer, the Designated Branch where the ASBA Form was submitted, or the Registrar to the Issue in case of any pre or post-Issue related problems such as non-receipt of credit of Allotted Equity Shares in the respective beneficiary accounts, unblocking of excess Bid Amount, etc.

Disposal of Investor Grievances

All grievances relating to the ASBA may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, Bid Amount blocked on application, bank account number of the ASBA Account number and the Designated Branch or the collection centre of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidders.

Impersonation

For details, see section titled "Issue Procedure - Impersonation" on page 282 of this Red Herring Prospectus.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY IN INSTRUCTIONS TO SCSBs BY THE REGISTRAR TO THE ISSUE

In accordance with the Companies Act, the requirements of the Stock Exchange and SEBI ICDR Regulations, we undertake that:

- Allotment of Equity Shares shall be completed within 12 Business Days of the Bid/Issue Closing Date and credit in dematerialised form into the Bidders' demat account shall be made within 12 Business Days of the Bid/Issue Closing Date;;

- Instructions for unblocking of the ASBA Bidder's Bank Account shall be made; and
- Our Company shall pay interest at 15% p.a. for any delay beyond the prescribed period mentioned above, if Allotment is not made and/or demat credits are not made to investors within the time period prescribed above or if instructions to SCSBs to unblock ASBA Accounts are not issued within the prescribed period of the Bid/Issue Closing Date.

Basis of Allocation and Method of Proportionate Basis of Allocation in the Issue

Bids received from ASBA Bidders will be considered at par with Bids received from other Bidders. No preference shall be given vis-à-vis ASBA and other Bidders. The basis of allocation to such valid ASBA and other Bidders will be that applicable to Bidders. For details, see section "Issue Procedure - Basis of Allotment" on page 282 of this Red Herring Prospectus.

Undertaking by our Company

With respect to the ASBA Bidders, our Company undertakes that adequate arrangements shall be made to collect all ASBA Forms and ASBA Bidders shall be considered similar to other Bidders while finalizing the basis of Allotment.

SECTION 11 : MAIN PROVISIONS OF OUR ARTICLES OF ASSOCIATION

Pursuant to Schedule II of the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association of the Company relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares/debentures and/or on their consolidation/splitting are detailed below:

Subject as hereinafter otherwise provided the regulations contained in Table ‘A’ in Schedule-I of the Companies Act shall apply to this Company except so far as they have been impliedly or expressly modified by what is contained in the Articles hereinafter mentioned.

DEFINITIONS

“Act” or “The Said Act”	Means the Companies Act, 1956, or any other statutory modification or re-enactment thereof for the time being in force.
“Affiliate”	shall mean and include, in respect of a Party, any Person existing as of the date of the Shareholders Agreement or at any time in the future: <ul style="list-style-type: none"> (a) Who, is Controlling, Controlled by, or is under the common Control of, the relevant Party; or (b) Where 50% (Fifty per cent) or more of the voting securities of the Party are directly or indirectly owned, legally and beneficially, by such Person; or (c) In case of Parties who are natural persons, any Relative of such Party; Without prejudice to the generality of the foregoing, “Affiliate”, in respect of the Investor shall be deemed to include, without limitation any fund, collective investment scheme, trust, partnership (including, without limitation, any co-investment partnership), special purpose or other vehicle or any subsidiary or affiliate of any of the foregoing, which is managed by the Carlyle group and in which any member of the Carlyle group is a general or limited partner;
“Association”	means any form of connection, affiliation or association with the Company, its Subsidiaries or the Promoter and Promoter Group Affiliates of the Promoter or Promoter Group, including but not limited to a connection, affiliation or association as: <ul style="list-style-type: none"> 1. a shareholder, promoter, founder or principal; 2. an employee, consultant or advisor; 3. a director, manager or officer; and/or 4. a lender or borrower of the Company, its Subsidiaries or the Affiliates of the Promoter or Promoter Group;
“The Board” or “The Board of Directors”	in relation to this Company means the Board of Directors of this Company
“Capital”	means the share capital for the time being or authorized to be raised for the purposes of the Company.
“Co-Investors”	mean Mr. Madhava Menon Shankar Narayanan, Mr. Mahesh Parasuraman, Mr. Nikhil Mohta and Mr. Manish Gaur.
“Confidential Information”	means any and all confidential or proprietary information and materials, as well as all trade secrets, belonging to the Company and/or its Subsidiaries, their Affiliates, the Promoter and Promoter Group, the Affiliates of the Promoter and Promoter Group, or to their customers, the Investor and the Co-Investors, or other third parties who furnished such information, materials, and/or trade secrets to such parties with expectations of confidentiality to the extent the receiving parties know or reasonably should know of such expectations, and includes without limitation and regardless of whether such information or materials are expressly identified as confidential or proprietary, whether or not stored in any medium:

	<p>a. technical information and materials, including but not limited to computer programs, software, databases, methods, know-how, formulae, compositions, molecular compositions, technological data, technological prototypes, processes, discoveries, machines, inventions, and similar items;</p> <p>b. business information and materials, including but not limited to financial information, business plans, business proposals, customer contract terms and conditions, pricing and bidding methodologies and data, sales data, customer or investor lists, customer or contact information, customer preferences and other business information, supplier lists, supplier contact information, supplier preferences and other business information, vendor lists, vendor contact information, vendor preferences and other business information, business partner lists, business partner contact information, business partner preferences and other business information, and similar items;</p> <p>c. information and materials relating to future plans, including but not limited to marketing strategies, new materials research, pending projects and proposals, proprietary production processes, research and development strategies, and similar items;</p> <p>d. personnel information and materials, including but not limited to employee lists and contact information, employee performance information, employee compensation information, recruiting sources, contractor and consulting information, contacts, and cost, and similar information;</p> <p>e. any information or material that gives the Company (or other discloser of information, as applicable) an advantage with respect to its competitors by virtue of not being known by those competitors;</p> <p>f. original information supplied by or on behalf of the Company, the Subsidiaries or the Investor;</p> <p>g. information relating to the Company or the Subsidiaries or the Investor or the Promoter and Promoter Group or the Affiliates of the Promoter and Promoter Group which is obtained whether (without limitation) in writing, pictorially, in machine-readable form, on floppy diskettes or orally, and whether or not marked "confidential" by any Party or its representatives from either the Company, the Subsidiaries or any of their representatives, in each case in connection with the business relationship between the Company, the Subsidiaries, the Promoter and Promoter Group and the Investor;</p> <p>h. other valuable, confidential information and materials and/or trade secrets that are customarily treated as confidential or proprietary, whether or not specifically identified as confidential or proprietary.</p> <p>Notwithstanding the above, however, no information constitutes Confidential Information if it is otherwise publicly known and in the public domain or comes into the public domain due to no fault of any of the Parties receiving such information.</p>
"The Company" or "This Company"	means Clarix Lifesciences Limited.
"Control"	together with its grammatical variations when used with respect to any Person, means and includes the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of the vote carrying securities, by contract or otherwise howsoever.
"Debentures"	means and includes debenture stock and 'Debenture Holder' means registered

	holder from time to time of the debentures of the Company.
“Directors”	means the director for the time being of the Company or as the case maybe the directors assembled at a board.
“Dividend”	Includes bonus.
“Investor Shares”	means Equity Shares held by the Investor in the Company.
“IPO”	means an offering to the public, in any applicable jurisdiction, of the equity shares of the Company.
“Losses”	includes all losses, claims, costs, and damages (whether direct, general or special, absolute, accrued, conditional or otherwise and whether or not resulting from third party claims), including interests and penalties with respect thereto and out-of-pocket expenses, including reasonable attorneys’ and accountants’ fees and disbursements, but excluding indirect, consequential or exemplary damages.
“Management Team”	means any person occupying any of the following positions or performing functions generally performed by persons occupying the following positions irrespective of the designation of such persons: Chief Executive Officer; Chief Financial Officer; Head of Operations; Head of Marketing; Regional Heads of Sales; Head of Product Development; Head of Regulatory Affairs; Head of Research and Development; Head of Manufacturing; Head of Technology; and Head of Human Resources
“Member”	means the duly registered holder from time to time of the shares of the Company and includes the subscribers to the memorandum of association of the Company and the beneficial owners as defined in clause (a) of subsection (1) of section (2) of the Depositories Act 1996.
“Meeting” or “General Meeting”	means a meeting of members duly called and constituted in accordance with these articles and any adjourned holding thereof.
“Annual General Meeting”	means a general meeting of the members held in accordance with the provisions of Section 166 of the Act and any adjourned holding thereof.
“Extraordinary General Meeting”	means a meeting of members duly called and constituted and any adjourned holding thereof.
“Register of Members”	means the register of the members to be kept pursuant to the Act.
“Parties”	means collectively the Company, the Investor, the Co-Investors, the Promoter and the Promoter Group
“Promoter”	means Mr. Arjun S. Handa and Sarjan Financial Private Limited.
“Promoter Group”	means Mr. Aditya S. Handa and Medical Technologies Limited.
“Shares”	Means Equity Shares of the Company.
“Shareholders Agreement”	means the share subscription and shareholders agreement dated March 7, 2006 executed by and between the Investor, Co-Investor, the Company, the Promoter and

	the Promoter Group and any amendments thereto.
“Securities”	means such security as maybe specified by the Securities and Exchange Board of India (SEBI) from time to time.

SHARES

Further Issue of Shares

The company may from time to time, by ordinary resolution in the General Meeting increase its share capital by the creation and issue of new shares.

- (a) Such further shares shall be offered to the persons, who, at the date of the offer, are holders of the equity shares of the Company in proportion, as nearly as circumstances admit, to the Capital paid up on those shares at that date.
- (b) Subject to the provisions of the Act, the new shares shall issued upon such terms and conditions and with such rights and privileges annexed thereto the General Meeting resolving upon the creation thereof shall direct and if no such direction be given, as the Board shall determines.
- (c) Such shares maybe issued with a preferential or qualified right as to dividends, and in the distribution of assets of the Company and conformity with section 87 and 88 of the Act.
- (d) Except in so far as otherwise, provided by the conditions of issue, or by these present, the capital raised by the creation of new shares shall be considered as part of the existing capital, shall be subject to the provisions herein contained with the reference to the payment of calls and installments, forfeiture, lien, surrender, transfer, and transmission, voting and otherwise.

Notwithstanding anything hereinbefore contained the further shares aforesaid may be offered to any persons whether or not those persons include the persons, who at the date of the offer, are the holders of equity shares of the Company in nay manner whatsoever :

- (a) if a Special Resolution to that effect is passed by the Company in general meeting; or
- (b) where no such Special Resolution is passed, if the votes cast (whether on a show of hands, or on a poll, as the case may be in favour of the proposal contained in the Resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by members, who being entitled so to do, vote in person or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.

Reduction of Share Capital

The Company may (subject to the provisions of Sections 78, 80 and 100 to 104 , both inclusive, and other applicable provisions, if any, of the Act) from time to time, by Special Resolution, reduce (a) its Share Capital (b) any Capital Redemption Reserve Account or (c) any Share Premium Account, in any manner and with and subject to any incidents, authorized and consent required by law and in particular, Capital may be paid off on the footing that it may be called up again or otherwise.

Redeemable Preference Shares

Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue Preference Shares which are or at the option of the Company are to be liable to be redeemed and the Resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption.

Shares at the Disposal of the Directors

Subject to the provisions of the Articles and the Act, the shares in the capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any one of them to such persons in such proportion and on such terms and conditions and either at a premium or at par or (subject to compliance with the

provisions of the Act) at a discount and at such times as they may from time to time think fit and proper and with the sanction of the Company in General Meeting to give to any person the option to call for or allotted shares of any class of the Company either at par or at premium or subject as aforesaid at a discount during such time and for such consideration and such option being exercisable at such times as the Directors think fit; and any shares which may be so allotted may be issued as fully paid-up shares and if so issued shall be deemed to be fully paid-up shares. The Board shall cause to be filed the returns as to allotment provided for in Section 75 of the Act. Provided that the option or right to make call on shares shall not be given to any person except with the sanction of the Company in a General Meeting.

CALLS

Board of Directors to make calls

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 calls as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board. A call may be made payable by installments.

Notice of calls

Fifteen days notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such calls shall be made.

Calls to date from resolution

A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board.

Call may be revoked

A call may be revoked or postponed at the discretion of the Board.

Liability of Joint Holders

A joint-holder of a share shall be jointly and severally liable to pay all calls in respect thereof.

Directors may extend time

The Board may, from time to time at its discretion, extend the time fixed for payment of any call, and may extend such time as to all or any of the Members who from residence at a distance or other cause, the Board may deem fairly entitled to such extension save as a matter of grace and favour.

Overdue calls to carry interest

If any Member fails to pay any call 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 Member and the Board shall be at liberty to waive payment of such interest either wholly or in part.

Sums deemed to be calls

Any sum, which by the terms of issue of a share become payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue of the same becomes payable, and in the case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

Part payment on account of call etc. not to preclude forfeiture

Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares 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 Member 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 payment of any such money, shall preclude the Company from thereafter.

Payment of unpaid share capital in advance

a) The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

b) No Member paying any such sum in advance shall be entitled to any voting rights, dividend or right to participate in profits in respect of money so advanced by him until the same would but for such payment become presently payable.

The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the company.

FORFEITURE AND LIEN

If call of installment not paid notice may be given

If any member fails to pay the whole or part of any call, installment or money due in respect of shares; by way of principal or interest on or before the day appointed for the payment of the same, or any such extension thereof, the Board may serve a notice on such member or on the person entitled to the share by transmission requiring to pay him such call, installment, or part of or any other moneys as remain unpaid together with interest accrued and all expenses.

Shares to be forfeited in default of payment

If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter before payment of all calls or installments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.

Forfeited shares to become property of the Company

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 or to any other person, upon such terms and in such manner as the Board of Directors shall think fit.

Effect of forfeiture

The forfeiture of a share shall involve extinction at the time of the forfeiture, of all interest in and all claims and demands against the Company in respect of the share and all other rights incidental to the share, except only such of those rights as by these articles are expressly saved.

Evidence of Forfeiture

A certificate in writing under the hands of two directors that the call in respect of the shares was made, and the notice thereof given and that default in payment of the call was made, and the forfeiture of the share was made by a resolution of the Board to that effect, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

Company's lien in shares

The Company shall have a first and paramount lien upon all shares (other than fully paid up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof, for on all moneys (whether presently payable or not), called or payable at a fixed time in respect of such shares and no equitable interests in any such share shall be created except upon the footing and condition that this article is to have full legal effect. Any such lien shall extend to all dividends from time to time declared in respect of shares, PROVIDED THAT the Board of Directors may, at any time, declare any share to be wholly or in part exempt from the provisions of this article.

As to enforcement of lien by sale

For the purpose of enforcing such lien, the Directors may sell the shares subject thereto in such manner as they 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 Member or some other person to execute a transfer thereof on behalf of and in the name of such Member. No such sale shall be made until such time as the moneys in respect of which such lien exists or some part thereof is presently payable or the liability in respect of which such lien exists is liable to be presently fulfilled or discharged and until notice in writing of the intention to sell shall have been served on such Member, or his heirs, executors, administrators, or other representatives or upon the persons (if any) entitled by transmission to the shares or any one or more of such heirs, executors, administrators, representatives or persons, and default shall have been made by him or them in payment, fulfill or discharge of such debts, liabilities or engagements for fourteen days after such notice.

Application of proceeds of sale

The net proceeds of any such sale after payment of the costs of such sale shall be applied in or towards the satisfaction of such debts, liabilities or engagements and the residue (if any) paid to such Member, or any of his heirs, executors, administrators, representatives or assigns or any of the persons (if any) entitled by transmission to the shares sold.

Cancellation of Share Certificates in respect of forfeited shares

Upon any sale, re-allotment or other disposal under the provisions of the preceding articles, the Certificates originally issued in respect of the relative shares shall (unless the same shall, on demand by the Company, have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the persons entitled thereto.

Share certificates

Every member shall be entitled without payment to one or more certificates in marketable lots for all the shares or debentures or debenture-stock of each class or denomination registered in his name or if the Directors so approve (upon paying such fee as the Directors so time determine) to several certificates each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three (3) months from the date of allotment, unless the conditions of issue thereof otherwise provide or within one month of the receipt of application of registration of transfer or transmission, subdivision, consolidation or renewal of any of its shares, debentures or debenture-stock, as the case may be. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Directors may prescribe and approve, provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one or several joint holders shall be a sufficient delivery to all such holder.

Renewal of share certificates

a) 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 this Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.2/- for each certificate) as the Directors shall prescribe.

Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided further that notwithstanding what is stated above, the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.

The provisions of this Article shall *mutatis mutandis* apply to debentures of the Company.

b) When a new share certificate has been issued in pursuance of Clause (a) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "Issued in lieu of Share Certificate Nosub-divided/replaced/on consolidation of shares".

c) When a new share certificate has been issued in pursuance of Clause (c) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "a duplicate issued in lieu of share certificate No.....". The word "duplicate" shall be stamped or punched in bold letters across the face of the share certificate.

d) Where a new share certificate has been issued in pursuance of Clause (a) or Clause (c) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates indicating against the name or names of the person or persons to whom the Certificate is issued the number and date of issue of the share certificate in lieu of which the new certificate is issued, and the necessary changes indicated in Register of Members by suitable cross reference in the "Remarks" column.

e) 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 blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or such other person as the Board may appoint for the purposes; and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.

f) The Managing Director of the Company for the time being or, if the Company has no Managing Director, every Director of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates except the blank forms of share certificates referred to in sub-clause (f).

g) All books referred to in sub-clause (g) shall be preserved in good order permanently.

h) The Shares in the Capital of the Company shall be numbered progressively according to their several denominations, provided however, that the provisions relating to progressive numbering shall not apply to the shares of the Company which are dematerialized or may be dematerialized in future or issued in future in dematerialized form, Except in the manner hereinbefore mentioned, no share shall be sub-divided. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.

TRANSFER AND TRANSMISSION

To be executed by transferor and transferee

Every such instrument of transfer duly stamped shall be executed by or on behalf of 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. 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 and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.

Form of transfer

The instrument of transfer of any share shall be in the prescribed form and in accordance with the requirements of Section 108 of the Act.

The Company not liable for disregard of notice prohibiting registration of a transfer

The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof as shown or appearing in the register of Members to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had 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 to 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 of Directors shall so think fit.

Directors may refuse to register transfers

Subject to the provisions of Section 111A of the Act, these Articles and other applicable provisions of the Act or any law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of or the transmission by operation of law of the right to, any shares of interest of a member in shares or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the limitation of such transmission, as the case may be, was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving limitation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.

Transfer to be presented with evidence of title

Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board of Directors may require to prove the title of the transferor, his right to transfer the shares and generally under and subject to the conditions and regulations as the Board of Directors shall, from time to time prescribe and every registered instrument of transfer shall remain in the custody of the Company until destroyed by the order of the Board of Directors. But any instrument of transfer which the Board of Directors may decline to register, shall, on demand, be returned to the person depositing the same.

No fee on transfer or transmission or power of attorney

The Board shall not charge any fee for registration of transfer or transmission or power of attorney in respect of shares or debentures of the Company.

Title to shares of deceased member

The executors or administrators of a deceased member or the holder of a succession certificate or the legal representatives in respect of the shares of a deceased member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the shares registered in the names of such member, and the Company shall not be bound to recognise such executors or administrators or holders of a succession certificate of 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 the Union of India, provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper, dispense with production of Probate or Letters of Administration or Succession Certificate the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member.

BORROWING POWERS

Power to borrow

Subject to the provisions of Sections 58A, 292 and 293 of the Act and of these Articles, the Board may, from time to time at its discretion, by a resolution passed at a Meeting of the Board, accept deposits from Members or public, either in advance of call or otherwise, and generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company provided however, where the moneys to be borrowed together with the moneys 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 (that is to say, reserves not set apart for any specific purpose) the Board shall not borrow such moneys without the consent of the Company in General Meeting.

The payment or repayment of moneys borrowed

The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit, and in particular, in pursuance of a resolution passed at a meeting of the Board (and not by Circular Resolution) by the issue of debentures or debenture stock of the Company, charged upon all or any part of the property of the Company, (both present and future) including its uncalled capital for the time being, and the debentures and the debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Terms of issue of debentures

Any debentures, debenture stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at general meetings, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in General Meeting.

PROCEEDINGS AT GENERAL MEETING

Annual General Meeting

Annual General Meeting of the Company may be convened subject to Section 166 and Section 210 of the Act by giving not less than 21 days notice in writing. Subject to the provisions of Section 171 (2) a meeting may be convened after giving a shorter notice.

Extra Ordinary General Meeting

The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any Member or Members holding in the aggregate not less than one tenth of such of the paid-up capital; as at that date carried the right of voting in regard to the matter in respect of which the requisition has been made.

Quorum at general meeting

Five members entitled to vote and present in person shall be quorum for general meeting.

Voting by show of hands in the first instance

At any general meeting, a resolution put to the vote of the meeting shall, unless a poll is demanded, be decided on a show of hands, and unless a poll is so demanded, a declaration by the Chairman that a Resolution on a show of hands, a resolution has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceeding of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of votes in favour or against such resolution.

If quorum not present meeting to be dissolved or adjourned

If, at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, the meeting convened by or upon the requisition of Members, shall stand dissolved, but in any other case the meeting shall stand adjourned to the same day in the next week or if that day is a public

holiday until the next succeeding day which is not a public holiday at the same time and place or to such other day at such other time and place within the city or town in which the Office of the Company is situate as the Board may determine, and if at such adjourned meeting 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.

The Chairman (if any) of the Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there be no such Chairman of the Directors, or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting then the Members present shall elect another Director as Chairman and if no Director be present or if all Directors present decline to take the Chair, then the members present shall elect one of their Members to be the Chairman.

Poll

Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the Meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any Member or Members present in person or by proxy and holding shares in the company which confer a power to vote on the resolution not being less than one tenth of the total voting power in respect of the resolution, or on which an aggregate sum of not less than fifty thousand Rupees has been paid up. The demand for a poll may be withdrawn at any time by the person or persons who make the demand.

Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinize the vote given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a member (not being an officer or employee of the Company) present at the meeting, provided such a member 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 the scrutineer arising from such removal or from any other cause.

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.

Time of taking poll

A poll demanded on any question of adjournment shall be taken forthwith. A poll demanded on any other question (not being relating to the election of a Chairman) shall be taken at such time not being later than forty-eight hours from the time when the demand was made and in such manner and place as the Chairman of the meeting may direct.

Chairman of general meeting

The Chairman of the Board of Directors shall be entitled to take the chair at every general meeting, or if there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting, or shall decline to take the chair, the Directors present shall elect one of them as Chairman and if no Director be present or if the Directors present decline to take the chair, then the members present shall elect one of the members to be a Chairman. If a poll is demanded on the election of the Chairman it shall be taken forthwith in accordance with the provisions of the Act and the Chairman elected on show of hands shall exercise all the powers of the Chairman under the said provisions. If some other person is elected as a result of the poll he shall be the Chairman for the rest of the meeting.

Votes of members of unsound mind

A member of unsound mind or in respect of whom order has been made by any court having jurisdiction in lunacy, may vote whether on a show of hands or on a poll by his committee or other legal guardian and any such committee or guardian may on a poll vote by proxy.

Proxies permitted

Subject to the provisions of these Articles, votes may be given either personally or by proxy.

Any member of the Company entitled to attend and vote at a meeting of the Company, shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself but a proxy so appointed shall not have any right whatever to speak at the meeting. A member present by proxy shall be entitled to vote only on a poll.

Appointment of proxy

Every proxy shall be appointed by an instrument in writing signed by the appointer or his attorney duly authorized in writing, or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorized by it.

Deposit of instrument of proxy

The instrument of a proxy, shall be deposited at the office 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 twelve months from the date of its execution.

Form of instrument appointing

An instrument appointing a proxy shall form as maybe prescribed by the Act from time to time.

Inspection of Proxies

Every member entitled to Vote at a meeting of the Company according to the provisions of these articles on any In resolution to be moved thereat, shall be entitled during the period beginning twenty-four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting to inspect proxies lodged at any time during the business hours of the Company provided not less than three days notice in writing of the intention so to inspect is given to the Company.

Validity of votes given through proxy

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy 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, insanity, revocation or transfer shall have been received at the office before the commencement of the meeting.

Time for objections to the vote

No objection shall be made to the validity of a vote except at the meeting or poll at which the vote is tendered, and every vote, whether given personally or by proxy, or by any means hereby authorized and not disallowed at such meeting or poll, shall be deemed valid for all purposes.

Admission or rejection of votes

The Chairman of any meeting shall be the sole judge of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

Custody of Instrument

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, copy thereof examined with the original, shall be delivered to the Company to remain in the custody of the Company.

DIVIDENDS

The Company In general meeting may declare dividends

Subject to the provisions of Section 205 of the Companies Act, 1956 the Company in General Meeting may declare dividends, to be paid to its Members according to their respective rights but no dividends shall exceed

the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

Interim Dividend

The Board may, from time to time, pay to the Members such interim dividend as in their judgement the position of the Company justifies.

Capital paid-up in advance carrying Interest not to earn dividend

Where capital is paid in advance of calls, such capital may carry interest but shall not be in respect thereof confer a right to dividend or participate in profits.

Dividend to be paid pro-rata

Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof dividend is paid but if and so long as nothing is paid upon any shares in the Company, dividends may be declared and paid according to the amounts of the shares.

No amount paid or credited as paid on shares in advance of calls shall be treated for the purpose of this regulation as paid on shares.

All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid. But if any share is issued on terms providing that it shall rank for dividend as from a particular date such shares shall rank for dividend accordingly.

Retention of Dividends until completion of share transfer

The Board may retain the dividends payable upon shares in respect of which any person is, under Article 66 entitled to become a Member, which any person under that Article is entitled to transfer, until such person shall become a Member in respect of such shares or shall duly transfer the same.

Dividend, etc. to joint-holders

Any one of the several persons who are registered as the joint-holders of any share may give effectual receipts for all dividends or bonus and payment on account of dividends or bonus or other moneys payable in respect of such shares.

No Member to receive dividend whilst indebted to the Company and Company's right to reimbursement thereof

No Member shall be entitled to receive payment of any interest or dividend in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever either alone or jointly with any other person or persons; and the Board may deduct from the interest or dividend payable to any Member all sums of money so due from him to the Company.

Dividend in respect of the shares transferred

A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

Manner of payment of dividend

Unless otherwise directed, any dividend may be paid by cheque or warrant or by a pay slip or receipt having the force of a cheque or warrant sent through the post to the registered address of Member or person entitled or in case of joint holder to that one of them first named in the Register in respect of the joint holder. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be responsible for any cheque or warrant or pay slip or receipt lost in transmission or for any dividend lost to the Member or person entitled thereto by the forged signature of any pay slip or receipt or the fraudulent recovery of

the dividend by any other means.

Interest on dividends

Where the Company has declared a dividend but which has not been paid, or claimed within 30 days from the date of declaration to any shareholder entitled to the payment of dividend, the Company shall within 7 days from the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank, to be called “Clariss Lifesciences Limited Unpaid Dividend Account”.

Any money transferred to the unpaid dividend account of a company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund established under section 205C of the Act.

No unclaimed or unpaid dividend shall be forfeited by the Board.

Dividend and call together

Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the Members of such amount as the meeting fixes, but so that the call on each Member shall not exceed the dividend payable to him and so that the call may be made payable at the same time as the dividend and the dividend may, it so arranged between the Company and the Members, be set off against the call.

Capitalisation of Profits

The Company in General Meeting may, upon the recommendation of the Board, resolve;

a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account, or otherwise available for distribution; and

b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in clause (3), either in or towards:

- i) paying up any amounts for the time being unpaid on any shares held by such Member respectively;
- ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up to and amongst such Members in the proportions aforesaid; or
- iii) partly in the way specified in sub-clause (i) and partly in that specified in sub- clause (ii).

A share premium account and a capital redemption reserve account may, for the purpose of this Regulation, only be applied in the paying up of unissued shares to be issued to Members of the Company as fully paid bonus shares.

Qualification shares by Directors

The directors shall not be required to hold any qualification shares.

The Board may appoint, from time to time, one or more of their Members to be the Managing Director or Joint Managing Director or Wholetime Director or Deputy Managing Director or Manager of the Company on such terms and on such remuneration (whether by way of salary or commission, or partly in one and partly in another) as they may think fit. Managing Directors so appointed shall not while holding that office, be subject to retirement by rotation or taken into account in determining the rotation of retirement of directors, but their appointment shall be subject to determination ipso facto if they cease from any cause to be a director or if the Company in General Meeting resolve that their tenure of the office of Managing Director be determined.

Subject to the provisions of the Act, the Directors may from time to time entrust and confer upon a Managing Director for the time being such of the powers exercisable upon such terms and conditions and with such restrictions as they may think fit either collaterally with or to the exclusion of and in substitution for all or any of their own powers and from time to time revoke, withdraw, alter or vary all or any of such powers.

Special or Nominee Director

On behalf of the Company, whenever Directors enter into a contract with any Government, Central, State or Local, any bank or financial institution or any person or persons (hereinafter referred to as “the appointer”) for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for underwriting or entering into any other arrangement whatsoever, the Directors shall have, subject to the provisions of Section 255 of the Act, the power to agree that such appointer shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more Directors on the Board for such period and upon such conditions as may be mentioned in the agreement and that such Director or Directors may not be liable to retire by rotation nor be required to hold any qualification shares. The Directors may also agree that any such Director or Directors may be removed from time to time by the appointer entitled to appoint or nominate them and the appointer may fill any vacancy that may occur as a result of any such Director or Directors ceasing to hold that office for any reason whatsoever. The Directors appointed or nominated under this Article shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the Directors of the Company including payment, remuneration and travelling expenses to such Director or Directors as may be agreed by the Company with the appointer.

Debenture Directors

If it is provided by the Trust Deed, securing or otherwise, in connection with any issue of debentures of the Company, that any person or persons shall have power to nominate a Director of the Company, then in the case of any and every such issue of debentures, the person or persons having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as Debenture Director. A Debenture Director may be removed from office at any time by the person or persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification shares.

Appointment of Alternate Director

The Board may appoint an Alternate Director to act for a Director (hereinafter called “the Original Director”) during his absence for a period of not less than three months from the state in which the meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to the State. If the term of office of the Original Director is determined before he so returns to that State, any provisions in the Act or in these Articles for the automatic reappointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.

Remuneration of Directors

The remuneration of Directors and Executives of the Company, including the fees payable to the Directors of the Company in attending the Meeting of the Board or the Committees of the Board, shall be determined by the Board of Directors from time to time, provided that the sitting fees payable to the Directors as aforesaid shall be within the maximum limits of such fees that may be prescribed under the Act.

Terms of office of Directors

Not less than two-thirds of the total number of Directors shall be persons whose period of office is liable to determination by retirement of Directors by rotation.

Retirement of Directors by rotation

At every annual general meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to one third, shall retire from office.

Investor’s and Co- Investors’ right to indemnity

The Company / promoters shall indemnify, defend and hold harmless, the Investor and the Co-Investors, their Affiliates and (as applicable) all of their directors, officers employees, representatives and advisors (collectively the “Indemnified Parties”), promptly upon demand at any time and from time to time, in relation to Losses

arising out of or in relation or in connection with any claims under Article 16 of the Shareholders Agreement for any events that have taken place prior to the IPO or for any breach of the covenants of the Promoters contained herein. Such indemnity shall be subject to the procedure and limitations set out in Article 16 of the Shareholders Agreement.

Non-Compete and Non-Solicitation

The Parties acknowledge that for the purpose of the protection of the interests of the Investor and the Co-Investors, the Promoter and the Promoter Group jointly and severally undertake and the Company undertakes to the Investor as follows:

- a) The Promoter and the Promoter Group shall use their best efforts to develop the business and interests of the Company and devote their whole time and attention to the business of the Company.
- b) Upon the termination of the Association of the Promoter and the Promoter Group ("Expiry Date"), such Promoter or the Promoter Group shall not for a period of 3 (Three) years from the Expiry Date, whether on his own account, either personally or by their respective agent, or on behalf of any other Person, directly or indirectly without the consent of the Investor:
 - (i) induce or procure any Person who was an employee or consultant of the Company or Investor to leave the service of, or cease to provide service to, the Company or Investor; or
 - (ii) accept into employment or otherwise engage or use the services of any member of the Management Team who is, on the date of the termination of the member's employment, or was in the 12 (Twelve) months preceding such date, an employee or consultant of, or under a contract of service to, the Company or the Investor.
- c) As the Promoter or the Promoter Group, in their Association with the Company, are likely from time to time to obtain knowledge of trade secrets and other Confidential Information of the Company and to have dealings with the customers, distributors and suppliers of the Company and in order to protect such trade secrets and other confidential information and the goodwill of the Company, each Promoter and Promoter Group undertakes during his Association and for a period of 3 (Three) years after the Expiry Date, not to approach, solicit or deal with, in competition with the Company, any Person that at any time during the 12 (Twelve) months immediately preceding the Expiry Date:
 - (i) was a customer, client, distributor, agent or supplier of the Company or its Subsidiaries or with whom he had personal contact on behalf of the Company or its Subsidiaries; or
 - (ii) was a customer, client, distributor, agent or supplier of the Company or the Subsidiaries with whom employees reporting directly to him or under his control had personal contact on behalf of the Company or its Subsidiaries.
- d) The Promoter and Promoter Group undertake that they shall not and shall procure that any Affiliates of the Promoter or the Promoter Group shall not (without the Investor Consent) carry on, engage in or be concerned or interested in (whether as shareholder, lender, director, consultant, principal, or as a partner, employee or agent of any Person or otherwise), any business or activity which competes directly with the business and activities in which the Company is engaged at the Expiry Date, during the Association and for a period of 3 (Three) years after the Expiry Date.
- e) The Promoter and Promoter Group undertake that they shall not at any time after the Expiry Date represent themselves as still being:
 - (i) employees or Directors of, or as otherwise having any authority to act on behalf of the Company or any of its Subsidiaries; or
 - (ii) except in respect of any Shares they may own in the Company, interested in, the Company or its business and affairs.
- f) The Promoter and Promoter Group undertake that they shall not at any time during their Association with the Company (save insofar as is reasonably necessary to fulfil their duties to the Company) or at any time after that time, directly or indirectly use or disclose or communicate to any Person any Confidential Information of the Company or the Investor.

- g) The Promoter and Promoter Group undertake that any expansion, development or evolution of the activities of the Company or any opportunity offered to the Promoter and Promoter Group in relation to the business of the Company shall only be pursued or taken up through the Company or a wholly-owned subsidiary of the Company.
- h) The Promoter and Promoter Group undertake and shall procure that none of their Affiliates, shall undertake any activity, business or venture in the healthcare or pharmaceutical industry, except if such activity, business or venture is pursued or taken up through the Company.

The Company and the Promoter and Promoter Group acknowledge that the covenants of the Company and the Promoter and Promoter Group and the obligations of the Promoter and Promoter Groups and the Company to undertake certain activities, as set forth in this Article “Non Compete and Non Solicit Obligations” are an essential element of the Shareholders Agreement and that, but for the agreement of the Company and the Promoter and Promoter Group to comply with these covenants, the Investor and the Co-Investors would not have entered into the Shareholders Agreement. The Company and the Promoter and Promoter Group acknowledge that this Article “Non Compete and Non Solicit Obligations” constitutes an independent covenant in consideration for which (sufficiency of which is hereby acknowledged by the Company and the Promoter and Promoter Group) the Investor and the Co-Investors have agreed to invest in the Company. Therefore, the covenants in this Article “Non Compete and Non Solicit Obligations” shall not be affected by performance or non-performance of any other provision of the Shareholders Agreement by the Investor and the Co-Investors. The Company and the Promoter and Promoter Group deem the investment by the Investor and the Co-Investors under the terms of the Shareholders Agreement to be adequate consideration for the right to engage in a competitive business that they are foregoing under the Shareholders Agreement; and the Promoter and Promoter Group admit and acknowledge that they have various other technologies and skill sets which, if deployed by them after they cease to be employees of the Company, would not result in their competing against the Company. The Promoter and Promoter Group agree that they have independently consulted their counsel in relation to the covenants in this Article and in the opinion of their counsel and in their personal opinion, the covenants set forth in Article are no more extensive than is reasonable to protect the Investor as subscriber to the securities of the Company in accordance with the Shareholders Agreement and to protect the business of the Company.

Provided, however, once the Investor ceases to hold shares representing at least 1% shareholding in the Company, the provisions of Article 185 and 186 shall stand terminated.

SECTION 12 : OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of the Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which have been attached to the copy of this Red Herring Prospectus, delivered to the Registrar of Companies for registration and also the documents for inspection referred to hereunder, may be inspected at Claris Corporate Headquarters, Near Parimal Railway Crossing, Ellisbridge, Ahmedabad - 380 006 from 10.00 a.m. to 4.00 p.m. on Business Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

Material contracts

1. Issue Agreement dated April 19, 2010 among our Company and the BRLMs.
2. Memorandum of understanding dated March 15, 2010 between our Company, and the Registrar to the Issue.
3. Escrow agreement dated [●] among our Company, the BRLMs, the Escrow Collection Banks, the Refund Bank, the Public Issue Account Banks and the Registrar to the Issue.
4. Syndicate agreement dated [●] among our Company, the BRLMs and the Syndicate Members.
5. Underwriting agreement dated [●] between our Company, the BRLMs and the Syndicate Members.

Material documents

1. Our Company's Memorandum and Articles of Association, as amended.
2. Shareholders' resolution dated April 7, 2010 in relation to the Issue and other related matters.
3. Resolution of the Board dated February 23, 2010 authorising the Issue.
4. Resolution of the Board dated September 26, 2008 for the appointment of Mr. Arjun S. Handa as the managing director and CEO of our Company.
5. Auditors' Report as required by Part II of Schedule II of the Companies Act and mentioned in this Red Herring Prospectus.
6. Copies of annual reports of our Company for the years ended December 31, 2009, 2008, 2007, 2006 and 2005.
7. Consent of Shah & Shah Associates, Chartered Accountants, for inclusion of their report in the form and context in which it appears in this Red Herring Prospectus.
8. Consents of Auditors, Bankers to the Company, BRLMs, Registrar to the Issue, domestic legal advisor to the Company, domestic legal advisor to the Underwriters, Directors of our Company, Company Secretary and Compliance Officer, as referred to, in their respective capacities.
9. Application filed on April 19, 2010 for in-principle listing approval from BSE.
10. In-principle listing approval dated June 3, 2010 from BSE.
11. Agreement among NSDL, our Company and the Registrar to the Issue dated July 16, 2008.
12. Agreement among CDSL, our Company and the Registrar to the Issue dated February 15, 2008.
13. Due diligence certificate dated April 19, 2010 to SEBI from the BRLMs.

14. SEBI observation letter dated August 30, 2010 and our in-seriatim reply to the same dated September 24, 2010.
15. Statement of tax benefits dated September 14, 2010 provided by Shah & Shah Associates, Chartered Accountants.
16. Letter from Fitch Ratings India Private Limited on the IPO grading.
17. Employment agreements between Mr. Arjun S. Handa and our Company dated December 1, 2008; between Mr. Chetan S. Majmudar and our Company dated December 1, 2008; between Mr. Chandrasingh Purohit and our Company dated October 1, 2009; and between Mr. Amish Vyas and our Company dated October 1, 2009.
18. Separation agreement dated March 15, 2010.
19. Shareholders agreement dated March 7, 2006 and the Termination Agreement dated April 7, 2010 and amendment to Termination Agreement dated September 16, 2010.
20. Certificates for the Objects of the Issue.
21. Warning letter dated November 1, 2010 issued by the USFDA.

Any of the contracts or documents mentioned in this 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 of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby declare that, all relevant provisions of the Companies Act, 1956 and guidelines issued by the Government of India or the guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules or regulations made or guidelines issued thereunder, as the case may be. We further certify that all statements in this Red Herring Prospectus are true and correct.

SIGNED BY ALL DIRECTORS:

Sd/-

Dr. Pravin P. Shah
Non Executive Chairman and Independent
Director

Sd/-

Mr. Chetan S. Majmudar
Executive Director

Sd/-

Mr. Arjun S. Handa
Managing Director and CEO

Sd/-

Mr. Amish Vyas
Executive Director

Sd/-

Mr. Aditya S. Handa
Non Executive Non Independent Director

Sd/-

Mr. Nikhil Mohta
Non Executive Non Independent Director,
nominee of Carlyle

Sd/-

Mr. T. V. Ananthanarayanan
Independent Director

Sd/-

Mr. Surrinder Lal Kapur
Independent Director

Sd/-

Mr. Chandrasingh Purohit
Executive Director and President – Finance

Date: November 18, 2010

Place: Ahmedabad

ANNEXURE 1
IPO GRADING REPORT

Pharmaceuticals
 India
 IPO Grading Report

Claris Lifesciences Limited

Fitch IPO Grade 3(ind)

Fitch has assigned a grade of '3 (ind)' out of a maximum of '5 (ind)' to the proposed initial public offer of Claris Lifesciences Limited. The grade indicates the average fundamentals of the issue relative to other listed equity securities in India

IPO Details

Claris Lifesciences Limited proposes to raise an amount of upto INR3,000m through an issuance of equity shares.

Analysts

Ashwini Picardo
 +91 22 4000 1787
ashwini.picardo@fitchratings.com

Priyamvada Balaji
 +91 22 4000 1742
Priyamvada.balaji@fitchratings.com

Shareholding pattern

	(Pre issue)	
	No. of shares	(%)
Promoter and Promoter Group		
<i>Indian Individuals</i>		
Mr. Arjun S. Handa	15,601,014	30.48
Mr. Aditya S. Handa	7,800,507	15.24
	7,800,507	15.24
<i>Indian Bodies Corporate</i>		
	28,433,292	55.55
Total Promoter and Promoter Group	44,034,306	86.03
Public Shareholding		
<i>Institutions</i>		
Foreign Venture Capital Investor	7,111,095	13.89
<i>Non Institutions</i>		
Individual shareholders holding nominal share capital up to INR100,000	39,887	0.08
Total Public Shareholding	7,150,982	13.97
Grand Total	51,185,288	100.00

Source: Company, Fitch

Grading Rationale

- The grading factors in Claris Lifesciences Ltd's (Claris) focus on the high-margin injectable pharmaceutical business, which has translated into a strong growth in business and profitability. During 2005-2009, revenues grew at a compound annual growth rate (CAGR) of 26.3%, whilst EBITDA and EBITDA margins improved to INR2.3bn and 31% from INR390m and 14%, respectively. The net profit has also increased to INR1.3bn from INR168m during this period. In 2009, Claris shifted its focus away from lower margin products and changed its emerging markets business model. However, the growth in sales to regulated markets during the year offset the consequent decline in sales to the emerging and domestic markets, resulting in largely flat revenues.
- Fitch Ratings expects Claris' future business growth from sales to regulated markets through its business arrangement with Pfizer Inc. ('AA-/Stable/'F1+') and from its own sales efforts. The licensing income which accrued to Claris as a result of this arrangement helped support the company's liquidity in 2009. Future revenue growth will be driven by new product approvals and sales, as well as entry into new markets.
- The grading also considers the benefits that accrue to Claris in the form of limited price competition in the injectable industry due to high barriers to entry – a result of the capital-intensive nature of the business, stringent regulations and a expertise in managing formulation and production activities. Although margins could moderate due to competition going forward, the long gestation period of new capacities in this segment would delay this impact.
- The agency notes that any less than expected sales from its business agreement could impact revenue growth. Delays or difficulty in obtaining regulatory approval for new products could moderate revenue growth. The company is increasingly focused on regulated markets to drive future growth. The agency also notes its relatively short track record in these regulated markets.

Company Background

Incorporated in 1999 as a pharmaceutical trading company, Claris is today a sterile injectable manufacturing company, with five manufacturing facilities all located in Ahmedabad to produce complex aqueous and emulsion-based products in glass/PE containers and bags.

Fitch notes that certain facilities have been approved by foreign regulatory authorities – including the USFDA, MHRA (UK), TGA (Australia), NAM (Finland), GCC FDCA (Gulf Cooperation Council, including Saudi Arabia, UAE and other countries in the Middle East) and INVIMA (Colombia). One of its facilities, Clarion V, is currently (August 2010) under construction, and is expected to be operational by the third quarter of 2011.

Management and Promoters

Mr Arjun Handa and Sarjan Financial Pvt. Ltd are the current promoters of the company. Mr. Arjun Handa, who is currently the Managing Director/CEO, holds a majority stake directly and indirectly in Claris through Sarjan Financial.

In 2006, Claris raised INR905m from the Carlyle Group's private equity growth fund with the investments made in the form of compulsorily convertible preference shares; this has been subsequently converted into equity during 2009.

Board of Directors

Name	Designation
Dr. Pravin P. Shah	Non- Executive Chairman, Independent Director
Arjun S. Handa	Managing Director
Aditya S. Handa	Non-executive and Non-Independent Director
Chetan S. Majmudar	Executive Director
T. V. Ananthanarayanan	Independent Director
Arvind Bansal	Independent Director
Surrinder Lal Kapur	Independent Director
Chandrasingh Purohit	Executive Director and President - Finance
Amish Vyas	Executive Director
Nikhil Mohta	Non-executive Director and a nominee of Carlyle

Source: Company, Fitch

Business Overview

Claris has evolved from a trading company to a fully- fledged manufacturing company. The change in sales mix – from 90% trading sales in 2002 to 17% trading sales in 2009 – reflects the shift. Claris is engaged mainly in the business of developing, manufacturing and marketing injectables which are off-patent and primarily in the segments of critical care, hospital care, renal care and nutrition.

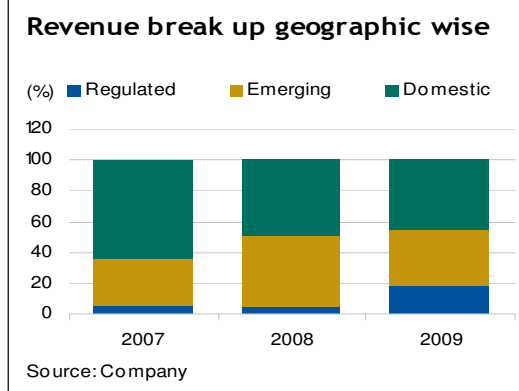
As of 31 March 2010, Claris has obtained over 1,000 registrations worldwide, and approximately 410 applications are pending approval. The company offers 113 products across multiple markets and therapeutic areas (anaesthesia, critical care, anti-infectives, renal care, infusion therapy, enteral nutrition, parenteral nutrition and oncology). In terms of delivery systems, the injectables are offered in various delivery systems, such as glass and plastic bottles, vials, ampules, pre-filled syringes and non-PVC and PVC bags.

Sales and Marketing

On inception, Claris focused largely on domestic and emerging markets, as its initial strategy was to expand into regions which are similar to Indian markets that have lower regulatory hurdles. However, after the US FDA, MHRA (UK) & TGA (Australia) approved certain of Claris' sterile injectable manufacturing facilities, the regulated markets have gained increasing importance in line with the company's strategy.

To address its sales and distribution needs, the company adopts a different marketing strategy for different regions.

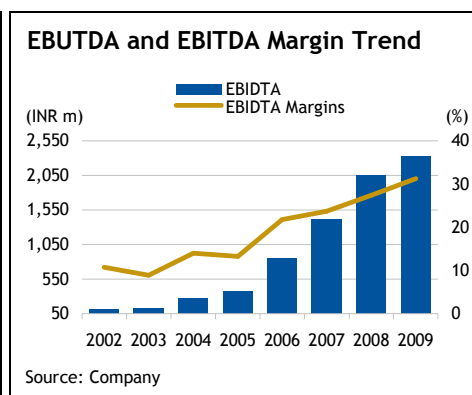
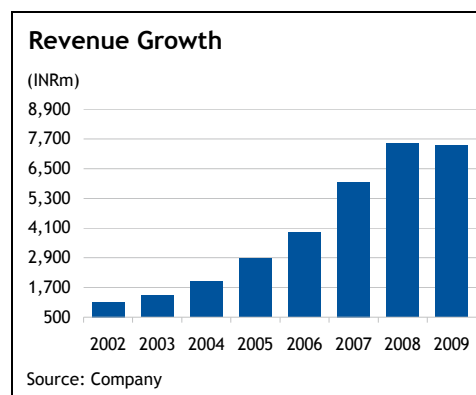
- In certain countries, its registers, imports and store products – as well as markets them to customers through entities owned and controlled by Claris.
- In certain other countries, its partners with local distributors which import and distribute the company's products, and, under its supervision, carry out marketing activities.
- In the rest of the countries in which it operates, distributors and marketing partners are responsible for marketing its products. In March 2009, Claris entered into a business arrangement with the Pfizer group of companies with a view to strengthen its presence in regulated markets.
- The domestic business is driven by its own sales and marketing network.



Financial Overview

Growth & Profitability

During 2005-09, revenue grew to INR7.4bn from INR2.9bn. Growth was driven by the company's domestic and emerging market business. However, during 2007-09, Claris gained an increasing presence in its regulated market business – which Fitch expects to accelerate further on account of the company's own efforts, as well as its recent partnership with Pfizer. In line with top-line growth, Claris' operating profitability has grown on the back of the increase in margins.



Liquidity and Debt

During 2005-08, despite positive cash from operations, free cash flow (FCF) was negative on account of higher capex and debt levels. However, due to improvements in working capital, EBITDA and license income received, FCF turned positive in 2009. Claris' total credit profile consequently improved in 2009, reflected in the decline in debt/EBITDA from 1.9x to 1.3x.

Claris' credit metrics have remained comfortable, with debt/EBITDA of between 1.3x-2.0x during 2005-2009. Fitch expects the company's metrics to continue to remain comfortable despite its plans to incur capex. The agency also sees liquidity as remaining comfortable – and to further strengthen with the successful completion of its INR3,000m IPO. The proceeds would be utilised primarily for funding Claris's capex plans including expansion and R&D, and debt repayments.

Annex 1

Financial Summary

Particulars (INRm)	Dec 09	Dec 08	Dec 07	Dec 06	Dec 05
Revenues	7435.2	7521.6	5971.5	3917.5	2867.5
Revenue Growth	-1.1	26.0	52.4	36.6	46.8
EBIT	2328.9	2059.5	1413.5	855.1	380.0
Interest Expense Net of Interest Income	1878.9	1691.6	1144.5	690.7	295.0
Net Income	415.7	334.2	159.2	55.5	57.8
Balance Sheet					
Cash and Equivalents	2218.1	43.4	65.8	617.5	110.9
Total Assets	13580.5	10429.6	7986.6	5802.5	2533.5
Total Debt	3140.1	3308.3	2256.5	1714.5	755.7
Off-Balance Sheet Debt	0.0	0.0	0.0	0.0	0.0
Total Adjusted Debt	3140.1	3308.3	2256.5	1714.5	755.7
Preferred Stock + Minority Interests	0.0	603.4	603.4	603.4	0.0
Common Equity	5128.8	3376.6	2330.6	1563.7	885.7
Total Adjusted Capitalisation	8268.9	7288.3	5190.5	3881.6	1641.4
Cash Flow					
Operating EBITDAR ("Op. EBITDAR")	2328.9	2059.5	1413.5	855.1	380.0
Cash Interest Paid, Net of Interest Received	421.8	346.0	167.0	86.9	64.4
Cash Tax Paid	424.2	8.8	294.7	95.7	10.0
Associate Dividends	0.0	0.0	0.0	0.0	0.0
Other Changes before Funds From Operations	90.6	263.2	108.9	74.8	-13.1
Funds from Operations	1573.5	1967.9	1060.7	747.3	292.5
Working Capital	2020.1	-1164.3	-734.4	-461.0	-218.7
Cash Flow from Operations	3593.6	803.6	326.3	286.3	73.8
Non-Operational Cash Flow	0.0	0.0	0.0	0.0	0.0
Capital Expenditure	1093.8	2065.9	1400.3	1451.2	445.0
Dividends Paid	27.3	100.0	100.0	57.4	0.0
Free Cash Flow	2472.5	-1362.3	-1174.0	-1222.3	-371.2
Receipts from Asset Disposals	49.7	36.0	0.0	2.5	0.2
Business Acquisitions	0.0	0.0	0.0	0.0	0.0
Business Divestments	0.0	0.0	0.0	0.0	0.0
Exceptional & Other Cash Flow Items	0.0	0.0	0.0	0.0	0.0
Net Cash In/Outflow	2522.2	-1326.3	-1174.0	-1219.8	-371.0
Equity Issuance/(Buyback)	0.0	0.0	0.0	907.4	0.0
FX movement	0.0	55.4	0.0	3.4	-3.4
Other Items Affecting Cash Flow	-179.3	196.7	80.3	-143.2	79.0
Net Cash Flow Available for Financing	2342.9	-1074.2	-1093.7	-452.2	-295.4
Closing Net Debt	922.0	3264.9	2190.7	1097.0	644.8
Profitability					
Op. EBITDAR/Revenues (%)	31.3	27.4	23.7	21.8	13.3
EBIT/Revenues (%)	26.4	24.0	23.5	18.1	10.7
FFO Return on Adjusted Capital (%)	24.1	31.6	23.5	20.7	21.3
Credit Ratios					
Funds From Operations/Gross Interest Expense (x)	4.8	6.9	7.7	14.5	6.1
FFO Fixed Charge Cover (x)	4.8	6.9	7.7	14.5	6.1
Op. EBITDAR/Net Fixed Charges (x)	5.7	6.4	9.1	15.4	6.6
Adjusted Leverage/FFO (x)	1.6	1.7	2.3	2.9	2.2
Total Adjusted Debt Net of Cash/Op. EBITDAR (x)	0.4	1.6	1.5	1.3	1.7
Total Adjusted Debt/Total Adjusted Capitalisation (%)	38.0	45.4	43.5	44.2	46.0

Source: Company, Fitch

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