

**DRAFT RED HERRING PROSPECTUS**

September 27, 2012

Please read Section 60B of the Companies Act, 1956

Book Building Issue

(The Draft Red Herring Prospectus will be updated upon RoC filing)

CALYX CHEMICALS AND PHARMACEUTICALS LIMITED

(Our Company was originally incorporated as "Shree Deep Jyote Industrial Paints Private Limited" on January 14, 1986 under the Companies Act, 1956 vide Certificate of Incorporation bearing registration number 38618 issued by the Registrar of Companies, Mumbai. Our Company was converted into a public limited company and subsequently the name of our Company was changed to "Calyx Chemicals and Pharmaceuticals Limited" vide Fresh Certificate of Incorporation Consequent upon Change of Name on Conversion to Public Limited Company dated September 08, 2006 issued by the Registrar of Companies, Mumbai. For details of changes to our Registered Office and to our name, please refer to the chapter titled "History and Other Corporate Matters" beginning on page 161 and also the chapter titled "General Information" beginning on page 46 of this Draft Red Herring Prospectus. Our CIN is U24220MH1986PLC038618)

Registered Office: Unit Number 110, Marwah's Complex, Krishanlal Marwah Marg, off Saki Vihar Road, Andheri (East), Mumbai- 400 072, Maharashtra, India.

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Email: investor_relations@calyxindia.com; **Website:** www.calyx-pharma.com

Contact Person: Mr. Devanand Parshottam Mojidra, Company Secretary and Compliance Officer

PROMOTERS: MR. SMITESH CHANDRAVADAN SHAH, MR. BHARAT SUKHLAL MEHTA AND MR. RAJAT INDULAL DOSHI

PUBLIC ISSUE OF 70,50,000* EQUITY SHARES OF ₹ 10 EACH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE) FOR CASH AGGREGATING UPTO ₹ [●] LACS ("ISSUE") INCLUDING EMPLOYEE RESERVATION PORTION OF UPTO 50,000 EQUITY SHARES, BY CALYX CHEMICALS AND PHARMACEUTICALS LIMITED ("COMPANY" OR "ISSUER"). THE ISSUE LESS THE EMPLOYEE RESERVATION PORTION IS REFERRED TO AS THE NET ISSUE. THE ISSUE WILL CONSTITUTE 30.05% OF THE FULLY DILUTED POST ISSUE PAID-UP CAPITAL OF OUR COMPANY. THE NET ISSUE TO PUBLIC WILL CONSTITUTE 29.83% OF THE FULLY DILUTED POST ISSUE PAID-UP CAPITAL OF OUR COMPANY.

*Our Company is considering a Pre-IPO Placement of upto 10,00,000 Equity Shares and aggregating upto ₹ 3,000 Lacs. The Pre-IPO Placement is at the discretion of our Company. If undertaken, our Company will complete the issuance of such Equity Shares prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the number of Equity Shares in the Issue will be reduced to the extent of Equity Shares proposed to be allotted in the Pre-IPO Placement.

Our Company has made an application to Foreign Investment Promotion Board seeking its approval to offer, issue and allot Equity Shares upto 49% of the total post Issue paid up capital of our Company to foreign investors, who may participate in this Issue

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND ADVERTISED AT LEAST 2 WORKING DAYS PRIOR TO THE BID/ ISSUE OPENING DATE.

The Floor Price of ₹ [●] is [●] times of the face value of the Equity Shares and the Cap Price of ₹ [●] is [●] times of the face value of the Equity Shares and the Issue Price of ₹ [●] is [●] times of the face value of the Equity Shares.

In case of revision in the Price Band, the Bid/ Issue Period shall be extended for at least 3 additional Working Days after such revision of the Price Band, subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, shall be widely disseminated by notification to the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"), by issuing a press release and also by indicating the change on the website of the Book Running Lead Managers ("BRLMs"), on the terminals of the Syndicate and to the SCSBs.

The Issue is being made through the Book Building Process in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, wherein not more than 50% of the Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"). Our Company may, in consultation with the BRLMs, allocate upto 30% of the QIB Portion to Anchor Investors at the Anchor Investor Price on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds only. Out of the Net QIB Portion 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (including Mutual Funds), subject to valid Bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% 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. Further, 50,000 Equity Shares shall be available for allocation on a proportionate basis to the Eligible Employees, subject to valid Bids being received from them at or above the Issue Price.

All investors, except 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 the SCSBs. All non- retail investors, excluding Anchor Investors, shall participate in this Issue through the ASBA process. Retail investors participating in this Issue may also utilize the ASBA process to submit their Bids. For further details, please refer to chapter titled "Issue Procedure" beginning on page 385 of this Draft Red Herring Prospectus.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of the Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10, the Floor Price is [●] times of the face value and the Cap Price is [●] times of the face value and the Issue Price is [●] times of the face value. The Issue Price (as determined and justified by the BRLMs and our Company as stated under the section titled "Basis for Issue Price" beginning on page 98 of this Draft 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 and/ or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our 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, nor does the Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page 11 of this Draft Red Herring Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and this Issue, which is material in the context of this Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

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

IPO GRADING

The Issue has been graded by [●] and has been assigned a grade of [●]/ 5, indicating [●] through its letter dated [●]. For further details in this regard, please refer to the chapter titled "General Information" beginning on page 46 of this Draft Red Herring Prospectus.

BOOK RUNNING LEAD MANAGERS

Prabhudas Lilladher
POWERING YOUR FINANCIAL GROWTH
PL CAPITAL MARKETS PRIVATE LIMITED
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Mumbai- 400 018
Maharashtra, India
Contact person: Mr. Ajesh Dalal / Mr. Bhavin Shah
Tel: +91 22 6632 2222
Fax: +91 22 6632 2229
Email: calyx_ipo@plindia.com
Website: www.plindia.com
SEBI Registration No.: INM000011237



YES BANK LIMITED
27th Floor, Tower II, Indiabulls Finance Centre,
Senapati Bapat Marg, Elphinstone (West), Mumbai – 400 0 13
Maharashtra, India
Contact Person: Mr. Sameer Kakkar
Tel: +91 22 3347 9613
Fax: +91 22 2421 4508
Email: dlcaylipo@yesbank.in
Investor Grievance Email:
merchantbanking@yesbank.in
Website: www.yesbank.in
SEBI Registration No.: INM000010874

REGISTRAR TO THE ISSUE

LINK INTIME
INDIA PVT LTD
(Formerly INTIME SPECTRUM REGISTRY LTD.)
LINK INTIME INDIA PRIVATE LIMITED
C-13 Pannalal Silk Mill Compound
L.B.S. Marg, Bhandup (West)
Mumbai 400 078
Maharashtra, India
Contact Person: Mr. Sanjog Sud
Tel: +91 22 2596 7878, 1- 800- 22- 0878
Fax: +91 22 2596 0329
Email: cepl.ipo@linkintime.co.in
Website: www.linkintime.co.in
SEBI Registration No.: INR000004058

ISSUE PROGRAMME

BID/ISSUE OPENS ON:	[●], 2012 FOR ALL BIDDERS*	BID/ISSUE CLOSING ON:	[●], 2012 FOR QIB BIDDERS**
			[●], 2012 FOR NON-INSTITUTIONAL, RETAIL INDIVIDUAL BIDDERS AND ELIGIBLE EMPLOYEES

* The Company, in consultation with the BRLMs, may consider participation by Anchor Investors for upto 10,50,000 Equity Shares in accordance with applicable SEBI ICDR Regulations. The Anchor Investor Bid/ Issue Period shall be 1 Working Day prior to the Bid/ Issue Opening Date.

**Our Company may close the Bid/ Issue Period for QIB Bidders 1 Working Day prior to the Bid/ Issue Closing Date for non- QIB Bidders.

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SECTION I

DEFINITIONS AND ABBREVIATIONS

CONVENTIONAL / GENERAL TERMS

Term	Description
Act / Companies Act	The Companies Act, 1956, as amended from time to time.
Equity Shares	Equity Shares of face value of ₹ 10 each of Calyx Chemicals and Pharmaceuticals Limited.
Indian GAAP	Generally Accepted Accounting Principles in India.
Non Resident	A “person resident outside India”, as defined under FEMA including FIIs.
NRI / Non-Resident Indian	1. A person resident outside India, as defined under FEMA and who is a citizen of India; or 2. a Person of Indian Origin as defined under FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Person / persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, limited liability partnership, joint venture, or trust or any other entity or organization validly constituted and / or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Quarter	A period of three continuous calendar months.
RBI Act	The Reserve Bank of India Act, 1934 as amended from time to time.
SEBI	Securities and Exchange Board of India.
SEBI Act	Securities and Exchange Board of India Act, 1992 as amended from time to time.
SEBI ESOP Guidelines	SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended from time to time.
SEBI (Alternative Investment Funds) Regulations / SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI Regulations / SEBI ICDR Regulations / SEBI (ICDR) Regulations, 2009	Means the regulations for issue of capital and disclosure requirements issued by SEBI, constituted in exercise of powers conferred by Section 30 of the SEBI Act, called Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time.
Stock Exchanges	BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”).

ISSUE RELATED TERMS

Term	Description
Allocation / Allocation of Equity Shares	Unless the context otherwise requires, the allocation of Equity Shares pursuant to this Issue to the successful Bidders.
Allotment / Allot / Allotted / Allotment of Equity Shares	Unless the context otherwise requires, the allotment of Equity Shares pursuant to this Issue to successful Bidders.
Allottee	The successful Bidder to whom Equity Shares are allotted.
Allotment Advice	In relation to Bidders other than Anchor Investors, the note or advice or intimation of Allotment, sent to each successful Bidder who has been or is to be Allotted the Equity Shares after discovery of the Issue Price in accordance with the Book Building Process, including any revisions thereof.
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion, with a minimum Bid of ₹ 1,000 Lacs.
Anchor Investor Allocation Notice	Notice or intimation of allocation of Equity Shares sent to Anchor Investors who have been allocated Equity Shares.
Anchor Investor Bid / Issue Date / Anchor Investor Bidding Date	The day, 1 Working Day prior to the Bid / Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed.
Anchor Investor Portion	Upto 30% of the QIB Portion, i.e. upto 10,50,000 Equity Shares, which may be allocated by our Company to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors.
Anchor Investor Price	The price at which Allotment is made to Anchor Investors in terms of this Draft Red Herring Prospectus, which shall be higher than or equal to the Issue Price.
Applications Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by all Bidders to make a Bid authorising a SCSB to block the Bid Amount in their specified bank account maintained with the SCSB.
ASBA Account	Bank Account with SCSB which shall be blocked by such SCSB to the extent of the Bid Amount

Term	Description
	of the ASBA Bidder, as specified in the ASBA Bid-cum-Application Form.
ASBA Investor / ASBA Bidder	Any prospective investor, not being an Anchor Investor, in this Issue who intends to Bid / apply through ASBA.
ASBA Bid-cum-Application Form	The form, whether physical or electronic, used by an ASBA Bidder to submit a Bid through a SCSB by authorising the SCSB to block the Bid Amount in an ASBA Account, which would be considered as an application for Allotment to ASBA Bidders in terms of the Red Herring Prospectus and the Prospectus. Syndicate / sub-syndicate members may also procure ASBA Bid-cum-Application Form directly from the investors and submit it to the SCSB.
ASBA Revision Form	The form used by the ASBA Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their ASBA Bid-cum-Application Form or any previous ASBA Revision Form(s).
Banker(s) to the Issue / Escrow Collection Banks	The banks which are clearing members and registered with SEBI as Banker to the Issue at which the Escrow Account for the Issue will be opened and in this case being [●].
Basis of Allotment	The basis on which Equity Shares will be Allotted to Bidders under this Issue.
Bid	An indication to make an offer during the Bid / Issue Period by a Bidder, or during the Anchor Investor Bid / Issue Period by the Anchor Investors, to subscribe to Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto for the purpose of ASBA Bidders, it means an indication to make an offer during the Bidding / Issue Period by an ASBA Bidder pursuant to the submission of ASBA Bid-cum-Application Form to subscribe to Equity Shares including all revisions and modifications thereto.
Bid Amount	The highest value of the optional Bids indicated in the Bid-cum-Application Form / ASBA Bid-cum-Application Form.
Bid / Issue Closing Date	Except in relation to Anchor Investors, the date after which the Syndicate and the SCSBs will not accept any Bids for this Issue, which shall be notified in a English national newspaper, a Hindi national newspaper and a Marathi newspaper, each with wide circulation. Our Company in consultation with the BRLMs may decide to close the Bidding Period for QIBs 1(one) Working Day prior to the Bid / Issue Closing Date.
Bid / Issue Opening Date	Except in relation to Anchor Investors, the date on which the Syndicate and the SCSBs shall start accepting Bids for this Issue, which shall be notified in an English national newspaper, a Hindi national newspaper and a Marathi newspaper, each with wide circulation.
Bid-cum-Application Form / Bid Form	The form used by a Bidder to make a Bid and which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus including the ASBA Bid-cum-Application Form.
Bidder / Bidders	Any prospective investor who makes a Bid for Equity Shares pursuant to the terms of the Red Herring Prospectus and the Bid-cum-Application Form and / or the ASBA Bid-cum-Application Form.
Bid / Issue Period / Bidding Period	The period between the Bid / Issue Opening Date and the Bid / Issue Closing Date inclusive of both days, during which prospective Bidders (except Anchor Investors) and the ASBA Bidders can submit their Bids, including any revisions thereof.
Bidding Centers	Centers for acceptance of the Bid-cum-Application Form.
Book Building Process	Book Building Process as provided under Schedule XI of SEBI ICDR Regulations in terms of which this Issue is being made.
Brokers to this Issue	Brokers registered with any recognized Stock Exchange, appointed by the Members of the Syndicate.
BRLMs / Book Running Lead Managers	Book Running Lead Managers to this Issue, in this case being PL Capital Markets Private Limited and YES Bank Limited
Business Day	Monday to Friday (except public holidays)
CAN / Confirmation of Allocation Note	The note or advice or intimation including any revisions thereof, sent to each successful Anchor Investor indicating Equity Shares allocated after discovery of the Anchor Investor Price.
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.
Controlling Branches	Such branches of the SCSBs which coordinate Bids under this Issue by ASBA Investors with the Registrar to this Issue and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in/pmd/scsb.pdf ; or at such other website as may be prescribed by SEBI from time to time.
Cut-off Price	Any price within the Price Band finalised by our Company in consultation with the Book Running Lead Managers. A Bid submitted at Cut-Off Price is a valid price at all levels within the Price Band. Only Retail Individual Bidders and Eligible Employees are entitled to Bid at the Cut-off Price, for a Bid Amount not exceeding ₹ 2 Lacs. No other category of Bidders is entitled to Bid at the Cut-off Price.
Demographic Details	The demographic details of the Bidders such as their address, PAN, occupation and bank account details.
Depository	A body corporate registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time in this case being CDSL and NSDL.
Depositories Act	The Depositories Act, 1996, as amended from time to time.

Term	Description
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996.
Designated Branch	Branch offices of the SCSBs which the respective SCSB has identified as a designated branch at which the physical ASBA Bid-cum-Application Form can be submitted by an ASBA Bidder and a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf , or at such other website as may be prescribed by SEBI from time to time.
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Issue Account or the amount blocked by the SCSB is transferred from the bank account of the ASBA Bidder to the Public Issue Account, as the case may be, after the Prospectus is filed with the Registrar of Companies Maharashtra, Mumbai, following which the Board of Directors shall allot Equity Shares to successful Bidders.
Designated Stock Exchange / DSE	BSE Limited (BSE).
Draft Red Herring Prospectus / DRHP	This Draft Red Herring Prospectus, which does not have complete particulars on the price at which Equity Shares are offered and size of this Issue, which is filed with the SEBI and Stock Exchanges. It will become a Red Herring Prospectus issued in accordance with the provisions of Section 60B of the Companies Act after filing with the RoC at least 3 days before the opening of this Issue. It will become a Prospectus after filing with the RoC after determination of the Issue Price.
Eligible Employee	A permanent and full-time employee of our Company (excluding Promoter and immediate relatives of the Promoters) or of our Subsidiary whose financial statements are consolidated with our Company's financial statements as per Accounting Standard 21, as on the date of filing of the Red Herring Prospectus with the RoC, who are Indian nationals and are based, working and / or present in India as on the date of submission of the Bid-cum-Application Form / ASBA Form and who continue to be in the employment of our Company or of the Subsidiary of our Company, as the case may be, until submission of the Bid-cum-Application Form / ASBA Form.
Eligible NRI	NRIs from such jurisdiction outside India where it is not unlawful for our Company to make this Issue or an invitation under this Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to Equity Shares offered herein.
Employee Reservation Portion	The portion of this Issue, being upto 50,000 Equity Shares, available for allocation to Eligible Employees, subject to valid Bids being received.
Escrow Account	An Account opened with Escrow Collection Bank(s) for this Issue (except ASBA Bidder) and in whose favour the Bidder will issue cheques or drafts in respect of the Bid Amount when submitting a Bid.
Escrow Agreement	Agreement which will be entered into amongst our Company, the Registrar to this Issue, the Escrow Collection Banks, the BRLMs and the Syndicate Member(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected to the Bidders (excluding ASBA Bidders) on the terms and conditions thereof.
Escrow Collection Bank(s) / Banker(s) to the Issue	The banks which are clearing members and registered with SEBI as banker to an issue under SEBI (Bankers to an Issue) Regulations, 1994 with which the Escrow Account for this Issue will be opened, in this case being [●].
First Bidder	The Bidder whose name appears first in the Bid-cum-Application Form or Revision Form or the ASBA Form or the ASBA Revision Form, as the case may be.
Fiscal	Period commencing on April 01 and ending on March 31 of the ensuing calendar year.
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 in this case being ₹ [●].
IPO Grading Agency	[●]
Issue	Public Issue of 70,50,000 Equity Shares of ₹10 each at a Price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) for cash aggregating upto ₹ [●] Lacs by the Company. This Issue will constitute 30.05% of the fully diluted Post Issue Paid-up capital of our Company.
Issue Management Team	The team managing this Issue as set out in the chapter titled ' <i>General Information</i> ' in this Draft Red Herring Prospectus.
Issue Price	The final price at which Equity Shares will be issued and allotted in term of the Red Herring Prospectus. The Issue Price will be decided by our Company in consultation with the BRLMs on the Pricing Date.
Issue Proceeds	The gross proceeds of this Issue that would be available to our Company after the final listing and trading approvals are received.
Listing Agreement	The Listing Agreement to be entered into with each of the BSE and NSE by our Company.
Mutual Funds	Mutual funds registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Mutual Fund Portion	That portion of the Net Issue, being 5% of the Net QIB Portion or upto 1,75,000 Equity Shares (not including the Anchor Investor Portion, if any) which shall be available for allocation on a proportionate basis to Mutual Funds only.
Net Issue / Net Issue to the	Issue less the Employee Reservation Portion, consisting of 70,00,000 Equity Shares available for

Term	Description
Public	allotment pursuant to this Issue.
Net Proceeds / Net Issue Proceeds	The Issue Proceeds less the Issue related expenses.
Net QIB Portion	That portion of the Net Issue, being the QIB portion, as reduced by the allocation to Anchor Investors, if any.
Non Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than ₹200,000.
Non Institutional Portion	The portion of this Issue being not less than 10,50,000_Equity Shares available for allocation to Non Institutional Bidders.
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 03, 2003 and immediately before such date had taken benefits under the general permission granted to Overseas Corporate Bodies under the FEMA. Overseas Corporate Bodies are not permitted to invest in this Issue.
Pay-in Date	With respect to Anchor Investors, it shall be the Anchor Investor Bid / Issue Date and extending until 2 Working Days after the Bid / Issue Closing Date in the event the Anchor Investor is required to pay any additional amount due to the Issue Price being higher than the Anchor Investor Issue Price.
Price Band	Price band of a minimum price (Floor Price) of ₹ [●] and the maximum price (Cap Price) of ₹ [●] and includes revisions thereof. The Price Band and the minimum Bid lot size for this Issue will be decided by our Company in consultation with the BRLMs and advertised at least 2 Working Days prior to the Bid / Issue Opening Date, in an English national newspaper, a Hindi national newspaper and a Marathi newspaper, each with wide circulation.
Pricing Date	The date on which our 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 size of this Issue and certain other information.
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account and accounts of ASBA Investors for this Issue on the Designated Date.
Qualified Foreign Investors or QFIs	<p>“Qualified Foreign Investors” means Non- resident investor, other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs, who meet “Know Your Client” requirements prescribed by SEBI and a person who fulfils the following criteria (i) a resident in a country that is a member of Financial Action Task Force or a member of a group which is a member of Financial Action Task Force and (ii) resident in a country that is signatory to the International Organisations of Securities Commission’s Multilateral Memorandum of Understanding or a signatory of a bilateral memorandum of understanding with SEBI.</p> <p>Provided that the person is not resident in a country which is listed in the public statements issued by Financial Action Task Force from time to time on: (i) jurisdictions having a strategic anti-money laundering/combating the financing of terrorism deficiencies to which counter measures apply; (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the Financial Action Task Force to address the deficiencies.</p> <p>Provided further such person is not resident in India:</p>
Qualified Institutional Buyers or QIBs	Qualified Institutional Buyer as defined under Regulation 2 (1) (zd) of the SEBI ICDR Regulations.
QIB Portion	The portion of this Issue being not more than 50% of the Net Issue consisting of 35,00,000 Equity Shares required to be allocated to QIBs. In case of Allotment to Anchor Investors, QIB Portion shall be net of Anchor Investor Portion.
Refund Account	The account opened with Escrow Collection Bank(s), from which refunds (excluding to the ASBA Bidders), if any, of the whole or part of the Bid Amount shall be made.
Refund Banks / Refund Bankers	The bank(s) which have been appointed / designated for the purpose of refunding the amount to investors either through the electronic mode as prescribed by SEBI and / or physical mode.
Resident Retail Individual Investor / Resident Retail Individual Bidder	A Retail Individual Bidder who is a “person resident in India” (as defined in Foreign Exchange Management Act, 1999).
Retail Individual Bidders	Individual Bidders who have Bid for Equity Shares for an amount not more than ₹ 200,000 in any of the bidding options in this Issue (including HUFs applying through their Karta and eligible NRIs and does not include NRIs other than Eligible NRIs).
Retail Portion	The portion of this Issue being not less than 35% of the Net Issue consisting of 24,50,000 Equity Shares available for allocation to Retail Individual Bidder(s).
Revision Form	The form used by the Bidders (excluding ASBA Bidders) to modify the quantity of Equity Shares or the Bid Price in any of their Bid-cum-Application Form or any previous Revision

Term	Description
	Form(s).
Red Herring Prospectus / RHP	The red herring prospectus issued in accordance with Section 60B of the Companies Act, which does not have complete particulars of the price at which Equity Shares are offered and the size of this Issue. The Red Herring Prospectus will be filed with the RoC at least three days before the Bid / Issue Opening Date and will become a Prospectus upon filing with the RoC after the Pricing Date.
Registrar to this Issue or Registrar	In this case, Link Intime India Private Limited.
Self Certified Syndicate Bank or SCSBs	Self Certified Syndicate Bank (SCSB) is a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994 and which offers the service of ASBA, including blocking of bank account and a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf
Syndicate	The BRLMs and the Syndicate Member(s).
Syndicate Agreement	The agreement to be entered into between the Syndicate and our Company in relation to the collection of Bids (excluding Bids by ASBA Bidders) in this Issue.
Syndicate Member(s) / Members of the Syndicate	An intermediary registered with the SEBI to act as a syndicate member and who is permitted to carry on the activity as an underwriter, in this case being [●].
TRS or Transaction Registration Slip	The slip or document issued by the Syndicate or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid.
Underwriters	The BRLMs and the Syndicate Member(s).
Underwriting Agreement	The Agreement among the Underwriters and our Company to be entered into on or after the Pricing Date.
Working Days	All days other than a Sunday or a public holiday (except in reference to the Anchor Investor Bidding Date, and Bid / Issue Period where a Working Day means all days other than a Saturday, Sunday or a public holiday), on which commercial banks in Mumbai are open for business.

COMPANY RELATED TERMS

Term	Description
“Calyx Chemicals and Pharmaceuticals Limited”, “our Company”, “the Company”, “the Issuer Company”, “the Issuer”, “we”, “us”, and “our”	Unless the context otherwise requires, refers to Calyx Chemicals and Pharmaceuticals Limited, a public limited company incorporated under the Companies Act and its Subsidiary, SingInd Lifesciences Pte. Limited.
Calyx ESOP 2010	Calyx Employees (Team Members) Stock Option Plan 2010
Articles / Articles of Association	The Articles of Association of Calyx Chemicals and Pharmaceuticals Limited
Auditors	The Statutory Auditors of our Company namely, Jatin V. Shah, Chartered Accountant having his office at Number 261 / 263, D. N. Road, 4 th Floor, Fort, Mumbai – 400 001, Maharashtra, India.
Board / Board of Directors	The Board of Directors of Calyx Chemicals and Pharmaceuticals Limited unless otherwise specified or, as the context requires, any committee constituted thereof
Director(s)	Director(s) of Calyx Chemicals and Pharmaceuticals Limited.
Group Entities	The entities identified as entities which are promoted by our Promoters and listed in the chapter titled “Our Group Entities”.
Memorandum / Memorandum of Association	The Memorandum of Association of Calyx Chemicals and Pharmaceuticals Limited.
Promoter(s)	Refers to the promoters of our Company, namely: <ul style="list-style-type: none"> • Mr. Smitesh Chandravadan Shah; • Mr. Bharat Sukhlal Mehta; and • Mr. Rajat Indulal Doshi.
Promoter-Director (s)	Unless the context otherwise requires, refers to Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi.
Promoter Group / Promoter Group Entities	Includes such persons and entities constituting our Promoter Group in terms of Regulation 2(zb) of the SEBI ICDR Regulations.
Registered Office	The Registered Office of our Company located at Unit Number 110, Marwah’s Complex, Krishanlal Marwah Marg, off. Saki Vihar Road, Andheri (East), Mumbai- 400072, Maharashtra, India
RoC / Registrar of Companies	Registrar of Companies, Maharashtra situated at Mumbai.
Subsidiary	Shall mean SingInd Lifesciences Pte. Limited a company incorporated under the laws of Singapore and having its registered office at Number 371, Beach Road, #02-01C, Key Point, Singapore-199597.

INDUSTRY RELATED TERMS

Term	Description
ANDAs	Abbreviated New Drug Applications
ANFD	Agitated Nutsche Filter and Dryer
API	Active Pharmaceutical Ingredients
BP	British Pharmacopia
CDP	Cytidine 5-Diphospho
CDSCO	Central Drugs Standard Control Organisation
cGMP	Current Good Manufacturing Practices
CNS	Central Nervous System / Cerebro Neuro Psychiatry
CPAP	Continuous Positive Airway Pressure
CRAMS	Contract Research and Manufacturing Services
CTD	Common Technical Document
DCA	Drugs and Cosmetics Act, 1940 as amended from time to time
DCGI	Drug Controller General of India
DMF	Drug Master Files
DPCO	Drug (Price Control) Order, 1995
DTAB	Drug Technical Advisory Board
ECT	Electro Convulsive Therapy
EEG	Electro Encephalogram
EMRs	Exclusive Marketing Rights
EPCG Scheme	Export Promotion Capital Goods Scheme
ETP	Effluent Treatment Plant
FDA	Food and Drug Administration
FBD	Fluid Bed Dryer
GEM	Global Energy Medicines
GLR	Glass Lined Reactor
GMP	Good Manufacturing Practices, as defined by the WHO
HVAC	Heating, Ventilation and Air Conditioning
HMO	Health Maintenance Organisation
Intermediaries / Intermediate	Drugs in the intermediate stage of production
ICH	International Conference on Harmonisation
ICMR	Indian Council of Medical Research
IDA	Indian Dispensary Association
IEC	Institutional Ethics Committee
IP	Indian Pharmacopoeia
MHRA	Medicines and Healthcare Products Regulatory Agency, UK.
MNC	Multi National Corporation
NBE	New Biological Entity
NCE	New Chemical Entity
NDDS	New Drug Delivery System
NPPA	National Pharmaceutical Pricing Authority
NSAID	Non steroidal anti inflammatory drugs
ORG	Operations Research Group
OTC	Over the counter
PCB	Pollution Control Board
R&D	Research and Development
SS	Stainless Steel
SSR	Stainless Steel Reactor
TCDO	Tetrachlorodecaoxide
TRIPS	Agreement on Trade Related Aspects of Intellectual Property Rights, 1994
USPPI	United States Pharmacopia Pharmaceutical Ingredient
US FDA	(United States) Food and Drug Administration
WHO	World Health Organization, 1948
WTO	World Trade Organization, 1945

ABBREVIATIONS

Abbreviation	Full Form
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
ASSOCHAM	Associated Chambers of Commerce and Industry of India
BOLT	BSE On-Line Trading
ASBA	Applications Supported by Blocked Amount
BRLMs	Book Running Lead Managers, as defined hereinabove.
BSE	Bombay Stock Exchange Limited
Bn	Billion
CAIIB	Certified Associate of Indian Institute of Bankers
CAN	Confirmation of Allocation Note
CAGR	Compounded Annual Growth Rate
CB	Controlling Branch
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CESTAT	Central Excise and Services Tax Appellate Tribunal
CIN	Corporate Identification Number
CIBIL	Credit Information Bureau (India) Limited
DB	Designated Branch
DGFT	Directorate General of Foreign Trade
DIN	Director's Identification Number
DP	Depository Participant
DP ID	Depository Participant's Identification Number
DSIR	Department of Scientific and Industrial Research, India
EBITDA	Earning Before Interest, Tax, Depreciation and Amortisation
ECS	Electronic Clearing System
EDIFAR	Electronic Data Information Filing and Retrieval System
EGM	Extraordinary General Meeting of the shareholders
EPS	Earnings per Equity Share
FCL	Foreign Currency Loans
FCNR Account	Foreign Currency Non Resident Account
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time and the rules and regulations issued thereunder
FDI	Foreign Direct Investment
FII	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board
FIs	Financial Institutions
FVCI	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000
FY	Financial Year
GAAP	Generally Accepted Accounting Principles
GATT	General Agreement on Tariffs and Trade, 1947
GATS	General Agreement on Trade in Services, 1995
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
GoI / Government	Government of India
HUF	Hindu Undivided Family
IAS	International Accounting Standards
IEC	Importer Exporter Code
IEM	Industrial Entrepreneur Memorandum
IFSC	Indian Financial System Code
ICAI	Institute of Chartered Accountants of India
ICWAI	The Institute of Cost and Works Accountants of India
INR	Indian National Rupee
IPO	Initial Public Offering
ISO	International Organization for Standardization
MAPIN	Market Participant and Investor Database

Abbreviation	Full Form
MICR	Magnetic Ink Character Recognition
MIDC	Maharashtra Industrial Development Corporation
MODVAT	Modified Value Added Tax
MNC	Multi-National Corporation
Mn	Million
MPCB	Maharashtra Pollution Control Board
MSEB	Maharashtra State Electricity Board
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
NR	Non-Resident
NRE Account	Non Resident (External) Account
NRI	Non-Resident Indian
NRO Account	Non Resident (Ordinary) Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
NWC	Net Working Capital
OCB	Overseas Corporate Body, as defined hereinabove
p.a.	Per annum
P / E Ratio	Price / Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBDIT	Profit before Depreciation, Interest and Tax
PBT	Profit Before Tax
PLCM	PL Capital Markets Private Limited
PPP	Public Private Partnership
RBI	The Reserve Bank of India
RoNW	Return on Net Worth
Rs. / ₹	Indian Rupees
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SCSB	Self Certified Syndicate Bank
SEBI	The Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended from time to time
SEZ	Special Economic Zone established in accordance with the SEZ Act
SEZ Act	The Special Economic Zone Act, 2005 of India, as amended from time to time
SPV	Special Purpose Vehicle
State	Any state in the Republic of India
State Government	Government of a State
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
TDS	Tax Deducted at Source
TIN	Taxpayers Identification Number
TRS	Transaction Registration Slip
UIN	Unique Identification Number issued in terms of SEBI (Central Database of Market Participants) Regulations, 2003, as amended from time to time
UoI	Union of India
U.S./ U.S.A.	United States of America
USD / \$ / US\$	The United States Dollar, the legal currency of the United States of America
WDV	Written Down Value
w.e.f	With effect from
WOS	Wholly Owned Subsidiary
Yes Bank Limited	Yes Bank

SECTION II

GENERAL

PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA

Financial Data

Unless stated otherwise, the financial information used in this Draft Red Herring Prospectus is derived from our Company's restated financial statements (standalone and consolidated, as relevant) as of and for the financial years ended March 31, 2008, 2009, 2010, 2011 and 2012 prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with SEBI ICDR Regulations, as stated in the report of our Statutory Auditor, Mr. Jatin V. Shah, Chartered Accountant, beginning on page 201 of this Draft Red Herring Prospectus.

Our Fiscal commences on April 01 and ends on March 31 of the ensuing calendar year. Unless stated otherwise, references herein to a Fiscal of our Company (e.g., Fiscal 2008 / Fiscal 2009 / Fiscal 2010), are to the Fiscal ended March 31 of that particular year.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sum of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP and U.S. GAAP; accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Indian GAAP, Companies Act and SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. Our Company has not attempted to explain these differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on financial data.

Market and Industry Data

Unless stated otherwise, industry data used throughout this Draft Red Herring Prospectus has been obtained or derived from industry publications and / or publicly available government documents. Industry publications or publicly available government documents generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be made based on such information. Although our Company believes that industry data used in this Draft Red Herring Prospectus is reliable, it has not been verified by us or any other person connected with this Issue.

FORWARD LOOKING STATEMENTS

We have included statements in this Draft Red Herring Prospectus which contain words or phrases such as “will”, “aim”, “is likely to result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”.

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Changes in laws and regulations relating to the industry in which we operate;
- Increased competition in pharmaceuticals industry;
- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various projects and business plans including those for which funds are being raised through this Issue;
- Our ability to meet our capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Changes in technology;
- Changes in political and social conditions in India or in other countries that may adversely affect us (directly or indirectly), the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally; and
- Any adverse outcome in the legal proceedings in which we are involved.

For a further discussion of factors that could cause our actual results to differ, please refer Section titled “*Risk Factors*” beginning on page 11 of this Draft Red Herring Prospectus, and Chapters titled “*Business Overview*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 118 and 282, respectively of this Draft Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company nor the BRLMs, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the BRLMs will ensure that investors in India are informed of material developments until the time of grant of listing and trading permissions by the Stock Exchanges.

SECTION III

RISK FACTORS

An investment in Equity Shares involves a high degree of financial risk. You should carefully consider all information in this Draft Red Herring Prospectus, including the risks described below, before making an investment in our Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, as well as the other risks and uncertainties discussed in this Draft Red Herring Prospectus, could have a material adverse effect on our business, financial condition and results of operations and could cause the trading price of our Equity Shares to decline. In addition, the risks set out in this Draft Red Herring Prospectus may not be exhaustive and additional risks and uncertainties, not presently known to us, or which we currently deem immaterial, may arise or become material in the future. 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 risks mentioned herein.

Materiality

The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality.

- 1. Some risks may not be material individually but may be material when considered collectively.*
- 2. Some risks may have an impact which is qualitative though not quantitative.*
- 3. Some risks may not be material at present but may have a material impact in the future.*

INTERNAL RISK FACTORS

Criminal Proceedings against our Promoters and our Company

- 1. There are certain criminal proceedings pending against our Company and our Promoters. The proceedings are pending at different levels of adjudication before various courts, tribunals and enquiry officers. Any adverse outcome in any of these proceedings could adversely affect our Company and our Promoters and as a result, our business, results of operations and financial condition.**

There are certain criminal proceedings pending against our Company and our Promoters. The proceedings are pending at different levels of adjudication before various courts, tribunals and enquiry officers. Below is a summary of these criminal proceedings:

Sr. No.	Case number	Complainant	Accused / Respondent	Provisions under which litigation has been initiated	Financial Implication
1.	Criminal complaint number 15 of 2010.	State at the instance of K.T. More, Drugs Inspector.	Mr. Balkrishna Dattatraya Deshpande, Mr. Smitesh Mehta and Calyx Chemicals and Pharmaceuticals Limited.	Section 18 (c), Section 18 (a)(i) read with Section 17 (b), Section 27 (b)(ii) and Section 27 (d) of the Drugs and Cosmetics Act, 1940 and applicable rules.	Not quantifiable
2.	Criminal appeal bearing number 923 of 2008.	The Bombay Engineering Works.	Calyx Pharmaceuticals and Chemicals Private Limited, Calyx Chemicals and Pharmaceuticals Private Limited, Mr. Smitesh Shah, Mr. Satish Shah, Mr. Michael Guido and the State of Maharashtra.	Section 138 of Negotiable Instruments Act, 1881	₹ 9, 57,268.

All of these allegations have been contested by our Company and the Promoters. For further details on these proceedings, please see “*Outstanding Litigation, Material Developments and Other Disclosures*” beginning on page 301 of this Draft Red Herring Prospectus.

No assurance can be given that these matters will be settled in favour of our Company or that no further liability will arise out of these claims. An adverse outcome in any of these proceedings could have a material adverse effect on our Company, Promoters or Directors and our Group Entities, as well as on our business, financial condition and results of operations. Further, any adverse outcome in any of these proceedings may affect the reputation and standing of our Company and may have a negative effect on our business.

Risks related to the Objects of the Issue

2. ***Our Company proposes to set up a new cGMP compliant facility / project for Intermediates on the plot situated at M-4, MIDC, Tarapur. However, as on the date of this Draft Red Herring Prospectus, our Company is yet to apply for certain licenses pertaining to this manufacturing unit and we will apply for the same as and when needed.***

The new cGMP compliant facility /project, for which funds amounting to ₹ 8,500 Lacs are being raised through this Issue, is proposed to be set up on the Plot situated at M-4, MIDC, Tarapur. Our Company requires certain licenses / approvals pertaining to taxation, labour licenses, etc. for the purpose of running this manufacturing unit. Applications for these licenses are required to be made at various stages of the project and our Company is yet to apply for these licenses. We cannot assure you that our Company will receive all these necessary approvals/ licenses in a timely manner or at all leading to a delay in the completion of the project.

3. ***Our Company has not yet placed orders for plant and machinery, equipment etc. for the proposed project as specified in the chapter titled “Objects of the Issue”. Any delay in placing the orders or in procurement of plant and machinery, equipment etc. may delay the implementation schedule as also lead to increase in prices of these equipments. This may result in escalation of the project costs and in turn, our Company’s revenue and profitability.***

The net proceeds of this Issue are proposed to fund the planned expansion as explained in the chapter titled ‘*Objects of the Issue*’ beginning on page 88 of this Draft Red Herring Prospectus. Our Company has not yet placed any orders for purchase of plant and machinery or equipment for the proposed project. Any delay in placing the orders or procurement of plant and machinery, equipments, etc. may result in a delay of the implementation schedule and our Company may have to purchase them at a higher price affecting the project cost and in turn, our Company’s revenue and profitability.

4. ***The Objects of this Issue are based on the internal estimates of our management, and have not been appraised by any bank or financial institution. The deployment of funds in the project is entirely at our discretion and as per the details mentioned in the chapter titled “Objects of the Issue”.***

Our funding requirements and the deployment of the proceeds of this Issue are based on management estimates and have not been appraised by any bank or financial institution or any independent agency. We may have to revise our management estimates from time to time and consequently, our funding requirements may also change. Our estimates may exceed the value that would have been determined by third party appraisals and may require us to reschedule our expenditure which may have a bearing on our expected revenues and earnings. Further, the deployment of the funds towards the objects of this Issue is entirely at the discretion of our Board of Directors and is not subject to monitoring by external independent agency.

5. ***Delay in raising funds from this Issue could adversely impact the implementation schedule specified in the chapter titled “Objects of the Issue”.***

Our Company’s proposed project is to be entirely funded from the proceeds of this Issue and internal accruals, if required. Our Company has not identified any alternate source of funding and hence any failure or any delay on our Company’s part to mobilize the required resources through this Issue or any shortfall in the Issue Proceeds may delay the implementation schedule. Our Company therefore, cannot assure that it would be able to execute the said project within the given time frame, or within the costs as originally estimated by our Company. Any time overrun or cost overrun may adversely affect our growth plans and profitability.

Risks related to this Issue

6. *Our Company has made an application dated July 23, 2012 to FIPB, seeking post-facto approval for the Equity Shares allotted to Marble Arch Group Limited on April 03, 2012 and April 09, 2012. Our Company has also made an additional application dated September 26, 2012 to FIPB seeking its approval to offer, issue and allot Equity Shares of our Company to foreign investors who may participate in this Issue. There can be no assurance that FIPB will grant such approvals in a timely manner or at all.*

Pursuant to the Press Note No. 3 dated November 08, 2011 and Master Circular dated April 10, 2012 issued by the Government of India Ministry of Commerce & Industry Department of Industrial Policy & Promotion, 100% foreign direct investment in pharmaceutical sector for brownfield companies is allowed only under the Government approval route.

Our Company has allotted 1, 25,000 Equity Shares for a face value of ₹ 10 each at a premium of ₹ 235.49 to Marble Arch Group Limited, a foreign investor, and for such allotment our Company has not obtained the requisite approval from FIPB. Hence, in the application dated July 23, 2012, our Company has requested FIPB to grant post-facto approval to the allotment of equity shares made to Marble Arch Group Limited. As on the date of this Draft Red Herring Prospectus, approval from FIPB is awaited. In case FIPB does not grant such post-facto approval, our Company may be directed to take corrective measures including but not limited to filing a compounding application and/or payment of penalty for the same.

Further, our Company has made an additional application dated September 26, 2012 to FIPB seeking its approval to permit our Company to offer, issue and allot Equity Shares upto 49% of the total post Issue paid up capital of our Company to foreign investors. In case FIPB does not grant such approval to our Company, our Company will not be able to issue Equity Shares to any foreign investors and or our Company may not be able to proceed with this Issue altogether.

Risks related to the Business of our Company

7. *Our Company has, in the Fiscals 2008 and 2009, delayed repayment of certain loans. Our Statutory Auditor has also made qualifications in this regard in the relevant annual reports of our Company. There is no guarantee that our Company will be able to repay its loans in a timely manner in the future. In the event that our Company is unable to pay its loans and interest thereon, as and when they are due, our lenders may recall the loans, which may have an adverse impact on our business, operations and financial conditions.*

Our Company has, in Fiscal 2009, delayed the payment of instalments (as set out in the table hereinbelow) of loans in respect of which the statutory auditor of our Company has inserted a qualification, the details of which are as under:

“The Company has not defaulted in repayment of dues to Financial Institutions or Banks except in certain instances as stated below:”

Name of Institution / Bank	Amount	Due date	Date of payment
Term loan - Export Import Bank of India	52,00,000	12 th March 2009	13 th April 2009
Term loan - Export Import Bank of India	66,00,000	20 th March 2009	05 th June 2009

There are certain delays in payments of instalments (as set out in the table hereinbelow) of certain loans in Fiscal 2008 in respect of which the statutory auditor of the Company has inserted a qualification, the details of which are as under:

“The Company has generally not defaulted in repayment of dues to financial institutions or banks except in certain instances as stated in the annexure enclosed”

The Annexure to the annual report states as under:

Name of Bank / Institution	Amount due (₹)	Due date of payment	Actual Date of Payment
Term loan- Bank of India	33,00,000	20/02/2008	29/ 02/ 2008
Term loan – Exim Bank	52,00,000	12/09/2007	14/09/2007
		12/ 12/ 2007	15/02/2008
		12/03/2008	15/03/2008
Term loan- Exim Bank	66,00,000	20/ 03/ 2008	29/ 03/ 2008
Term Loan – ICICI Bank	4,01,156	31/07/2007	09/08/2007
		30/09/2007	3/10/2007
		30/11/2007	3/12/2007

		31/01/2008	04/02/2008
		31/03/2008	25/04/2008
Term loan State Bank of India – I	9,00,000	30/04/2007	05/05/2007
		30/06/2007	03/07/2007
		31/07/2007	07/09/2007
		31/08/2007	28/09/2007
		31/12/2007	08/01/2008
		29/02/2008	05/03/2008
Term loan State Bank of India – II	25,00,000	30/04/2007	04/06/2007
		31/05/2007	04/06/2007
		30/06/2007	03/07/2007
		31/07/2007	07/09/2007
		31/08/2007	28/09/2007
		30/11/2007	29/01/2008
		31/12/2007	29/01/2008
		31/01/2008	05/02/2008
		29/02/2008	05/03/2008

In the event that our Company is unable to pay its loans and interest thereon, as and when they are due, our lenders may recall the loans, which may have an adverse impact on our business, operations and financial conditions.

8. *Our Company has been making positive cash flows from operating activities. However, out of the past 3 years, there was net negative cash flow only in Fiscal 2011 amounting to ₹ 544.48 Lacs, details of which are given below. Negative cash flow, if any, could impact our growth and business.*

(₹ in Lacs)

Particulars	Fiscal (Standalone)		
	2010	2011	2012
Net cash flow from operating activities	3,224.33	357.14	6,906.70
Net cash flow from investing activities	(1,107.12)	(5,452.04)	(4,258.51)
Net cash flow from financing activities	431.85	4,550.42	119.03
Net increase / (decrease) in cash and cash equivalents (a+b+c)	1,685.36	(544.48)	2,767.23

Cash flow of a company is a key indicator to show the extent of cash generated by the company to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient net cash flows in future, it may adversely affect our business and financial operations. For further details please refer to the section titled “Financial Information” and chapter titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 201 and 282 of this Draft Red Herring Prospectus respectively.

9. *Our corporate records for the period from 1986 to 1997 (during which period, our Company was under different management) are not available.*

Our Company was incorporated and promoted as “Shree Deep Jyote Industrial Paints Private Limited” by previous promoters namely Mr. Dharmesh Shah and Mr. Satyen Shah in the year 1986. It was acquired by Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Indulal Dalichand Doshi in the year 1995 (“take over”). Some of our corporate records for the period from 1986 to 1997 are not available. However, since 1997, our Company has maintained its corporate and other records.

Our Company does not have copies of Income Tax Returns, statutory filings made with the Registrar of Companies for the period between 1986 and 1997. Due to the absence of these records, our management has not been in a position to assess whether our Company has complied with its statutory obligations during the period between 1986 and 1997. However, our Company has not received notices from any of the regulatory authorities for non-compliance of its statutory obligations.

Subsequent to the acquisition of our Company by the current Promoters, utmost importance has been paid towards the upkeep and the maintenance of the corporate records and along with compliance with the statutory rules, acts and regulations. Our Company and its Subsidiaries are not in a position to determine/quantify any amount of liability that

may arise out of any events prior to the acquisition. If any of these contingent liabilities materialize, they could affect our reputation, operations, business and financial conditions adversely. However, no litigation or liabilities are pending against our Company due to the non-availability of the corporate records as on the date of this Draft Red Herring Prospectus.

For details of the take over (as defined above) please refer to the chapters titled “History and Other Corporate Matters” and “Capital Structure” beginning on pages 161 and 57 respectively, of this Draft Red Herring Prospectus.

10. Several of the agreements and material business contracts entered into with our strategic business partners across the world contain clauses which provide for dispute resolution outside India under jurisdiction of foreign courts. This may escalate the cost of litigation, should any arise, affecting our Company’s business and profitability.

Several of the agreements and material business contracts entered into with our strategic business partners across the world contain clauses which provide for dispute resolution outside India under jurisdiction of foreign courts. In the event that disputes arise in respect of the same, our Company would be required to approach foreign courts and tribunals where the cost of conducting trials could be high, affecting our Company’s revenues and profitability.

11. Our Company, Promoters, Directors and Group Entities are involved in certain legal proceedings. Further, our Company / Directors have paid certain penalties in the past.

Our Company, Promoters, Directors and Group Entities are involved in certain legal proceedings and claims in relation to certain civil and tax matters incidental to their business and operations. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. Any adverse decision may render us / them liable to liabilities / penalties and may adversely affect their business and results of operations. A classification of these legal and other proceedings are given in the following table:

<i>(₹ in Lacs)</i>						
Entity involved in litigation	Civil cases	Criminal cases	Tax cases	Financial implications*	Potential Litigations	Financial implications*
Our Company						
Litigations by our Company	01	01	08**	164.27	01	Nil
Litigations against our Company	05	02	03	27.89	42	1434.17
Total	06	03	11	192.16	43	1434.17
Promoters and / or Directors						
Litigations by Promoters and / or Directors	01	Nil	Nil	0.94	Nil	Nil
Litigations against Promoters and / or Directors	Nil	02	Nil	9.57	Nil	Nil
Total	01	02	Nil	10.51	Nil	Nil
Litigations filed by / against other entities, which may have material implications to our Business						
Litigations filed against other entities, which may have material implications on our business	Nil	Nil	Nil	Nil	Nil	Nil

*to the extent quantifiable.

**all or part of the amount involved in these litigations may be payable by our Company to relevant tax authorities, in case the outcome of this litigation is not in favour of our Company.

Penalties imposed on our Company / Directors in the past:

Sr. No.	Amount of penalty imposed	Brief particulars regarding the penalty	Remarks (paid / payable and reasons therefor)
1.	₹ 3,000	Penalty was imposed by the Judicial Magistrate, F. C. Miraj, vide order dated December 01, 2009 in case bearing number	Penalty imposed paid, payment acknowledged vide receipt

		9256 / 95 on the former promoters of erstwhile Shree Deep Jyote Industrial Paints Private Limited (Mr. Dharmesh Shah and Mr. Satyen Shah) for contravention of the Standards of Weights and Measures Act, 1976.	issued by Assistant Inspector, Criminal Court, Miraj.
2.	₹ 5,000	Penalty was imposed by the Controller of Rationing, Mumbai vide order dated December 05, 2009 on our Company for failure to submit end- use certificates under the Maharashtra Solvents, Raffinate and Slop (Order), 2007.	Deposit paid by our Company in this regard was seized towards payment of the penalty.
3.	₹ 5,000	Penalty was imposed by the Company Law Board, Mumbai bench vide order dated September 08, 2011 in Company Application bearing No. 22 to 26/621A/CLB/MB/2011 on Mr. Smitesh Shah	Penalty was paid by Smitesh Shah vide DD No. 020416

For further details of the same, please refer to the chapter titled “*Outstanding Litigation, Material Developments and Other Disclosures*” beginning on page 301 of this Draft Red Herring Prospectus.

12. We have contingent liabilities in our balance sheet, as restated, as at March 31, 2012.

The following are the contingent liabilities in our balance sheet, as restated, as at March 31, 2012. If any of these actually occur, they may adversely impact our financial condition:

		(₹ in Lacs)
Particulars	As at March 31, 2012	
Letters of Credit outstanding	598.66	
Capital Commitments (net of advances)	280.58	
Custom duty liability on account of pending Export obligation-Advance Licence and EPCG scheme	440.85	
Direct and Indirect Taxation	88.99	
Bank Guarantee	11.43	
Contested claims (excluding taxation)	18.32	

13. We have applied for certain licenses / approvals, which we are yet to receive and we are yet to apply for certain licenses / approvals. Further, any delay or inability in renewing our existing licenses / approvals may have an adverse effect on our business.

There are certain licenses / approvals incidental or ancillary to our business for which we have applied and which are yet to be obtained and those for which we are yet to apply. Delay in receipt of such licenses / approvals may adversely affect our business / operations. Details of the same are as follows:

Licenses applied for but not received as on the date of this Draft Red Herring Prospectus:

Sr. No.	Nature of license applied for	Date of application	Authority before whom it is pending
1.	Consent to operate (red) issued to our Company's manufacturing unit at plot bearing number N- 90, Tarapur. The same expired on March 31, 2011.	March 13, 2012	Sub-Regional Officer, Maharashtra Pollution Control Board
2.	License to sell, stock, or exhibit (or offer) for sale, or distribute by wholesale drugs other than those specified in Schedules C, C (1) and X issued to our Company's Research and Development Centre. The same expired on May 22, 2012.	June 05, 2012	Assistant Commissioner, Food and Drug Administration, Thane, Maharashtra State
3.	License to sell, stock, or exhibit (or offer) for sale, or distribute by wholesale drugs specified in Schedules C and C (1) [excluding those specified in Schedule X] issued to our Company's Research and Development Centre. The same expired on May 22, 2012.	June 05, 2012	Assistant Commissioner, Food and Drug Administration, Thane, Maharashtra State
4.	Certificate of Registration issued to M/s. Varad Enterprises, Dombivli for the purposes of employment of 40 contract	August 24, 2012	Registering and Licensing Officer, Kalyan under Contract

	labourers at Company's manufacturing unit at Plot number W-212, Dombivli. The same expired on December 31, 2011.		Labour (Regulation and Abolition) Act, 1970
5.	Provisional No Objection Certificate issued to our Company in respect of the factory located at plot bearing number N-91, Tarapur. The same expired on December 09, 2011. This application is for obtaining final No Objection Certificate.	January 08, 2012	Division Fire Officer, MIDC, Mumbai
6.	Factory License for running of factory for the plot bearing number M-4 and M-15, Tarapur.	December 11, 2011	Director Industrial Safety and Health, Thane
7.	Provisional No Objection Certificate issued to our Company in respect of the factory located at plot bearing number M-4 and M-15, Tarapur. The same will expire on June 18, 2013. This application is for obtaining final No Objection Certificate.	July 21, 2012	Division Fire Officer, MIDC, Mumbai

Licenses pertaining to the new cGMP compliant facility proposed to be set up on plot situated at M-4, MIDC, Tarapur:

Sr. No.	Particulars of licenses which are yet to be applied
1.	License to operate a factory under the provisions of the Factories Act, 1948
2.	Certificate of Stability under the provisions of the Factories Act, 1948 and Rule 3A of the Maharashtra Factories Rules, 1963
3.	Report of examination hoist, lifting machines, chains, ropes and lifting tackles under the provisions of the Factories Act, 1948 and Rules 62 and 64 of the Maharashtra Factory Rules, 1963
4.	Consent to operate under Section 26 of the Water (Prevention and Control of Pollution) Act, 1974, Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 and under Rule 5 of the Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 1989 and Amended Rules, 2000 and 2003.
5.	Certificate of registration under the relevant tax / excise laws
6.	Certificate of Registration under Section 7(2) of the Contract Labour (Regulation and Abolition) Act, 1970 and rules made thereunder
7.	Licenses issued under the provisions of the Electricity Act
8.	GMP certificate issued by WHO/ Local FDA
9.	Certificate of membership for handling hazardous wastes
10.	Final No Objection Certificate under the provisions of the Maharashtra Fire Prevention and Life Safety Measures Act, 2006

Many of the government and statutory approvals our Company is required to obtain in the course of business are granted for fixed periods of time and need to be renewed from time to time. Our Company is required to renew such licenses and approvals. There can be no assurance that the relevant authorities will issue any of such licenses or approvals in time or at all. Further, these licenses and approvals are subject to several conditions, and our Company cannot assure that it shall be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, and this may lead to cancellation, revocation or suspension of relevant licenses / approvals. Failure by our Company to renew, maintain or obtain the required licenses or approvals, or cancellation, suspension or revocation of any of the licenses or approvals may result in the interruption of our Company's operations and may have a material adverse effect on our business. For details please refer chapter titled "Government and Other Statutory Approvals" beginning on page 336 of this Draft Red Herring Prospectus.

14. We have in the last 12 months issued Equity Shares at a price which may be lower than the Issue Price.

The details of issue of Equity Shares in the past 12 months, which may have been made at a price lower than the Issue Price, are as follows:

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons
May 28, 2012	13,877	10	235	Preferential allotment to Arvind Bhupatrai Sheth
May 28, 2012	13,061	10	235	Preferential allotment to Ashish Arvind Sheth
May 28, 2012	13,061	10	235	Preferential allotment to Amit Arvind Sheth

May 28, 2012	55,833	10	230	Preferential allotment to Dinesh Jagdish Khokhani (jointly with Mehul Jagdish Khokhani)
May 28, 2012	14,583	10	230	Preferential allotment to Mahesh Jagdish Khokhani as a Karta of Mahesh Jagdishbhai Khokhani – HUF
May 28, 2012	16,666	10	230	Preferential allotment to Dinesh Jagdish Khokhani as a Karta of Dinesh Khokhani - HUF
May 26, 2012	58,333	10	230	Preferential allotment to Mehul Jagdish Khokhani (jointly with Dinesh Jagdish Khokhani)
May 26, 2012	33,333	10	230	Preferential allotment to Mehul Jagdish Khokhani as Karta of Mehul J. Khokhani - HUF
May 26, 2012	4,170	10	230	Preferential allotment to Meera Mehul Khokhani
May 26, 2012	16,666	10	230	Preferential allotment to Pankti Ankit Khokhani (jointly with Ankit Mahesh Khokhani)
April 09, 2012	1,12,643	10	235.49	Preferential allotment to Marble Arch Group Limited
April 03, 2012	12,357	10	235.49	Preferential allotment to Marble Arch Group Limited
March 31, 2012	25,000	10	230	Preferential allotment to Mr. Smitesh Chandravan Shah (jointly with Parul S Shah)
March 31, 2012	25,000	10	230	Preferential allotment to Mr. Bharat Sukhlal Mehta (jointly with Asha B Mehta)
March 31, 2012	10,000	10	230	Preferential allotment to Parul S Shah (jointly with Mr. Smitesh Chandravan Shah)
March 31, 2012	6,250	10	230	Preferential allotment to Asha B Mehta (jointly with Mr. Bharat Sukhlal Mehta)
March 31, 2012	4,000	10	230	Preferential allotment to Amit B Mehta (jointly with Mr. Bharat Sukhlal Mehta)
March 31, 2012	35,000	10	230	Preferential allotment to Rajat Indulal Doshi
March 31, 2012	2,080	10	230	Preferential allotment to Meera Khokhani
March 31, 2012	2,080	10	230	Preferential allotment to Kiran Khokhani
March 31, 2012	2,080	10	230	Preferential allotment to Beena Khokhani

March 31, 2012	2,080	10	230	Preferential allotment to Ami Khokhani
March 31, 2012	2,080	10	230	Preferential allotment to Priti Khokhani

For further details please refer to the chapter titled “*Capital Structure*” beginning on page 57 of this Draft Red Herring Prospectus.

- 15. *There are no long term supply agreements for the raw materials required for manufacturing of our Company’s products. Volatility in the prices of the raw material may have an adverse impact on our business and financial operations.***

The prices of raw materials may fluctuate, depending on among other factors, the number of producers / suppliers and their production volumes or prices and changes in demand in the principal drug markets. Our Company does not have any long term agreement with suppliers for the purchase of the aforementioned raw materials, among others. Though we cover purchases to a certain extent in anticipation of any price increases, we are still exposed to and will have to absorb any fluctuations in the prices of these raw materials, which may adversely affect financials of our Company.

- 16. *Our Company does not have long term contracts with its customers in the Products Business (as defined in the chapter titled “Business Overview” beginning on page 118 of this Draft Red Herring Prospectus), for a substantial percentage of our products and typically operates on the basis of purchase orders, which could adversely impact our revenues and profitability.***

We do not have long-term sales contracts with our customers in the Products Business (as defined in the chapter titled “*Business Overview*” beginning on page 118 of this Draft Red Herring Prospectus). Our Company’s business is dependent on the decisions and actions of our customers, and there are number of factors which affect our customers’ decisions, which are beyond our control. Our Company does not presently have any formal arrangements in respect of its Products Business, for our products except, in some cases, for Pyrazinamide, Artemether, Lumifantrine and Macrolides. Also, our Company may or may not enter into any formal agreement or contract for sale of our Company’s products in future. Since our customers are not contractually obliged to purchase our products periodically or in the long term, our customers’ decisions and actions may be contrary or deterrent to our business and this may in turn affect our revenues, and in turn our profitability.

- 17. *63.19%, 55.41% and 71.98% of our Company’s sales for Fiscals 2012, 2011 and 2010 respectively was from our top 10 customers. If our Company is unable to retain any of the top 10 customers or if our customers decide to procure their demands from other suppliers including our competitors, our business, revenues and profitability may be adversely affected.***

Following are the details of the revenue derived from our top 10 customers for Fiscals 2012, 2011 and 2010:

(₹ in Lacs)					
Fiscal 2012		Fiscal 2011		Fiscal 2010	
Amount	%	Amount	%	Amount	%
40,772.02	65.19	24,617.12	54.66	23,163.69	71.98

If our Company is unable to retain any of the top 10 customers or if our customers decide to procure their demands from other suppliers including our competitors, our business, revenues and profitability may be adversely affected.

- 18. *Two of our Group Entities, Top Brass Gifts Private Limited and M/s. Paras Trading Corporation, have incurred losses in any of the preceding 3 financial years.***

Two of our Group Entities, Top Brass Gifts Private Limited and M/s. Paras Trading Corporation, have been loss making entities. Details of the financial information of these entities for the preceding 3 years are as under:

Name of Group Company	Profit / (Loss) for the Fiscal		
	2012	2011	2010
Top Brass Gifts Private Limited	(1.49)	(0.31)	(1.28)
M/s. Paras Trading Corporation	1.11	(3.84)	(8.01)

19. *Some of our Group Entities may be considered defunct as on the date of this Draft Red Herring Prospectus. It is possible that consequences may follow in relation to the same which may adversely affect those of our Promoters involved in promoting such Group Entities.*

3 of our Group Entities, Noble Tele Infotech Private Limited, Noble Strategies International Private Limited and Advanced Digital Software Private Limited, have not been in operation since Fiscals 2002, 2001 and 1992 respectively and may be considered defunct as on the date of this Draft Red Herring Prospectus. In respect of such Group Entities, those of our Promoters associated with the abovementioned entities have informed us that the finalisation of accounts, audit, filing of various returns and forms with different authorities (including annual returns and annual accounts), convening / holding of board meetings, general meetings and various other statutory compliances for several years have not been made. However, no action to strike the same off the record has been taken by the Registrar of Companies. Our Promoters associated with the abovementioned entities are unable to ascertain any liabilities or contingent liabilities of such entities, other than those reflected in the last available annual audited accounts of those entities. Our business and results of operations may be adversely affected in the event that our Promoters face sanctions or penalties for non-compliance of relevant laws, rules and regulations.

20. *We are subject to restrictive covenants in certain short-term and long-term debt facilities provided to us by our lenders. Our Company has not received “No Objection” certificate from some of our lenders to undertake this Issue. Non receipt of such “No Objection” certificate could lead to non-compliance of the terms of loan agreements entered into by our Company with said lenders.*

We have entered into agreements for availing financial facilities from various lenders. Certain covenants in these agreements require us to obtain approval / permission from our lenders in certain conditions. These conditions include, amongst others, implementation of any scheme of expansion / diversification / renovation / capital expenditure, formulation of any scheme of amalgamation or reconstruction, undertaking of guarantee obligation, any change in our capital structure. In the event of default or the breach of certain covenants, our lenders have the option to make the entire outstanding amount payable immediately. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain consents necessary to take the actions that we believe are required to operate and grow our business.

Further, as on date of this Draft Red Herring Prospectus, out of 18 lenders we have not received “No Objection” certificates from the following banks to undertake this Issue: Bank of India, State Bank of Patiala and Indian Bank. We cannot assure you that the lenders will grant us “No Objection” certificates for this Issue. Non receipt of such “No Objection” certificate could lead to non-compliance of the terms of loan agreements entered into by our Company with said lenders.

For further details in this regard, including approvals obtained from our lenders for this Issue, please refer chapter titled “Financial Indebtedness” beginning on page 269 of this Draft Red Herring Prospectus.

21. *Certain secured and unsecured loans taken by our Company may be recalled by our lenders at any time.*

Certain unsecured loans amounting to ₹ 1,289.02 Lacs outstanding as on August 31, 2012 taken by our Company are such where the terms of repayment have not been stated and hence these may be recalled by our lenders at any time. Further, certain secured fund based working capital facilities availed by our Company aggregating to ₹ 33,340.67Lacs outstanding as on August 31, 2012, may also be recalled by our lenders at any time in the event of any non compliance of the terms mentioned in their respective sanction letters. If our lenders (whose loans are recallable on demand) choose to exercise the right to recall such facilities at any time, our Company’s financial position may be adversely affected. For further details of our indebtedness, please refer to the chapter titled “Financial Indebtedness” beginning on page 269 of this Draft Red Herring Prospectus.

22. *In addition to our existing indebtedness for our existing operations, we may be required to obtain further loan during the course of business. We cannot assure that we would be able to service our existing and / or additional indebtedness.*

In addition to our indebtedness for our existing operations we may be required to raise further debt in the form of term loans and working capital loans in the course of business. Increased borrowings, if any, would adversely affect our debt-equity ratio and our ability to further borrow at competitive rates.

Any failure to service our indebtedness or otherwise perform our obligations under our financing agreements could lead to a termination of one or more of our credit facilities, trigger cross default provisions, penalties and acceleration

of amounts due under such facilities which may adversely affect our business, financial condition and results of operations. For details of our indebtedness, please refer to the chapter titled “*Financial Indebtedness*” beginning on 270 of this Draft Red Herring Prospectus.

23. *Our Promoters and Directors have interest in our Company other than reimbursement of expenses incurred or normal remuneration or benefit.*

Our Promoters and Directors may be deemed to be interested to the extent of Equity Shares held by them, their friends or their relatives or our Group Entities, and benefits arriving from their directorship in our Company. Our Promoters are interested in the transactions entered into between our Company and themselves as well as between our Company and our Group Entities. Further, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi, our Promoter Directors, may be deemed interested to the extent of fees paid / proposed to be paid to them as consultants to our Company. For further details, please refer to the sections titled ‘*Our Management*,’ ‘*Our Promoters and Promoter Group*’ and ‘*Financial Information*’ beginning on pages 170, 189 and 201 of this Draft Red Herring Prospectus.

24. *All our manufacturing units and our research & development centre are located on property taken on lease or leave and license basis. Disruption of our rights as lessee / licensee or termination of the agreements with our lessors / licensors would adversely impact our manufacturing operations and, consequently, our business*

All our manufacturing units and our research & development centre are located on properties taken on leave and license basis or lease basis from various lessors / licensors. Our research & development centre situated at Plot number A / 37-38, Phase I, Golavli, Kalyan Shil Road, Dombivli (East) 421 203 was taken on leave and license basis from Atul Impex Private Limited for a period of 5 years and the leave and license has expired on March 31, 2012. Our Company is in the process of renewing the same. If we are unable to renew the lease agreement, we may suffer a disruption in our research and development operations. Moreover, most of our properties are taken on leasehold basis from the MIDC (unexpired term being more than 75 years in the case of most properties referred to herein), disruption of our rights as lessee / licensee or termination of the agreements with our lessors / licensors would adversely impact our manufacturing operations and, consequently, our business. For details of our freehold and leasehold properties, please refer to the chapter titled “*Business Overview*” beginning on page 118 of this Draft Red Herring Prospectus.

25. *Our success largely depends on our key managerial personnel and our ability to attract and retain them. Any loss of our key managerial personnel could adversely affect our business, operations and financial condition.*

We depend significantly on the expertise, experience and continued efforts of our key managerial personnel. If one or more members of our key managerial personnel are unable or unwilling to continue in his / her present position, we could find it difficult to find a replacement, which may adversely affect our business and operations. Competition for key managerial personnel in our industry is intense and it is possible that we may not be able to retain our existing key managerial personnel or may fail to attract / retain new employees at equivalent positions in the future. For further details on the key managerial personnel of our Company please refer chapter titled ‘*Our Management*’ beginning on page 170 of this Draft Red Herring Prospectus.

26. *Our Company’s failure to address price erosion, if any, inherent in API and Intermediates products may adversely affect our business and financial operations.*

Our Company faces competition from domestic and international players, including Chinese players in the API and Intermediate product segment (for further details of our competitors, please refer to the paragraph titled “*Competition*” in the section titled “*Business Overview*” beginning on page 118 of this Draft Red Herring Prospectus). Further, prices of APIs can fluctuate drastically, depending on, among other factors, the number of producers and their production volumes and changes in demand, none of which are under our Company’s control. Erosion in price realization and loss of customers may adversely affect our Company’s profitability.

27. *The manufacture and storage of pharmaceutical and chemical products is subject to environmental regulations. Compliance with increasingly strict regulations or with stricter interpretations of existing regulations may impose new liabilities on our Company*

Our Company’s operations are subject to various environmental laws and regulations relating to environmental protection in various locations in India and internationally. There can be no assurance, that compliance with such environmental laws and regulations will not result in curtailment of production or a material increase in production costs or otherwise have a material adverse effect on our financial condition and 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. Stricter laws and regulations, or stricter interpretation of the existing laws and regulations may impose new liabilities or result in the need for additional investment in environmental protection equipment, either of which could adversely affect our Company's business and financial operations.

For a description of the environmental regulations and laws applicable to our Company, please refer to the chapter titled "*Key Regulations and Policies*" beginning on page 151 of this Draft Red Herring Prospectus.

28. *Our business operations involve handling and storage of hazardous materials. Risks arising from the same may result in damages to life and property, as also exposure to litigation.*

Pharmaceutical companies handle hazardous materials including explosive, toxic and combustible materials. We are also required to obtain several licenses and approvals for the storage and handling of such materials, which in turn impose several obligations and restrictions on our Company. If improperly handled or subjected to less than optimal conditions, these materials could harm employees and other persons, cause damage to life and to property and harm the environment. This in turn could subject our Company to significant penalties including closure of our manufacturing units and / or litigation which may have an adverse effect on our business and financial operations. For a description of the regulations and laws applicable to our Company in this regard, please refer to the chapter titled "*Key Regulations and Policies*" beginning on page 151 of this Draft Red Herring Prospectus. For details of licenses and approvals obtained by our Company for the storage and handling of certain materials, please refer to the chapter titled "*Government and Other Statutory Approvals*" beginning on page 336 of this Draft Red Herring Prospectus.

29. *Our future growth will be contingent upon our ability to finance our working capital requirements.*

Our business is working capital intensive. Historically we have met our working capital requirements through a combination of internal accruals and bank borrowings. Since we propose to expand our manufacturing capacities by setting up a new cGMP compliant manufacturing facility, our working capital requirement is expected to increase on commencement of operations of the additional capacities. We cannot assure you that we will be able to raise funds from external sources at a competitive rate or at all to finance the increased working capital requirements, which in turn may adversely affect our business, operations and future growth.

30. *Our present manufacturing facilities are situated in one geographical area, and thus exposed to any risks / adverse developments affecting that area.*

Our present manufacturing facilities are situated within Maharashtra and our proposed manufacturing facility is also located in Maharashtra. Thus, our business operations are vulnerable to damage or interruptions in operations due to adverse weather conditions, earthquakes, fires, explosions, power loss, civil disturbances or other similar events which may affect this area. Any failure of our systems or any shutdown of any part of our manufacturing unit, networks, operations because of operational disruptions, natural disaster such as flood or earthquake, or other factors, could disrupt our services and result in significant increase of costs and delays in execution of orders. We do not have a diversified base of manufacturing operations, and local disturbances would have a material adverse effect on our business, and consequently on our operations and financial condition.

31. *Changes in technology, as and when they occur, may impact our business.*

Advancements in technology may require us to incur additional capital expenditure for upgrading our manufacturing and / or R & D facilities so as to compete with our competitors on a global scale. While advancements in technology are infrequent in our industry, in the event that we are not able to respond to such technological advancements, as they occur, in a timely manner, we may become less competitive thereby adversely affecting our business, operations and financial condition.

32. *Any failure or delay in securing DMFs, CTDs and other regulatory approvals in regulated markets such as the US, Europe, Japan, etc. may adversely affect our Company's future growth.*

Our Company's ability to achieve greater business from regulated markets such as the US, Europe, Japan, etc., is dependent on success in continuing to obtain regulatory approvals such as DMFs and CTDs among others, in those markets. However, consistently obtaining approvals in the regulated markets is difficult and depends upon our adherence to stringent GMP practices and improving and maintaining our existing R&D operations. Any failure or delay in obtaining the said approvals may hamper our growth and penetration in regulated markets, thus hampering our Company's business prospects in regulated markets.

33. *If our Company's R&D efforts do not succeed, we may not be able to introduce new products or attract new CRAMS contracts.*

In order to remain competitive, our Company must continue to improve the efficiency and cost competitiveness of our manufacturing processes and, simultaneously work towards introducing new products. To accomplish these objectives, to support our current market position (including in regulated markets) and attract new CRAMS contracts, we commit substantial efforts, funds and other resources to R&D. We expect that our Company's investments in R & D will continue to increase in the future. It is not certain whether these investments will translate into increased efficiency in our manufacturing processes or provide opportunities for new business partnerships. If these ongoing and increasing R & D investments prove unsuccessful, it would result in higher costs without a proportionate increase in income, which in turn would adversely affect our business and financial operations.

34. *Our Company's CRAMs revenue is primarily derived from the relationships that we have with MNCs and large Indian companies. Any difficulty in sustaining relationships or delivering the required results in the future, may affect the business that our Company can generate from these MNCs.*

Our Company's CRAMs business is primarily contracted with MNCs and large Indian companies. Once established, continued business relationships with MNCs and these Indian companies depends on our ability to deliver products of requisite quality in a timely manner. Due to the investments of time and resources, among others, made in establishing such business relationships, continued business relationships with MNCs and these Indian companies, are important to our business. However, if our Company is not able to maintain these relationships, our growth in CRAMS may be adversely affected.

35. *Our Company is engaged in CRAMS for some of the MNCs for their existing / new products. Any failure or delay by these MNCs, in obtaining the necessary regulatory approvals for sale of these products may adversely affect our future business prospects.*

One of our Company's business strategies is to enter into long-term contract manufacturing contracts with MNCs for their existing or new products. Further, each country has its own regulatory authority and which has jurisdiction in only a specified country / ies and are independent authorities. Obtaining regulatory approval is a time consuming process for the MNCs. The inability of the MNCs to obtain requisite approvals, for sale of such products as may be developed by the MNC in consonance with our Company, would adversely affect our business opportunities and future business prospects.

36. *If our Company is unable to protect its intellectual property, or if our Company infringes on the patents of others, our business may be adversely affected.*

Patents are likely to become increasingly significant to our Company in the future. Our Company's continued success depends, in part, on our ability to develop and protect our Company's intellectual property, including patents, trademarks, trade secrets and other proprietary information, and operate without infringing on the proprietary rights of others. In addition, our Company's competitors may have filed similar patent applications or hold issued patents relating to processes that compete with those that our Company is developing or are seeking to protect. Moreover, there can be no assurance that our Company's processes will not be found to infringe valid third-party intellectual property rights. For details of our intellectual property, please refer to the chapter titled "Business Overview" beginning on page 118 of this Draft Red Herring Prospectus.

37. *Our inability to protect proprietary information (ours and that of our clients), may adversely affect our business and expose us to liabilities*

Our Company enters into secrecy agreements with various clients before entering into CRAMS contracts, intended to prevent either party from revealing, or disclosing to anyone their confidential information, directly or indirectly. However, there are inherent risks in the protection of any intellectual property of proprietary nature and while we believe that our safety protocols in this regard are adequate and stringent, they may not be adequate to exclude all possibilities of breach thereof. If, due to factors beyond our control, there are breaches in protection of proprietary information (ours or that of our clients) our business may be adversely affected. We may also, consequently, be exposed to liabilities arising from breach of contract.

38. *Our applications for registration of some of our patents are still pending with the relevant authorities, as a result of which we may have limited recourse to initiate legal proceedings to protect our products and processes.*

Of the various processes and products developed by our Company's research and development facilities, 3 are registered in the name of our Company. 30 (thirty) applications for registration of the remaining patents in the name of our Company have been submitted to the relevant authorities as on August 31, 2012 and are still pending with them. Pending the registration of these patents we may have a limited recourse to initiate legal proceedings to protect our products and processes. For details of our intellectual property, please refer to the chapter titled "*Business Overview*" beginning on page 118 of this Draft Red Herring Prospectus.

39. *Post this Issue, our Promoters and Promoter Group will continue to hold majority shares in our Company.*

Post this Issue, our Promoters and Promoter Group will hold 52.86 % of our fully diluted equity share capital. Accordingly, our Promoters will continue to have control over our business including matters relating to any sale of all or substantially all of our assets, the timing and distribution of dividends and the election, termination or appointment of our officers and directors. This control could delay, defer, or prevent a change in control in our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage potential acquirers from making an offer or otherwise attempting to obtain control over our Company, even if it is in our Company's best interest. Our Promoters may also influence our material policies in a matter that could conflict with the interests of our other shareholders.

40. *Our future fund requirements, in the form of fresh issue of capital or securities and or loans taken by us, may be prejudicial to the interest of the shareholders depending upon the terms on which they are eventually raised.*

We may require additional capital from time to time depending on our business needs. Any fresh issue of equity shares or convertible securities would dilute the shareholding of the existing shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing shareholders. If such funds are raised in the form of loans or debt or preference shares, then it may substantially increase our fixed interest / dividend burden and decrease our cash flows, thus adversely affecting our business, operations and financial condition.

41. *We may face difficulties in managing growth which could disrupt our business and reduce our profitability. We may not be able to sustain effective implementation of our business and growth strategy.*

Our growth strategy is subject to and involves risks and difficulties, many of which are beyond our control and, accordingly, there can be no assurance that we will be able to implement our strategy or growth plans, or complete them within the budgeted cost and timelines. Any inability on our part to manage our growth or implement our strategy effectively could have a material adverse effect on our business, operations and financial condition. Further, on account of changes in market conditions, industry dynamics, technological improvements or changes therein and any other relevant factors, our growth strategy and plans may undergo changes or modifications, and such changes or modifications may be substantial, and may even include limiting or foregoing growth opportunities if the situation so demands.

42. *Our Company's expected production levels could be adversely affected by various factors.*

Manufacturers of products such as APIs often encounter difficulties in production. These problems include difficulties with production costs and yields, product quality (caused by, among other things, process failure, equipment failure, human errors or other unforeseen events during the production cycle) and shortages of qualified personnel, as well as compliance with regulatory requirements, including cGMP requirements. Because of the many steps involved in the production of APIs, any interruption in one of the steps in the manufacturing process could cause delays in the entire production cycle. In addition, any material labor problems, such as a work stoppage or mechanical failure or malfunction could likewise lead to delays in production. Any of these problems could result in delay or suspension of production and may entail higher costs or other installation expenses. Furthermore, if our Company's suppliers fail to deliver necessary manufacturing equipment, raw materials or adequately perform the services outsourced by our Company to them, production deadlines may not be met. Any such developments could have a material adverse effect on our Company's business and financial operations.

43. *Increasing employee compensation in India may erode some of our Company's competitive advantages and may reduce profit margins.*

Employee compensation in India has historically been significantly lower than employee compensation in the US and Europe for comparable skilled professionals, which is one of our Company's competitive strengths. However, increase in compensation levels in India may erode some of this competitive advantage and may negatively affect our

profit margins. Employee compensation in India is currently increasing which could result in increased costs relating to scientists and engineers, managers and other professionals. Our Company may need to continue to increase levels of employee compensation to remain competitive and manage attrition. Any increases in the amount of compensation paid to our Company's employees could have a significant effect on production costs, which may affect our position as a low-cost producer of Bulk drugs and have a material adverse effect on our business and financial operations.

44. Our insurance coverage may not adequately protect us against certain operating hazards and this may have an adverse effect on our business.

Our insurance policies provide for coverage against risk including loss of money, fire, damage, flood coverage, workmen, cargo, etc. There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our results of operations and cash flow could be adversely affected. While we believe that we maintain insurance coverage in amounts consistent with industry norms, our insurance policies do not cover all risks, specifically risks like product defect/liability risk and loss of profits, and are subject to exclusions and deductibles. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance had been availed. If we suffer a significant uninsured loss or if insurance claim in respect of the subject-matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected. For details on the insurance policies taken by our Company, please refer to the section titled "Insurance" in the chapter titled "Business Overview" beginning on page 118 of this Draft Red Herring Prospectus.

45. Exchange rate and interest rate fluctuations may affect our Company's business.

Our Company's financial statements are prepared in Indian rupees. A substantial portion of our net revenue and imports are incurred in foreign currencies, and in particular, US dollars. Although our Company can hedge a portion of the resulting net foreign exchange position through forward exchange contracts and derivatives, our Company may still be affected by fluctuations in exchange rates between the US dollar, the Indian rupee and other currencies. Any significant fluctuation in exchange rates may therefore materially affect our profitability.

EXTERNAL RISK FACTORS

46. Political instability or changes in the Government could adversely affect economic conditions in India generally and our business in particular.

The Indian Government has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Our business, and the market price and liquidity of our Equity Shares, may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

47. Political instability or changes in policies in the USA or in other countries where we may have operations or clients would adversely affect the relevant operations / business from such clients

We have operations in the USA, and are looking to expand, both organically and inorganically, in India, USA and markets other than India and USA. Each country has its own government and political regime, economic policies and social set-up which may differ significantly from that of India. Execution of contracts in these territories would be subject to the risks arising from unfamiliarity with the political, economic and social set up of these countries, as also any changes in same, which may adversely affect the execution of contracts in countries outside India, lead to cost overruns, margin erosions and losses in those contracts and which could have a material adverse effect on our overseas operations / contracts, consequently adversely impacting our business, prospects, financial condition and operations.

48. Terrorist attacks and other acts of violence or war involving India or other countries could adversely affect the financial markets, result in loss of client confidence, and adversely affect our business, financial condition and operations.

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Incidents such as the November 2008 Mumbai terrorist attacks, and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well the global equity markets generally. Such acts could negatively impact

business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability.

Also, India, the United States or other countries may enter into armed conflict or war with other countries or extend pre-existing hostilities. South Asia has, from time to time, experienced instances of civil unrest and hostilities among neighbouring countries. Military activity or terrorist attacks could adversely affect the Indian economy by, for example, disrupting communications and making travel more difficult. Such events could also create a perception that investments in Indian companies involve a higher degree of risk. This, in turn, could adversely affect client confidence in India, which could have an adverse impact on the economies of India and other countries, on the markets for our products and services and on our business. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including Equity Shares.

49. Natural calamities could have a negative impact on the Indian economy and cause our Company's business to suffer.

India has experienced natural calamities such as earthquakes, a tsunami, floods and drought in recent years. The extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and operation as well as the price of Equity Shares.

50. Any disruption in the supply of power, IT infrastructure, telecom lines and disruption in internet connectivity could disrupt our business process or subject us to additional costs.

Any congestion or disruption in port, rail and road networks, electricity grid, communication systems or any other public facility or the failure of the Government to improve these existing infrastructure facilities could negatively impact our business since we may not be able to provide timely or adequate services to our clients. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. We do not maintain business interruption insurance and may not be covered for any claims or damages if the supply of power, IT infrastructure, internet connectivity or telecom lines is disrupted. This may result in the loss of a client, impose additional costs on us and have an adverse effect on our business, financial condition and operations and could lead to decline in the price of our Equity Shares.

51. The price of our Equity Shares may be highly volatile, or an active trading market for its Equity Shares may not develop.

Prior to this Issue, there has been no public market for our Equity Shares and an active trading market on the Stock Exchanges may not develop for the Equity Shares of our Company or be sustained, after the Issue. The Issue Price of the Equity Shares may bear no relationship to the market price of the Equity Shares. The price of our Equity Shares may be highly volatile and may be subject to wild fluctuation as a result of several factors, including:

- Volatility in the Indian and global securities market;
- Our results of operations and performance, in terms of market share;
- Performance of the Indian economy;
- Changes in Government policies;
- Changes in the estimates of our performance or recommendations by financial analysts;
- Perceptions about our future performance or the performance of Indian pharmaceuticals companies generally;
- Performance of the Company's competitors in the Indian pharmaceuticals industry and market perception of investments in the Indian pharmaceuticals industry;
- Adverse media reports on our Company or the Indian pharmaceuticals industry;
- Significant developments in India's economic liberalization and deregulation policies; and
- Significant developments in India's fiscal and environmental regulations.

52. The Issue Price of our Equity Shares may not be indicative of the market price of our Equity Shares after this Issue and the market price of our Equity Shares may decline below the Issue Price and you may not be able to sell your Equity Shares at or above the Issue Price.

The Issue Price of our Equity Shares will be determined on the basis of the Book Building Process. This price will be based on numerous factors (For further information please refer Chapter titled "Basis for Issue Price" beginning on page 98 of this Draft Red Herring Prospectus.) and may not be indicative of the market price of our Equity Shares after this Issue. The market price of our Equity Shares could be subject to significant fluctuations after this Issue, and

may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price are:

- Quarterly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- Changes in revenue or earnings estimates or publication of research reports by analysts;
- Speculation in the press or investment community;
- General market conditions; and
- Domestic and international economic, legal and regulatory factors unrelated to our performance.

53. You will not be able to immediately sell any of our Equity Shares purchased through this Issue on Stock Exchanges until the receipt of appropriate trading approvals from Stock Exchanges.

Our Equity Shares will be listed on the BSE and the NSE. Pursuant to Indian regulations, certain actions must be completed before Equity Shares can be listed and trading may commence. Investors demat accounts with depository participants in India are expected to be credited within 2 Working Days of the date on which the basis of allotment is approved by the Designated Stock Exchange. Thereafter, upon receipt of trading approval from the Stock Exchanges, trading in Equity Shares is expected to commence within 7 Working Days of the date on which the basis of allotment is approved. We cannot assure you that Equity Shares will be credited to investors' demat accounts, or that trading in Equity Shares will commence, within the time periods specified above. Any delay in obtaining the approvals would restrict your ability to dispose of your Equity Shares.

54. Current economic conditions may adversely affect our Company's industry, financial position and results of operations.

The global economy is currently undergoing a period of unprecedented volatility, and the future economic environment may continue to be less favourable than that of recent years. Reduced consumer spending may force competitors to further reduce prices. Our Company is exposed to different industries and counterparties, including partners with which our Company has contractual or other business relationships, research and promotional services agreements, suppliers of raw materials, drug wholesalers and other customers. Any of these interdependent relationships may become unstable in the current economic environment. Significant changes and volatility in the consumer environment and in the competitive landscape may make it increasingly difficult for our Company to predict future income and earnings. Any adverse change in general economic conditions, as well as any resulting change in the relationships our Company has developed in the industry may have a material adverse effect on its financial condition and operations.

55. Political, economic and social developments in India could adversely affect our Company's business.

The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Our Company's business, and the market price and liquidity of our Company's Equity Shares, may be affected by changes in the Government's policies, including taxation. Social, political, economic or other developments in or affecting India, acts of war and acts of terrorism could also adversely affect our Company's business.

Since 1991, successive governments have pursued policies of economic liberalization and financial sector reforms. However, there can be no assurance that such policies will be continued and any significant change in the Government's policies in the future could affect business and economic conditions in India in general and could also affect our Company's business and industry in particular. In addition, any political instability in India or geo political stability affecting India will adversely affect the Indian economy and the Indian securities markets in general, which could also affect the trading price of our Company's Equity Shares.

Our Company's performance and the growth of its business is necessarily dependant on the performance of the overall Indian economy. India's economy could be adversely affected by a general rise in interest rates currency exchange rates, adverse conditions affecting agriculture, commodity and electricity prices or various other factors. Further, conditions outside India, such as slowdowns in the economic growth of other countries could have an impact on the growth of the Indian economy, and government policy may change in response to such conditions. The Government of India has recently revised its growth projection for Fiscal 2010. A slowdown in the Indian economy could adversely affect our Company's business, including its ability to implement its strategy and increase its participation in the pharmaceutical sector.

56. *Financial instability in Indian financial markets could adversely affect our Company's results of operations and financial condition.*

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America, Europe or China, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. The current global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States of America, has led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil, evident from the sharp decline in SENSEX, BSE's benchmark index. Any prolonged financial crisis may have an adverse impact on the Indian economy, thereby resulting in a material and adverse effect on our Company's business, operations, financial condition, profitability and price of its Shares. Stock exchanges in India have in the past experienced substantial fluctuations in the prices of listed securities.

57. *Our Company's ability to raise foreign capital may be constrained by Indian law.*

As an Indian company, our Company is subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our Company's financing sources and hence could constrain its ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, our Company cannot assure investors that required approvals will be granted to our Company without onerous conditions, or at all. The limitations on foreign debt may have an adverse effect on our Company's business growth, financial condition and results of operations.

58. *Outbreak of infectious diseases or any other serious public health concerns in Asia or elsewhere could have a material adverse effect on the business and results of operations of our Company.*

The outbreak of an infectious disease in Asia or elsewhere or any other serious public health concern such as swine influenza around the world could have a negative impact on economies, financial markets and business activities worldwide, which could have a material adverse effect on our Company's business. Although, our Company has not been adversely affected by such outbreaks, our Company can give no assurance that a future outbreak of an infectious disease among humans or animals or any other serious public health concern will not have a material adverse effect on the business of our Company.

59. *Significant differences exist between Indian GAAP and other accounting principles, such as US GAAP and IFRS, which may be material to investors assessment of our Company's financial condition.*

As stated in the reports of our Company's statutory auditors included in this Draft Red Herring Prospectus, its financial statements are prepared and presented in conformity with Indian GAAP, consistently applied during the periods stated, except as provided in such reports, and no attempt has been made to reconcile any of the information given in this Draft Red Herring Prospectus to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries. In case our Company adopts IFRS or is required to adopt IFRS, there can be no assurance that our adoption of IFRS will not adversely affect our reported results of operations or financial condition.

60. *Downgrading of India's debt rating by a domestic or international rating agency could adversely affect our Company's business.*

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely affect our Company's ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could harm our Company's business and financial performance, ability to obtain financing for capital expenditures and the price of our Company's Equity Shares.

61. *Non-availability / gradual elimination of income tax benefits on expenditure incurred on Research and Development will increase our Company's future tax liabilities and decrease profits that our Company might have in future.*

Our Company currently benefits from the various exemptions and deductions under the Income Tax Act, which are applicable for companies having export income / pharmaceutical companies / companies engaged in Research and Development activities. Any reduction in the availability or amount of these tax benefits could have an adverse effect on our Company's profits and cash flow in future.

62. Our Company's performance is linked to the stability of policies and political situation in India as well as the countries with which our Company has business relations.

The role of the Indian central and state governments in the Indian economy on producers, consumers and regulators has remained significant over the years. Since 1991, the Government of India has pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector. However, any adverse move could slowdown the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting technology companies, foreign investment, currency exchange rates and other matters affecting investment in our Company's securities could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our Company's business.

Prominent Notes:

1. Public Issue of 70,50,000 Equity Shares of face value ₹ 10 each of our Company, for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) for cash aggregating to ₹ [●] Lacs, including an Employee Reservation Portion of upto 50,000 Equity Shares. This Issue will constitute 30.05 % of the fully diluted post issue paid-up capital of our Company, while the Net Issue will constitute 29.83 % of the fully diluted post issue paid-up capital of our Company.
2. This Issue is being made through the Book Building Process wherein not more than 50% of the Net Issue shall be allotted on a proportionate basis to Qualified Institutional Buyers, of which 5% shall be available for Allocation on a proportionate basis to Mutual Funds only and the remaining QIB portion shall be available for allocation to the QIB bidders including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders and not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price.
3. Under subscription, if any, in any of the reserved portions / categories shall be allowed to be met with spillover from the other categories or combination of categories to be determined by our Company and the BRLMs in consultation with the Designated Stock Exchange and in accordance with applicable laws, rules, regulations and guidelines, subject to valid bids being received at or above the Issue Price.
4. Investors may note that in case of over-subscription in this Issue, allotment to QIBs, Non- Institutional Bidders, Eligible Employees and Retail Bidders shall be on a proportionate basis. For more information, please see "Terms of the Issue" beginning on page 378 of this Draft Red Herring Prospectus.
5. Investors are free to contact the BRLMs for any complaints / information / clarification pertaining to this Issue. For contact details of the BRLMs, please refer to the cover page of this Draft Red Herring Prospectus.
6. The Standalone Net worth of the Company was ₹ 17,396.85 Lacs and the net asset value per share was ₹ 109.18 as on March 31, 2012 .The Consolidated Net worth of the Company was ₹ 17,627.50 Lacs and the net asset value per share was ₹ 110.63 as on March 31, 2012.
7. The average cost of acquisition of Equity Shares by the Promoters, which has been calculated by taking the average amount paid by them to acquire our Equity Shares, are as under:

Sr. No	Name of the Promoter	Average Cost per share (₹)
1.	Mr. Smitesh Chandravadan Shah	13.29
2.	Mr. Bharat Sukhlal Mehta	13.93
3.	Mr. Rajat Indulal Doshi	5.54

8. Except, as disclosed in the chapter titled “*Capital Structure*” beginning on page 57 of this Draft Red Herring Prospectus, neither our Promoters nor our Directors have purchased or sold any Equity Shares, during a period of six months preceding the date on which this Draft Red Herring Prospectus is filed with SEBI.
9. Except, as disclosed in the chapter titled “*Capital Structure*” beginning on page 57 of this Draft Red Herring Prospectus, our Company has not issued any Equity Shares for consideration other than cash.
10. Except as disclosed in sections titled “*Capital Structure*”, “*Our Promoters and Promoter Group*” and “*Our Management*” beginning on pages 57, 189 and 170 respectively, of this Draft Red Herring Prospectus, none of our Promoters, Directors or key managerial personnel has any interest in our Company.
11. Our Company has not revalued its assets since incorporation.
12. None of our Group Entities have business interest or other interests in our Company.
13. Details of transactions by our Company with our Group Entities during Fiscal 2012 (on standalone and consolidated basis) are as under:

(₹ in Lacs)

Particulars	Standalone	Consolidated
	Fiscal 2012	Fiscal 2012
Advances to Group Companies		
Advances given during the year	0.00	0.00
Advances received back during the year	25.37	25.37
Closing Balance as at the end of the year	83.79	74.00
Loan from Group Companies		
Loan Received during the year	0.00	0.00
Loan Repaid during the year	19.91	19.91
Interest	0.00	0.00
Closing Balance as at the end of the year	0.00	0.00
Purchase	-	-
Investments		
Opening balance (as at the beginning of the year)	22.56	1.25
During the year	0.00	0.00
Closing Balance as at the end of the year	22.56	1.25

14. For further details, please see the chapter titled “*Related Party Transactions*” and the section titled “*Financial Information*” beginning on pages 268 and 201 of this Draft Red Herring Prospectus.
15. There has been no change in the name of our Company in the period of 3 years prior to the date of this Draft Red Herring Prospectus.
16. Trading in Equity Shares for all investors shall be in dematerialized form only.
17. Investors are advised to refer to the section titled “*Basis for Issue Price*” beginning on page 98 of this Draft Red Herring Prospectus.
18. The BRLMs and our Company shall be obliged to update this Draft Red Herring Prospectus and keep the public informed about any material changes till listing and till trading commences in respect of the Equity Shares issued through this Issue.
19. Except as disclosed in this Draft Red Herring Prospectus, there has been no other financing arrangements whereby the Promoter, his relatives, promoter group, the directors of our Company and their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of filing this Draft Red Herring Prospectus with SEBI.
20. Investors may contact the Registrar to this Issue, the Compliance Officer of our Company or BRLMs for any complaints / clarifications and information pertaining to this Issue, which shall be made available by the BRLMs and our Company to the investors at large. No selective or additional information will be available

for a section of investors in any manner whatsoever. For contact details please refer to the chapter titled “*General Information*” beginning on page 46 of this Draft Red Herring Prospectus.

SECTION IV

INTRODUCTION

SUMMARY OF THE INDUSTRY

You should read the following summary together with the risk factors and the more detailed information about us and our financial data included in this Draft Red Herring Prospectus. Unless otherwise indicated, all financial and statistical data relating to the industry in the following discussion is derived from internal Company reports and data, industry publication and estimates. This data has been reclassified in certain respects for purposes of presentation. For more information, please refer to Chapter titled “Forward Looking Statements” and “Presentation of Financial Information and Use of Market Data” beginning on pages 10 and 9 respectively of this Draft Red Herring Prospectus.

The pharmaceuticals industry is one of the most intense “Knowledge Driven” industries, which is continuously in a state of dynamic transition. Defined as a complex matrix of processes, operations and organizations involved in the discovery, development and manufacture of drugs and medications, the pharmaceutical industry is a life line industry, which plays a very crucial role in building a strong human capital of a country, and is very essential for economic growth and development.

The pharmaceutical industry is a complex matrix of various organizations specializing in different sections of the Pharmaceutical Value Chain, namely Intermediates or APIs or Formulations. There are companies that undertake a mix of all these activities and are typically known as “integrated” pharmaceutical companies.

Formulation companies can be classified into 2 broad types:

- a) “Innovators” – involved in drug discovery, development, manufacturing and marketing of branded (patented) drugs usually found in developed countries like US and Europe, and
- b) Generic Companies – involved in manufacturing and marketing of off-patent drugs (branded as well as unbranded);

The “outsourcing” phenomenon has given rise to a host of companies that undertake R&D and manufacturing services on a contract basis. These are typically known as CRAMS (Contract Research and Manufacturing Services) companies.

The Global Pharmaceutical Market

Global Pharmaceutical Market was reported at US\$712 billion in 2007 with a compounded annual growth rate (CAGR) of 10.7% between 2002 and 2007. Year-on-year the global pharmaceutical market grew by 6.4% in 2007, largely as a result of strong demand for generic products and high growth in emerging pharmaceutical markets such as India and China (*Source: Report of the Task Force, Ministry of Commerce and Industry, December 12, 2008*)

Emerging pharmaceutical markets, namely Russia, India, Mexico, Brazil China and Australia accounted for nearly 13% (US\$85-90 billion) of the global market in 2007. These markets outperformed developed markets in terms of growth with a CAGR (2003-2007) of 12-13% whereas CAGR for developed economies stayed around 6-8% for the same period, on the back of increasing health awareness, changing life style and increasing number of elderly population (*Source: Report of the Task Force, Ministry of Commerce and Industry, December 12, 2008*).

Going forward, while the growth in emerging markets is expected to remain around 11-14%, growth in developed markets like the North America, Europe is expected to slow down to -1-2% and 2-5% respectively over next 5 years, owing to patent expiration of key drugs, which may not be offset by the current weak pipeline of novel molecules (*Source: Report of the Task Force, Ministry of Commerce and Industry, December 12, 2008*).

The Pharmaceutical Industry in India

India, the world’s second largest populous country and one of the fastest growing economies, is gaining global importance in the pharmaceutical industry. Currently, India accounts for 8% of global pharmaceutical production, making it the world’s fourth-largest pharmaceutical producer. (*Source: Report of the Task Force, Ministry of Commerce and Industry, December 12, 2008*)

Domestic Formulations

Growth in the domestic pharmaceuticals market has been markedly due to increased healthcare expenditure, rising disposable incomes, growing health insurance penetration, changing disease profiles and regulatory reforms.

Indian API / Bulk Drug Industry

India's overall pharmaceutical demand encompasses a significant portion for export of bulk drugs, which is in contrast to many developed countries, where APIs / Bulk Drugs are mainly manufactured for internal consumption, that is, for the manufacture of formulations.

Indian CRAMS industry

Contract Manufacturing

The Indian API manufacturers are also entering into key contract manufacturing and research alliances with global pharmaceutical companies. India has become an attractive destination for API development & manufacturing due to low development costs, complex synthesis capabilities and growing experience in Good Manufacturing Practices (GMP) compliance. Global pharmaceutical companies have moved from outsourcing non-core functions to routinely outsourcing a number of core functions such as drug discovery and development, research chemistry.

Contract manufacturing normally occurs at the following stages:

- Supply of Active Pharmaceutical Ingredients / intermediates in the drug development process during the clinical trial phase
- Commercial supply of Active Pharmaceutical Ingredients, post drug development and during commercialization phase of the drug
- Supply of intermediates for manufacturing Active Pharmaceutical Ingredients both for pharmaceutical and agro-chemical sector
- Supply of finished dosage forms or formulations mainly in the generic segment

Also operationally, contract manufacturing broadly functions in the following 2 ways:

- Supplier of Active Pharmaceutical Ingredients raises the required infrastructure, equipment, development of the processes, manufacturing of supplies and supplying to the customer
- Customer in the regulated market provides the requisite funds for developing equipment, processes etc and manufacture and supply API as per the required specifications.

As per industry sources, contract manufacturing in bulk drugs constitute around 10-15% of the total bulk drug exports. Contract manufacturing also includes custom synthesis which is supply / provision of API as per customer specifications for use in the drug development stage.

India's cost efficiency is driven mainly with its low cost advantage, strong chemistry and reverse engineering capabilities, improving infrastructure, compliance with GMP and strong incentives from the government.

Factors Contributing to growth of CRAMS industry

1. Manufacturing costs: The Indian market is highly fragmented with almost 8,000 manufacturers. This high competition has driven Indian companies to relentlessly drive their costs down over the life cycle of a product.

2. Installation costs:

The bulk drug industry is not very capital intensive, but the cost may escalate to conform to the requirements to meet compliance and regulatory standards laid down by different regulators. The cost of setting up a plant in the domestic and semi-regulated markets range anywhere between ₹ 30 – 40 million.

3. Operating costs:

The bulk drugs industry is a working capital intensive industry with working capital cycle typically being more than 150 days as the creditors' days are longer. The cost of raw material constitutes 50-55% of the net sales. Chemical intermediates are the major raw materials required to manufacture bulk drugs which are either available in the domestic market or can be easily imported as well. Further, as the share of raw materials

imported by players vary between 30% and 80% of total raw material consumed; margins of the players are sensitive to volatility in the raw material prices, as there is not much flexibility to pass on to the customers.

4. Strong re-engineering capabilities

Along with cost efficiency, India also offers large pool of skilled manpower and technical capabilities. India has about 7,00,000 scientists and engineers, including 1,22,000 chemists and chemical engineers with 1,500 PhDs graduating every year, giving companies an abundant pool from which to choose from (*Source: Report of the Task Force, Ministry of Commerce and Industry, December 12, 2008*).

5. Highest Regulatory filings

India has the highest number of USFDA approved plants outside the US. India has the around 119 USFDA plants. Many of these plants also have approvals from countries such as Canada, Australia, Germany and South Africa. These approved sites aptly demonstrate the ability of Indian companies to deliver quality products worldwide and act as a platform for CRAMS players (*Source: Report of the Task Force, Ministry of Commerce and Industry, December 12, 2008*).

For further details of our industry, please refer to the chapter titled “*Industry Overview*” beginning on page 111 of this Draft Red Herring Prospectus.

SUMMARY OF OUR BUSINESS

The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Red Herring Prospectus, including the information contained in the chapter titled “Risk Factors”, beginning on page 11 of this Draft Red Herring Prospectus. In this section a reference to “Company” means Calyx Chemicals and Pharmaceuticals Limited and our Subsidiary, as relevant to the context.

Our Company is a manufacturer of Active Pharmaceutical Ingredients and Intermediates in India with strong presence in the manufacture of macrolides, anti - tuberculosis and anti -malaria and increasing focus on CRAMS to transnational pharmaceutical companies.

Our Company has, over the years, moved from a single product (Anti TB – Pyrazinamide) to a multi-product portfolio comprising Anti-TB, Macrolides, Anti-Depressants, Anti-Hypertensives and Anti-Malarial (the “**Products business**”).

Our Company has also spent a substantial part of its efforts in the last 5-6 years in creating a strong base for the CRAMS business:

- Our Company serves markets in 39 countries around the globe and has a team of 26 sales representatives and agents as on August 31, 2012.
- Our Company has signed over 100 Confidentiality Agreements (“**CDA**”s) with various trans-national pharmaceutical companies as on August 31, 2012.

These developments have enabled our Company to make inroads into the high growth, high margin CRAMS business apart from its established Products business.

Our Company is managed by a team of experienced and professional personnel with exposure in various aspects of pharmaceutical industry including production, research and development, marketing and finance. Our Company, as on August 31, 2012, has 484 permanent employees, out of which 180 have post-graduate qualifications (including 20 doctorate holders).

Mr. Smitesh Chandravadan Shah, Chairman and Managing Director, is a commerce graduate and has been closely associated with the pharmaceutical industry for over 30 years. He was the chairman of Pharmexcil.

Dr. Bansilal, President and Head of Department, R&D has more than 37 years of experience in new drug discovery. He has published 56 papers (national and international journals) and has 84 patents to his credit in India and abroad as on August 31, 2012.

For further details of our Board of Directors and management team, please refer to the chapter titled “*Our Management*” beginning on page 170 of this Draft Red Herring Prospectus.

Our Company has 2 manufacturing facilities, both located in Maharashtra, India. USFDA has inspected our unit at Tarapur for API and our unit at Dombivli for Intermediate and has found it to be acceptable and compliant with the current good manufacturing practices *vide* their letters dated March 08, 2012. . Our R&D centre located in Dombivli, Maharashtra is approved by the Department of Scientific and Industrial Research, India (“**DSIR**”).

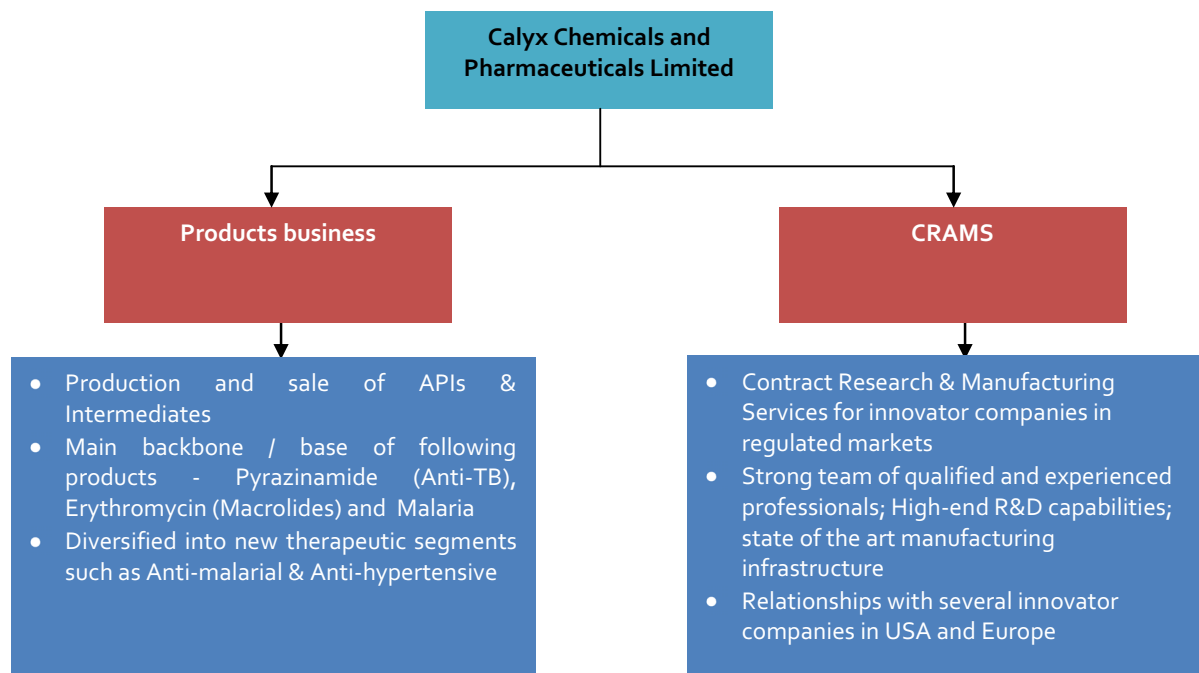
As on August 31, 2012, our Company has approximately 70 APIs and Intermediates in its product portfolio and has 14 Drug Master Files (“**DMFs**”) filed with the USFDA.

Our Company’s Revenue from Operations on standalone basis was about ₹ 58,918.61 Lacs and ₹ 41,717.74 Lacs for Fiscal 2012 and Fiscal 2011 respectively. In Fiscal 2012 and Fiscal 2011, Revenue from APIs and Intermediates contributed ₹ 45,585.48 Lacs and ₹ 33,683.78 Lacs respectively, i.e. 77.37% and 80.74% of our Company’s Revenue from Operations on standalone basis respectively. Further, Revenues for Fiscals 2012 and 2011 from CRAMS contributed ₹ 12,416.76 Lacs and ₹ 6,868.36 Lacs respectively, i.e. 21.00% and 16.40% of our Company’s Revenue from Operations on standalone basis respectively.

Our Business Model

The business of our Company broadly comprises of the following segments:

- Products business
- Contract Research and Manufacturing Services (“CRAMS”)



Focus on R&D: Our Company believes it has extensive research and development experience and strong product identification & development capabilities, including developing non-infringing processes, filing process patents, process improvements and driving cost efficiencies. Our Company has a dedicated team of 103 research and development personnel as on August 31, 2012, continuously engaged in developing new products and processes. As a result of this, our Company has been able to achieve breakthroughs in the process chemistry of various products like Lumefantrine, Artemether, Erythromycin based products etc.

Customer Base: Over a period of time, our Company has developed relationships with over 286 customers including several leading Indian as well as MNC pharmaceutical companies, in about 39 countries.

Manufacturing Facilities: Our Company has 2 manufacturing facilities, at Tarapur and Dombivli (both located on the outskirts of Mumbai). Our Tarapur facility has been inspected by the USFDA. Our Company believes that its manufacturing facilities and the process efficiencies in these facilities enable it to lower overall production costs, improve process efficiencies and establish presence in the developed countries including US, Europe and Japan. Our Company’s manufacturing facilities have been built in accordance with the WHO’s GMP guidelines.

Product Range: Our Company has a strong product portfolio of APIs and Intermediates across therapeutic segments including fast growing lifestyle segments such as anti- hypertensive and anti- depressant. This is coupled with a global scale in products like Pyrazinamide, Erythromycin and Zopiclone. As on August 31, 2012, our Company markets approximately 70 API and Intermediate products in about 39 countries. The Company believes that it has the necessary resources, experience and network to launch additional API and Intermediate products in these countries in the future. Over the last few years, our Company has substantially enhanced its Intermediates capabilities and has developed a strong portfolio.

Quality Certifications

Our Company has been awarded Quality Certifications from USFDA and we have filed 14 DMFs for various products, WHO Geneva approval for Pyrazinamide in July 2006, WHO approval for Lumefantrine, Artemether, Isoniazid. Certificate of Suitability for Pyrazinamide, Isoniazid and Zopiclone. Silver award for quality excellence from Indian Drugs and Manufacturers Association in January 2008. Korean FDA approval for Pyrazinamide in September 2009, State level Safety award by National Safety Council, Maharashtra Chapter for maintaining lowest accident frequency rate in September 2008, September 2009 September 2010, Sep 2011 and Sep 2012. ISO 9001:2008 (Quality Management System) valid till September 25, 2015, ISO 14001:2004 (Environment Management System) valid till July 24, 2013.

Strategy

Our Company intends to continue to strengthen its CRAMS business and API product portfolio, consolidate position in the regulated markets and expand its operations in semi-regulated markets in order to achieve long-term sustainable growth and increase its shareholder value. Our Company's principal strategy and initiatives to achieve these objectives are set out below

- Increasing Contract Manufacturing Activities
- Continued focus on R&D in our Products business
- Further expand API portfolio
- Diversification and increased presence into new markets
- Registration of products
- Explore potential acquisition and partnership opportunities
- Focus on environment protection
- Constitution of a Board Advisory Group of consultants reknowned for their experience in our Industry

Increasing Contract Manufacturing Activities: Our Company proposes to expand and enhance its contract-manufacturing business of APIs and intermediates by developing long-term relationships with global chemical and pharmaceutical companies and attaining preferred supplier status for the manufacture of APIs and Intermediates.

For further details of our business, please refer to the chapter titled "*Business Overview*" beginning on page 118 of this Draft Red Herring Prospectus.

SUMMARY OF FINANCIAL INFORMATION

The following summary of financial data has been prepared in accordance with Indian GAAP, the Companies Act and the SEBI ICDR Regulations and restated as described in the Auditor's Report of our statutory auditor Jatin V. Shah, Chartered Accountant dated July 12, 2012 in the section titled '*Financial Information*'. You should read this financial data in conjunction with our financial statements for each of Fiscals 2008, 2009, 2010, 2011 and 2012 including the notes thereto and the reports thereon, which appears under the Section titled "*Financial Information*" and Chapter titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 201 and 282 of this Draft Red Herring Prospectus.

SUMMARY STATEMENT OF STANDALONE ASSETS AND LIABILITIES AS RESTATED

(Rs. in Lacs)

Particulars	As At				
	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
I. EQUITY AND LIABILITIES					
(1) Shareholder's Funds					
Share Capital	1604.89	1593.32	1353.60	1353.60	1025.86
Reserves and surplus	15978.65	11830.37	7724.89	5692.61	4222.74
(A)	17583.54	13423.69	9078.49	7046.21	5248.60
(2) Share Application Money Pending Allotment	577.04	0.00	0.00	0.00	0.00
(B)					
(3) Non- current liabilities					
Long-term borrowings	10664.29	11756.07	8582.28	10649.33	11130.34
Deferred Tax Liabilities (Net)	2078.7	1662.38	1562.46	1335.36	1302.71
Other Long Term Liabilities	4008.44	3666.41	0.00	0.00	0.00
Long-term provisions	101.53	0.00	55.67	20.75	26.49
(C)	16852.96	17084.86	10200.41	12005.44	12459.54
(4) Current liabilities					
Short-term borrowings	15774.92	10243.64	6705.94	5252.22	4375.38
Trade Payables	17619.60	6460.52	9232.68	7213.66	4283.17
Other current liabilities	3659.40	3731.54	3738.96	931.19	1600.66
Short-term provisions	679.92	306.28	586.21	400.83	133.96
(D)	37733.84	20741.98	20263.79	13797.90	10393.17
TOTAL : (A)+(B)+(C)+(D)	72747.38	51250.53	39542.69	32849.55	28101.31
II. ASSETS					
(1) Non - Current Assets					
Fixed Assets					
- Tangible assets	11849.38	9738.80	10006.07	10637.48	11101.03
- Intangible assets	4813.06	4863.20	1567.17	1869.59	2187.50
- Capital work-in-progress	883.60	887.62	13.52	0.00	0.00
- Intangible assets under development	4429.41	3456.99	2949.25	1341.87	0.00
	21975.45	18946.61	14536.01	13848.94	13288.54
Non-current investments	29.81	27.13	4.44	0.05	0.05
Other Non-Current Assets	186.69	345.23	180.94	-21.42	4.04
Long term loans and advances	298.50	278.83	191.46	1576.74	172.85
	22490.45	19597.80	14912.85	15404.31	13465.48
(2) Current Assets					
Current Investments	51.59	48.89	5.76	8.15	7.78
Inventories	26292.76	18681.38	12234.11	8752.29	6278.94
Trade receivables	17969.06	9207.27	7292.27	6955.53	7210.64
Cash and cash equivalents	4647.35	1880.12	2424.60	739.24	467.40
Short-term loans and advances	1296.17	1835.07	2673.10	990.03	671.07
Other current assets	0.00	0.00	0.00	0.00	0.00
	50256.93	31652.73	24629.84	17445.24	14635.83
TOTAL	72747.38	51250.53	39542.69	32849.55	28101.31

Notes:

The above statement should be read with significant accounting policies as in Annexure – 4 and statement of adjustments to statement of profit and loss account as in Annexure 5 of the chapter titled “*Financial Information*” beginning on page 201.

SUMMARY STATEMENT OF STANDALONE PROFIT AND LOSS AS RESTATED

(Rs. in Lacs)

Particulars	For the year ended				
	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
I. Revenue from operations					
API and Manufacturing	45585.48	33683.78	26876.31	15761.69	12625.06
Contract Manufacturing	7623.43	2768.40	509.97	3141.12	58.47
Contract Research	4793.33	4099.96	3478.41	3107.33	2195.35
Process Knowhow	480.00	1004.99	1226.53	1416.30	1286.30
Other Sales and Service	436.38	160.61	89.04	75.31	52.59
SUB-TOTAL (I)	58918.61	41717.74	32180.26	23501.74	16217.77
II. Other Income	301.39	147.66	486.62	459.00	56.20
III. Total Revenue (I + II)	59220.00	41865.40	32666.88	23960.74	16273.97
IV. Expenses:					
- Cost of materials consumed	45283.58	30388.99	25478.24	18459.62	12137.16
- Purchase of Stock-in-Trade	2929.79	0.00	0.00	0.00	0.00
- Changes in inventories of finished goods,	(4474.20)	765.35	0.00	(1396.62)	(1358.75)
work-in-progress and Stock-in-Trade	(2378.96)	(1911.79)	(2428.68)	(1551.44)	(18.67)
- Employee benefit expenses	1608.26	1253.02	1042.91	887.26	693.85
- Manufacturing Expenses	1544.82	1252.78	902.02	952.00	716.48
-Administration, Selling and Distribution Expenses	2875.41	2170.01	1428.10	1505.01	842.02
-Research and Development Expenses	198.11	221.76	146.85	258.25	107.07
- Financial costs	4558.70	2866.37	2462.45	2278.66	1082.37
- Depreciation and amortization expense	1294.30	977.04	773.71	743.42	554.71
Total Expenses	53439.81	37983.53	29805.60	22136.17	14756.24
V. Profit before exceptional and extraordinary items and tax (III - IV)	5780.19	3881.87	2861.28	1824.57	1517.73
VI. Tax expense:					
(1) Current tax	1156.49	780.30	445.28	283.04	175.00
(2) Deferred tax	416.33	99.92	227.10	32.65	405.26
Total Tax Expenses (VI)	1572.82	880.22	672.38	315.69	580.26
VII. Profit after tax but before prior period, exceptional and extraordinary items (V - VI)	4207.37	3001.65	2188.90	1508.88	937.47
VIII. Exceptional Items					
Prior Period expenses (net)	0.00	0.00	0.00	0.00	0.00
Prior Period Tax	0.00	0.00	0.00	0.00	0.00
IX. Profit after tax, prior period, exceptional and extraordinary items (VII+VIII)	4207.37	3001.65	2188.90	1508.88	937.47
X. Earnings Per Equity Share [nominal value of share of Rs. 10/-]					
Basic	26.41	19.55	18.50	22.22	14.17
Diluted	26.41	19.55	16.17	14.63	9.30

Note: The above statement should be read with significant accounting policies as in Annexure – 4 and statement of adjustments in profit and loss accounts as in Annexure 5 of the chapter titled “*Financial Information*” beginning on page 201.

SUMMARY STATEMENT OF STANDALONE CASH FLOW STATEMENTS AS RESTATED

(Rs. in Lacs)

Particulars	For the year ended				
	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
A. Cash Flow from Operating Activities					
Profit before Tax	5780.19	3881.87	2861.28	1824.57	1517.73
Adjustments for :-					
Depreciation/Amortisation	1294.30	977.04	773.71	743.42	554.71
Finance charges	4558.70	2866.37	2462.45	2278.66	1082.37
Exchange Rate Gain/Loss	380.33	72.78	(336.09)	474.58	75.01
Exchange Rate Gain/Loss - on consolidation					
Interest/Dividend on Investments	(0.12)	(1.42)	0.00	(0.62)	(0.06)
Profit/Loss on Sale of Assets / Technical Know How	(69.75)	0.00	(354.47)	(345.75)	2.10
Provision for diminution in value of investments	2.54	0.00	-	0.00	0.00
Deferred Product Marketing	310.05	80.94	0.00	0.00	0.00
Miscellaneous Expenditure w/off	6.87	3.94	54.76	27.50	1.43
Employee Compensation Expenses Provided	0.00	0.00	0.00	0.00	-
Income tax/Misc. provision written back	0.00	0.00	0.00	0.00	(34.43)
Operating Profit Before Working Capital Changes	12263.11	7881.52	5461.64	5002.36	3198.86
<i>Adjustments for changes in Working Capital</i>					
(Increase)/Decrease in Sundry Debtors	(8761.79)	(1915.00)	(336.74)	255.11	(2995.49)
(Increase)/Decrease in Inventories	(7611.38)	(6447.27)	(3481.80)	(2473.35)	(1875.09)
(Increase)/Decrease in Loans, advances & other current assets	519.23	750.66	(265.33)	(1722.86)	(346.96)
Increase/(Decrease) in Current Liabilities	11666.77	1010.72	1754.16	2658.14	1693.72
Exchange Rate Gain/Loss	(383.02)	(72.78)	336.09	(474.58)	(75.01)
Cash Generated from Operations	7692.92	1207.85	3468.02	3244.82	(399.97)
Taxes paid (Including TDS)	(786.21)	(850.71)	(243.69)	(46.03)	(190.40)
Net Cash from Operating Activities - A	6906.70	357.14	3224.33	3198.79	(590.37)
B. Cash Flow from Investing activities					
Purchase of Fixed Assets (Net)	(4253.39)	(5387.64)	(1109.48)	(958.07)	(4824.67)
Dividend on Investments	0.12	1.42	0.00	0.62	0.06
Investment	(5.24)	(65.82)	2.36	(0.37)	(7.50)
Investment in Subsidiary	0.00	-	-	-	-
Net Cash used in Investing activities - B	(4258.51)	(5452.04)	(1107.12)	(957.82)	(4832.11)
C. Cash Flow From Financing Activities					
Finance Charges	(4558.70)	(2866.37)	(2462.45)	(2278.66)	(1082.37)
Increase in Short Term / Long Term Borrowings	4413.88	6066.47	2460.57	(16.16)	5992.64
Proceeds from Shares Issue	854.61	1622.24	0.00	327.74	750.00
Deferred Product Marketing	(55.23)	(165.63)	(246.61)	0.00	0.00
IPO Expenses	(103.15)	(83.54)	0.00	0.00	0.00
Share Issue Expenses	0.00	0.00	(10.50)	(2.05)	0.00
Dividend & Dividend Tax	(432.38)	(22.75)	(172.86)	0.00	(179.69)
Net Cash from Financing Activities - C	119.03	4550.42	431.85	(1969.13)	5480.58
Net Increase/ Decrease (+/-) in Cash & Cash Equivalents	2767.23	(544.48)	1685.36	271.84	58.10
Cash and Cash Equivalents at the commencement of the year	1880.12	2424.60	739.24	467.40	409.30
Cash and Cash Equivalents at the end of the year	4647.35	1880.12	2424.60	739.24	467.40
	2767.23	(544.48)	1685.36	271.84	58.10

Notes: The above statement should be read with significant accounting policies as in Annexure – 4 and statement of adjustments to statement of profit and loss account as in Annexure 5 of the chapter titled “Financial Information” beginning on page 201.

SUMMARY STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES AS RESTATED

(Rs. in Lacs)

Particulars	As at		
	31-Mar-12	31-Mar-11	31-Mar-10
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
Share Capital	1604.89	1593.32	1353.60
Reserves and surplus	16209.30	12005.46	7814.72
(A)	17814.19	13598.78	9168.32
(2) Share Application Money Pending Allotment (B)	577.04	0.00	0.00
(3) Non- current liabilities			
Long-term borrowings	10664.29	11756.07	8582.28
Deferred Tax Liabilities (Net)	2078.70	1662.38	1562.46
Other Long Term Liabilities	4008.44	3666.41	0.00
Long-term provisions	101.53	0.00	61.38
(C)	16852.96	17084.86	10206.12
(4) Current liabilities			
Short-term borrowings	15774.92	10243.64	6705.94
Trade Payables	19530.70	15189.49	13214.73
Other current liabilities	3706.06	3731.55	3738.94
Short-term provisions	690.42	324.47	589.20
(D)	39702.10	29489.15	24248.81
TOTAL : (A)+(B)+(C)+(D)	74946.29	60172.79	43623.25
II. ASSETS			
(1) Non - Current Assets			
Fixed Assets			
- Tangible assets	11849.38	9738.80	10006.07
- Intangible assets	4813.06	4863.20	1567.17
- Capital work-in-progress	883.60	887.62	13.52
- Intangible assets under development	4429.41	3456.99	2949.25
	21975.45	18946.61	14536.01
Non-current investments	5.82	5.82	4.41
Long term loans and advances	286.80	269.04	169.24
Other Non-Current Assets	186.69	345.23	180.94
	22454.76	19566.70	14890.60
(2) Current Assets			
Current Investments	51.59	48.89	5.76
Inventories	26292.76	18681.38	13572.86
Trade receivables	20152.20	18078.77	10038.17
Cash and cash equivalents	4659.91	1928.48	2442.78
Short-term loans and advances	1335.07	1868.57	2673.08
Other current assets	0.00	0.00	0.00
	52491.53	40606.09	28732.65
TOTAL	74946.29	60172.79	43623.25

Notes:

The above statement should be read with significant accounting policies as in Annexure – 4 and statement of adjustments to statement of profit and loss account as in Annexure 5 of the chapter titled “Financial Information” beginning on page 201.

SUMMARY STATEMENT OF CONSOLIDATED PROFIT AND LOSS ACCOUNT AS RESTATED

(Rs. in Lacs)

Particulars	For the year ended		
	31-Mar-12	31-Mar-11	31-Mar-10
I. Revenue from operations			
API and Manufacturing	45738.91	41721.68	29699.09
Contract Manufacturing	7623.43	2768.40	509.97
Contract Research	4793.33	4099.96	3478.41
Process Knowhow	480.00	1004.99	1226.53
Other Sales and Service	436.38	160.61	89.04
SUB-TOTAL (I)	59072.05	49755.64	35003.04
II. Other Income	360.91	147.66	486.62
III. Total Revenue (I +II)	59432.96	49903.30	35489.66
IV. Expenses:			
- Cost of materials consumed	45474.65	38270.73	28179.59
- Purchase of Stock-in-Trade	2929.79	0.00	0.00
- Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	(4474.20)	765.35	(1481.63.00)
- Employee benefit expenses	1608.26	1253.01	1042.91
- Manufacturing Expenses	1544.82	1252.78	902.03
-Administration, Selling and Distribution Expenses	2881.11	2214.96	1447.95
-Research and Development Expenses	198.11	221.76	146.85
- Financial costs	4558.70	2866.37	2462.45
- Depreciation and amortization expense	1294.30	977.04	773.71
Total Expenses	53636.58	45910.21	32526.81
V. Profit before exceptional and extraordinary items and tax (III - IV)	5796.38	3993.09	2962.85
VI. Tax expense:			
(1) Current tax	1157.43	789.79	453.98
(2) Deferred tax	416.33	99.92	227.10
Total Tax Expenses (VI)	1573.76	889.71	681.08
VII. Profit after tax but before prior period, exceptional and extraordinary items (V - VI)	4222.62	3103.38	2281.77
VIII. Exceptional Items			
Prior Period expenses (net)	0.00	0.00	0.00
Prior Period Tax	0.00	0.00	0.00
IX. Profit after tax, prior period, exceptional and extraordinary items (VII+VIII)	4222.62	3103.38	2281.77
X. Earnings Per Equity Share [nominal value of share of Rs. 10/-]			
Basic	26.50	20.22	19.29
Diluted	26.50	20.22	16.86

Note:

The above statement should be read with significant accounting policies as in Annexure – 4 and statement of adjustments to statement of profit and loss account as in Annexure 5 of the chapter titled “*Financial Information*” beginning on page 201.

SUMMARY STATEMENT OF CONSOLIDATED CASH FLOW STATEMENTS AS RESTATED

(Rs. in Lacs)

Particulars	For the year ended		
	31-Mar-12	31-Mar-11	31-Mar-10
A. Cash Flow from Operating Activities			
Profit before Tax	5796.38	3993.09	2962.85
Adjustments for :-			
Depreciation/Amortisation	1294.30	977.04	773.71
Finance charges	4558.70	2866.37	2462.45
Exchange Rate Gain/Loss	380.33	72.78	(336.09)
Exchange Rate Gain/Loss - on consolidation	40.31	(16.46)	(3.06)
Interest/Dividend on Investments	(0.12)	(1.42)	0.00
Profit/Loss on Sale of Assets / Technical Know How	(69.75)	0.00	(354.47)
Provision for diminution in value of investments	2.54	0.00	0.00
Deferred Product Marketing	310.05	80.94	0.00
Miscellaneous Expenditure w/off	6.87	3.94	54.76
Employee Compensation Expenses Provided	0.00	0.00	0.00
Income tax/Misc. provision written back	0.00	0.00	0.00
Operating Profit Before Working Capital Changes	12319.61	7976.28	5560.15
Adjustments for changes in Working Capital			
(Increase)/Decrease in Sundry Debtors	(2073.43)	(8040.60)	(3082.64)
(Increase)/Decrease in Inventories	(7611.38)	(5108.52)	(4820.57)
(Increase)/Decrease in Loans, advances& other current assets	515.74	704.74	(243.11)
Increase/(Decrease) in Current Liabilities	4895.55	5996.65	5736.24
Exchange Rate Gain/Loss	(380.34)	(72.78)	336.09
Cash Generated from Operations	7665.75	1455.77	3486.16
Taxes paid (Including TDS)	(794.84)	(1081.03)	(243.67)
Net Cash from Operating Activities - A	6870.91	374.74	3242.49
B. Cash Flow from Investing activities			
Purchase of Fixed Assets (Net)	(4253.39)	(5387.64)	(1109.48)
Dividend on Investments	0.12	1.42	0.00
Investment	(5.24)	(44.54)	(2.38)
Investment in Subsidiary	0.00	0.00	0.00
Net Cash used in Investing activities - B	(4258.51)	(5430.76)	(1107.10)
C. Cash Flow From Financing Activities			
Finance Charges	(4558.70)	(2866.37)	(2462.45)
Increase in Short Term / Long Term Borrowings	4413.88	6066.47	2460.57
Proceeds from Shares Issue	854.61	1622.24	0.00
Deferred Product Marketing	(55.23)	(165.63)	(246.61)
IPO Expenses	(103.15)	(83.54)	0.00
Share Issue Expenses	0.00	0.00	(10.50)
Dividend & Dividend Tax	(432.38)	(31.45)	(172.86)
Net Cash from Financing Activities - C	119.03	4541.72	(431.85)
Net Increase/ Decrease (+/-) in Cash & Cash Equivalents	2731.43	(514.30)	1703.54
Cash and Cash Equivalents at the commencement of the year	1928.48	2442.78	739.24
Cash and Cash Equivalents at the end of the year	4659.91	1928.48	2442.78
	2731.43	(514.30)	1703.54

Notes:

- 1). The above statement should be read with significant accounting policies as in Annexure – 4 and statement of adjustments to statement of profit and loss account as in Annexure 5 of the chapter titled “Financial Information” beginning on page 201.

THE ISSUE

Equity Shares offered: Issue by our Company	70,50,000 Equity Shares of face value of ₹ 10 each aggregating upto ₹ [●] Lacs
Employee Reservation Portion	50,000 Equity Shares of face value of ₹ 10 each aggregating upto ₹ [●] Lacs
Issue Price	₹ [●] per Equity Share
Net Issue to the Public*	70,00,000 Equity Shares of face value of ₹10 each aggregating upto ₹ [●] Lacs
Of which:	35,00,000 Equity Shares of face value of ₹ 10 each constituting not more than 50% of the Net Issue to the Public
(A) Qualified Institutional Buyers portion (QIBs)**	(Allocation on a proportionate basis) Of the above 35,00,000 Equity Shares, 1,75,000 Equity Shares shall be available for allocation to Mutual Funds (excluding allocation to Anchor Investors) The balance 33,25,000 Equity Shares shall be available to all QIBs, including Mutual Funds (excluding allocation to Anchor Investors)
(B) Non Institutional Portion	10,50,000 Equity Shares of face value of ₹ 10 each constituting not less than 15% of the Net Issue to the Public (Allocation on a proportionate basis)
(C) Retail Portion	24,50,000 Equity Shares of face value of ₹ 10 each constituting not less than 35% of the Net Issue to the Public (Allocation on a proportionate basis)

Note: Under-subscription, if any, in any of the categories would be allowed to be met with spill over from the other categories, at the sole discretion of our Company in consultation with the BRLMs.

Equity Shares outstanding prior to this Issue	1,64,13,473 Equity Shares of face value of ₹10 each
Equity Shares outstanding after this Issue	2,34,63,473 Equity Shares of face value of ₹10 each
Use of Issue proceeds	Please refer to the Section titled “ <i>Objects of the Issue</i> ” beginning on page 88 of this Draft Red Herring Prospectus for additional information.

**Our Company may consider a Pre – IPO Placement of upto 10,00,000 Equity Shares aggregating up to ₹3,000 Lacs. The Pre – IPO Placement, if any, will be completed before the filing of the Red Herring Prospectus with the RoC. The number of Equity Shares in this Issue will be reduced to the extent of the Equity Shares proposed to be allotted in the Pre – IPO Placement, if any, subject to the Net Issue to the Public being at least 25% of the fully diluted Post–Issue paid up capital of our Company. The Equity Shares allotted under the Pre – IPO Placement, shall be subject to a lock – in period of 1 year from the date of the Allotment pursuant to this Issue.*

***Our Company may consider participation by Anchor Investors for allotment upto 10,50,000 Equity Shares in accordance with applicable SEBI ICDR Regulations.*

GENERAL INFORMATION

Our Company was originally incorporated as “*Shree Deep Jyote Industrial Paints Private Limited*” on January 14, 1986 under the Companies Act, 1956 vide Certificate of Incorporation bearing registration number 38618 issued by the Registrar of Companies, Mumbai. Our Company’s name was changed to “*Calyx Chemicals and Pharmaceuticals Private Limited*” vide Fresh Certificate of Incorporation consequent upon change of name dated August 04, 1997 pursuant to change in the management and control of our Company. Our Company’s name was subsequently changed to “*Calyx Health Sciences Private Limited*” vide Fresh Certificate of Incorporation consequent upon change of name dated March 11, 2005 in order to more correctly reflect the business of our Company. Our Company’s name was changed back to “*Calyx Chemicals and Pharmaceuticals Private Limited*” vide Fresh Certificate of Incorporation consequent upon change of name dated May 19, 2005 and our business objects were changed to include the manufacture and sale of pharmaceutical products. Our Company was converted into a public limited company and consequently the name of our Company was changed to “*Calyx Chemicals and Pharmaceuticals Limited*” vide Fresh Certificate of Incorporation dated September 08, 2006. Our CIN is U24220MH1986PLC038618.

Registered Office:

Calyx Chemicals and Pharmaceuticals Limited

Unit Number 110, Marwah’s Complex,

Krishanlal Marwah Marg,

Off. Saki Vihar Road,

Andheri (East),

Mumbai – 400 072

Maharashtra, India

Tel. No.: +91-22-2857 1191

Fax No.: +91-22-6646 6401

Contact Person: Mr. Devanand Parshottam Mojidra, Company Secretary and Compliance Officer

E-mail: investor_relations@calyxindia.com

Website: www.calyx-pharma.com

For details of change in name and registered office, please refer to the chapter titled “*History and Other Corporate Matters*” beginning on page 161 of this Draft Red Herring Prospectus.

Address of the RoC

The Registrar of Companies, Mumbai

100, Everest Building,

Marine Drive,

Mumbai – 400 002

Maharashtra,

India

Our Board of Directors:

The Board of Directors consists of the following:

Sr. No.	Name of Director	Designation	Nature of Directorship	DIN
1.	Mr. Smitesh Chandravadan Shah	Chairman and Managing Director	Executive	00019720
2.	Mr. Bharat Sukhlal Mehta	Promoter Director	Non- Executive	00038165
3.	Mr. Rajat Indulal Doshi	Promoter Director	Non- Executive	02423171
4.	Mr. Jambunathan Srinivasa Iyer	Independent Director	Non- Executive	00063729
5.	Mr. Bhumitra Vinodchandra Dholakia	Independent Director	Non- Executive	01871816
6.	Mr. Abhay Praful Desai	Independent Director	Non- Executive	03016913
7.	Mr. Chakradhar Bharat Chhaya	Independent Director	Non – Executive	00968966

For detailed profile of our Directors, please refer to the chapters titled “*Our Management*” and “*Our Promoters and Promoter Group*” beginning on page 170 and 189, respectively of this Draft Red Herring Prospectus.

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Devanand Parshottam Mojidra
Calyx Chemicals and Pharmaceuticals Limited
Unit Number 110, Marwah's Complex,
Krishanlal Marwah Marg,
Off Saki Vihar Road,
Andheri (East),
Mumbai- 400 072,
Maharashtra, India.
Tel No: +91 22 28571191;
Fax No: +91- 022- 66466401
E-mail: devanand_mojidra@calyxindia.com
Website: www.calyx-pharma.com

Investors are advised to contact the Compliance Officer, Mr. Devanand Parshottam Mojidra, and / or the Registrar to this Issue and/or the BRLMs in case of any Pre-Issue or Post-Issue related problems, such as non-receipt of letters of Allocation, credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders, non receipt of funds by electronic mode etc. All grievances relating to the ASBA process may be addressed to the Registrar to this Issue, with a copy to the SCSB, giving full details such as the name, adders of the applicant, number of Equity Share applied for, Bid Amount blocked, ASBA Account number and the designated branch, or the collection centre of the SCSB where the ASBA Bid-cum-Application Form was submitted by the ASBA Bidders.

BANKERS TO OUR COMPANY

State Bank of India Backbay Reclamation Branch, Raheja Chambers, Free Press Journal Marg, Nariman Point, Mumbai – 400021, Maharashtra, India Tel. No.: +91-22- 2285 0509 Fax No.: +91-22-2204 3293 Contact Person : Mr. R. S. David E-Mail: spurgen.david@sbi.co.in	Bank of India Andheri Mid Corporate Branch MDI Building, First Floor, 28, S.V. Road, Andheri – (W), Mumbai – 400058, Maharashtra, India Tel. No. +91-22-2621 0401 Fax No.: +91-22-2621 0405 Contact Person : Mr. Rajnish Chopda E-Mail: mcb.andheri@bankofindia.com.in
Punjab National Bank Mid Corporate Branch Brady House, V.N. Road, Fort, Mumbai – 400023 Maharashtra, India Tel. No: +91-22-2204 2252 Fax No: +91-22-2204 9294 Contact Person : Mr. P. K. Kapoor E-Mail: pkkapoor@pnb.co.in	State Bank of Patiala Commercial Branch, Atlanta, First Floor, Nariman Point, Mumbai –400021 Maharashtra, India Tel. No. : +91-22- 2204 7020 Fax No: +91-22-6637 5703 Contact Person : Mr.N.S. Negi E-Mail: sbop313@gmail.com
Export Import Bank of India Maker Chambers IV, 8th Floor, 222, Nariman Point, Mumbai – 400021 Maharashtra, India Tel. No.: +91-22-2282 3320 Fax No.: +91-22-2204 3252 Contact Person : Mr. Ravindra Mehru E-Mail: ravindra.m@eximbankindia.in	State Bank of Mysore Corporate Accounts Branch Mittal Court, 'C' Wing, Nariman Point, Mumbai – 400021 Maharashtra, India Tel. No.: +91-22- 2279 0517 Fax No.: +91-22-2282 3895 Contact Person : Mr. S. C. Jagdeesh E-Mail: jagadeesh.s.c@sbi.co.in
Oriental Bank of Commerce Large Corporate Branch Maker Tower – 'E', Cuffee Parade, Mumbai – 400005 Maharashtra, India	IDBI Bank Limited Specialized Corporate Branch Plot No. 47, Opus Centre, Opp Tunga Paradise, Andheri – (E), Mumbai -400072 Maharashtra, India

Tel. No.: +91-22-4347 1538 Fax No.: +91-22-2201 8392 Contact Person : Mr. Mayur Bhatt E-Mail: bm0902@obc.co.in	Tel. No.: +91-22-6758 2578 Fax No.: +91-22-2836 5091 Contact Person : Mr. Abhijeet Khankhal E-Mail: aa.khankhal@idbi.co.in
State Bank of Hyderabad Fort Branch, New India Assurance Building, 87, M.G. Road, Fort, Mumbai – 400023, Maharashtra, India Tel. No.: +91-22-22267 0367 Fax No.: +91-22-2261 3177 Contact Person : Mr. Ch. Surender Raju E-Mail: fort_mum@sbhyd.co.in	Canara Bank Fort Market Branch Pandyan House, Shaheed Bhagat Singh Road, Fort Market, Mumbai – 400001, Maharashtra, India Tel. No.: +91-22-2261 4735 Fax No.: +91-22-2261 4057 Contact Person : Mr. S.R. Khuprao E-Mail: cb0214@canarabank.com
Dena Bank Share Bazar Branch Dena Bank, Dena Bank House, 31/33, Hamam Street, Fort, Mumbai-400001, Maharashtra, India Tel. No.: +91-22-2265 2013 Fax No.: +91-22-2265 6428 Contact Person : Mr. A.K Bhan E-Mail: shareb@denabank.co.in	Bank of Bahrain & Kuwait B.S.C. Commercial Network Branch, 239, P Dmello Road, Opposite GPO, Fort, Mumbai – 400001 Maharashtra, India Tel. No.: +91-22-2262 5023 Fax No.: +91-22-2265 1324 Contact Person : Mr. N. Srikanth E-Mail: sbbj10717@sbbj.co.in
State Bank of Mauritius Ltd. 101, Raheja Centre, 1st Floor, Free Press Journal Marg, Nariman Point, Mumbai – 400021 Maharashtra, India Tel. No.: +91-22-22 4302 8809 Fax No.: +91-22-2284 2966 Contact Person : Mr. Vivek Dixit E-Mail: vivek.d@sbm-india.com	ING Vysya 8 th Floor, Plot No. C – 12, G – Block, Bandra – Kurla Complex, Bandra – (E), Mumbai – 400051 Maharashtra, India Tel. No.: +91-22-22 3309 5884 Fax No.: +91-22-2652 2812 Contact Person: Mr. Kiran Burra E-Mail: kiran.burra@ingvysyabank.com
Allahabad Bank Industrial Finance Branch 2 nd Floor, Allahabad Bank Building, 37, Mumbai Samachar Marg, Fort, Mumbai – 400023 Maharashtra, India Tel. No.: +91-22-2270 2746 Fax No.: +91-22-2270 2733 Contact Person : Mr. Arvind Mishra E-Mail: br.mumifb@allahabadbank.in	Indian Bank Mumbai Fort Branch United India Insurance Building, Sir P.M. Road, Fort, Mumbai – 400001\ Maharashtra, India Tel. No.: +91-22-2266 2462 Fax No.: +91-22-2266 0769 Contact Person : Mr. M.S Rawat E-Mail: creditmumbai@indianbank.co.in
State Bank of Bikaner and Jaipur Commercial Network Branch, 239, P Dmello Road, Opposite GPO, Fort, Mumbai – 400001 Maharashtra, India Tel. No.: +91-22-2262 5023 Fax No.: +91-22-2265 1324 Contact Person : Mr. N. Srikanth E-Mail: sbbj10717@sbbj.co.in	Bank of Maharashtra Tardeo Branch Shashtri Hall 292, Tardeo Road Mumbai-400007, Maharashtra, India Tel. No.: +91-22-2387 0552 Fax No.: +91-22-2381 1827 Contact Person : Mr. Nitin Kamat E-Mail: brmgr155@mahabank.co.in

STATUTORY AUDITOR TO OUR COMPANY

Jatin V. Shah
Chartered Accountant
261 / 263, D.N. Road, 4th Floor, Fort,
Mumbai- 400 001,
Maharashtra, India
Tel. No.: +91-22-3294 8140

Fax No.: +91-22-2261 0775
Contact Person: Jatin V. Shah
E-mail: cajatinshah@yahoo.com
Membership Number: 103858
Peer Review Certificate Number: 005166

ISSUE MANAGEMENT TEAM

BOOK RUNNING LEAD MANAGERS

PL Capital Markets Private Limited

3rd Floor, Sadhana House,
570 P.B. Marg, Worli,
Mumbai – 400 018
Maharashtra, India
Tel. No.: +91-22-6632 2222
Fax No.: +91-22-6632 2229
Contact Person: Mr. Ajesh Dalal / Mr. Bhavin Shah
E-mail: calyx_ipo@plindia.com
Website: www.plindia.com
SEBI Registration number: INM000011237

YES Bank Limited

27th Floor, Tower II,
Indiabulls Finance Centre,
Senapati Bapat Marg,
Elphinstone (West)
Mumbai - 400 013
Maharashtra, India
Tel No: +91-22-3347 9613
Fax No.: +91-22-2421 4508
Contact Person: Mr. Sameer Kakkar
Email: dlcalyxipo@yesbank.in
Investor Grievance Email: merchantbanking@yesbank.in
Website: www.yesbank.in
SEBI Registration number: INM000010874

REGISTRAR TO THIS ISSUE

Link Intime India Private Limited

C-13 Pannalal Silk Mill Compound,
L.B.S. Marg, Bhandup (West),
Mumbai 400 078
Maharashtra, India
Contact Person: Mr. Sanjog Sud
Tel: +91-22-2596 7878
Toll free No.: 1-800-22-0878,
Fax: +91-22-2596 0329
Email: ccpl.ipo@linkintime.co.in
Website: www.linkintime.co.in
SEBI Registration No.: INR000004058
LEGAL ADVISORS TO THIS ISSUE

M/s. Crawford Bayley & Co.

Advocates & Solicitors
State Bank Buildings, 4th floor,
N. G. N. Vaidya Marg, Fort,
Mumbai – 400 023,
Maharashtra, India
Tel. No.: +91-22-2266 8000

Fax No.: +91-22-2266 3978
Contact Person: Mr. Sanjay Asher
Email: sanjay.asher@crawfordbayley.com

SYNDICATE MEMBERS

[•]

(The Syndicate Member(s) will be appointed prior to filing the Red Herring Prospectus with RoC.)

BANKERS TO THIS ISSUE AND ESCROW COLLECTION BANK

[•]

(The Bankers to the Issue shall be appointed prior to filing of the Red Herring Prospectus with RoC.)

REFUND BANKER TO THE ISSUE

[•]

(The Refund Banker(s) shall be appointed prior to filing of the Red Herring Prospectus with RoC.)

SELF CERTIFIED SYNDICATE BANKS

The SCSBs are as per updated list available on SEBI's website (www.sebi.gov.in). Investors are requested to refer the SEBI website for updated list of SCSBs and their designated branches.

STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITIES BETWEEN BRLMS

The responsibilities and co-ordination roles for various activities in this Issue have been distributed between the Book Running Lead Managers as under:

Sr. No.	Activity	Responsibility	Co-ordinator
1.	Capital structuring with the relative components and formalities, etc.	PLCM, and YES Bank,	PLCM
2.	Conducting a Due diligence of the Issuer Company's operations / management / business plans / legal, etc. Drafting and designing the Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus. Ensuring compliance with the SEBI ICDR Regulations and other stipulated requirements and completion of prescribed formalities with the Stock Exchanges (Pre-Issue), RoC and SEBI.	PLCM and YES Bank	PLCM
3.	Primary co-ordination with SEBI, RoC and Stock Exchanges up to bidding and coordinating interface with lawyers for agreements.	PLCM and YES Bank	PLCM
4.	Appointment of the Registrar, Bankers to the Issue and appointment of other intermediaries viz. Printers and advertising agency	PLCM and YES Bank	PLCM
5.	Primary coordination of drafting / proofing of the design of the Prospectus, bid forms including memorandum containing salient features of the Prospectus with the printers. Primary coordination of the drafting and approving the statutory advertisement.	PLCM and YES Bank	PLCM
6.	Drafting and approving all publicity material other than statutory advertisement as mentioned in (5) above including corporate advertisement, brochure, etc.	PLCM and YES Bank	YES Bank
7.	Retail and HNI segment marketing, which will cover <i>inter alia</i> : <ul style="list-style-type: none"> Preparation of road show presentation Finalising centers for holding Brokers' conference Finalising media, marketing and PR Strategy Follow up on distribution of publicity and issue material including application form, brochure and deciding on quantum of issue material Finalising collection centers as per schedule III of SEBI ICDR Regulations. 	PLCM and YES Bank	YES Bank
8.	Institutional Marketing, which will cover <i>inter alia</i> : <ul style="list-style-type: none"> Finalisation of list of investors 	PLCM and YES Bank	PLCM

	<ul style="list-style-type: none"> Finalisation of one to one meetings and allocation of institutions Finalisation of presentation material 		
9.	Managing Book and co-ordination with stock Exchanges for bidding terminals, mock trading etc	PLCM and YES Bank	YES Bank
10.	Pricing and QIB allocation	PLCM and YES Bank	PLCM
11.	Follow – up with the bankers to the Issue to get quick estimates of collection and advising the Issuer about closure of the Issue, based on the correct figures.	PLCM and YES Bank	YES Bank
12.	The Post-Issue activities for the Issue will involve essential follow up steps, which include finalizing basis of allotment / weeding out of multiple applications, the listing of instruments and dispatch of certificates / demat credits or refunds and dematerialized delivery of shares with the various agencies connected with the work such as the Registrars to this Issue and Bankers to the Issue, Self Certified Syndicate Banks, the bank handling refund business. The BRLMs shall be responsible for ensuring that these agencies fulfil their functions and enable it to discharge this responsibility through suitable agreements with our Company.	PLCM and YES Bank	YES Bank

The selection of various agencies like the Bankers to the Issue, Escrow Collection Bank(s), Syndicate Members, Brokers, Advertising agencies etc. will be finalized by our Company in consultation with the BRLMs.

Even if many of these activities will be handled by other intermediaries, the BRLMs shall be responsible for ensuring that these agencies fulfill their functions and enable it to discharge this responsibility through suitable agreements with our Company.

CREDIT RATING

This being an issue of Equity Shares, there is no requirement of credit rating for this Issue.

IPO GRADING

Details of IPO Grading along with the grading rationale will be incorporated before filing of the Red Herring Prospectus with RoC.

This Issue has been graded by [•] and has been assigned a grade of [•] / 5 indicating [•] fundamentals. The IPO Grading is assigned on a five point scale from 1 to 5, with IPO Grade 5 / 5 indicating strong fundamentals and IPO Grade 1 / 5 indicating poor fundamentals. For details in relation to the rationale furnished by [•], please refer to “*Annexure [•]*” beginning on page [•].

TRUSTEES

As this is an Issue of Equity Shares, the appointment of Trustees is not required.

APPRAISAL AND MONITORING AGENCY

The proposed funds requirement is not appraised by any Bank / Financial Institution. As the net proceeds of this Issue will be less than ₹ 50,000 Lacs, under the SEBI ICDR Regulations it is not required that a monitoring agency be appointed by our Company.

However, as per the Clause 49 of the Listing Agreements to be entered into with the Stock Exchanges upon listing of Equity Shares and in accordance with the Corporate Governance requirements, the Audit Committee of our Company would be monitoring the utilization of the Issue Proceeds.

EXPERTS

Except for the report of [•] in respect of the IPO Grading of this Issue (a copy of which will be annexed to the Red Herring Prospectus as *Annexure [•]*), furnishing the rational for its grading which will be provided to the Designated Stock Exchange and except for the report of the Auditor of our Company on the restated financial statements and

Statement of Tax Benefits, included in this Draft Red Herring Prospectus, our Company has not obtained any expert opinions.

WITHDRAWAL OF THE ISSUE

Our Company, in consultation with the BRLMs and in accordance with the SEBI ICDR Regulations, reserves the right not to proceed with this Issue after the bidding and if so, the reason thereof shall be given as a public notice within 2 Working Days of the closure of this Issue. The public notice shall be issued in the same newspapers where the Pre-Issue advertisement had appeared. The Stock Exchanges where the specified securities were proposed to be listed shall also be informed promptly. The BRLMs through the Registrar to this Issue shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within 1 Working Day from the day of the receipt of such notification.

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

If our Company withdraws this Issue after closure of bidding, we will be required to file a fresh draft offer document with the Securities and Exchange Board of India for any public offering of Equity Shares.

In the event of withdrawal of this Issue anytime after the Bid / Issue Opening Date, our Company will forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within 8 Working Days after our Company becomes liable to repay it or within 15 Working Days from the Bid / Issue Closing Date, whichever is earlier, i.e. from the date of withdrawal, then our Company, and every Director of our Company who is an officer in default shall, on and from such day, be liable to repay the money, with interest at the rate of 15% per annum on application money.

BOOK BUILDING PROCESS

Book building refers to the collection of Bids from investors, which is based on the Price Band, with the Issue Price being finalized after the Bid / Issue Closing Date. The principal parties involved in the Book Building Process are:

- Our Company;
- BRLMs, in this case being PLCM and YES Bank;
- Syndicate Member(s) who are intermediaries registered with SEBI or registered as brokers with the Stock Exchange(s) and eligible to act as underwriters. Syndicate members are appointed by the BRLMs;
- Registrar to this Issue, in this case being Link Intime India Private Limited;
- Banker(s) to the Issue;
- Escrow Collection Banks
- Refund Bank(s); and
- Self Certified Syndicate Banks.

This Issue is being made under sub Regulation 26(1) of the SEBI ICDR Regulations. The SEBI ICDR Regulations have permitted an issue of securities to the public through the Book Building Process, wherein not more than 50% of the Net Issue shall be available for allocation to QIBs on a proportionate basis out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only (excluding Anchor Investor Portion), and the remainder of the Qualified Institutional Buyers' portion shall be available for allocation on a proportionate basis to all Qualified Institutional Buyers, including Mutual Funds, subject to valid Bids being received at or above Issue Price. The QIB Portion includes Anchor Investor Portion as defined in the section titled "*Definitions and Abbreviations*" beginning on page 1 of this Draft Red Herring Prospectus and our Company may consider participation by Anchor Investors in the Issue for upto 10,50,000 Equity Shares in accordance with the applicable SEBI ICDR Regulations. Further, not less than 15% of the Net Issue shall be available for allotment to Non Institutional Bidders and not less than 35% of the Net Issue shall be available for allotment to Retail Individual Bidders on a proportionate basis, subject to valid Bids being received at or above the Issue Price. Further, 50,000 Equity Shares shall be made available for allocation on a proportionate basis to the Eligible Employees, subject to valid Bids being received at or above the Issue Price and such reservation not exceeding 5% of the Issue size. Any unsubscribed portion in the Employee Reservation Portion shall be added to the Net Issue.

We will comply with the SEBI ICDR Regulations for this Issue. In this regard, we have appointed PL Capital Markets Private Limited and YES Bank Limited as the BRLMs to manage this Issue and procure subscriptions to this Issue.

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

In accordance with SEBI ICDR Regulations, QIBs are not allowed to withdraw their Bid after the QIB Bid / Issue Closing Date. Further, Anchor Investors will not be allowed to withdraw their Bid after the Anchor Investor Issue Date. Allocation to QIBs will be on a proportionate basis and allocation to Anchor Investors will be on a discretionary basis. For further details please refer paragraph titled “*Maximum and Minimum Bid Size*” of the chapter titled “*Issue Procedure*” beginning on page 385 of this Draft Red Herring Prospectus.

All Bidders (excluding Anchor Investors) have the option to submit their Bids under the “ASBA Process”, which would entail blocking of funds in the investor’s bank account rather than transfer of funds to the respective Escrow Accounts. For further details, please refer to the Chapter titled “*Issue Procedure*” beginning on page 385 of this Draft Red Herring Prospectus.

Except for Bids on behalf of the Central or State Government and the officials appointed by the courts, for Bids of all values ensure that you have mentioned your PAN allotted under the I.T. Act in the Bid-cum-Application Form and the ASBA Bid-cum-Application Form (please refer to the chapter titled “*Issue Procedure – Bidder’s PAN, Depository Account and Bank Account Details*” on page 402 of this Draft Red Herring Prospectus). However, Bidders residing in the State of Sikkim are exempted from the mandatory requirement of PAN. The exemption is subject to the Depository Participants’ verifying the veracity of the claim of the investors that they are residents of Sikkim, by collecting sufficient documentary evidence in support of their address.

Illustration of Book Building and Price Discovery Process *(Investors should note that this example is solely for illustrative purposes and is not specific to this Issue)*

Bidders (excluding the Retail Bidder and Eligible Employees, who can also bid at cut-off price) can bid at any price within the Price Band. For instance, assume a price band of ₹ 20 to ₹ 24 per equity share, issue size of 3,000 equity shares and receipt of five bids from Bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centers during the bidding period. The illustrative book below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.

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

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e. ₹ 22 in the above example. This Issuer, in consultation with the BRLMs will finalise the Issue Price at or below such cut-off price, i.e., at or below ₹ 22. All bids at or above this Issue Price are valid bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for bidding:

- 1) Check eligibility for making a Bid (For details please refer to the paragraph titled “*Who Can Bid*” under the Chapter titled “*Issue Procedure*” beginning on page 385 of this Draft Red Herring Prospectus);
- 2) Ensure that the Bidder has a demat account and the demat account details are correctly mentioned in the Bid-cum-Application Form including ASBA Form;
- 3) Ensure that the Bid-cum-Application Form including ASBA Forms is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid-cum-Application Form including ASBA Forms;

- 4) Ensure the correctness of the demographic details (as detailed in “*Bidder’s PAN, Bidder’s Depository Account and Bank Account Details*” in the chapter “*Issue Procedure*”) given in the Bid-cum-Application Form and the ASBA Bid-cum-Application Form, with the details recorded with the Depository Participant;
- 5) Bids by QIBs (excluding Anchor Investors) will have to be intimated to the BRLMs and / or their affiliates;
- 6) ASBA Bidders shall submit an ASBA Bid-cum-Application Form either in physical or electronic form to (a) the SCSB or the Designated Branches of the SCSBs authorizing blocking of funds that are available in the bank account specified in the ASBA Bid-cum-Application Form; or (b) to the members of the Syndicate who shall further submit such ASBA Bid-cum-Application Form to the SCSBs. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSB to ensure that the ASBA Bid-cum-Application Form is not rejected; and
- 7) Ensure that the Permanent Account Number is mentioned on Bid-cum-Application Form / ASBA Form. Bidders are specifically requested not to mention their General Index Register number instead of the Permanent Account Number as the Bid is liable to be rejected on this ground.

BID / ISSUE PROGRAM

BID/ISSUE OPENS ON*: [•], 2012 FOR ALL BIDDERS	BID/ISSUE CLOSES ON: [•], 2012 FOR QIB BIDDERS#
	BID/ISSUE CLOSES ON: [•], 2012 FOR NON-INSTITUTIONAL, RETAIL INDIVIDUAL BIDDERS AND ELIGIBLE EMPLOYEES

**Our Company in consultation with the BRLMs may consider participation by Anchor Investors for upto 10,50,000 Equity Shares in terms of the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be 1 Working Day prior to the Bid/ Issue Opening Date. The number of Equity Shares allocated to each Anchor Investor and Anchor Investor Issue Price shall be made available in the public domain by the BRLMs, before the Bid Opening Date by intimating the same to the Stock Exchanges.*

#Our Company may consider closing the Bid/ Issue Period for QIBs 1 Working Day prior to the Bid/ Issue Closing Date.

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 Bid/Issue Period or within such time period as permitted by the Stock Exchanges, at the bidding centers mentioned on the Bid-cum-Application Form or, in case of Bids submitted through ASBA, the Designated Branches of the SCSBs **except that on the Bid/Issue Closing Date:**

For QIB Bidders

1. Bids (excluding the ASBA Bidders) shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 pm (Indian Standard Time). Our Company may consider closing the Bid / Issue Closing period for the QIB Bidders by 1 Working Day prior to the Bid / Issue Closing Date.

For Non-Institutional Bidders

2. Bids (excluding the ASBA Bidders) shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 pm (Indian Standard Time).

For Retail Individual Investors

3. Bids (excluding the ASBA Bidders) shall be accepted only between 10.00 a.m. and 4.00 p.m. (Indian Standard Time) and uploaded until 5.00 pm (Indian Standard Time) which may be extended upto such time subject to permission from BSE and NSE.

For Eligible Employees (under Employee Reservation Portion)

4. Bids (excluding the ASBA Bidders) shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 pm (Indian Standard Time) which may be extended upto such time subject to permission from BSE and NSE.

Due to limitation of the time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids 1 Working 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 large number of applications on Bid/ Issue Closing date, as is typically experienced in public offerings, which may lead to some Bids not getting uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for

allocation under this Issue. Bids not uploaded in the book would be rejected. If such Bids are not uploaded, our Company, BRLMs, Syndicate Members and the SCSBs will not be responsible. Bids will be accepted only on Working Days. Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the NSE and the BSE.

On the Bid / Issue Closing Date, extension of time may be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders and Eligible Employee after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid cum Application Form and ASBA Bid-cum-Application Form as stated herein and reported by the BRLMs to the Stock Exchanges within half an hour of such closure.

Investors please note that as per letter no. List/smd/sm/2006 dated July 03, 2006 and letter no. NSE/IPO/25101-6 dated July 06, 2006 issued by BSE and NSE respectively, bids and any revision in Bids shall not be accepted on Saturdays and holidays as declared by the Stock Exchanges.

Our Company in consultation with the BRLMs reserves the right to revise the Price Band during the Bid/Issue Period in accordance with the SEBI ICDR Regulations provided that the revised cap of the price band should not be more than 20% of the revised floor of the band i.e. revised cap of the Price Band shall be less than or equal to 120% of the revised floor of the price band. The Floor Price can be revised up or down to a maximum of 20% of the original Floor Price and shall be advertised at least 1 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 ₹ 5,000 to ₹ 7,000.

In case of revision of the Price Band, the Issue Period will be extended for atleast 3 additional Working Days after revision of the Price Band subject to the total Bid /Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue, if applicable, will be widely disseminated by notification to the BSE and the NSE and the SCSBs, by issuing a press release and also by indicating the changes on the websites of the BRLMs and at the terminals of the Syndicate.

UNDERWRITING AGREEMENT

After the determination of the Issue Price but prior to filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be issued in this Issue. Pursuant to the terms of the Underwriting Agreement, the BRLMs shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations. The underwriting shall be to the extent of the Bids uploaded by the Underwriter including through its Syndicates/sub-Syndicates. Pursuant to the terms of the Underwriting Agreement dated [•], 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 will be completed prior to filing the Prospectus with RoC)

Name and Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (₹ in Lacs)
[•]	[•]	[•]

The above-mentioned amount is indicative underwriting and would be finalized after determination of the Issue Price and actual allocation.

Our Board of Directors (based on a certificate given by the Underwriters), are of the opinion that the Underwriters have sufficient net worth to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers.

Our Board of Directors, at its meeting held on [•] have accepted and entered into the Underwriting Agreement with the Underwriters.

Allocation among Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the BRLMs and the Syndicate Members shall be responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure / subscribe to Equity Shares to the extent of the defaulted amount as specified in the Underwriting Agreement.

The underwriting arrangements mentioned above shall not apply to subscription by ASBA Bidders in this Issue.

CAPITAL STRUCTURE

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

Particulars		Nominal Value (₹)	Aggregate Value at Issue Price (₹)
A.	AUTHORISED CAPITAL		
	3,00,00,000 Equity Shares of ₹ 10 each	30,00,00,000	[●]
B.	PRE-ISSUE ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		
	1,64,13,473 Equity Shares of ₹ 10 each	16,41,34,730	[●]
C.	PRESENT ISSUE*		
	70,50,000 Equity Shares of ₹ 10 each at a premium of ₹ [●] per share	7,05,00,000	[●]
	Of which:		
	50,000 Equity Shares are the Employee Reservation Portion	5,00,000	[●]
	70,00,000 Equity Shares of ₹ 10 each offered by the Company as Net Issue to the public	7,00,00,000	[●]
D.	NET ISSUE TO THE PUBLIC, OUT OF WHICH*		
	QIB Portion of not more than 35,00,000 Equity Shares of ₹ 10 each**	3,50,00,000	[●]
	Non Institutional Portion of not less than 10,50,000 Equity Shares of ₹ 10 each	1,05,00,000	[●]
	Retail Portion of not less than 24,50,000 Equity Shares of ₹ 10 each	2,50,00,000	[●]
E.	POST-ISSUE ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		
	2,34,63,473 Equity Shares of ₹ 10 each	23,46,34,730	[●]
F.	SHARE PREMIUM ACCOUNT		
	Pre-Issue	37,94,29,065	
	Post-Issue***		[●]

Our Company may consider a Pre – IPO Placement of upto 10,00,000 Equity Shares aggregating up to ₹ 3,000 Lacs. The Pre – IPO Placement, if any, will be completed before the filing of the Red Herring Prospectus with the RoC. The number of Equity Shares in this Issue will be reduced to the extent of the Equity Shares proposed to be allotted in the Pre – IPO Placement, if any, subject to the Net Issue to the Public being at least 25% of the fully diluted Post–Issue paid up capital of our Company. The Equity Shares allotted under the Pre – IPO Placement, if completed, shall be subject to a lock – in period of 1 year from the date of the Allotment pursuant to this Issue.

***5% of the Net QIB Portion, i.e. [●] Equity Shares are available for allocation on a proportionate basis to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds. Upto 30% of the QIB Portion, i.e. upto 10,50,000 Equity Shares, may be allocated by our Company to Anchor Investors on a discretionary basis. One- third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid bids being received from Domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors.*

****The Share Premium Account after this Issue will be determined after the Book Building Process.*

Note: Under subscription, if any, in any portion shall be allowed to be met with spill over from the other categories, at the sole discretion of our Company in consultation with the BRLMs.

Notes to Capital Structure:

1. Details of Increase in Authorized Share Capital

Sr. No.	Particulars of Increase / Modification (₹)	Cumulative No. of Shares	Cumulative Authorised Capital (₹)	Date of Meeting	Whether AGM / EGM
1.	Incorporation*	5,000	50,000	-	-

2.	Increase from ₹ 0.5 Lacs to ₹ 5 Lacs with the addition of 45,000 Equity Shares of nominal value ₹ 10 each*	50,000	5,00,000	August 28, 1989	-**
3.	Increase from ₹ 5 Lacs to ₹ 20 Lacs with the addition of 1,50,000 Equity Shares of nominal value ₹ 10 each*	2,00,000	20,00,000	September 14, 1992	-**
4.	Increase from ₹ 20 Lacs to ₹ 200 Lacs with the addition of 18,00,000 Equity Shares of nominal value ₹ 10 each*	20,00,000	2,00,00,000	August 08, 1997	EGM
5.	Increase from ₹ 200 Lacs to ₹ 350 Lacs with the addition of 15,00,000 Equity Shares of nominal value ₹ 10 each.	35,00,000	3,50,00,000	April 16, 2001	EGM
6.	Increase from ₹ 350 Lacs to ₹ 400 Lacs with the addition of 5,00,000 Equity Shares of nominal value ₹ 10 each.	40,00,000	4,00,00,000	April 23, 2001	EGM
7.	Increase from ₹ 400 Lacs to ₹ 450 Lacs with the addition of 5,00,000 Equity Shares of nominal value ₹ 10 each	45,00,000	4,50,00,000	October 23, 2003	EGM
8.	Increase from ₹ 450 Lacs to ₹ 1,000 Lacs with the addition of 55,00,000 Equity Shares of nominal value ₹ 10 each.	1,00,00,000	10,00,00,000	May 06, 2004	EGM
9.	Increase from ₹ 1,000 Lacs to ₹ 1,100 Lacs with the addition of 10,00,000 Equity Shares of nominal value ₹ 10 each.	1,10,00,000	11,00,00,000	April 29, 2006	EGM
10.	Reclassification of Authorised Share Capital to comprise 72,96,290 Equity Shares of nominal value ₹ 10 each and 3,70,371 preference shares of nominal value ₹ 100 each <i>vide</i> EGM held on April 29, 2006				
11.	Increase of Authorised Share Capital to ₹ 1,100 Lacs	72,96,290 Equity Shares	7,29,62,900	April 29, 2006	EGM
		3,70,371 preference shares	3,70,37,100		
12.	Increase from ₹ 1,100 Lacs to ₹ 1,500 Lacs	1,12,96,290 Equity Shares	11,29,62,900	January 16, 2009	EGM
		3,70,371 preference shares	3,70,37,100		
Reclassification of Authorised Share Capital to comprise 1,31,48,150 Equity Shares of nominal value ₹ 10 each and 1,85,185 preference shares of nominal value ₹ 100 each <i>vide</i> EGM held on January 30, 2010 [#]					
13.	Increase in Authorised Share Capital from ₹ 1,500 Lacs to ₹ 3,000 Lacs	2,81,48,150 Equity Shares	28,14,81,500	January 30, 2010	EGM
		1,85,185 preference shares	1,85,18,500		
14.	Re- classification of authorised share capital, to comprise 300 Lac Equity Shares of nominal value ₹ 10 each	3,00,00,000	30,00,00,000	March 31, 2010	EGM

**The authorised share capital of our Company was increased from ₹ 50,000 to ₹ 20,00,000 when it was under the management of Mr. Dharmesh Shah and Mr. Satyen Shah. However, our internal corporate records for this increase are unavailable as on date. Upon acquisition of our Company by Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Indulal Dalichand Doshi, as a matter of abundant caution, our Company has filed a Form 5 dated August 11, 1997 to record the enhancement of authorised share capital of our Company from ₹ 50,000 to ₹ 2,00,00,000.*

***Our corporate records do not provide this information as, prior to 1997, some of our corporate records were not correctly maintained by the previous management.*

2. Equity Share Capital History

Date of Allotment/ Fully Paid up	Number of Equity Shares allotted	Face Value (₹)	Issue Price (₹)	Consider- ation	Remarks	Cumula- tive No. of Equity Shares	Cumulative Paid up Share Capital (₹)	Cumulative Share Premium (₹)
January 14, 1986	20	10	10	Cash	Subscription	20	200	0
July 05, 1989	4,980	10	10	Cash	Further Allotment	5,000	50,000	0
September 15, 1989	2,000	10	10	Cash	Further Allotment	7,000	70,000	0
December 01, 1997	3,84,000	10	10	Cash	Further Allotment to Promoter-Directors and Promoter Group	3,91,000	39,10,000	0
March 31, 1998	6,37,500	10	10	Cash	Further Allotment to Promoter-Directors and Promoter Group	10,28,500	1,02,85,000	0
October 05, 1998	30,000	10	10	Cash	Further Allotment to Promoter-Directors and Promoter Group	10,58,500	1,05,85,000	0
November 02, 1998	1,80,000	10	10	Cash	Further Allotment to Promoter-Directors and Promoter Group	12,38,500	1,23,85,000	0
November 30, 1998	90,000	10	10	Cash	Further Allotment to Promoter Group	13,28,500	1,32,85,000	0
December 31, 1998	3,30,000	10	10	Cash	Further Allotment to Promoter-Directors and Promoter Group	16,58,500	1,65,85,000	0
February 25, 1999	3,41,400	10	10	Cash	Further Allotment to Promoters and Promoter Group	19,99,900	1,99,99,000	0
March 30, 1999	100	10	10	Cash	Further Allotment to Promoter-Directors and	20,00,000	2,00,00,000	0

Date of Allotment/ Fully Paid up	Number of Equity Shares allotted	Face Value (₹)	Issue Price (₹)	Consideration	Remarks	Cumulative No. of Equity Shares	Cumulative Paid up Share Capital (₹)	Cumulative Share Premium (₹)
May 14, 2001	16,00,000	10	10	Other than cash	Promoter Group Bonus issue in the ratio of 8:10	36,00,000	3,60,00,000	0
November 14, 2003	3,59,895	10	10	Cash	Further Allotment to Promoter-Directors and Promoter Group	39,59,895	3,95,98,950	0
December 15, 2003	1,40,105	10	10	Cash	Further Allotment to Promoters and Promoter Group	41,00,000	4,10,00,000	0
September 01, 2004*	12,89,220	10	10	Other than cash	Further Allotment to Promoter-Directors and Promoter Group	53,89,220	5,38,92,200	0
September 01, 2004	10,780	10	10	Cash	Further Allotment to Promoter-Directors and Promoter Group	54,00,000	5,40,00,000	0
December 20, 2004	3,32,000	10	50	Cash	Allotment to Promoter Group and others	57,32,000	5,73,20,000	1,32,80,000
February 10, 2005	1,25,000	10	100	Cash	Allotment to Promoter Group and others	58,57,000	5,85,70,000	2,45,30,000
February 14, 2005	1,00,000	10	75	Cash	Allotment to Promoter Group and others	59,57,000	5,95,70,000	3,10,30,000
March 02, 2005	20	10	10	Cash	Allotment to Promoter Group and others	59,57,020	5,95,70,200	3,10,30,000
December 21, 2006	2,97,850	10	100	Cash	Allotment on rights basis	62,54,870	6,25,48,700	5,78,36,500
October 31, 2007	3,00,000	10	250	Cash	Preferential Allotment to Mr. Salil Shah	65,54,870	6,55,48,700	12,98,36,500
March 26, 2009	32,77,438	10	10	Cash	Allotment on rights issue basis	98,32,308	9,83,23,080	12,98,36,500
March 31, 2009	18,51,860	10	10	Other than cash	Allotment made upon conversion of 1,85,186	1,16,84,168	11,68,41,680	12,98,36,500

Date of Allotment/ Fully Paid up	Number of Equity Shares allotted	Face Value (₹)	Issue Price (₹)	Consider- ation	Remarks	Cumula- tive No. of Equity Shares	Cumulative Paid up Share Capital (₹)	Cumulative Share Premium (₹)
					preference shares allotted on May 20, 2006			
March 23, 2010	18,51,850	10	10	Other than cash	Allotment made upon conversion of 1,85,185 preference shares allotted on May 20, 2006	1,35,36,018	13,53,60,180	12,98,36,500
April 26, 2010	10,00,000**	10	10	Cash	Allotment to trustees of Calyx Employees Welfare Trust	1,45,36,018	14, 53,60,180	12,98,36,500
April 28, 2010	6,00,000	10	10	Cash	Preferential Allotment to Promoters	1,51,36,018	15,13,60,180	12,98,36,500
November 02, 2010	7,97,222	10	179.89	Cash	Allotment to Lytton Grove Corporation	1,59,33,240	1,5,93,32,400	26,52,76,546
November 02, 2010	<i>Please refer to Note. 3 below</i>							26,76,88,852
March 15, 2011	<i>Please refer to Note. 3 below</i>							26,80,89,230
March 31, 2012	1,15,650	10	240	Cash	Preferential Allotment to Promoter, Promoter Group and others	1,60,48,890	16,04,88,900	29,18,76,046
April 03, 2012	12,357	10	245.49	Cash	Preferential Allotment to Promoter, Promoter Group and others	1,60,61,247	16,06,12,470	29,47,85,996
April 09, 2012	1,12,643	10	245.49	Cash	Preferential Allotment to Marble Arch Group	1,61,73,890	16,17,38,900	32,13,12,296
May 26, 2012	1,12,502	10	240	Cash	Preferential Allotment to others	1,62,86,392	16,28,63,920	34,71,87,756
May 28, 2012	87,082	10	240	Cash	Preferential Allotment to others	1,63,73,474	16,37,34,740	36,72,16,616
May 28,2012	39,999	10	245	Cash	Preferential Allotment to others	1,64,13,473	16,41,34,730	37,94,29,065

***Note 1:** Our Company acquired the assets and liabilities of M/s. Indi Systems (a partnership firm) for a total consideration of ₹ 128.92 Lacs. For further details of the share allotted to partners of M/s. Indi Systems, please refer to point B on page 63 of this Draft Red Herring Prospectus.

****Note 2:** Our Company has constituted a trust, being the Calyx Employees Welfare Trust, with the objective of providing various benefits to the employees of our Company. The names of the Trustees of the Calyx Employees Welfare Trust are Mr. Bharat Sukhlal Mehta, Dr. Bansi Lal and Mr. Jambunathan Srinivasa Iyer. As per the Trust Deed the beneficiaries of the Trust are the employees and their successors / assigns. Furthermore, our Company had constituted an employee stock option scheme, namely the Calyx ESOP 2010 scheme, which provided for grant of options, to employees (including employees of our Subsidiary) to acquire Equity Shares, pursuant to such vesting period/ exercise period as decided by the Compensation Committee. Pursuant to the exercise of the option by the employee, the Calyx Employee Welfare Trust transferred 14,274 Equity Shares on Septemebr 08, 2010 and 2,376 Equity Shares on February 15, 2011 i.e. a total of 16,650. Equity Shares to the employees. Our Company has contributed a sum of ₹ 1.25 Lacs to the Calyx Employee Welfare Trust, as corpus for this formation. Further, our Company has granted to Calyx Employee Welfare Trust an interest free loan of ₹ 100 Lacs, which has been utilized by Calyx Employees Welfare Trust to subscribe to the Equity Shares of the Company. Out of the said loan of ₹ 100,00,000, ₹ 33,34,850 has been repaid to our Company pursuant to receipt of dividend from our Company from the proceeds received at the time of transfer of Equity Shares upon exercise of options. The balance loan amount will be repaid by the Calyx Employee Welfare Trust to the Company from the receipt of future dividends, if any, from our Company and the proceeds of the sale/ transfer of Equity Shares to the employees who will exercise the options. The Equity Shares allotted to the Calyx Employees Welfare Trust rank pari passu with the remaining issued Equity Shares of the Company in all respects, including voting rights and these shares and attendant voting rights shall be eventually transferred to the Calyx Employees against their respective stock options from time to time.

As on the date of this Draft Red Herring Prospectus, the amount lying to the credit of the share premium account is ₹ 37,94,29,065, details of the enhancement of which are as under:

Note 3: Our Company had an employee stock option scheme, namely Calyx ESOP 2010, pursuant to which our Company had, on April 07, 2010, granted to employees 18,456 options for immediate vesting to be exercised on or before March 31, 2011. On September 08, 2010, 14,274 options were exercised and on February 15, 2011, 2,376 options were exercised. In relation thereto, our Company has obtained a valuation report from M/s. Contractor, Nayak & Kishnadwala, Chartered Accountants for valuation of options granted and accordingly the options so granted are valued at ₹ 169 per option. Our Company had created an account titled "Stock Option Outstanding Account" and the same was credited with a sum of ₹ 29,94,004 on September 30, 2010. Out of the options granted, an aggregate of 16,650 options were exercised by our employees. Consequently, sums of ₹ 24,12,306 and ₹ 4,01,544 were credited to our Company's share premium account on November 02, 2010 and March 15, 2011 respectively.

Furthermore, 1,806 options granted to the employees under Calyx ESOP 2010 have lapsed and accordingly a sum of ₹ 3,05,214.00 was debited from the Stock Option Outstanding Account and transferred to the reserves and surplus account of our Company. As on the date of this Draft Red Herring Prospectus, the Stock Option Outstanding Account has NIL balance.

As on the date of this Draft Red Herring Prospectus, our Company does not have any Employee Stock option Scheme, however, after considering the transfer of 16,650 Equity Shares to the employees under the Calyx ESOP 2010, there are 9,83,350 number of Equity Shares remaining with the Calyx Employees Welfare Trust which will be transferred to the employees as and when decided by the Compensation Committee.

3. Preference Share Capital History

Date of Allotment of the preference shares	Number of Preference Shares allotted	Face Value (₹)	Issue Price (₹)	Securities premium	Nature of payment of consideration	Reasons for allotment	Cumulative No. of Preference Shares	Cumulative Securities Premium Account (₹)	Cumulative Paid Up Capital (₹)
May 20, 2006	3,70,371	100	100	Nil	Property and assets acquired by our Company, including land, building, investments and current assets valued	The preference share allotment was made pursuant to order of the High Court of Judicature at Bombay dated April 19, 2006 in Company Petition	3,70,371	Nil	3,70,37,100

Date of Allotment of the preference shares	Number of Preference Shares allotted	Face Value (₹)	Issue Price (₹)	Securities premium	Nature of payment of consideration	Reasons for allotment	Cumulative No. of Preference Shares	Cumulative Securities Premium Account (₹)	Cumulative Paid Up Capital (₹)
					at ₹ 1,70,37,100 and technology/ know-how valued at ₹ 2,00,00,000	number 100 of 2006 connected with Company Application number 132 of 2006, wherein the scheme of amalgamation of Calyx Pharmaceuticals and Chemicals Private Limited with Calyx Chemicals and Pharmaceuticals Private Limited was approved.			
March 31, 2009*	(1,85,186)	NA	NA	NA	NA	NA	1,85,185	Nil	1,85,18,500
March 23, 2010**	(1,85,185)	NA	NA	NA	NA	NA	Nil	Nil	Nil

*Pursuant to resolution of the Board of Directors of our Company passed in the meeting held on March 31, 2009, 1,85,186 Preference Shares of our Company of face value ₹ 100 each were converted into 18,51,860 Equity Shares of nominal value ₹ 10 each.

** Pursuant to resolution of the Board of Directors of our Company passed in the meeting held on March 23, 2010, 1,85,185 Preference Shares of our Company of face value ₹ 100 each were converted into 18,51,850 Equity Shares of nominal value ₹ 10 each.

4. Equity Shares issued for consideration other than cash

Except as stated in Note 1 above and reiterated as below, our Company has not issued any Equity Shares for consideration other than cash:

A. Allotment of Equity Shares made pursuant to bonus issue in the ratio of 8: 10 made on May 14, 2001

Benefits which accrued to the Issuer: Nil

Sr. No.	Persons to whom Allotted	Number of Equity Shares allotted
1.	Mr. Smitesh Chandravadan Shah	2,43,552
2.	Mr. Bharat S. Mehta	2,14,136
3.	Mr. Indulal D. Doshi	2,97,152
4.	Ms. Parul S. Shah	1,58,560
5.	Mr. Bharat S. Mehta (as karta of Bharat Sukhlal Mehta HUF)	40,000
6.	Ms. Alpana Doshi	2,35,712
7.	Ms. Asha B. Mehta	1,66,392
8.	Ms. Saumini S. Shah	1,31,432
9.	Mr. Rahul Doshi	672
10.	Mr. Amit B. Mehta	1,12,392

B. Allotment of Equity Shares in consideration for property and assets being acquired by our Company (being office premises, furniture and fixtures) made on September 01, 2004

Benefits which accrued to the Issuer: Taking over the assets of M/s. Indi Systems, a partnership firm wherein the allottees were partners

Sr. No.	Persons to whom Allotted	Number of Equity Shares allotted
1.	Mr. Bharat Sukhlal Mehta	1,80,490
2.	Mr. Bharat Sukhlal Mehta as karta of Bharat Sukhlal Mehta HUF	30,164
3.	Ms. Asha Mehta	1,28,920
4.	Mr. Amit Mehta	90,240
5.	Mr. Smitesh Chandravadan Shah	3,00,783
6.	Ms. Parul Smitesh Shah	1,28,920
7.	Mr. Indulal Doshi	38,670
8.	Ms. Alpana Doshi	1,93,390
9.	Mr. Rajat Indulal Doshi	1,97,643

C. Allotment of Equity Shares pursuant to conversion of 1,85,186 preference shares made on March 31, 2009

Benefits which accrued to the Issuer: Merger of Calyx Pharmaceuticals and Chemicals Private Limited with our Company

Sr. No.	Persons to whom Allotted	Number of Equity Shares allotted
1.	Bharat S. Mehta (joint with) Asha Mehta	2,36,100
2.	Smitesh Chandravadan Shah (joint with) Parul Shah	3,41,470
3.	Indulal D Doshi (joint with) Nirmala Doshi	6,670
4.	Alpana doshi (joint with) Indulal Doshi	2,70,770
5.	Rahul doshi (joint with) Jagriti Doshi	2,70,180
6.	Parul Shah (joint with) Smitesh shah	1,59,250
7.	Saumini S. Shah (joint with) Parul Shah	61,850
8.	Asha B. Mehta (joint with) Bharat Mehta	1,85,180
9.	Amit Mehta (joint with) Asha Mehta	1,51,490
10.	Hitesh J Vagadia (joint with) Surbhi Vagadia	1,750
11.	Gopalkrishna Shenoy (joint with) Nandini G. Shenoy	1,000
12.	Suresh Harilal Mehta (joint with) Meera Suresh Mehta	1,150
13.	Mahesh Kamat (joint with) Ms. Tanuja Kamat	1,000
14.	Jagdish H Joshi (joint with) Harshada Joshi and Dhaval Doshi	1,000
15.	Suresh Patil (joint with) Seema Suresh Patil	1,000
16.	Abhilash Lalit Sheth (joint with) Darshana sheth	1,150
17.	Jitendra R Shah (joint with) Vaishali Shah	1,750
18.	Chandravadan Shah (joint with) Kokilaben Shah	2,500
19.	Apurva Shah (joint with) Sonal A. Shah	1,250
20.	Sujen Shah	1,250
21.	Pallavi Shah (joint with) Paulomi Shah and Prashant Shah	2,250
22.	Dr. Bansi Lal (joint with) Shashi Bansi	2,150
23.	Chintamani Bapat (Dr)	1,150
24.	Sathia Seelan TB Nair (joint with) Rekha Nair	1,000
25.	Arun Krishnarao Tembe (joint with) Sandhya Tembe	650
26.	Krishna Sawant (joint with) Vrinda Sawant	500
27.	Mayuri C Shah	1,250
28.	Prashant Narayan Ogale (joint with) Varsha Ogale	1,150
29.	Suhas Janardhan Apte (joint with) Shailaja Apte	1,150
30.	Mithilesh N Trivedi (joint with) Asha Trivedi	1,150
31.	Milind Narvekar (Dr)	1,150
32.	Sunil V Joshi (joint with) Sonali Joshi	750
33.	Narendra Zaveri (joint with) Nirmala Zaveri	500
34.	Jagdishchandra Sheth (joint with) Usha sheth	500
35.	Haresh S. Zaveri	2,500
36.	Abhay Desai (joint with) Minal Desai	2,500
37.	Nitin Shah (joint with) Nirupa Shah	500
38.	Sushant S Deshmukh	500
39.	Smita Haresh Desai (joint with) Haresh Desai	500
40.	Vinay K. Mehta (joint with) Mrs. Smita V Mehta	500
41.	K R Singh Thapa (joint with) Mrs. Aaita Maya Thapa	1,000
42.	Vithal Janardan Pagnis (joint with) Mrs. Vidya Vithal Pagnis	750
43.	Mahendrakumar Girdharlal Shah (joint with) Mrs Asha Mahendrakumar Shah	500

44.	Mukesh Hari Tillu	500
45.	Kalpesh Suresh Modi	500
46.	Mahendra Devbaksh Singh (joint with) Mrs. Uma Mahendra Singh	1,000
47.	Vinayak Eknath Jamble (joint with) Mrs. Vidita Vinayak Jamble	650
48.	Mugatlal Shantilal Shah (joint with) Mrs. Manjula Mugatlal Shah	250
49.	Ashaben Dinesh Shah (joint with) Mr. Dinesh Chatrabhuj Shah	500
50.	Kanisha Rajat Doshi (joint with) Mrs. Jagriti Rajat Doshi	40,000
51.	Bhanudas Babaso Tupe	400
52.	Devidas Yadav Patil (joint with) Mrs. Deepali Devidas Patil	400
53.	Santosh Rajaram Khambe (joint with) Mrs. Siddhi Santosh Khambe	400
54.	Nilesh Mukund Pathak	400
55.	Vaman M Naik	1,000
56.	Prashant Prabhakar Showche	500
57.	Eknath Vasudev Parab	500
58.	Dinesh T Wagh (joint with) Mrs. Sangeeta Dinesh Wagh	500
59.	Vasant G Mane (joint with) Mrs. Suman V. Mane	500
60.	Nitin Sharadchandra Padhye	250
61.	Rashmikant Dave (joint with) Mrs. Harsha Dave	250
62.	Premshankar Shyamsundar Singh (joint with) Mrs. Champa Devi	200
63.	Arvind Y Poojari (joint with) Mrs. Manda Arvind Poojari	250
64.	Prakash R Mane (joint with) Mrs. Anita Prakash Mane	500
65.	Ganesh Singh Kushwa (joint with) Mrs. Subashi Devi	100
66.	Jayesh Arvind Parekh (joint with) Mrs. Mona Jayesh Parekh	2,500
67.	Jagdish Joshi (joint with) Mrs. Harshada J. Joshi	1,000
68.	Sunil Shah (joint with) Mrs. Sunita Shah	500
69.	Kalpana Merchant	500
70.	Uday Mehta	250
71.	Prashant Shah (joint with) Ms. Paulomi Shah	600
72.	Shantaram Daulat Jamble (joint with) Mrs Shital Shantaram Jamble	1,250
73.	Girish Shah (joint with) Mrs Neela Girish Shah	250
74.	Laxman Tukaram Zore (joint with) Mrs. Lata Laxman Zore	650
75.	Suryakant Tukaram Zore	650
76.	Roopvarsha Ramesh Kambal (joint with) Mr. Praveen Ramesh Kambal	650
77.	Anil V. More (joint with) Mrs. Kavita Anil More	650
78.	Sunil Ramchandra Ghadge	150
79.	Dinesh Bhagwanlal Mody (joint with) Mrs. Kumud Dinesh Mody	1,250
80.	Mahesh Khokhani	500
81.	Suresh Sheth (joint with) Mrs. Hema S. Sheth	500
82.	Shashikant H Koticha (joint with) Mrs. Jyotiben S. Koticha	2,500
83.	Chandrakant Harsukhlal Koticha (joint with) Mrs Varsha Chandrakant Koticha	2,500
84.	Ratna Bhattacharya (joint with) Mr. Sumit Bhattacharya	1,000
85.	Neelam Mehta	1,500
86.	Pandurang Vishnu Pawar	1,250
87.	Prakash Laxman Tupe (joint with) Mrs. Anjana Prakash Tupe	1,250
88.	Prakash Mahindra Gosavi (joint with) Mrs Pratibha Prakash Gosavi	1,250
89.	Prakash Ananda Suryavanshi	1,000
90.	Dyaneshwar Sampat Shinde (joint with) Mrs Sarita Dyaneshwar Shinde	1,000
91.	Sanjay Maruti Shinde (joint with) Mrs. Suganda Sanjay Shinde	1,000
92.	Ravindra Sonkhamble	150
93.	Rajesh Sonkhamble	150
94.	Ashok B. Dinde (joint with) Mrs. Laxmi Ashok Dinde	650
95.	Pandurang Dhondi Gawde	150
96.	Anita More	150
97.	Yogesh Shridhar Rane	150
98.	Hansa Apparao (joint with) Mr Mandavenkata Krishna Apparao	1,250
99.	Rama Ashok Vaidya	1,250
100.	Ansuya J. Mody (joint with) Mr. Jyotindra B. Mody	1,250
101.	Anita Surana	1,250
102.	Shikha Durlabhji (joint with) Smt. Nirmala Durlabhji	1,250
103.	Rashmikant Durlabhji	1,250

104.	Monika Terhoon (joint with) Mrs. Sushil terhoon	1,000
105.	Shradha Surana	1,250
106.	Meenakshi Rao	1,000
107.	Paulomi Shah (joint with) Mr. Prashant shah	650
108.	Gangadhar Jagannath Hegde	500
109.	Kishor Bhoir	150
110.	Rajaram Mahadeo Hazare	150
111.	Sunil Baburao Deshmukh	400
112.	Suresh Balbahadur Thapa	650
113.	Pritam Ganesh Vajirkar	400
114.	Krishna Gosawi	650
115.	Panna Suresh Mehta (joint with) Mr. Suresh A. Mehta	500
116.	Ramdas S.Kadam	500
117.	Vijay P Patil	500
118.	Jayashree Murukate	500
119.	Arvind Y Poojari	500
120.	S. Balaji	500
121.	Jaiprakash N Patil	500
122.	Kamlesh P Kore (joint with) Mrs. Shital Kamlesh Kore	500
123.	Manish S Tambat	500
124.	Vishwas L More	500
125.	Yuvaraj P Barhate	500
126.	Nilkanth A Desai	500
127.	Jagdish Salian	250
128.	Girish R Shah (joint with) Mrs. Neela G. Shah	250
129.	Gracy Andrew	250
130.	Bhaskar Nair (joint with) Hemalata Bhaskar Nair	150
131.	Radha Krishnan Iyengar	150
132.	Avdesh Haricharan Yadav	150
133.	Deepak Kashinath Mandavkar	150
134.	Vaidehi Vijay Rasal (joint with) Mr. Vijay Suryakant Rasal	150
135.	Shivaji Kacharu Nagare	150
136.	Prashant S Naigaonkar	150
137.	Hindurao Bandu Kolekar	150
138.	Madhav S Mugle	150
139.	Rafiq Yusuf Dange	150
140.	Sanjay Bhagawat Shinde (joint with) Poonam Sanjay Shinde	150
141.	Sonali Yashwant Sawant (joint with) Yashwant Ramchandra Sawant	150
142.	Sanjay Narasing Khaire	150
143.	Balkrishna Dattatraya Deshpande	150
144.	Dharmendra Jayprakash Mishra	150
145.	Sudhir Dattaram Pawar	150
146.	Bhupendra Manohar Raul	150
147.	Bhanwar Lal Tailor	150
148.	Neelam Vijay Parekh	150
149.	Kishor Madhav Waikar	150
150.	Venugopal Chinnayya Shervegar (joint with) Veena Venugopal Shervegar	150
151.	Krishnakumar Raman (joint with) Rahul Srivastava	150
152.	Krishna Rawalnath Sawant	150
153.	Dhiraj M Kini	150
154.	Suresh Dattatray Patil	150
155.	Mahendra Jain	150
156.	Subhash Rajaram Bharambe (joint with) Pratibha Subhash Bharambe	150
157.	Yashwant S Mulik	150
158.	Vilas Ramchandra Shinde	150
159.	Girish A Kulkarni	150
160.	Nilesh Kashinath Sankhe	150
161.	Rajesh Ratnakar Mhatre	150
162.	Tanvir Ahmedkhan Mahadik	150
163.	Shankar Deoram Allakondakar	150
164.	Hemant Kumar Singh	100
165.	Harish Rami Chand	150
166.	Uday N Bhosle	250
167.	Manohar Sambhaji More (joint with) Megha Manohar More	250

168.	Shivaji Kamble	250
169.	Navnath A Patil	250
170.	Shrikrishna R Vengurlekar	250
171.	Ashish G Patil	150
172.	Anant Tukaram Ware (joint with) Mrs. Arti Anant Ware	250
173.	Prasad Kulkarni	250
174.	S Piararaj	200
175.	Dilip Mahadik	150
176.	Atmaram K Bhoi (joint with) Usha Atmaram Bhoi	150
177.	Ravi Shankar Pandey	150
178.	Gopal Krishna Shenoy	150
179.	Shirish Borkar	150
180.	Sanjay Suryavanshi	150
181.	Sanjay Jadhav	150
182.	Jayaben Mane (joint with) Rupesh H. Mane	150
183.	Dharmendra Vairal (joint with) Sushma Dharmendra Vairal	150
184.	Sushil Dheer (Dr)	150
185.	Mahesh Kamat	150
186.	Suresh Vaman Avadhani (joint with) Sneha Suresh Avadhani	150
187.	Rupali Ramesh Joshi	150
188.	Pankaja Parag Dalvi	150
189.	Rajeev Jayantilal Shah (joint with) Kanan Rajiv Shah	150
190.	Nishikant Narkhede	150
191.	Mangesh D Khairnar	150
192.	Anita A More (joint with) Ashok Dhondur More	500
193.	Kailash Salunkhe	400
194.	Anand M Salunkhe	400
195.	Lalbahadur Chaudhari	400
196.	Vilas Salunkhe	400
197.	Manohar Salunkhe	400
198.	Ashok Salunkhe	400
199.	Mahesh S Patil	400
200.	Arun A Bari	400
201.	Ramnarayan Ram Pandit	400
202.	Shailesh Kumar Kansara	400
203.	Rushikumar K Gharat	400
204.	Santosh R Salunkhe	400
205.	Balasaheb R Saptal	400
206.	Sopan V Shelar (joint with) Meghana Sopan Shelar	400
207.	Dayanand B Patil	400
208.	Sandeep Jadhav	400
209.	Dinesh G Wade (joint with) Jyoti D. Wade	400
210.	Jitendra H Vade	400
211.	Hemant B Pimple	400
212.	Santosh K Sankhe	400
213.	Dayanand B Kamble	400
214.	Deepak K Patil	400
215.	Manish S Gharat	400
216.	Santosh C Vade	400
217.	Mahesh P Sankhe	400
218.	Suresh Salunkhe	400
219.	Prashant S Vade	400
220.	Manoj R Pimpale	400
221.	Deepak N Patil	250
222.	Sunil B Vertak	250
223.	Santosh B Bhangale	250
224.	Raghavendra S. T-pyati	250
225.	Dinesh Gore	250
226.	Hemant P Khamkar	250
227.	Vasant Mane	250
228.	Sathiaseelan T B	250
229.	Kailash Shriram Tade	250
230.	Deepak Sareen	1,250

231.	Salil Shah	1,250
232.	Rajni S Zaveri (joint with) Mrs Parul S Shah	1,250
233.	Rajni S Zaveri (joint with) Ms Pallavi Shah	1,250

D. Allotment of 18,51,850 Equity Shares pursuant to conversion of 1,85,185 preference shares on March 23, 2010

Benefits which accrued to the Issuer: Merger of Calyx Pharmaceuticals and Chemicals Private Limited with our Company

Sr. No.	Persons to whom allotted	Number of Equity Shares allotted
1.	Mr. Smitesh Chandravadan Shah	2,64,560
2.	Ms. Parul Smitesh Shah	1,35,150
3.	Ms. Saumini Shah	61,850
4.	Mr. Chandravadan Shah (joint with) Ms. Kokilaben Shah	2,500
5.	Mr. Bharat Sukhlal Mehta	1,59,690
6.	Ms. Asha Bharat Mehta	1,60,190
7.	Mr. Amit Mehta	1,52,230
8.	Ms. Alpana Doshi	2,20,780
9.	Ms. Rahul Doshi	2,70,170
10.	Ms. Kanisha Doshi	40,000
11.	Mr. Rajat Indulal Doshi	6,560
12.	Ms. Rajni S. Zaveri (joint with) Ms. Parul Smitesh Shah	1,250
13.	Ms. Rajni S. Zaveri (joint with) Ms. Pallavi Shah	1,250
14.	Ms. Rajni S. Zaveri (joint with) Ms. Preeti Sanghavi	2,500
15.	Mr. Apurva Shah (joint with) Ms. Sonal A. Shah	1,250
16.	Mr. Sujen Shah	1,250
17.	Ms. Pallavi Shah (joint with) Ms. Paulomi Shah and Mr. Prashant Shah	2,900
18.	Mr. Narendra Zaveri (joint with) Ms. Nirmala Zaveri	500
19.	Mr. Jagdishchandra Sheth (joint with) Ms. Usha Sheth	500
20.	Ms. Haresh S. Zaveri	2,500
21.	Mr. Abhay Praful Desai (joint with) Ms. Minal Desai	2,500
22.	Mr. Nitin Shah (joint with) Ms. Nirupa Shah	500
23.	Mr. Sushant S. Deshmukh	500
24.	Ms. Smita Haresh Desai (joint with) Mr. Haresh Desai	500
25.	Mr. Vinay K. Mehta (joint with) Ms. Smita V. Mehta	500
26.	Mr. Mugatlal Shantilal Shah (joint with) Ms. Manjula Mugatlal Shah	250
27.	Ms. Ashaben Dinesh Shah (joint with) Mr. Dinesh Chatrabhuj Shah	500
28.	Mr. Jayesh Arvind Parekh (joint with) Ms. Mona Jayesh Parekh	2,500
29.	Mr. Sunil Shah (joint with) Ms. Sunita Shah	500
30.	Ms. Kalpana Merchant	500
31.	Mr. Uday Mehta	250
32.	Mr. Prashant Shah (joint with) Ms. Paulomi Shah	600
33.	Mr. Dinesh Bhagwanlal Mody (joint with) Ms. Kumud Dinesh Mody	1,250
34.	Mr. Mahesh Khokhani	500
35.	Mr. Suresh Sheth (joint with) Ms. Hema S. Sheth	500
36.	Mr. Shashikant H Koticha (joint with) Ms. Jyotiben S. Koticha	2,500
37.	Mr. Chandrakant Harsukhlal Koticha (joint with) Ms. Varsha Chandrakant Koticha	2,500
38.	Ms. Ratna Bhattacharya (joint with) Mr. Sumit Bhattacharya	1,000
39.	Ms. Neelam Mehta	97,920
40.	Mr. Rama Ashok Vaidya (joint with) Dr. Vidit Vaidya	1,250
41.	Ms. Ansuya J. Mody (joint with) Mr. Jyotindra B. Mody	1,250
42.	Ms. Anita Surana	1,250
43.	Ms. Shikha Durlabhji (joint with) Ms. Nirmala Durlabhji	1,250
44.	Mr. Rashmikant Durlabhji	1,250
45.	Ms. Monika Terhoon (joint with) Mr. Sushil Terhoon	1,000
46.	Ms. Shradha Surana	1,250
47.	Ms. Meenakshi Rao	1,000
48.	Ms. Paulomi Shah (joint with) Mr. Prashant Shah	650
49.	Mr. Panna Suresh Mehta (joint with) Mr. Suresh A. Mehta	500
50.	Mr. Deepak Sareen	1,250

51.	Mr. Hansaben Apparao	1,250
52.	Mr. Salil S. Shah	1,250
53.	Mr. Hitesh J Vagadia (joint with) Ms. Surbhi Vagadia	7,150
54.	Mr. Gopalkrishna Shenoy (joint with) Ms. Nandini G. Shenoy	1,000
55.	Mr. Suresh Harilal Mehta (joint with) Ms. Meera Suresh Mehta	1,150
56.	Mr. Mahesh Kamat (joint with) Ms. Tanuja Kamat	1,000
57.	Mr. Suresh Patil (joint with) Ms. Seema Suresh Patil	1,000
58.	Mr. Abhilash Lalit Sheth (joint with) Ms. Darshana Sheth	1,150
59.	Mr. Jitendra R Shah (joint with) Ms. Vaishali Shah	1,750
60.	Dr. Bansi Lal (joint with) Ms. Shashi Bansi	2,150
61.	Dr. Chintamani Bapat	1,150
62.	Mr. Sathia Seelan TB Nair (joint with) Ms. Rekha Nair	1,000
63.	Mr. Arun Krishnarao Tembe (joint with) Ms. Sandhya Tembe	650
64.	Mr. Krishna Sawant (joint with) Ms. Vrinda Sawant	500
65.	Ms. Mayuri C Shah	1,250
66.	Mr. Prashant Narayan Ogale (joint with) Ms. Varsha Ogale	1,150
67.	Mr. Suhas Janardhan Apte (joint with) Ms. Shailaja Apte	1,150
68.	Mr. Mithilesh N Trivedi (joint with) Ms. Asha Trivedi	1,150
69.	Mr. Sunil V Joshi (joint with) Ms. Sonali Joshi	750
70.	Mr. K R Singh Thapa (joint with) Ms. Aaita Maya Thapa	1,000
71.	Mr. Vithal Janardan Pagnis (joint with) Ms. Vidya Vithal Pagnis	750
72.	Mr. Mahendrakumar Girdharlal Shah (joint with) Ms. Asha Mahendrakumar Shah	500
73.	Mr. Mukesh Hari Tillu	500
74.	Mr. Kalpesh Suresh Modi	500
75.	Mr. Mahendra Devbaksh Singh (joint with) Ms. Uma Mahendra Singh	1,000
76.	Mr. Vinayak Eknath Jamble (joint with) Ms. Vidita Vinayak Jamble	650
77.	Mr. Santosh Pamdurang Sawant	750
78.	Mr. Bhanudas Babaso Tupe	400
79.	Mr. Devidas Yadav Patil (joint with) Ms. Deepali Devidas Patil	400
80.	Mr. Santosh Rajaram Khambe (joint with) Ms. Siddhi Santosh Khambe	400
81.	Mr. Nilesh Mukund Pathak	400
82.	Mr. Vaman M Naik	1,000
83.	Mr. Prashant Prabhakar Showche	500
84.	Mr. Eknath Vasudev Parab	500
85.	Mr. Vasant G Mane (joint with) Ms. Suman V. Mane	500
86.	Mr. Nitin Sharadchandra Padhye	250
87.	Mr. Rashmikant Dave (joint with) Ms. Harsha Dave	250
88.	Mr. Premshankar Shyamsundar Singh (joint with) Ms. Champa Devi	200
89.	Mr. Arvind Y Poojari (joint with) Ms. Manda Arvind Poojari	250
90.	Mr. Prakash R Mane (joint with) Ms. Anita Prakash Mane	500
91.	Mr. Ganesh Singh Kushwa (joint with) Ms. Subashi Devi	100
92.	Mr. Jagdish Joshi (joint with) Ms. Harshada J. Joshi	1,000

93.	Mr. Shantaram Daulat Jamble (joint with) Ms. Shital Shantaram Jamble	1,250
94.	Mr. Girish Shah (joint with) Ms. Neela Girish Shah	250
95.	Mr. Laxman Tukaram Zore (joint with) Ms. Lata Laxman Zore	650
96.	Mr. Suryakant Tukaram Zore	650
97.	Ms. Roopvarsha Ramesh Kambal joint with Mr. Praveen Ramesh Kambal	650
98.	Mr. Anil V. More (joint with) Ms. Kavita Anil More	650
99.	Mr. Sunil Ramchandra Ghadge	150
100.	Mr. Pandurang Vishnu Pawar	1,250
101.	Mr. Prakash Laxman Tupe (joint with) Ms. Anjana prakash tupe	1,250
102.	Mr. Prakash Mahindra Gosavi (joint with) Ms. Pratibha Prakash Gosavi	1,250
103.	Mr. Prakash Ananda Suryavanshi	1,000
104.	Mr. Dyaneshwar Sampat Shinde (joint with) Ms. Sarita Dyaneshwar Shinde	1,000
105.	Mr. Sanjay Maruti Shinde (joint with) Ms. Suganda Sanjay Shinde	1,000
106.	Mr. Ravindra Sonkhamble	150
107.	Mr. Rajesh Sonkhamble	150
108.	Mr. Ashok B Dinde (joint with) Ms. Laxmi Ashok Dinde	650
109.	Mr. Pandurang Dhondi Gawde	150
110.	Ms. Anita More	150
111.	Mr. Yogesh Shridhar Rane	150
112.	Mr. Gangadhar Jagannath Hegde	500
113.	Mr. Sunil Baburao Deshmukh	400
114.	Mr. Suresh Balbahadur Thapa	650
115.	Mr. Pritam Ganesh Vajirkar	400
116.	Mr. Krishna Gosawi	650
117.	Mr. Ramdas S. Kadam	500
118.	Mr. Vijay P Patil	500
119.	Ms. Jayashree Murukate	500
120.	Mr. Arvind Y. Poojari	500
121.	Mr. S. Balaji	500
122.	Mr. Jaiprakash N. Patil	500
123.	Mr. Kamlesh P. Kore (joint with) Ms. Shital Kamlesh Kore	500
124.	Mr. Manish S. Tambat	500
125.	Mr. Vishwas I. More	500
126.	Mr. Yuvaraj P. Barhate	500
127.	Mr. Nilkanth A. Desai	500
128.	Mr. Jagdish Salian	250
129.	Mr. Girish R Shah (joint with) Ms. Neela G. Shah	250
130.	Ms. Gracy Andrew	250
131.	Mr. Bhaskar Nair (joint with) Ms. Hemalata Bhaskar Nair	150
132.	Ms. Radha Krishnan Iyengar	150
133.	Mr. Avdhesh Haricharan Yadav	150
134.	Ms. Vaidehi Vijay Rasal (joint with) Mr. Vijay Suryakant Rasal	150
135.	Mr. Shivaji Kacharu Nagare	150
136.	Mr. Prashant S. Naigaonkar	150
137.	Mr. Hindurao Bandu Kolekar	150
138.	Mr. Madhav S Mugle	150
139.	Mr. Rafiq Yusuf Dange	150
140.	Mr. Sanjay Bhagawat Shinde (joint with) Ms. Poonam Sanjay Shinde	150
141.	Ms. Sonali Yashwant Sawant (joint with) Mr. Yashwant Ramchandra Sawant	150
142.	Mr. Sanjay Narasing Khaire	150

143.	Mr. Balkrishna Dattatraya Deshpande	150
144.	Mr. Dharmendra Jayprakash Mishra	150
145.	Mr. Sudhir Dattaram Pawar	150
146.	Mr. Bhanwar Lal Tailor	150
147.	Ms. Neelam Vijay Parekh	150
148.	Mr. Venugopal Chinnayya Shervegar (joint with) Ms. Veena Venugopal Shervegar	150
149.	Mr. Krishnakumar Raman (joint with) Mr. Rahul Srivastava	150
150.	Mr. Krishna Rawalnath Sawant	150
151.	Mr. Dhiraj M. Kini	150
152.	Mr. Suresh Dattatray Patil	150
153.	Mr. Mahendra Jain	150
154.	Mr. Subhash Rajaram Bharambe (joint with) Ms. Pratibha Subhash Bharambe	150
155.	Mr. Vilas Ramchandra Shinde	150
156.	Mr. Nilesh Kashinath Sankhe	150
157.	Mr. Rajesh Ratnakar Mhatre	150
158.	Mr. Tanvir Ahmedkhan Mahadik	150
159.	Mr. Shankar Deoram Allakondakar	150
160.	Mr. Hemant Kumar Singh	100
161.	Mr. Harish Rami Chand	150
162.	Mr. Uday N Bhosle	250
163.	Mr. Manohar Sambhaji More (joint with) Ms. Megha Manohar More	250
164.	Mr. Shivaji Kamble	250
165.	Mr. Navnath A Patil	250
166.	Mr. Shrikrishna R Vengurlekar	250
167.	Mr. Ashish G Patil	150
168.	Mr. Anant Tukaram Ware (joint with) Ms. Arti Anant Ware	250
169.	Mr. Dilip Mahadik	150
170.	Mr. Atmaram K Bhoi (joint with) Ms. Usha Atmaram Bhoi	150
171.	Mr. Ravi Shankar Pandey	150
172.	Mr. Gopal Krishna Shenoy	150
173.	Mr. Sanjay Suryavanshi	150
174.	Mr. Sanjay Jadhav	150
175.	Ms. Jayaben Mane (joint with) Mr. Rupesh H. Mane	150
176.	Mr. Dharmendra Vairal (joint with) Ms. Sushma Dharmendra Vairal	150
177.	Dr. Sushil Dheer	150
178.	Mr. Mahesh Kamat	150
179.	Mr. Suresh Vaman Avadhani (joint with) Ms. Sneha Suresh Avadhani	150
180.	Ms. Rupali Ramesh Joshi	150
181.	Mr. Rajeev Jayantilal Shah (joint with) Ms. Kanan Rajiv Shah	150
182.	Mr. Nishikant Narkhede	150
183.	Mr. Mangesh D Khairnar	150
184.	Ms. Anita A More (joint with) Mr. Ashok Dhondur More	500
185.	Mr. Kailash Salunkhe	400
186.	Mr. Anand M Salunkhe	400
187.	Mr. Lalbahadur Chaudhari	400
188.	Mr. Vilas Salunkhe	400
189.	Mr. Manohar Salunkhe	400
190.	Mr. Ashok Salunkhe	400
191.	Mr. Mahesh S Patil	400
192.	Mr. Arun A Bari	400
193.	Mr. Ramnarayan Ram Pandit	400
194.	Mr. Shailesh Kumar Kansara	400
195.	Mr. Rushikumar K Gharat	400

196.	Mr. Santosh R Salunkhe	400
197.	Mr. Balasaheb R Saptal	400
198.	Mr. Sopan V Shelar (joint with) Ms. Meghana Sopan Shelar	400
199.	Mr. Dayanand B Patil	400
200.	Mr. Sandeep Jadhav	400
201.	Mr. Dinesh G Wade (joint with) Ms. Jyoti D. Wade	400
202.	Mr. Jitendra H Vade	400
203.	Mr. Hemant B Pimple	400
204.	Mr. Santosh K Sankhe	400
205.	Mr. Dayanand B Kamble	400
206.	Mr. Deepak K Patil	400
207.	Mr. Manish S Gharat	400
208.	Mr. Santosh C Vade	400
209.	Mr. Mahesh P Sankhe	400
210.	Mr. Suresh Salunkhe	400
211.	Mr. Prashant S Vade	400
212.	Mr. Manoj R Pimpale	400
213.	Mr. Deepak N Patil	250
214.	Mr. Sunil B Vertak	250
215.	Mr. Santosh B Bhangale	250
216.	Mr. Raghavendra S. T-Pyati	250
217.	Mr. Dinesh Gore	250
218.	Mr. Hemant P Khamkar	250
219.	Mr. Vasant Mane	250
220.	Mr. Sathiseelan T B	250
221.	Mr. Kailash Shriram Tade	250
222.	Ms. Sangeeta Krishnani	1,000
223.	Mr. Jagdish H Joshi (joint with) Mr. Harshada Joshi and Mr. Dhaval Doshi	1,000
224.	Mr. Roshan De'souza	1,000
225.	Ms. Meena Idnani	1,50,000

5. Till date no Equity Shares have been allotted pursuant to any scheme approved under section 391-394 of the Companies Act, 1956. However, 3,70,371 fully convertible preference shares of nominal value ₹ 100 each were allotted as per the scheme of amalgamation of Calyx Chemicals and Pharmaceuticals Private Limited and Calyx Pharmaceuticals and Chemicals Private Limited. These shares are fully converted into Equity Shares as on date. For details of the same, please refer to the heading titled “*Preference Share Capital History*”. For details of the scheme of amalgamation, please refer to the chapter titled “*History and Other Corporate Matters*” beginning on page 161 of this Draft Red Herring Prospectus.
6. Our Company has not re-valued its assets since incorporation and has not issued any shares out of the revaluation reserves.
7. Our Company has issued Equity Shares in the past 12 months, which may have been made at a price lower than the Issue Price and the details of which are as follows:

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons
May 28, 2012	13,877	10	235	Preferential allotment to Arvind Bhupatrai Sheth
May 28, 2012	13,061	10	235	Preferential allotment to Ashish Arvind Sheth
May 28, 2012	13,061	10	235	Preferential allotment to Amit Arvind Sheth
May 28, 2012	55,833	10	230	Preferential allotment to Dinesh Jagdish Khokhani (jointly with Mehul Jagdish Khokhani)
May 28, 2012	14,583	10	230	Preferential allotment to Mahesh Jagdish Khokhani as a Karta of Mahesh Jagdishbhai

				Khokhani – HUF
May 28, 2012	16,666	10	230	Preferential allotment to Dinesh Jagdish Khokhani as a Karta of Dinesh Khokhani - HUF
May 26, 2012	58,333	10	230	Preferential allotment to Mehul Jagdish Khokhani (jointly with Dinesh Jagdish Khokhani)
May 26, 2012	33,333	10	230	Preferential allotment to Mehul Jagdish Khokhani as Karta of Mehul J. Khokhani - HUF
May 26, 2012	4,170	10	230	Preferential allotment to Meera Mehul Khokhani
May 26, 2012	16,666	10	230	Preferential allotment to Pankti Ankit Khokhani (jointly with Ankit Mahesh Khokhani)
April 09, 2012	1,12,643	10	235.49	Preferential allotment to Marble Arch Group Limited
April 03, 2012	12,357	10	235.49	Preferential allotment to Marble Arch Group Limited
March 31, 2012	25,000	10	230	Preferential allotment to Mr. Smitesh Chandravan Shah (jointly with Parul S Shah)
March 31, 2012	25,000	10	230	Preferential allotment to Mr. Bharat Sukhlal Mehta (jointly with Asha B Mehta)
March 31, 2012	10,000	10	230	Preferential allotment to Parul S Shah (jointly with Mr. Smitesh Chandravan Shah)
March 31, 2012	6,250	10	230	Preferential allotment to Asha B Mehta (jointly with Mr. Bharat Sukhlal Mehta)
March 31, 2012	4,000	10	230	Preferential allotment to Amit B Mehta (jointly with Mr. Bharat Sukhlal Mehta)
March 31, 2012	35,000	10	230	Preferential allotment to Rajat Indulal Doshi
March 31, 2012	2,080	10	230	Preferential allotment to Meera Khokhani
March 31, 2012	2,080	10	230	Preferential allotment to Kiran Khokhani
March 31, 2012	2,080	10	230	Preferential allotment to Beena Khokhani
March 31, 2012	2,080	10	230	Preferential allotment to Ami Khokhani
March 31, 2012	2,080	10	230	Preferential allotment to Priti Khokhani

8. Our Company had an employee stock option scheme namely Calyx ESOP 2010. Our Company has also constituted a trust, being the Calyx Employees Welfare Trust, with the objective of providing various benefits to

the employees of our Company. Details of the options granted, vested and exercised under the said Calyx ESOP 2010 scheme (“**Calyx ESOP**”) are as under:

Calyx ESOP provided for grant of options, to employees (including employees of our Subsidiary) to acquire Equity Shares, pursuant to such vesting period/ exercise period as decided by Compensation Committee. On April 07, 2010 our Company granted to employees 18,456 options for immediate vesting to be exercised on or before March 31, 2011 under Calyx ESOP 2010. Upon exercise of the options by the employee, the Calyx Employees Welfare Trust transferred 16,650 Equity Shares to its employees.

The following table sets forth the particulars of the options granted and the Equity Shares allotted under the ESOP Scheme 2010:

Particulars	Details																		
Options granted	18,456																		
Date of grant	April 07, 2010																		
Exercise price of options (₹)	10																		
Total options vested	18,456																		
Options exercised	16,650																		
Total number of Equity Shares that would be transferred by the Calyx Employees Welfare Trust as a result of full exercise of options already granted	18,456																		
Options forfeited/lapsed/cancelled	1,806																		
Variation in terms of options	Nil																		
Amount realized by Calyx Employees Welfare Trust on exercise of options (in ₹)	1,66,500																		
Options outstanding (in force)	Nil																		
Person wise details of options granted to:																			
1. Key managerial personnel	<table> <tr> <th>Name of the Key Managerial Personnel</th><th>Number of options exercised</th></tr> <tr> <td>Dr. Bansi Lal</td><td>893</td></tr> <tr> <td>Dr. Chintamani Bapat</td><td>578</td></tr> <tr> <td>Mr. Suhas Apte</td><td>578</td></tr> <tr> <td>Mr. Suresh Patil</td><td>578</td></tr> <tr> <td>Mr. Prashant Ogale</td><td>578</td></tr> <tr> <td>Mr. Jitendra R. Shah</td><td>525</td></tr> <tr> <td>Mr. Prashant Naigaonkar</td><td>315</td></tr> <tr> <td>Mr. Hitesh Vagadia</td><td>315</td></tr> </table>	Name of the Key Managerial Personnel	Number of options exercised	Dr. Bansi Lal	893	Dr. Chintamani Bapat	578	Mr. Suhas Apte	578	Mr. Suresh Patil	578	Mr. Prashant Ogale	578	Mr. Jitendra R. Shah	525	Mr. Prashant Naigaonkar	315	Mr. Hitesh Vagadia	315
Name of the Key Managerial Personnel	Number of options exercised																		
Dr. Bansi Lal	893																		
Dr. Chintamani Bapat	578																		
Mr. Suhas Apte	578																		
Mr. Suresh Patil	578																		
Mr. Prashant Ogale	578																		
Mr. Jitendra R. Shah	525																		
Mr. Prashant Naigaonkar	315																		
Mr. Hitesh Vagadia	315																		
2. Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Nil																		
3. Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	None																		
Fully Diluted EPS on a pre-issue basis	Not Applicable																		
Difference between employee compensation cost using the intrinsic value method and the employee compensation cost that shall have been recognized if the Company has used fair value of options and impact of this difference on profits and EPS of the Company	Employee compensation would have been lower by ₹ 29.94 Lacs and correspondingly, profit after tax would have been higher by ₹ 23.97 Lacs for the period April 01, 2010 to March 31, 2011.																		
	EPS for the period April 01, 2010 to March 31, 2011 would have been higher by Re.017.																		
Vesting schedule	Immediately at the time of grant																		
Lock-in	Nil																		
Impact on profits of the last three years (₹)	Profit after tax would have been higher by ₹ 23.97 Lacs for the period April 01, 2010 to March 31, 2011.																		
Intention of the holders of Equity Shares transferred on exercise of options within three months after the listing of Equity Shares pursuant to this Issue	The Company is currently not aware of any intention of holders of such Equity Shares to sell Equity Shares on exercise of such options within 3 months after the listing of the Equity Shares pursuant to this Issue.																		
Intention to sell Equity Shares arising out of Calyx ESOP within three months after the listing of Equity Shares by Directors, senior managerial personnel and employees having Equity Shares amounting to more than 1% of the issued capital (excluding	No employee of our Company has been allotted Equity Shares amounting to more than 1% of the issued capital.																		

outstanding warrants and conversions).

9. 50,000 Equity Shares have been reserved for allocation to Eligible Employees on a proportionate basis as part of this Issue, subject to valid Bids being received at the Issue Price. Bids by Eligible Employees bidding under the Employee Reservation Portion can also be made in the Net Issue and such Bids shall not be treated as multiple Bids. If the aggregate demand in the Employee Reservation Portion is greater than 50,000 Equity Shares, allocation shall be made on a proportionate basis.
10. Subject to the Pre – IPO Placement, we presently do not have any proposal or intention to alter our capital structure by way of split or consolidation of the denomination of Equity Shares or issue of specified securities on a preferential basis or issue of bonus or rights or further public issue of Equity Shares or Qualified Institutions Placement within a period of six months from the date of opening of this Issue, However, if we go in for acquisitions or joint ventures, we may consider raising additional capital to fund such activity or use Equity Shares as currency for acquisition or participation in such joint ventures.
11. Details of the Equity Share Capital Build- up of persons whose names figure in this Draft Red Herring Prospectus as Promoters in the chapter on “*Our Promoters and Promoter Group*” are as under:

Date of Allotment/ Transfer and made fully paid	Nature of Allotment (Bonus, Rights etc.)	No. of Equity Shares	Face Value per Equity Share (₹)	Issue / Transfer Price per Equity Share (₹)	Consideration	Percentage of Pre- Issue capital	Percentage of Post- Issue capital
Mr. Smitesh Chandravadan Shah							
October 01, 1995	Transfer from Mr. Dharmesh Arvind Shah	1,400*	10	10	Cash	0.01	0.01
December 01, 1997	Allotment	1,28,000*	10	10	Cash	0.78	0.55
March 31, 1998	Allotment	1,60,000*	10	10	Cash	0.97	0.68
November 02, 1998	Allotment	15,000*	10	10	Cash	0.09	0.06
March 30, 1999	Allotment	40*	10	10	Cash	0.00	0.00
May 14, 2001	Bonus issue	2,43,552*	10	10	Other than cash	1.48	1.04
November 14, 2003	Allotment	55,000*	10	10	Cash	0.34	0.23
December 15, 2003	Allotment	13,190*	10	10	Cash	0.08	0.06
September 01, 2004	Allotment	3,00,783*	10	10	Other than cash	1.83	1.28
September 01, 2004	Allotment	2,000*	10	10	Cash	0.01	0.01
February 16, 2006	Transfer to Mr. Chandravadan Shah	(720) *	10	10	Cash	(0.00)	(0.00)
February 16, 2006	Transfer to Ms. Kokilaben Shah	(680) *	10	10	Cash	(0.00)	(0.00)
February 16, 2006	Transfer to Ms. Kokilaben Shah	(40) *	10	10	Cash	(0.00)	(0.00)
December 21, 2006	Issue on rights basis	46,466*	10	100	Cash	0.28	0.20
March 26, 2009	Issue on rights basis	3,81,996*	10	10	Cash	2.33	1.63
March 31, 2009	Allotment pursuant to conversion of preference shares	3,41,470*	10	10	Other than cash (conversion of preference shares)	2.08	1.46
July 28, 2009	Transfer to Ms.	(1,500) *	10	-	Gift	(0.01)	(0.01)

Date of Allotment/ Transfer and made fully paid	Nature of Allotment (Bonus, Rights etc.)	No. of Equity Shares	Face Value per Equity Share (₹)	Issue / Transfer Price per Equity Share (₹)	Consideration	Percentage of Pre- Issue capital	Percentage of Post- Issue capital
	Varsha Prashant Ogale						
September 01, 2009	Transfer by Mr. Kishor Bhoir	150*	10	10	Cash	(0.00)	(0.00)
February 04, 2010	Transfer to Ms. Pallavi Shah (with) Mr. Suketu Shah	(650) *	10	10	Cash	(0.00)	(0.00)
March 23, 2010	Allotment pursuant to conversion of preference shares	2,64,560*	10	10	Other than cash (conversion of preference shares)	1.61	1.13
April 26, 2010	Transfer by Mr. Sandeep Jadhav	800*	10	10	Cash	0.00	0.00
April 28, 2010	Preferential Allotment	3,00,000*	10	10	Cash	1.83	1.28
March 31, 2012	Preferential Allotment	25,000	10	240	Cash	0.15	0.11
Total (A)		22,75,817				13.87	9.70
Mr. Bharat Sukhlal Mehta							
October 01, 1995	Transfer from Mr. Dharmesh Arvind Shah	840**	10	10	Cash	0.01	0.00
December 01, 1997	Allotment	1,28,000**	10	10	Cash	0.78	0.55
March 31, 1998	Allotment	60,000**	10	10	Cash	0.37	0.26
November 02, 1998	Allotment	15,000**	10	10	Cash	0.09	0.06
December 31, 1998	Allotment	50,000**	10	10	Cash	0.30	0.21
February 25, 1999	Allotment	13,800**	10	10	Cash	0.08	0.06
March 30, 1999	Allotment	30**	10	10	Cash	0.00	0.00
May 14, 2001	Bonus issue	2,14,136**	10	10	Other than cash	1.30	0.91
November 14, 2003	Allotment	48,500**	10	10	Cash	0.30	0.21
December 15, 2003	Allotment	15,000**	10	10	Cash	0.09	0.06
September 01, 2004	Allotment	1,80,490**	10	10	Other than cash	1.10	0.77
September 01, 2004	Allotment	2,000**	10	10	Cash	0.01	0.01
December 21, 2006	Issue on rights basis	36,970**	10	100	Cash	0.23	0.16
March 26, 2009	Issue on rights basis	2,82,383**	10	10	Cash	1.72	1.20
March 31, 2009	Allotment pursuant to conversion of preference shares	2,36,100**	10	10	Other than cash (conversion of preference shares)	1.44	1.01
July 28, 2009	Transfer to Mr.	(1,000) **	10	-	Gift	(0.01)	(0.00)

Date of Allotment/ Transfer and made fully paid	Nature of Allotment (Bonus, Rights etc.)	No. of Equity Shares	Face Value per Equity Share (₹)	Issue / Transfer Price per Equity Share (₹)	Consideration	Percentage of Pre- Issue capital	Percentage of Post- Issue capital
	Rashmikant N. Dave						
March 23, 2010	Allotment pursuant to conversion of preference shares	1,59,690**	10	10	Other than cash (conversion of preference shares)	0.97	0.68
April 28, 2010	Preferential Allotment	3,00,000**	10	10	Cash	1.83	1.28
March 31, 2012	Preferential Allotment	25,000	10	240	Cash	0.15	0.11
Total (B)		17,66,939				10.77	7.53
Mr. Rajat Indulal Doshi							
April 10, 2004	Transfer from Mr. Indulal Dalichand Doshi	6,15,000	10	-	Gift	3.75	2.62
September 01, 2004	Allotment	1,97,643	10	10	Other than cash	1.20	0.84
December 21, 2006	Issue on rights basis	30,632	10	100	Cash	0.19	0.13
March 26, 2009	Issue on rights basis	3,79,980	10	10	Cash	2.32	1.62
March 26, 2009	Transfer from Mr. Indulal Dalichand Doshi	9,437	10	-	Gift	0.06	0.04
July 28, 2009	Transfer to Mr. Suresh Dattatray Patil	(1,500)	10	-	Gift	(0.01)	(0.01)
July 28, 2009	Transfer to Mr. Hitesh Vagadia	(1,500)	10	-	Gift	(0.01)	(0.01)
July 28, 2009	Transfer to Mr. Jitendra Rameshchandra Shah	(1,500)	10	-	Gift	(0.01)	(0.01)
September 01, 2009	Transfer from Mr. Indulal Dalichand Doshi	6,420	10	-	Gift	0.04	0.03
September 01, 2009	Transfer from Mr. Rajaram Mahadeo Hazare	150	10	10	Cash	0.00	0.00
March 23, 2010	Allotment pursuant to conversion of preference shares	6,560	10	10	Other than cash (conversion of preference shares)	0.04	0.03
September 15, 2010	Transfer to Mr. Hitesh Vagadia	(2,000)	10	10	Cash	(0.01)	(0.01)
January 31, 2012	Transfer from Ms. Alpana Doshi	18,50,000	10	-	Gift	11.27	7.88
March 31, 2012	Preferential Allotment	35,000	10	240	Cash	0.21	0.15
Total (C)		31,24,322				19.04	13.32
Total (A)+(B)+(C)		71,67,078				43.67	30.55

*Mr. Smitesh Chandravadan Shah is the joint and first holder of the abovementioned shares, along with Ms. Parul Smitesh Shah

** Mr. Bharat Sukhlal Mehta is the joint and first holder of the abovementioned shares, along with Ms. Asha Bharat Mehta

12. No equity shares of our Company, held by our Promoters, are pledged to any lender/ bank as on the date of this Draft Red Herring Prospectus.
13. During the past 6 months, there are no transactions wherein the securities of our Company have been purchased/(sold) by our Promoter-Directors, their relatives and associates, persons in promoter group (as defined under sub-clause (zb) sub-regulation (1) Regulation 2 of the SEBI ICDR Regulations) or the Directors of our Company.
14. None of our Promoters, Promoter Group Entities, Directors or the relatives thereof have financed the purchase of the Equity Shares of our Company by any other person or entity during the period of 6 months immediately preceding the date of filing this Draft Red Herring Prospectus.
15. The Equity Shares which are eligible for being locked in for 3 years as per SEBI ICDR Regulations:

Name of Promoter	Date of Allotment / Transfer and made fully paid	Nature of Allotment (Bonus, Rights etc.)	No. of Shares	Face Value (₹)	Issue / Transfer Price (₹)	Nature of Consideration	% of Post Issue Capital
Mr. Smitesh Chandravadan Shah (joint with Ms. Parul Smitesh Shah)	October 01, 1995	Transfer from Mr. Dharmesh Arvind Shah	1,400	10	10	Cash	0.01
	December 01, 1997	Allotment	1,28,000	10	10	Cash	0.55
	March 31, 1998	Allotment	1,60,000	10	10	Cash	0.68
	November 02, 1998	Allotment	15,000	10	10	Cash	0.06
	March 30, 1999	Allotment	40	10	10	Cash	0.00
	May 14, 2001	Bonus issue	2,43,552	10	10	Other than cash	1.04
	November 14, 2003	Allotment	55,000	10	10	Cash	0.23
	December 15, 2003	Allotment	13,190	10	10	Cash	0.06
	September 01, 2004	Allotment	3,00,783	10	10	Other than cash	1.28
	September 01, 2004	Allotment	2,000	10	10	Cash	0.01
	February 16, 2006	Transfer to Mr. Chandravadan Shah	(720)	10	10	Cash	(0.00)
	February 16, 2006	Transfer to Ms. Kokilaben Shah	(680)	10	10	Cash	(0.00)
	February 16, 2006	Transfer to Ms. Kokilaben Shah	(40)	10	10	Cash	(0.00)
	December 21, 2006	Issue on rights basis	46,466	10	100	Cash	0.20
	March 26, 2009	Issue on rights basis	3,81,996	10	10	Cash	1.63
	March 31, 2009	Allotment	3,41,470	10	10	Other than cash (conversion of preference shares)	1.46
	July 28, 2009	Transfer to Ms. Varsha Prashant Ogale	(1,500)	10	-	Gift	(0.01)
	September 01, 2009	Transfer by Mr. Kishor Bhorr	150	10	10	Cash	0.00
	February 04, 2010	Transfer to Ms. Pallavi Shah (with) Mr. Suketu Shah	(650)	10	10	Cash	(0.00)
	March 23, 2010	Allotment pursuant to conversion of preference	2,64,560	10	10	Other than cash (conversion of preference shares)	1.13

		shares#					
	April 26, 2010	Transfer by Mr. Sandeep Jadhav	800	10	10	Cash	0.00
	April 28, 2010	Preferential Allotment	3,00,000	10	10	Cash	1.28
	Total (A)		22,50,817				9.59
Mr. Bharat Sukhlal Mehta (jointly with Ms. Asha Bharat Mehta)	October 01, 1995	Transfer from Mr. Dharmesh Arvind Shah	840	10	10	Cash	0.00
	December 01, 1997	Allotment	1,28,000	10	10	Cash	0.55
	March 31, 1998	Allotment	60,000	10	10	Cash	0.26
	November 02, 1998	Allotment	15,000	10	10	Cash	0.06
	December 31, 1998	Allotment	50,000	10	10	Cash	0.21
	February 25, 1999	Allotment	13,800	10	10	Cash	0.06
	March 30, 1999	Allotment	30	10	10	Cash	0.00
	May 14, 2001	Bonus issue	2,14,136	10	10	Other than cash	0.91
	November 14, 2003	Allotment	48,500	10	10	Cash	0.21
	December 15, 2003	Allotment	15,000	10	10	Cash	0.06
	September 01, 2004	Allotment	1,80,490	10	10	Other than cash	0.77
	September 01, 2004	Allotment	2,000	10	10	Cash	0.01
	December 21, 2006	Issue on rights basis	36,970	10	100	Cash	0.16
	March 26, 2009	Issue on rights basis	2,82,383	10	10	Cash	1.20
	March 31, 2009	Allotment	2,36,100	10	10	Other than cash (conversion of preference shares)	1.01
	July 28, 2009	Transfer to Mr. Rashmikan N. Dave	(1,000)	10	-	Gift	(0.00)
	March 23, 2010	Allotment pursuant to conversion of preference shares#	1,59,690	10	10	Other than cash (conversion of preference shares)	0.68
	April 28, 2010	Preferential Allotment	3,00,000	10	10	Cash	1.28
	Total (B)		17,41,939				7.42
Mr. Rajat Indulal Doshi	April 10, 2004	Transfer from Mr. Indulal Dalichand Doshi	6,15,000	10	-	Gift	2.62
	September 01, 2004	Allotment	1,97,643	10	10	Other than cash	0.84
	December 21, 2006	Issue on rights basis	30,632	10	10	Cash	1.13
	March 26, 2009	Issue on rights basis	3,79,980	10	10	Cash	1.62
	March 26, 2009	Transfer from Mr. Indulal Dalichand Doshi	9,437	10	-	Gift	0.04
	July 28, 2009	Transfer to Mr. Suresh Dattatray Patil	(1,500)	10	-	Gift	(0.01)
	July 28, 2009	Transfer to Mr. Hitesh Vagadia	(1,500)	10	-	Gift	(0.01)
	July 28, 2009	Transfer to Mr. Jitendra Rameshchandra Shah	(1,500)	10	-	Gift	(0.01)
	September 01, 2009	Transfer from Mr. Indulal Dalichand Doshi	6,420	10	-	Gift	0.03

September 01, 2009	Transfer from Mr. Rajaram Mahadeo Hazare	150	10	10	Cash	0.00
March 23, 2010	Allotment pursuant to conversion of preference shares	6,560	10	10	Other than cash (conversion of preference shares)	0.03
September 15, 2010	Transfer to Mr. Hitesh Vagadia	(2,000)	10	10	Cash	(0.01)
Total (C)		12, 39,322				5.28
Total (A)+(B)+(C)		52,32,078				22.30*

* 20% of the Post-Issue paid-up Equity Share Capital, as determined after the book building process, would be locked-in for a period of 3 years from the date of Allotment in this Issue and the balance pre-Issue paid-up Equity Share Capital would be locked-in for a period of 1 year from the date of Allotment in this Issue. The lock-in period shall be reckoned from the date of allotment of Equity Shares in the present Issue. These securities will not be disposed / sold / transferred by the Promoters during the period starting from the date of filing this Draft Red Herring Prospectus with SEBI till the date of commencement of lock in period as stated in the Draft Red Herring Prospectus.

Note: All the Equity Shares which are being locked in for 3 years are eligible for computation of Promoters' contribution and lock in as per SEBI ICDR Regulations.

[#]These Equity Shares were allotted to our Promoters pursuant to conversion of preference shares allotted, in accordance with a scheme of amalgamation under Section 391- 394 of the Companies Act. For further details of the same please refer to the chapter titled "History and Other Corporate Matters" beginning on page 161 of this Draft Red Herring Prospectus.

16. We confirm that the minimum Promoters' contribution of 20% of the post-Issue Capital, which is subject to lock-in for 3 years does not consist of:

- Equity Shares acquired within 3 years before the filing of this Draft Red Herring Prospectus with SEBI for consideration other than cash, wherein revaluation of assets or capitalisation of intangible assets is involved;
- Equity Shares acquired resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of our Company or from bonus issue against equity shares which are ineligible for minimum Promoter's contribution;
- Securities acquired by our Promoters, during the preceding 1 year, at a price lower than the price at which equity shares are being offered to the public in this Issue, except where such securities have been issued/ allotted pursuant to a scheme of amalgamation under Sections 391 – 394 of the Companies Act by Promoters in lieu of business and invested capital that had been in existence for a period of more than 1 year prior to such approval;
- Private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary;
- Equity Shares issued to our Promoters on conversion of partnership firms into limited company;
- Equity Shares for which specific written consent has not been obtained from the respective shareholders for inclusion of their subscription in the minimum Promoter's contribution subject to lock-in; or
- Pledged Equity Shares held by our Promoters.

Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as promoters under SEBI ICDR Regulations.

17. The Promoters' contribution of 20% of the Post-Issue Capital, which is subject to lock- in for 3 years includes Equity Shares allotted to our Promoters for consideration other than cash. However, these Equity Shares have been allotted in terms of the scheme under sections 391-394 of the Companies Act, 1956, as approved by a High Court, by our Promoters in lieu of business and invested capital that had been in existence for a period of more than one year prior to such approval. Accordingly, the said Equity Shares are eligible for inclusion in the minimum Promoter's contribution.

18. The specific written consent has been obtained from the Promoters for inclusion of such number of their existing shares so as to ensure minimum Promoter's contribution subject to lock-in to the extent of 20% of Post-Issue Paid-up Equity Share Capital.

19. The entire Pre-issue Equity Share Capital of our Company other than the minimum Promoter's contribution, which is locked-in for a period of 3 years, shall be locked-in for a period of 1 year from the date of allotment in

the present Issue. Equity Shares Allotted to Anchor Investors, if any, shall be locked in for a period of 30 days from the date of Allotment.

20. Our Company, our Promoters, our Directors and the BRLMs to this Issue have not entered into any buy-back, standby or similar arrangements with any person for purchase of our Equity Shares issued by our Company through this Draft Red Herring Prospectus.
21. An over-subscription to the extent of 10% of the net offer to public can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment being equal to [●] Equity Shares, which is the minimum bid lot in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Net Issue to Public, as a result of which, the post-issue paid up capital after this Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to lock- in shall be suitably increased; so as to ensure that 20% of the Post Issue paid-up capital is locked in.
22. Since the entire money of ₹ [●] per share (₹ 10 face value + ₹ [●] premium) is being called on application, all the successful applicants will be issued fully paid-up Equity Shares only.
23. The Pre-Issue & Post-Issue shareholding pattern of our Promoters & Promoter Group is as under:

Sr. No.	Particulars	Pre-Issue		Post-Issue	
		No. of Shares	% Holding	No. of Shares	% Holding
A.	Promoters	71,67,078	43.68	71,67,078	30.55
	Mr. Smitesh Chandravadan Shah*	22,75,817	13.87	22,75,817	9.70
	Mr. Bharat Sukhlal Mehta**	17,66,939	10.77	17,66,939	7.53
	Mr. Rajat Indulal Doshi	31,24,322	19.04	31,24,322	13.32
B.	Immediate Relatives of the Promoter	5,027,622	30.63	5,027,622	21.43
	Other immediate relatives of the Promoters individually holding more than 1% of the Equity Shares of our Company	4,383,722	26.71	4,383,722	18.68
	Other immediate relatives of the Promoters individually holding less than 1% of the Equity Shares of our Company	643,900	3.92	643,900	2.74
C.	Companies in which 10% or more of the share capital is held by the Promoters / an immediate relative of the Promoter / a firm or HUF in which the Promoter or any one or more of their immediate relatives is a member	-	-	-	-
D.	Companies in which Company mentioned in c. above holds 10% or more of the share capital	-	-	-	-
E.	HUF or firm in which the aggregate share of the Promoter and his immediate relatives is equal to or more than 10% of the total	207,528	1.26%	207,528	0.88
Total Promoter and Promoter Group Holding		12,402,228	75.56	12,402,228	52.86

*Ms. Parul Smitesh Shah holds the Equity Shares with Mr. Smitesh Chandravadan Shah

** Ms. Asha Bharat Mehta holds the Equity Shares with Mr. Bharat Sukhlal Mehta

24. As on September 21, 2012, the shareholding pattern of our Company in accordance with Clause 35 of the Listing Agreements to be entered into with the Stock Exchanges is as under:

Category code	Category of shareholder	No. of share holders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares	Shares Pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of Shares
							As a percentage

(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX) = (VIII) / (IV) * 100
(A)	Promoter and Promoter Group							
(1)	Indian							
(a)	Individuals/ Hindu Undivided Family	4	7,374,606	7,167,078	44.93	44.93	-	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-
	Immediate relatives	29	5,027,622	4,683,998	30.63	30.63	-	-
	Sub-Total (A)(1)	33	12,402,228	11,851,076	75.56	75.56	-	-
(2)	Foreign	-	-	-	-	-	-	-
(a)	Individuals (Non- Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-
(d)	Qualified Foreign investors	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	33	12,402,228	11,851,076	75.56	75.56	-	-
(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 Investors	-	-	-	-	-	-	-
(h)	Qualified Foreign Investors	-	-	-	-	-	-	-
(i)	Any Other (specify)	-	-	-	-	-	-	-
	Sub-Total (B)(1)	-	-	-	-	-	-	-
(2)	Non-institutions							
(a)	Bodies Corporate	7	1,410,047	487,825	8.59	8.59	-	-

Category code	Category of shareholder	No. of share holders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of Shares	As a percentage (IX) = (VIII) / (IV) * 100
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
(b)	Individuals -							
	i. Individual shareholders holding nominal share capital up to ₹ 1 Lacs	260	285,820	84,690	1.74	1.74	-	-
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 Lacs	15	579,520	306,607	3.53	3.53	-	-
(c)	Any Other (specify)	-	-	-	-	-	-	-
	Non-Resident Indians	5	752,500	-	4.58	4.58	-	-
	Directors & their Relatives	1	8	-	0.00	0.00	-	-
	Calyx Employees Welfare Trust	2	983,350	941,916	5.99	5.99	-	-
	Sub-Total (B)(2)	290	4,011,245	1,821,038	24.44	24.44	-	-
	Total Public Shareholding (B)= (B)(1)+(B)(2)	290	4,011,245	1,821,038	24.44	24.44	-	-
	TOTAL (A)+(B)	323	16,413,473	13,672,114	100.00	100.00	-	-
(C)	Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-
	i. Promoter and Promoter Group	-	-	-	-	-	-	-
	ii. Public	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	323	16,413,473	13,672,114	100.00	100.00	-	-

The details of the shareholding of our Promoters and Promoter Group as on the date of this Draft Red Herring Prospectus:

Sr. No. (I)	Name of the shareholder (II)	Total Equity Shares held		Shares pledged or otherwise encumbered		
		Number (III)	As a % of grand total (A)+(B)+(C) (IV)	Number (V)	As a percentage (VI)= (V)/(III)X 100	As a % of grand total (A)+(B)+(C) of sub-clause (I)(a) (VII)
1.	Mr. Smitesh Chandravadan Shah (joint with) Ms. Parul Smitesh Shah	22,75,817	13.87	Nil	Nil	Nil
2.	Mr. Bharat Sukhlal Mehta (joint with) Ms. Asha Bharat Mehta	1,766,939	10.77	Nil	Nil	Nil
3.	Mr. Rajat Indulal Doshi	31,24,322	19.04	Nil	Nil	Nil
4.	Bharat Mehta (HUF) (joint	2,07,528	1.26	Nil	Nil	Nil

Sr. No. (I)	Name of the shareholder (II)	Total Equity Shares held		Shares pledged or otherwise encumbered		
		Number (III)	As a % of grand total (A)+(B)+(C) (IV)	Number (V)	As a percentage (VI)= (V)/(III)X 100	As a % of grand total (A)+(B)+(C) of sub-clause (I)(a) (VII)
	with) Ms. Asha Bharat Mehta					
5.	Ms. Alpana Indulal Doshi	1,46,588	0.89	Nil	Nil	Nil
6.	Mr. Amit Bharat Mehta (joint with) Mr. Bharat Sukhlal Mehta	153,730	0.94	Nil	Nil	Nil
7.	Mr. Amit Bharat Mehta (joint with) Mr. Bharat Sukhlal Mehta	7,50,927	4.58	Nil	Nil	Nil
8.	Ms. Anita Surana	2,500	0.01	Nil	Nil	Nil
9.	Ms. Ansuya Mody (joint with) Mr. Jyotindra Mody	2,500	0.01	Nil	Nil	Nil
10.	Mr. Apurva Shah (joint with) Ms. Sonal Shah	2,500	0.01	Nil	Nil	Nil
11.	Ms. Asha Bharat Mehta (joint with) Mr. Bharat Sukhlal Mehta	12,33,458	7.51	Nil	Nil	Nil
12.	Ms. Asha Bharat Mehta (joint with) Mr. Bharat Sukhlal Mehta	50,000	0.30	Nil	Nil	Nil
13.	Mr. Chandravadan Shah (joint with) Ms. Kokilaben Shah	2,500	0.01	Nil	Nil	Nil
14.	Mr. Chandravadan Shah (joint with) Ms. Kokilaben Shah	3,634	0.02	Nil	Nil	Nil
15.	Mr. Chandravadan Shah (joint with) Mr. Smitesh Chandravadan Shah	47,122	0.29	Nil	Nil	Nil
16.	Dr. Pallavi Shah (joint with) Mr. Suketu Shah	650	0.00	Nil	Nil	Nil
17.	Ms. Hansa Apparao (joint with) Mr. MVK Apparao	1,250	0.008	Nil	Nil	Nil
18.	Ms. Hansaben Apparao	1,258	0.008	Nil	Nil	Nil
19.	Mr. Himanshu Ajmera	123,638	0.75	Nil	Nil	Nil
20.	Ms. Kanisha Doshi	80,000	0.49	Nil	Nil	Nil
21.	Ms. Kokilaben Shah (joint with) Mr. Chandravadan Shah	1,134	0.007	Nil	Nil	Nil
22.	Ms. Kokilaben Shah (joint with) Mr. Smitesh Chandravadan Shah	74,622	0.45	Nil	Nil	Nil
23.	Ms. Pallavi Shah (joint with) Ms. Paulomi Shah and Mr. Prashant Shah	5,150	0.03	Nil	Nil	Nil
24.	Ms. Parul Smitesh Shah (joint with) Mr. Smitesh Chandravadan Shah	10,06,602	6.13	Nil	Nil	Nil
25.	Ms. Parul Smitesh Shah (joint with) Mr. Smitesh Chandravadan Shah	50,600	0.31	Nil	Nil	Nil
26.	Mr. Rahul Rajat Doshi	588,427	3.59	Nil	Nil	Nil
27.	Ms. Rajni Zaveri (joint with) Ms. Parul Smitesh Shah	1,250	0.008	Nil	Nil	Nil
28.	Ms. Rajni Zaveri (joint with) Ms. Parul Smitesh Shah	45,878	0.28	Nil	Nil	Nil
29.	Ms. Rajni Zaveri (joint with) Ms. Pallavi Shah and Prashant Shah	1,250	0.008	Nil	Nil	Nil
30.	Ms. Rajni Zaveri (joint with) Ms. Pallavi Shah	45,863	0.28	Nil	Nil	Nil
31.	Ms. Rajni Zaveri (joint with) Ms. Priti Sanghavi	2,500	0.01	Nil	Nil	Nil
32.	Ms. Rajni Zaveri (joint with) Ms. Priti Sanghvi	47,113	0.29	Nil	Nil	Nil
33.	Ms. Rama Ashok Vaidya (joint with) Dr. Vidita Vaidya	2,500	0.01	Nil	Nil	Nil

Sr. No. (I)	Name of the shareholder (II)	Total Equity Shares held		Shares pledged or otherwise encumbered		
		Number (III)	As a % of grand total (A)+(B)+(C) (IV)	Number (V)	As a percentage (VI)= (V)/(III)X 100	As a % of grand total (A)+(B)+(C) of sub-clause (I)(a) (VII)
34.	Ms. Saumini Smitesh Shah (joint with) Mr. Smitesh Chandravadan Shah and Ms. Parul Smitesh Shah	549,978	3.35	Nil	Nil	Nil
35.	Mr. Sujen Shah	2,500	0.01	Nil	Nil	Nil
TOTAL		1,24,02,228,	75.56	Nil	Nil	Nil

The details of the shareholders holding more than 1% of the total issued and paid- up Equity Share capital of our Company in the public category as on September 21, 2012:

Sr. No. (I)	Name of the shareholder (II)	Total Equity Shares held	
		Number (III)	As a % of grand total (A)+(B)+(C) (IV)
1.	Mr. Bharat Mehta (joint with) Mr. Jambunathan Iyer and Dr. Bansi Lal [#]	9,83,350	5.99
2.	Lytton Grove Corporation	7,97,222	4.86
3.	Mr. Salil Shah	6,02,500	3.67
4.	Mandpam Commercial Limited	1,70,100	1.04

[#]Mr. Bharat Sukhlal Mehta, Mr. Jambunathan Srinivasa Iyer and Dr. Bansi Lal presently jointly hold 9,83,350 Equity Shares of our Company in their capacity as trustees of Calyx Employees Welfare Trust. Declarations under Section 187-C of the Companies Act have been received by our Company, and have consequently been filed with the RoC. The beneficiaries under the Calyx Employees Welfare Trust include the employees and Directors of our Company, and the Equity Shares may be transferred to such employees and Directors at the discretion of the trustees of the Calyx Employees Welfare Trust, at such price as may be decided by them.

25. The Equity Shares which are subject to lock-in shall carry the inscription 'non-transferable' and the non-transferability details shall be informed to the depositories. The details of lock-in shall also be provided to the Stock Exchanges, where the Equity Shares are to be listed, before the listing of the securities.
26. The Equity Shares held by persons other than Promoters may be transferred to any other person holding shares prior to this Issue, subject to continuation of lock-in with transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.
27. The Equity Shares to be held by the Promoters under lock-in period shall not be sold/hypothecated/transferred during the lock-in period. However, the Equity Shares held by Promoters, which are locked in, may be transferred to and among Promoter Group or to a new Promoter(s) or persons in control of our Company, subject to the continuation of lock-in with the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable.
28. As on the date of this Draft Red Herring Prospectus with SEBI, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares except options granted to employees of our Company under the Calyx ESOP 2010.
29. Equity Shares held by Promoters and locked-in may be pledged with any scheduled commercial bank or public financial institution as collateral security for loan granted by such bank or institution, subject to the following:
 - a. if the specified securities are locked-in for 3 years in terms of clause (a) of regulation 36 of SEBI ICDR Regulations, the loan has been granted by such bank or institution for the purpose of financing one or more of the objects of this Issue and pledge of specified securities is one of the terms of sanction of the loan;
 - b. if the specified securities are locked-in for one year in terms of clause (b) of Regulation 36 of SEBI ICDR Regulations and the pledge of specified securities is one of the terms of sanction of the loan.
30. In case of over-subscription in all categories, not more than 50% of the Net Issue to the Public shall be available for allocation on a proportionate basis to QIBs (including specific allocation of 5% within the category of QIBs for Mutual Funds). Further not less than 15% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% 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.

Under subscription, if any, in any category or portion shall be allowed to be met with spill over from the other categories, at the sole discretion of our Company and BRLMs in accordance with applicable laws, rules, regulations and guidelines. However, if the aggregate demand by Mutual Funds is less than 5% of QIB Portion, the balance share available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allocated proportionately to QIB Bidders. Undersubscription, if any, in the Employee Reservation Portion, shall be added back to the Net Issue.

31. As on date of this Draft Red Herring Prospectus, the entire Issued Share Capital of our Company is fully paid-up.

32. Particulars of top ten shareholding is as follows:

A. As on the date of this Draft Red Herring Prospectus

Sr. No.	Name of the Shareholders	No. of Shares	% of then Issued Capital
1	Mr. Rajat Indulal Doshi	31,24,322	19.04
2	Mr. Smitesh Chandravadan Shah (joint with) Ms. Parul Smitesh Shah	22,75,817	13.87
3	Mr. Bharat Sukhlal Mehta (joint with) Ms. Asha Bharat Mehta	17,66,939	10.77
4	Ms. Asha Bharat Mehta (joint with) Mr. Bharat Sukhlal Mehta	12,83,458	7.82
5	Ms. Parul Smitesh Shah (joint with) Mr. Smitesh Chandravadan Shah	10,06,602	6.13
6	Mr. Bharat Mehta (joint with) Mr. Jambunathan Iyer and Dr. Bansilal (on behalf of Calyx Employees Welfare Trust)	9,83,350	5.99
7	Mr. Amit Bharat Mehta (joint with) Mr. Bharat Sukhlal Mehta	9,04,657	5.51
8	Lytton Grove Corporation	7,97,222	4.86
9	Mr. Salil Shah	6,02,500	3.67
10	Mr. Rahul Rajat Doshi	5,88,427	3.59
	Total	1,33,33,294	81.23

B. 10 days prior to the date of this Draft Red Herring Prospectus

Sr. No.	Name of the Shareholders	No. of Shares	% of then Issued Capital
1	Mr. Rajat Indulal Doshi	31,24,322	19.04
2	Mr. Smitesh Chandravadan Shah (joint with) Ms. Parul Smitesh Shah	22,75,817	13.87
3	Mr. Bharat Sukhlal Mehta (joint with) Ms. Asha Bharat Mehta	17,66,939	10.77
4	Ms. Asha Bharat Mehta (joint with) Mr. Bharat Sukhlal Mehta	12,83,458	7.82
5	Ms. Parul Smitesh Shah (joint with) Mr. Smitesh Chandravadan Shah	10,06,602	6.13
6	Mr. Bharat Mehta (joint with) Mr. Jambunathan Iyer and Dr. Bansilal (on behalf of Calyx Employees Welfare Trust)	9,83,350	5.99
7	Mr. Amit Bharat Mehta (joint with) Mr. Bharat Sukhlal Mehta	9,04,657	5.51
8	Lytton Grove Corporation	7,97,222	4.86
9	Mr. Salil Shah	6,02,500	3.67
10	Mr. Rahul Rajat Doshi	5,88,427	3.59
	Total	1,33,33,294	81.23

C. 2 years prior to the date of this Draft Red Herring Prospectus

Sr. No.	Name of the Shareholders	No. of Shares	% of then Issued Capital
1.	Mr. Smitesh Chandravadan Shah (joint with) Ms. Parul Smitesh Shah	22,50,817	14.87
2.	Ms. Alpana Doshi	19,46,588	12.86
3.	Mr. Bharat Sukhlal Mehta (joint with) Ms. Asha Bharat Mehta	17,41,939	11.51
4.	Mr. Rajat Indulal Doshi	12,39,322	8.19
5.	Ms. Asha Bharat Mehta (joint with) Mr. Bharat Sukhlal Mehta	12,27,208	8.11
6.	Mr. Bharat Mehta (joint with) Mr. Jambunathan Iyer and Dr. Bansilal (on behalf of Calyx Employees Welfare Trust)	10,00,000	6.61
7.	Ms. Parul Smitesh Shah (joint with) Mr. Smitesh Chandravadan Shah	9,96,602	6.58
8.	Mr. Amit Bharat Mehta (joint with) Mr. Bharat Sukhlal Mehta	7,46,927	4.93
9.	Mr. Salil Shah	6,02,500	3.98

10.	Mr. Rahul Rajat Doshi	5,88,427	3.89
	TOTAL	12,340,330	81.53

33. Our Company has not raised any bridge loan against the proceeds of this Issue.
34. There would 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 submission of this Draft Red Herring Prospectus with SEBI until the Equity Shares issued through the Prospectus are listed or application moneys refunded on account of failure of Issue. However, our Company is considering a Pre – IPO Placement of up to 10,00,000 Equity Shares aggregating up to ₹ 3,000 Lacs. The Pre – IPO Placement, if any, will be completed before the filing of the Red Herring Prospectus with the RoC. The number of Equity Shares in this Issue will be reduced to the extent of the Equity Shares proposed to be allotted in the Pre – IPO Placement, if any, subject to the Net Issue to the public being at least 25% of the fully diluted Post–Issue paid up capital of our Company. The Equity Shares allotted under the Pre–IPO Placement, if completed, shall be subject to a lock – in period of 1 year from the date of the Allotment pursuant to this Issue.
35. Our Company undertakes that at any given time, there shall be only one denomination for the Equity Shares of our Company and our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
36. A Bidder cannot make a Bid for more than the number of Equity Shares being issued through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
37. No payment, direct or indirect in the nature of discount, commission and allowance or otherwise shall be made either by us or our Promoters to the persons who receive Allotments, if any, in this Issue.
38. We have 323 members as on the date of this Draft Red Herring Prospectus.

SECTION V

OBJECTS OF THE ISSUE

The objects of this Issue are as stated below:

- Setting up of a new cGMP compliant facility for Intermediates;
- Repayment/Pre-payment of identified loan facilities;
- General Corporate purposes; and
- Issue Expenses.

The main objects clause and the objects incidental or ancillary to the main objects clause of the Memorandum of Association of our Company enable us to undertake the existing activities and the activities for which the funds are being raised through this Issue.

The Net Proceeds of this Issue after deducting the underwriting and issue management fees, selling commission and other expenses associated with this Issue, are estimated to be approximately ₹ [●] Lacs (the “**Net Proceeds**”). The Net Proceeds would be used to meet all or any of the objects described above.

Requirement of Funds and Means of Finance

The fund requirements and the intended use of the Net Proceeds as described herein are based on management estimates and our current business plan, along with reliance upon various quotations received by us from different suppliers. In view of the competitive nature of Pharmaceutical industry, we may have to revise our expenditure and fund requirements as a result of variations in the cost structure, changes in estimates and external factors, which may not be within the control of our management and subject to requirements of applicable laws. This may entail rescheduling, revising or cancelling the planned expenditure and fund requirements and increasing or decreasing the expenditure for a particular purpose from its planned expenditure at the discretion of our management. In addition, the estimated dates of completion of various projects as described herein are based on management’s current expectations and are subject to change due to various factors, some of which may not be in our control.

The fund requirement is proposed to be met mainly through Net Proceeds and the same would be crystallized on conclusion of this Issue. If our Company is required to incur any expenses towards any of the Objects of the Issue (as set out hereinabove) prior to the listing of the Equity Shares pursuant to this Issue, we shall recoup the amounts so utilized up to the listing of the Equity Shares from the Net Proceeds.

In case of any variations in the actual utilization of funds earmarked for the objects mentioned above or in case of increased fund requirements for a particular object, the shortfall, if any, may be financed by surplus funds, if any, available for other objects and/or our Company’s internal accruals and/or working capital loans that may be availed from the banks/financial institutions, to the extent of such shortfall. Any surplus from the proceeds of this Issue after meeting the primary objects mentioned above, if any, will be used for our general corporate purposes.

Requirement of Funds

(₹ in Lacs)

Sr. No.	Fund Requirement	Amount
1.	Setting up of a new cGMP compliant facility for Intermediates.	8,500.00
2.	Repayment/Pre-payment of identified loan facilities	9,034.00
3.	General Corporate purposes *	[●]
4.	Issue Expenses*	[●]
TOTAL		[●]

* will be incorporated after finalisation of Issue Price

Means of Finance

The above requirements of funds for the Objects of this Issue are proposed to be financed as under:

(₹ in Lacs)

Sr. No.	Means of Finance	Amount
1.	Proceeds of the Issue*	[●]
2.	Internal Accruals*	[●]
TOTAL		[●]

* will be incorporated after finalisation of Issue Price

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 Net Proceeds.

1. Setting up of new cGMP compliant facility for Intermediates.

We propose to set up multi purpose and multi product cGMP compliant Intermediate plant. This facility will add 192 kilo litres of reactor capacity. The additional capacity created will be utilized for both captive consumption of Intermediates and outsourcing (CM) contracts.

The augmentation of manufacturing facilities would be primarily to strengthen company's position in anti TB, anti malarial, macrolides, anti hypertensive segments. Further, the company has identified other therapeutic segments such as anti histamine, anti fungal, anti thrombic, anti viral and anti depressant in which there is a great market potential for growth

Our company possesses land on plot number M-4 & M-15 at MIDC, Tarapur, adjacent plots, which are besides the existing production facilities. The new facility is proposed to have production blocks, office building, warehouse and utilities (including effluent treatment plant), detailed break-up of which is provided under the section 'Plant Construction/Civil work'.

The plants will include a production area, drying and packaging area/ powder processing area, raw material/ intermediate/ finished goods storage area, a separate utility area, storage tank farm, effluent treatment plant and quality control laboratory. The detailed break up of the cost estimates of ₹ 8,500.00 Lacs for the above stated facilities is as below:

		(₹ in Lacs)
Sr. No.	Particulars	Estimated Cost
1.	Cost of land and site development expenses	402.67
2.	Plant construction/Civil work (₹ 1,191.86 Lacs + ₹ 1,491.90 Lacs)	2,683.76
3.	Plant and machinery	3,210.58
4.	Utility	1,250.34
5.	Pre-operative expenses	396.58
6.	Contingency	556.07
TOTAL		8,500.00

Land and Site Development

Our Company possesses land on plot number M-4 & M-15 at MIDC, Tarapur, adjacent plots, which are besides the existing production facilities and admeasures in aggregate 19,577 sqm. The estimated Site Development cost of these plots will be ₹ 402.67 Lacs, which covers cost of Plot Levelling, RCC Roads, Compound Wall, Drainage systems etc.

		(₹ in Lacs)
Sr. No.	Particulars	Estimated Cost
1.	RCC Tranche for Nala between M4 & M15	41.14
2.	Compound Wall	49.91
3.	Plot Levelling	35.57
4.	RCC Road – Main Road	59.80
5.	RCC Road – Service Road	51.38
6.	Storm Drainage	35.56
7.	Effluent Drainage	41.10
8.	Under Ground Storage Tank	13.21
9.	MIDC Permission Renewal Liasoning Charges and Statutory Levies	75.00
TOTAL		402.67

Plant Construction / Civil work

The civil work consists of the plant building, machinery foundations and infrastructure facilities. The expenditure on civil work relating to this plant is estimated to be ₹2,683.76 Lacs including the associated cost of ₹ 1,491.90 Lacs, the details of which are provided below:

<i>(₹ in Lacs)</i>			
Sr. No.	Particulars	Build-up area in sq. Meters	Estimated cost
1.	Construction of production blocks (includes Intermediate section)	2,049.10	587.04
2.	Construction of office building and furniture (including QA/QC and Lab)	980.00	361.33
3.	Construction of warehouse (Raw Material and Finished goods)	1,008.00	215.76
4.	Construction of utility section (H.T. Yard, Underground water tank, etc.)	400.00	27.73
TOTAL			1,191.86

Associate Site Activities

<i>(₹ in Lacs)</i>		
Sr. No.	Particulars	Estimated Cost
1.	Piping and fitting	255.50
2.	Fabrication and Erection	204.11
3.	Insulation	123.40
4.	Electrification	365.50
5.	Instrumentation/Automation	132.44
6.	Material Handling Equipment (Hydraulic Trolley, SS Trolley, Ladder, etc.)	213.74
7.	HVAC ducts filters	108.23
8.	Painting	88.98
TOTAL		1,491.90

Plant and Machinery

Plant and Machinery shall comprise of mainly rotary and stationary equipments of cGMP quality such as reactors (GLR/ SSR), centrifuges, ANFDs of SS & Haler, FBDs with specialized accessories, process pumps, blenders etc. The total estimated cost of the plant & machinery is ₹3,210.58 Lacs, the details of which are as under:

Cost of Plant and Machinery

Sr. No.	Description of equipment/ machinery	Material of Construction	Capacity	Unit	Quantity	Estimated Cost (₹ In Lacs)*
1.	Stainless Steel Reactor	Stainless Steel 316	12	KL	8	252.81
2.	Glass Line Reactor	Mild Steel Glass line	12	KL	8	462.64
3.	Horizontal Condenser	Stainless Steel 316	24	m2	8	80.90
4.	Vent condenser	Stainless Steel 316	5	m2	8	20.22
5.	Receiver	Stainless Steel 316	1000	ltr	8	30.34
6.	Day Tanks	Stainless Steel 316	3000	ltr	8	60.67
7.	Stainless Steel Centrifuge- Bag lifting type	Stainless Steel 316	60	inch	8	200.73
8.	Mother Liquor pump	Stainless Steel 316	5m3/hr,25mtr	-	8	9.51
9.	Mother Liquor tanks for Centrifuge	Stainless Steel 316	7500	lit	4	80.90
10.	Mother Liquor Tank Pump	Stainless Steel 316	5m3/hr,35mtr	-	8	9.51
11.	Fluidized Bed Dryer	Stainless Steel 316	500	Kg	4	328.65
12.	Water Ring Vacuum Pump	Cast Iron/ Stainless Steel 316	150	Cu Ft/Min	2	7.58
13.	Steam Jet ejector	Stainless Steel +Graphite	1,500	mm3/hr	2	12.64
14.	Storage Tanks	Stainless Steel 316	20	KL	5	252.81
15.	Weighing balance	Powder coated	500	kg	2	1.52
16.	Goods Lift	Mild Steel	1500 kg safe working limit		1	25.39
17.	Scrubbing System	Polypropylene – Fibre Reinforced Plastic	2,000	mm3/hr	2	6.57
18.	Aspiration system	Polypropylene – Fibre Reinforced Plastic	1,500	CFM	2	2.35
19.	Solvent filters	Stainless Steel 316	30	inch	3	8.53
20.	Portable pump	Stainless Steel 316	5 m3/hr,25 m		3	3.19
21.	Barrel pump	Stainless Steel 316	2 m3/hr,15 m		3	3.56
22.	Centrifugal Pump	Stainless Steel 316	10 m3/hr, 25 mtr		5	5.06
23.	Centrifugal Pump	Stainless Steel 316	5 m3/hr, 25 mtr		5	5.06
24.	Sparkler filter zero hold up	Stainless Steel 316	18 x 10	inch	2	15.30
25.	Blending and Packing	Stainless Steel 316	3,000	lit	2	41.64
26.	Multi mill	Stainless Steel 316	standard		2	3.90
27.	Shifter	Stainless Steel 316	800 diameter		2	3.51
28.	Power & Process Automation Panels				Lot	821.63
29.	Material Handling Equipments (forklifts, etc.)				Lot	12.16
30.	High Pressure Liquid Chromatography	-	-	Nos	2	83.37
31.	Gas Chromatography	-	-	Nos	2	116.29
32.	Wet lab Instruments	-	-	Lot	2	50.56
34.	Miscellaneous Instrument pH meter, Autotitrator	-	-	Lot	1	12.64
35.	Hydrogenation set up	Stainless Steel 316			1	178.43

Sr. No.	Description of equipment/ machinery	Material of Construction	Capacity	Unit	Quantity	Estimated Cost (₹ In Lacs)*
TOTAL						3,210.58
* Cost includes taxes, packing and forwarding and freight charges						

Notes: Our Company does not intend to purchase any second hand machinery

We have estimated the requirement of equipments as per existing process/technology/product specifications and based our cost estimates on previously relied- upon quotations / purchase orders of manufacturers and suppliers of equipment, prevailing market prices and / or our internal estimates.

Utility cost

The proposed utilities are estimated to cost ₹ 1,250.34 Lacs based on previously relied- upon quotations / purchase orders of manufacturers and suppliers of equipment, prevailing market prices and / or our internal estimates. The utility cost will be incurred towards, *inter alia*, equipment for chilled brine, chilled water, cooling towers, air compressors, nitrogen generators, de-mineralised water fall out by purified water, ETP etc, detailed as under:

				(₹ in Lacs)
Sr. No.	Utility	Capacity	Quantity	Estimated cost*
1.	Transformer In KVA	1000	1	14.52
2.	Transformer In KVA	300	1	9.32
3.	Diesel Generator set with acoustic enclosure	500 KVA	3	161.10
4.	Boiler (IBR compliant)	3,000 kg/hr	2	38.04
5.	Chimney	500 diameter x 40 meter	1	6.34
6.	Hot water tank	6 kl	1	6.34
7.	Furnace oil tank- day	990 ltr	2	3.80
8.	Hot water system	5 m3/hr at 80 degrees centigrade	1	3.17
9.	Fire Hydrant system	1 Lot	700	26.63
10.	Cooling tower	300 Tonnage of refrigeration x 2 sets + Pumps	1	39.31
11.	Cooling tower	200 Tonnage of refrigeration x 2 sets+ Pumps	1	39.31
12.	Chilled water plant	Chilled water plant + 5 degrees centigrade 75 Tonnage of refrigeration x 2 sets	2	39.56
13.	Brine plant	Chilled Brine plant 50 Tonnage of refrigeration capacity,(-) 20 degrees centigrade x 2 sets	2	56.30
14.	Raw water pump	40 M3/ hr. 50 m head	6	9.13
16.	Demineralised water tank	10 m ³	3	63.72
17.	Demineralised water pump and open loop	320	3	141.36
18.	Softening plant	10m ³ /hr, 100m ³ Output between regeneration	2	13.95
19.	Air compressor	100cfm at 7.0 kg/cm ²	2	22.82
20.	Nitrogen Plant	100 Nm ³ /hr	1	39.94
21.	HVAC	Fresh air supply/ exhaust system	7	266.28
22.	Effluent Treatment Plant	100m ³ /day + 60m ³ /day	1 lot	284.91
23.	High Pressure Water System		1	3.80
TOTAL				1,250.34

Notes: Our Company does not intend to purchase any second hand machinery

* Cost includes taxes, packing and forwarding and freight charges

Preoperative cost

The Pre-operative expenses of setting up the proposed facilities are estimated to be ₹ 396.58 Lacs, as per estimates of our management. Pre-operative expenses include legal and professional charges, consultancy charges, initial charge of utilities (brine, lubricant oil, and fuel oil), statutory payments etc.

Contingencies

Provision of ₹ 556.07 Lacs has been made for expenses towards contingencies, which is estimated as being at approximately 7% of the project cost to meet price fluctuations, design alterations etc.

Status

Our Company has prepared a rough layout for the proposed facility and is prepared to commence activity relating to civil work or procurement and installation of plant and machinery as soon as the required licenses are received. We will need to obtain various approvals from the state electricity boards and pollution control boards, Factory Inspectorate *inter alia* for the aforesaid unit. Our Company will appoint architect(s), consultants and engineers *inter alia* for designing and supervising the construction of the plants.

Schedule of Implementation

This project has not been appraised by any external agency. We propose to commence detailed engineering by February 2013. The schedule of implementation based on the civil work commencing in March 2013, (subject to receipt of Net Proceeds) is as stated below:

Sr. No.	Activity	Commencement	Completion
1.	Finalization of detailed engineering	February –2013	March – 2013
2.	Civil works	March –2013	December -2013
3.	Placement of orders for plant and machinery	March –2013	June –2013
4.	Delivery of plant and machinery	June – 2013	November – 2013
5.	Installation of Plant and Machinery	July – 2013	February – 2014
6.	Trial Runs	February – 2014	March –2014
7.	Commencement of production	April – 2014	

2. Repayment/Pre-payment of identified loan facilities:

Our Company has entered into various financing arrangements with banks, financial institutions and other lenders. Our Company intends to utilise ₹ 9,034 Lacs from the Net Proceeds for the repayment of the following facilities availed in order to reduce the interest burden on our Company.

(₹ in Lacs)									
Lender	Date of sanction	Amount sanctioned	Rate of Interest	Repayment schedule	Prepayment penalty	Principal outstanding as on March 31, 2012	Repayment schedule till March 31, 2013	Principal outstanding by March 31, 2013	Proposed Principal Repayment
Bank of India	December 19, 2007	1,000	16% p.a.	₹ 69 Lacs. Quarterly from April 2012	Nil	600.00	April 17, 2012, July 17, 2012, Oct 17, 2012, Jan 17, 2013	325	325
State Bank of Hyderabad	March 06, 2010	2,000	15.50% p.a.	37 monthly instalments of ₹ 54 Lacs and final instalment of ₹ 56 Lacs with a moratorium of 12 months from the date of first disbursement	As per applicable rate	1,400.00	April 30, 2012 - March 30, 2013	759	759

nt									
State Bank of Mysore	September 03, 2010	3,000	15.25% p.a.	*3quarterly installment of ₹75 Lacs each from September 2012	1.25% of Pre paid amount	3,000.00	Sept 30, 2012, December 31, 2012 March 31, 2013	2,775	2,775
State Bank of Patiala	July 09, 2010	3,000	15.25% p.a.	*3quarterly installment of ₹75 Lacs each from September 2012	2% of Pre paid amount	3,000.00	Sept 30, 2012, December 31, 2012, March 31, 2013	2,775	2,775
State Bank of Bikaner & Jaipur	May 18, 2012	2,000	15.00% p.a.	20 quarterly unequal instalments on step up basis from June 2013	As per applicable rate	NIL	June 30, 2013, September 30, 2013, December 31, 2013, March 31, 2014	2,000	1,200
Export Import Bank of India - N (TL)	November 15, 2011	2,500	EXIM Bank Long Term Minimum Lending Rate (LTMLR) Plus 250 basis points p.a. LTMLR is presently at 10.30% p.a. i.e. 12.80% p.a.	To be repaid in 20 equal quarterly instalments commencing after a moratorium of 3 months from the Scheduled Commercial Operation Date (COD). Tentative Schedule COD is December 2013. Exact repayment schedule will be advised at the time of last disbursements	1.00% p.a. on the outstanding principle amount	NIL	December 1, 2013.	2,500	1,200
Total						9,800.00		11,134.00	9,034.00

* For full details of remaining instalments, please refer to pages 270 and 271 of this DRHP.

The loans proposed to be repaid out of the Net Proceeds were used for the purpose for which they were originally availed. Pre-payment penalties will be negotiated with bankers and amount payable, if any, will be arranged from internal accruals.

The above mentioned details of the loans have been certified by Mr. Jatin V. Shah, Chartered Accountant *vide* certificate dated September 17, 2012.

In case of delay in receipt of the Net Proceeds, we would meet our debt obligations from internal accruals and / or fresh debts and the Net Proceeds will be utilized to repay such fresh debts or recoup internal accruals. Details of such further loans would be updated in the Red Herring Prospectus of our Company. For further details of the terms and conditions of the said financing arrangements, see the chapter titled “*Financial Indebtedness*” beginning on page 269 of this Draft Red Herring Prospectus. Our Company will approach the banks/ financial institutions/ lenders after the completion of this Issue for prepayment of aforesaid high-cost loans.

3. General Corporate Purposes

We propose to deploy the balance Net Proceeds aggregating to ₹ [●] Lacs towards general corporate purposes, in accordance with the policies of our Board of Directors, which will provide flexibility in applying the Net Proceeds for general corporate purposes including but not restricted to offsetting secured loan borrowings, strategic initiatives; expanding into new geographies; meeting exigencies which our Company may face in the ordinary course of business or any other purposes as may be approved by our Board.

4. Issue Expenses

The total estimated expenses are ₹ [●] Lacs which is [●]% of the Issue size. The details of the expenses are as given below:

(₹ in Lacs)			
Activity	Amount *	% of Issue Expenses*	% of Total Issue Size*
Issue Management Fees, Brokerage and Selling Commission	[●]	[●]	[●]
Fees payable to Registrar to this Issue	[●]	[●]	[●]
Commission payable to SCSBs	[●]	[●]	[●]
Fee payable to Grading Agency for grading this Issue	[●]	[●]	[●]
Printing and Distribution of Issue Stationery	[●]	[●]	[●]
Advertising and Marketing expenses	[●]	[●]	[●]
Other expenses (stamp duty, initial listing fees, depository fees, charges for using the book building software of the exchanges and other related expenses)	[●]	[●]	[●]
Total	[●]	[●]	[●]

* will be incorporated after finalisation of Issue Price

Interim Use of Funds

Our management, in accordance with the policies established by our Board, will have flexibility in deploying the Net Proceeds. Pending utilisation for the purposes described above, we intend to temporarily invest/ deposit the funds in interest/dividend bearing liquid instruments including making investments in mutual funds, for the necessary duration. Such investments would be in accordance with the investment policies approved by our Board of Directors from time to time. Our Company confirms that pending utilisation of the Net Proceeds, our Company shall not use the funds for any direct investment in the equity markets.

Monitoring of Utilisation of Funds

As this is an Issue for less than ₹ 50,000 Lacs, there is no requirement for the appointment of a monitoring agency.

We will disclose the details of the utilisation of the Net Proceeds, including interim use, under a separate head in our financial information specifying the purpose for which such proceeds have been utilised or otherwise disclosed, as per disclosure requirements of our Listing Agreements with the Stock Exchanges. As per the requirements of Clause 49 of the Listing Agreement, we will disclose to the Audit Committee and the Initial Public Offering Committee the uses/applications of funds on a quarterly basis as part of our quarterly declaration of results. Further, on an annual basis, we shall prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee. The said disclosure shall be made till such time that the full proceeds raised through this Issue have been fully spent. The statement shall be certified by our Statutory Auditor. Further, in terms of Clause 43A of the Listing Agreement, we will furnish to the Stock Exchanges on a quarterly basis, a statement indicating material deviations, if any, in the use of proceeds from the Objects stated in the Red

Herring Prospectus. Further, this information shall be furnished to the Stock Exchanges along with the interim or annual financial results submitted under Clause 41 of the Listing Agreement and be published in the newspapers simultaneously with the interim or annual financial results, after placing it before the Audit Committee in terms of Clause 49.

No part of the proceeds of this Issue will be paid by us as consideration to our Promoters, Directors, Key Managerial Personnel, associate or Group Entities.

Bridge Financing Facilities

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

Year-wise proposed utilisation of funds

<i>(₹ in Lacs)</i>					
Sr. No.	Activity	As on August 31, 2012	Year ending on March 31, 2013	Year ending on March 31, 2014	Total
1	Setting up of a new cGMP compliant facility for Intermediates.	Nil	2,500.00	6,000.00	8,500.00
2	Repayment/Pre-payment of Identified Loan Facilities	Nil	9,034.00	Nil	9,034.00
3	General Corporate purposes *	Nil	[•]	[•]	[•]
4	Issue Expenses*	187	[•]	[•]	[•]
Total		187	[•]	[•]	[•]

* will be incorporated after finalisation of Issue Price

Fund deployment

We have already incurred ₹ 186.69 Lacs towards issue related expenses till September 17, 2012, as certified by Mr. Jatin V. Shah, Chartered Accountant *vide* his certificate dated September 17, 2012. These funds have been deployed from our internal accruals

BASIS FOR ISSUE PRICE

Investors should read the following summary along with the Sections titled “Risk Factors”, “Introduction” and “Financial Information” beginning on pages, 11, 32 and 201 respectively of this Draft Red Herring Prospectus. The trading price of Equity Shares of our Company could decline due to these risks and you may lose all or part of your investments.

The Issue Price will be determined by our Company in consultation with the BRLMs on the basis of assessment of market demand for Equity Shares offered by way of the Book Building Process and on the basis of the following qualitative and quantitative factors. The face value of Equity Shares is ₹10 per Equity Share and the Issue Price is [●] times the face value of the Equity Shares at the lower end of the Price Band and [●] times the face value of the Equity Shares at the higher end of the Price Band.

QUALITATIVE FACTORS

Following are some of the qualitative factors, which form the basis for computing the Issue Price of our Equity Shares in this Issue:

Focus on Research & Development

Our Company believes that it has extensive Research & Development (‘R&D’) experience and strong product identification and development capabilities including developing non-infringing processes, filing process patents, process improvements and driving cost efficiencies. As on August 31, 2012, our Company has a dedicated team of 103 Research & Development personnel continuously engaged in developing new products and processes. As a result of this, our Company has been able to achieve breakthroughs in the process chemistry of various products like Losartan Potassium, Artemether, Lumefantrine, Arsetunate, Venlafaxine, Erythromycin based products etc.

Strong R&D Setup

R&D activities have been a key to our business model and strategy. Our Company has a team of 20 Scientists and 83 Chemists / RA / SRIC staff with relevant experience and high academic qualifications such as Ph.D, Post Doctorate and MSc. This team continuously works on various molecules, developing non-infringing processes, filing process patents, process improvements and effecting cost efficiencies. The R&D team includes a separate Technology Transfer team as well which is specifically responsible for “Scale up” operations. Our Company has a DSIR recognized 2,325 square meters unit at Dombivli which houses 4 R&D synthesis laboratories, along with a complete Analytical set-up including Nuclear Magnetic Resonance (“NMR”) lab, Organic Synthetic labs etc.

In-house USFDA Inspected Manufacturing Capabilities

Our Company has 2 manufacturing facilities in India; 1 at Tarapur and other at Dombivli (both located on the outskirts of Mumbai, Maharashtra). Further, our Company is one of the few “pure API” companies in India that has USFDA inspected facilities. USFDA has inspected our unit at Tarapur for API and our unit at Dombivli for Intermediate and has found it to be acceptable and compliant with the current good manufacturing practices. We believe that our manufacturing facilities and the process efficiencies in these 2 plants enables us to lower overall production costs, improve process efficiencies and establish presence in the developed countries including US, Europe and Japan. These manufacturing facilities have been built in accordance with the WHO GMP guidelines. We believe that owning a manufacturing facility with USFDA inspection is one of the major influencers for the innovator companies in US to source their requirements from our Company.

Wide Product Range

Our Company has a large product portfolio across therapeutic segments including fast growing lifestyle segments such as Anti-Hypertensive and Anti-Depressants. This is coupled with a global scale in products like Pyrazinamide,

Erythromycin and Zopiclone. As of August 31, 2012, our Company markets approximately 70 API and Intermediate products in approximately 39 Countries. As of August 31, 2012, our Company has 14 DMFs filed with the USFDA.

Production Scale up Capabilities

Our Company has capabilities to scale up manufacturing from gram scale to ton scale as

- Gram quantities of compounds for optimization
- Kilo scale quantities for clinical trials
- Ton scale for product launch at maturity
- Technical expertise in process development and scale-up

Quality Certifications

Our Company has been awarded Quality Certifications from USFDA and we have filed 14 DMFs for various products, WHO Geneva approval for Pyrazinamide in July 2006, WHO approval for Lumefantrine, Artemether, Isoniazid. Certificate of Suitability for Pyrazinamide, Isoniazid and Zopiclone. Silver award for quality excellence from Indian Drugs and Manufacturers Association in January 2008. Korean FDA approval for Pyrazinamide in September 2009, State level Safety award by National Safety Council, Maharashtra Chapter for maintaining lowest accident frequency rate in September 2008, September 2009 September 2010, September 2011 and September 2012. ISO 9001:2008 (Quality Management System) valid till September 25, 2015, ISO 14001:2004 (Environment Management System) valid till July 24, 2013.

QUANTITATIVE FACTORS

Information pertaining to Calyx as is presented in this section is derived from the restated financial statements (**Standalone**) as disclosed in this offer document

1. Diluted Earnings Per Share (on ₹ 10 per share)

Year Ended	EPS (₹)	Weight
March 31, 2010	16.17	1
March 31, 2011	19.55	2
March 31, 2012	26.41	3
Weighted Average EPS	22.42	

2. Price / Earning (P / E) Ratio

On the lower end of the price band (₹[•] per Equity Share)

P / E based on the Pre-Issue weighted average EPS (as computed in 1) of ₹ 22.42	[•]
P / E based on Pre-Issue EPS of Fiscal 2011-12 of ₹ 26.41	[•]

On the higher end of the price band (₹[•] per Equity Share)

P / E based on the Pre-Issue weighted average EPS (as computed in 1) of ₹ 22.42	[•]
P / E based on Pre-Issue EPS of Fiscal 2011-12 of ₹ 26.41	[•]

3. Return on Net Worth (RONW)

Year Ended	RONW (%)	Weight
March 31, 2010	24.38	1
March 31, 2011	22.95	2
March 31, 2012	24.18	3
Weighted Average RONW (%)	23.81	

4. Minimum Return on Increased Net Worth required to maintain Pre-Issue EPS of ₹ 26.41: [•]

5. Net Asset Value (NAV) per share

Pre-Issue as on March 31, 2012 (₹)	109.18
Post Issue (₹)	[•]
Issue Price (₹)	[•]

6. Industry Average P / E

	Name of the Company	P / E Multiple
Highest	Jubilant Life Sciences Limited	117.8
Lowest	Parabolic Drugs Limited	3.2

Industry Composite **22.8**

Source: Capital Market Magazine Volume XXVII/15; September 17-30, 2012 Segment – Pharmaceuticals – Indian – Bulk Drugs

7. Comparison with Peer Group

Name of the Company	Face Value (Per Equity Share ₹)	RONW %	Book Value (₹)	EPS for the year ended March 31, 2012 (₹)		P / E Multiple based on Price as on September 21, 2012 ⁽⁴⁾
				Basic	Diluted	
Calyx Chemicals and Pharmaceuticals Ltd ⁽¹⁾	10	23.93	110.36	26.41	26.41	[•]
Peer Group						
Dishman Pharmaceuticals & Chemicals Limited ⁽³⁾	2	6.64	83.69	5.56	5.56	17.90
Divis Laboratories Limited ⁽³⁾	2	25.10	163.83	41.15	41.15	26.07
Hikal Limited ⁽³⁾	10	11.76	279.70	32.90	32.90	11.55
Jubilant Life Sciences Limited ⁽³⁾ (Erstwhile Jubilant Organosys Limited)	1	(4.07)	124.91	(5.08)	(5.08)	Not meaningful
Shasun Chemicals & Drugs Limited ⁽³⁾	2	20.43	47.09	10.92	10.76	14.87
Shilpa Medicare Limited ⁽²⁾	2	22.06	96.18	22.08	21.84	12.72
Suven Life Sciences Limited ⁽³⁾	1	11.26	10.93	1.23	1.23	18.86

1. Based on Restated Standalone Financial Statements for the year ended as on March 31, 2012

2. Source: As per Annual Report 2010-11 (Standalone Figures)

3. Source: As per Audited Accounts for 2011- 12 (Standalone Figures)

4. Market Price: www.bseindia.com (closing Price as on September 21, 2012) and Diluted EPS is taken into consideration for calculation of P / E.

5. Computation of RONW as per the formulae shown below

Computation of Return on Net worth (RONW %) and Book Value based on following:

$$1. \text{ RONW \%} = \frac{\text{Net Profit after tax}}{\text{Networth}} \times 100$$

$$2. \text{ Book Value} = \frac{\text{Networth}}{\text{No. of Equity Shares}}$$

NETWORTH = Equity Share Capital + Reserves and Surplus excluding revaluation reserve, if any – Miscellaneous Expenditure

8. The face value of Equity Shares of Calyx Chemicals and Pharmaceuticals Limited is ₹ 10 and the Issue Price is [•] times of the Face Value.

The Issue Price of ₹ [•] has been determined by us in consultation with the BRLMs, on the basis of assessment of market demand from investors through the Book Building Process and is justified based on the above factors. The face value of Equity Shares is ₹ 10 each. 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.

On the basis of the above parameters the Issue Price of ₹ [•] per share is justified.

STATEMENT OF TAX BENEFITS

To,
The Board of Directors
Calyx Chemicals & Pharmaceuticals Limited,
Unit No.110, Marwah's Complex,
Krishanlal Marwah Marg,
off Saki Vihar Road, Andheri (E),
Mumbai – 400 072

I Jatin Shah, Statutory Auditor of the Company hereby report that the enclosed annexure states the possible tax benefits available to Calyx Chemicals And Pharmaceuticals Limited (the “Company”) and its shareholders. Under the current tax laws in India, I hereby certify that under the current tax laws, the following tax benefits inter-alia, will be available to the Company and the members of the Company. However a member is advised to consider in his/her/its own case the tax implications of an investment in the Equity Shares, particularly in view of the fact that certain recently enacted legislation may not have direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

As per the existing provisions of the Income Tax Act 1961 and other laws as applicable for the time being in force, the tax benefits and deductions as mentioned in the annexure are and will, inter-alia be available to Calyx Chemicals And Pharmaceuticals Limited and its shareholders.

I have no objection if the attached annexure i.e. Tax Benefits Available to Calyx Chemicals And Pharmaceuticals Limited and its shareholders is incorporated in the Draft Red Herring Prospectus to be submitted to the concerned authorities.

Jatin V. Shah
Chartered Accountant
Membership No. 103858
Peer Review Certificate No. 005166 dated 10th February 2011
Place: Mumbai
Date: 17th September, 2012

Statement of Special Tax Benefits

I believe that there are no special tax benefits available to the Company and its shareholders

Statement of General Tax benefits:**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.

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 18.5% (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 other than ships & aircrafts 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 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 Tax Treaty would prevail over the provisions of the Income Tax Act 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.

(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 VI

ABOUT US

INDUSTRY OVERVIEW

The information in this section is derived from various government publications and other industry sources. Neither we, nor any other person connected with this Issue has verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information.

Overview

The Pharmaceuticals industry is one of the most intense “Knowledge Driven” industries, which is continuously in a state of dynamic transition. Defined as a complex matrix of processes, operations and organizations involved in the discovery, development and manufacture of drugs and medications, the pharmaceutical industry is a life line industry, which plays a very crucial role in building a strong human capital of a country, and is very essential for economic growth and development.

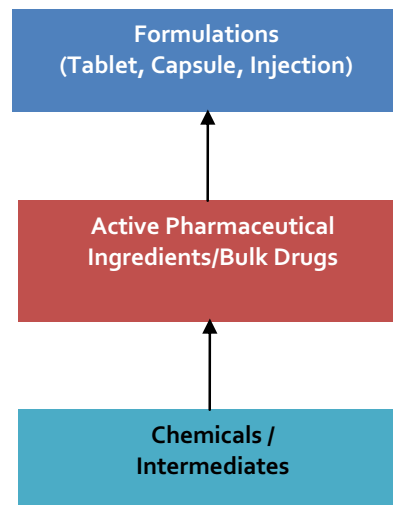
Pharmaceutical Industry – The Basics

The pharmaceutical value chain can be widely broken down into Intermediates, APIs/Bulk Drugs and Formulations.

Active Pharmaceutical Ingredient (API) or Bulk Drug substance means any substance that is represented for use in a drug and that, when used in the manufacturing, processing, or packaging of a drug, becomes an active ingredient of the drug e.g. Paracetamol in ‘Crocin’, Erythromycin in ‘Althrocin’, Ibuprofen in ‘Combiflam’.

The starting material for an API is a raw material called “Intermediate”. Intermediate is a chemical substance that is produced during API processing that undergoes further molecular change or purification before it becomes the API.

Pharmaceutical Value Chain



Pharmaceutical Formulations are finished dosage forms such as tablets, capsules, injections and inhalants etc, which are directly consumed by patients. These formulations are prepared by combining an API with suitable inactive ingredients, called excipients.

Industry Structure

The pharmaceutical industry is a complex matrix of various organizations specializing in different sections of the Pharmaceutical Value Chain, namely Intermediates or APIs or Formulations. There are companies that undertake a mix of all these activities and are typically known as “integrated” pharmaceutical companies.

Formulation companies can be classified into 2 broad types:

a) “Innovators” – involved in drug discovery, development, manufacturing and marketing of branded (patented) drugs usually found in developed countries like US and Europe, and

b) Generic Companies – involved in manufacturing and marketing of off-patent drugs (branded as well as unbranded);

Then there are pure play R&D companies engaged only in drug discovery and development.

The “outsourcing” phenomenon has given rise to a host of companies that undertake R&D and manufacturing services on a contract basis. These are typically known as CRAMS (Contract Research and Manufacturing Services) companies.

Market Structure

The global pharmaceuticals market can be classified into 2 categories: a) regulated and b) unregulated/semi-regulated. The regulated markets such as US, UK are markets with more stringent quality and manufacturing controls, environmental protection, taxation and labor laws, developed marketing channels and relatively more sophisticated regulatory systems and patent laws. As a result, regulated markets have greater stability for both volumes and prices of a drug. On the other hand, unregulated/semi-regulated markets have lower entry barriers in terms of manufacturing, regulatory, quality and safety requirements; hence they are highly competitive, with industry players primarily competing on the basis of price.

Patented Drugs and Generic Equivalents

When a pharmaceutical company develops a new medication typically known as a “New Chemical Entity (NCE)”, it obtains a patent for it. The company then has exclusive rights to market the medicine under its own Brand for the licensed uses for a certain period of time, usually about 15 to 20 years. This enables the pharmaceutical company, the “Innovator”, to recoup the R&D costs of the NCE before other drug companies are allowed to produce and market it.

When the patent of an NCE expires, other drug companies are allowed to produce and sell the “generic version” of the drug under their own brand. The generic version of a drug must use the same API(s) as the branded drug and it must meet the same efficacy, quality and safety standards.

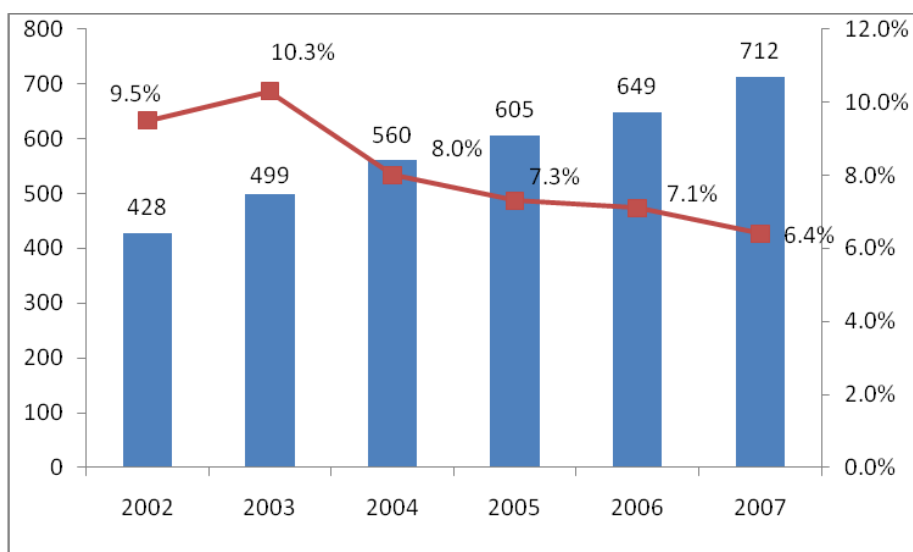
Prescription Drugs and OTC Drugs

Prescription drugs are medicines that can be sold only against a prescription from a doctor, while Over-the-counter (OTC) drugs are medicines that may be sold directly to a consumer without any prescription.

The Global Pharmaceutical Market

Global Pharmaceutical Market was reported at US\$712 billion in 2007 with a compounded annual growth rate (CAGR) of 10.7% between 2002 and 2007. Year-on-year the global pharmaceutical market grew by 6.4% in 2007, largely as a result of strong demand for generic products and high growth in emerging pharmaceutical markets such as India and China (*Source: Report of the Task Force, Ministry of Commerce and Industry, December 12, 2008*)

Global Pharmaceutical Sales, 2002 – 2007 (US\$ billions)

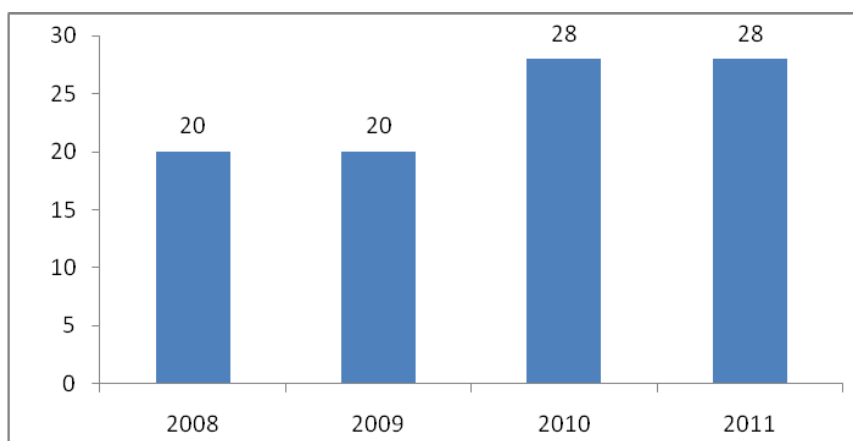


Source: Report of the Task Force, Ministry of Commerce and Industry, December 12, 2008

Emerging pharmaceutical markets, namely Russia, India, Mexico, Brazil China and Australia accounted for nearly 13% (US\$85-90 billion) of the global market in 2007. These markets outperformed developed markets in terms of growth with a CAGR (2003-2007) of 12-13% whereas CAGR for developed economies stayed around 6-8% for the same period, on the back of increasing health awareness, changing life style and increasing number of elderly population (Source: Report of the Task Force, Ministry of Commerce and Industry, December 12, 2008).

Going forward, while the growth in emerging markets is expected to remain around 11-14%, growth in developed markets like the North America, Europe is expected to slow down to -1-2% and 2-5% respectively over next 5 years, owing to patent expiration of key drugs, which may not be offset by the current weak pipeline of novel molecules (Source: Report of the Task Force, Ministry of Commerce and Industry, December 12, 2008).

Sales at risk due to the patent expiration (US\$ billions)



(Source: Report of the Task Force, Ministry of Commerce and Industry, December 12, 2008)

Further, increased prevalence of generics in regulated markets on the back of several governments' extensive efforts to promote generics due to escalating healthcare costs, will put additional pricing pressures on companies operating in these regions.

Global API/Bulk Drugs Market

The role of API / bulk drug manufacturers in the pharmaceutical supply chain has been changing over the years and is expected to continue to evolve in the coming years. Key developments such as several blockbusters losing patent protection in the coming years, growing pricing pressures and rising cost-containment efforts is expected to increase the importance of API / bulk drug producers in the pharmaceutical supply chain. The growth in the global API/Bulk Drugs market can be attributed mainly to growth in the generic formulations industry.

Further, the importance of quality in the API/bulk drug industry is growing. The World Health Organization (WHO) has recommended good manufacturing practices for the manufacture of API/bulk drugs. Major markets such as USA, EU and Japan, which are highly-regulated, have extremely stringent regulatory approval processes in place.

Global CRAMS industry

The global pharmaceutical industry is undergoing a major change in terms of increasing focus on generic products, consolidation and in-licensing/out-licensing deals. Global pharmaceutical companies are under immense pressure due to declining R&D productivity, increased generic competition, blockbuster drugs going off-patent, rising drug development costs and fewer drug discoveries. Hence, in order to rationalize their cost structure and protect their margins, many global pharmaceutical companies have started outsourcing some of their research and manufacturing activities to emerging markets such as India, China, etc. This has led to the emergence of the “Contract Research and Manufacturing Services” or “CRAMS” Industry.

This model has helped the global pharmaceutical companies to reduce cost, improve productivity, focus on commercialization and develop more cost effective business models.

Following points may be construed as drivers for emergence of CRAMS:

- Cost-cutting initiatives by global pharmaceutical companies
- The increase in the number of drugs going off patent has put pressure on global pharmaceutical companies to bring new innovative products to the market
- Increasing generics penetration
- Pressure on governments worldwide to reduce healthcare costs
- Declining rate of approval of new drugs
- Time to get a new drug to the market is increasing

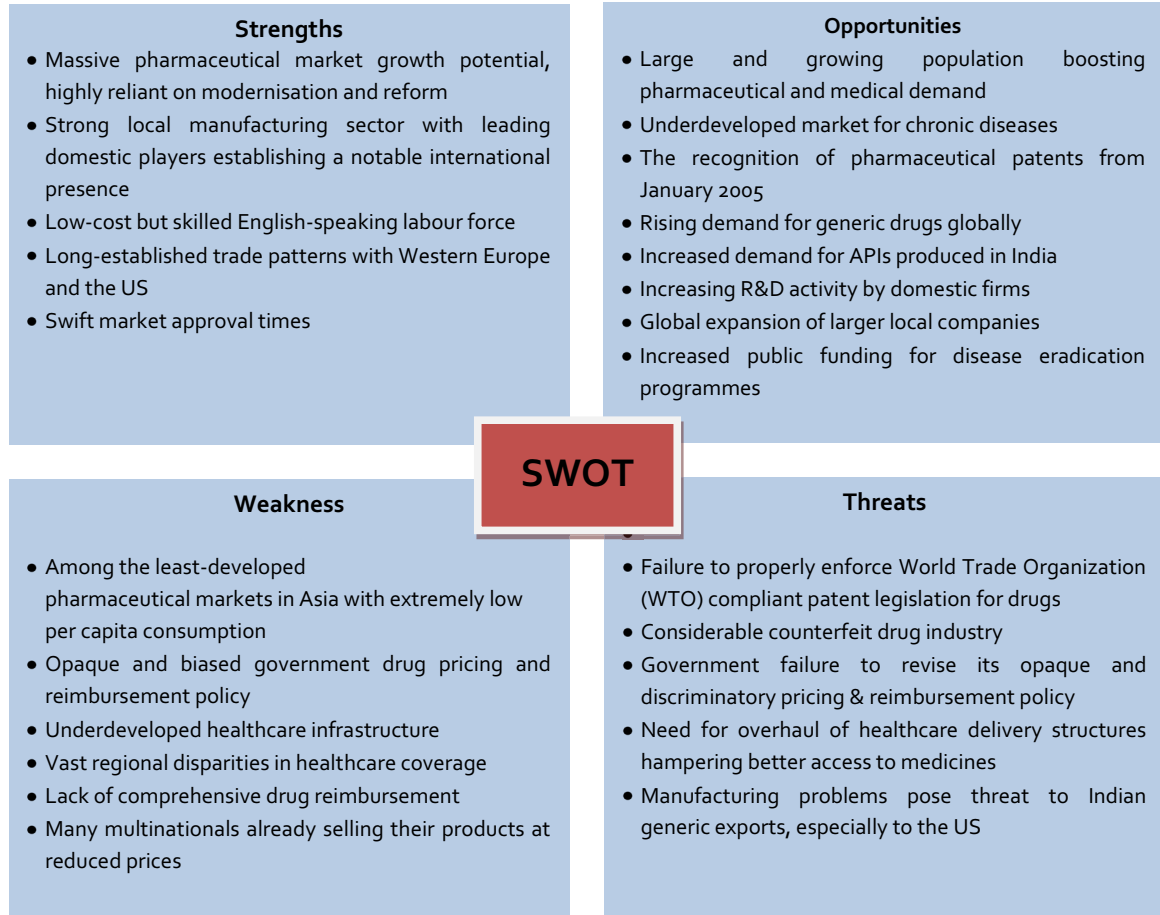
The Pharmaceutical Industry in India

India, the world’s second largest populous country and one of the fastest growing economies, is gaining global importance in the pharmaceutical industry. Currently, India accounts for 8% of global pharmaceutical production, making it the world’s fourth-largest pharmaceutical producer.

In the last few years the Indian pharmaceutical industry has achieved significant momentum, making its presence felt in the global market primarily through its focus on global generics markets and outsourcing activities such as drug development, API manufacturing etc.

Indian Pharmaceutical Industry SWOT Analysis

(Source: Report of the Task Force, Ministry of Commerce and Industry, December 12, 2008)



Domestic Formulations

Growth in the domestic pharmaceuticals market has been markedly due to increased healthcare expenditure, rising disposable incomes, growing health insurance penetration, changing disease profiles and regulatory reforms.

Indian API/Bulk Drug Industry

India's overall pharmaceutical demand encompasses a significant portion for export of bulk drugs, which is in contrast to many developed countries, where APIs/Bulk Drugs are mainly manufactured for internal consumption, that is, for the manufacture of formulations.

While traditionally India has exported bulk drugs mostly to the semi-regulated markets, the phenomenal growth in the past few years has been due to increasing demand for generics along with bulk drugs outsourcing by global pharmaceutical companies, as they witness narrowing down of research pipelines and growing pricing pressures.

The bulk drugs industry in India is largely export-oriented with exports accounting for around 80-90% of the total bulk drugs production amounting to USD 7.6 billion in 2009-10. The export of bulk drugs has grown remarkably in the past, registering a CAGR of around 32% between 2004-05 and 2009-10, largely supported by the changing trend of higher exports to the regulated markets and stable growth in the semi-regulated markets.

Indian CRAMS industry

Contract Manufacturing

The Indian API manufacturers are also entering into key contract manufacturing and research alliances with global pharmaceutical companies. India has become an attractive destination for API development & manufacturing due to low development costs, complex synthesis capabilities and growing experience in Good Manufacturing Practices (GMP) compliance. Global pharmaceutical companies have moved from outsourcing non-core functions to routinely outsourcing a number of core functions such as drug discovery and development, research chemistry.

Contract manufacturing normally occurs at the following stages.

- Supply of Active Pharmaceutical Ingredients /intermediates in the drug development process during the clinical trial phase
- Commercial supply of Active Pharmaceutical Ingredients, post drug development and during commercialization phase of the drug
- Supply of intermediates for manufacturing Active Pharmaceutical Ingredients both for pharmaceutical and agro-chemical sector
- Supply of finished dosage forms or formulations mainly in the generic segment

Also operationally, contract manufacturing broadly functions in the following 2 ways:

- Supplier of Active Pharmaceutical Ingredients raises the required infrastructure, equipment, development of the processes, manufacturing of supplies and supplying to the customer
- Customer in the regulated market provides the requisite funds for developing equipment, processes etc and manufacture and supply API as per the required specifications.

As per industry sources, contract manufacturing in bulk drugs constitute around 10-15% of the total bulk drug exports. Contract manufacturing also includes custom synthesis which is supply/provision of API as per customer specifications for use in the drug development stage.

India's cost efficiency is driven mainly with its low cost advantage, strong chemistry and reverse engineering capabilities, improving infrastructure, compliance with GMP and strong incentives from the government.

Factors Contributing to growth of CRAMS industry

Manufacturing costs: The Indian market is highly fragmented with almost 8,000 manufacturers. This high competition has driven Indian companies to relentlessly drive their costs down over the life cycle of a product.

Strong re-engineering capabilities

Along with cost efficiency, India also offers large pool of skilled manpower and technical capabilities. India has about 700,000 scientists and engineers, including 122,000 chemists and chemical engineers with 1,500 PhDs graduating every year, giving companies an abundant pool from which to choose from (*Source: Report of the Task Force, Ministry of Commerce and Industry, December 12, 2008*). Not only is this large pool of professionals, qualified, but they also speak English. English is widely used in higher education, business and medicine-making. India is the second-largest English-speaking country in the world after the US.

Highest Regulatory filings

India has the highest number of US FDA approved plants outside the US. India has the around 119 USFDA plants. Many of these plants also have approvals from countries such as Canada, Australia, Germany and South Africa. These approved sites aptly demonstrate the ability of Indian companies to deliver quality products worldwide and act as a platform for CRAMS players (*Source: Report of the Task Force, Ministry of Commerce and Industry, December 12, 2008*).

Contract Research

India's Contract research market is estimated at US\$ 485 mn in 2008 and is expected to reach US\$ 1.0 billion by 2010. India's R&D legacy has been focused on the development of generics for western markets, which involved developing non-infringing process and cost-effective routes. It has been able to leverage this capability in research chemistry, especially in the areas of medicinal chemistry, analytical chemistry and compound synthesis (*Source: Report of the Task Force, Ministry of Commerce & Industry, December 12, 2008*).

India has developed strong process chemistry capabilities ranging across a wide range of reaction types spanning old technology-based chemistry, complex and hazardous chemistry and high-end reactions, along with process development and scale up capabilities for clinical APIs.

BUSINESS OVERVIEW

The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Red Herring Prospectus, including the information contained in the chapter titled “Risk Factors”, beginning on page 11 of this Draft Red Herring Prospectus. In this section a reference to “Company” means Calyx Chemicals and Pharmaceuticals Limited.

Our Company is a manufacturer of Active Pharmaceutical Ingredients and Intermediates in India with strong presence in the manufacture of macrolides, anti - tuberculosis and anti -malaria and increasing focus on CRAMS to transnational pharmaceutical companies.

Our Company has, over the years, moved from a single product (Anti TB – Pyrazinamide) to a multi-product portfolio comprising Anti-TB, Macrolides, Anti-Depressants, Anti-Hypertensives and Anti-Malarial (the “**Products business**”).

Our Company has also spent a substantial part of its efforts in the last 5-6 years in creating a strong base for the CRAMS business:

- Our Company serves markets in 39 countries around the globe and has a team of 26 sales representatives and agents as on August 31, 2012.
- Our Company has signed over 100 Confidentiality Agreements (“**CDA**”s) with various trans-national pharmaceutical companies as on August 31, 2012.

These developments have enabled our Company to make inroads into the high growth, high margin CRAMS business apart from its established Products business.

Our Company is managed by a team of experienced and professional personnel with exposure in various aspects of pharmaceutical industry including production, research and development, marketing and finance. Our Company, as on August 31, 2012, has 484 permanent employees, out of which 180 have post-graduate qualifications (including 20 doctorate holders).

Mr. Smitesh Chandravadan Shah, Chairman and Managing Director, is a commerce graduate and has been closely associated with the pharmaceutical industry for over 30 years. He was the chairman of Pharmexcil.

Dr. Bansi Lal, President and Head of Department, R&D has more than 37 years of experience in new drug discovery. He has published 56 papers (national and international journals) and has 84 patents to his credit in India and abroad as on August 31, 2012.

For further details of our Board of Directors and management team, please refer to the chapter titled “*Our Management*” beginning on page 170 of this Draft Red Herring Prospectus.

Our Company has 2 manufacturing facilities, both located in Maharashtra, India. USFDA has inspected our unit at Tarapur for API and our unit at Dombivli for Intermediate and has found it to be acceptable and compliant with the current good manufacturing practices *vide* their letters dated March 08, 2012. . Our R&D centre located in Dombivli, Maharashtra is approved by the Department of Scientific and Industrial Research, India (“**DSIR**”).

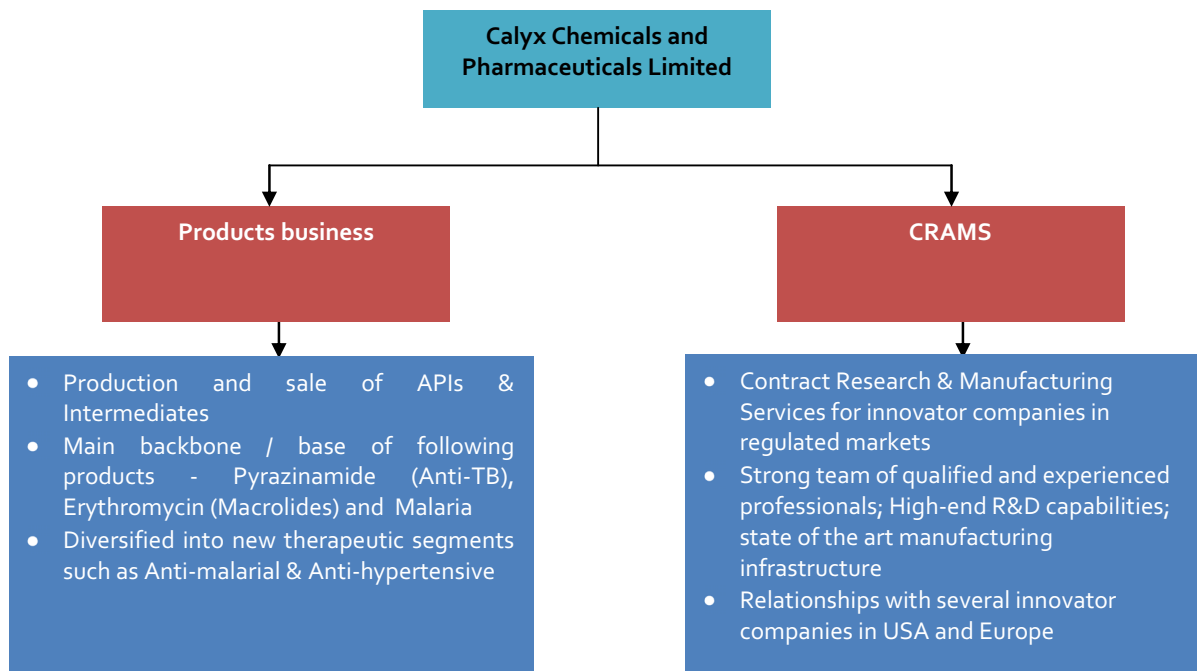
As on August 31, 2012, our Company has approximately 70 APIs and Intermediates in its product portfolio and has 14 Drug Master Files (“**DMFs**”) filed with the USFDA.

Our Company’s Revenue from Operations on standalone basis was about ₹ 58,918.61 Lacs and ₹ 41,717.74 Lacs for Fiscal 2012 and Fiscal 2011 respectively. In Fiscal 2012 and Fiscal 2011, Revenue from APIs and Intermediates contributed ₹ 45,585.48 Lacs and ₹ 33,683.78 Lacs respectively, i.e. 77.37% and 80.74% of our Company’s Revenue from Operations on standalone basis respectively. Further, Revenues for Fiscals 2012 and 2011 from CRAMS contributed ₹ 12,416.76 Lacs and ₹ 6,868.36 Lacs respectively, i.e. 21.00% and 16.40% of our Company’s Revenue from Operations on standalone basis respectively.

Our Business Model

The business of our Company broadly comprises of the following segments:

- Products business
- Contract Research and Manufacturing Services (“CRAMS”)



Products business

Founded in 1986, our Company is engaged in the manufacture and supply of APIs and Advanced Intermediates, with continued focus on developing and applying new technologies for process development and improvement.

Our Company manufactures a wide range of products spread across various therapeutic areas and is one of the leading manufacturers and suppliers of Pyrazinamide, Erythromycin and Zopiclone in the world. Our Company is focussed on five product groups- anti-tuberculosis, macrolides, anti-depressants, anti-malarial and anti-hypertensive. Macrolides and anti-malarial are expected to be the key pillars of the Company's growth going forward. Our Company's manufacturing facilities are inspected by several leading regulatory agencies like USFDA and other regulatory authorities. We serve markets in about 39 countries and have approximately 70 products as on August 31, 2012, catering to the following therapeutic segments:

- **Anti-Tuberculosis:** Our Company is one of the largest producers of Pyrazinamide in the world with considerable market share globally. Pyrazinamide is a drug used to treat tuberculosis. In addition to Pyrazinamide, our Company also produces Isoniazid, used to prevent and treat tuberculosis. For both the products, our Company has received USFDA and WHO approval.
- **Macrolides:** Our Company manufactures the full range of Erythromycin and its salts, which are used to slow the growth of or kill bacteria in the human body. Our Company has received USFDA approval for Erythromycin base. We have also filed USDMF for Erythromycin Stearate and Erythromycin Estolate. Recently, the Company has developed and launched 2 new APIs – Azithromycin and Clarithromycin range of products. Azithromycin is one of the world's largest-selling anti-infectives and is derived from Erythromycin.

- **Anti-Depressant:** We manufacture and supply Zopiclone in both regulated markets and semi-regulated markets. Our Company is also involved in manufacturing of Venlafaxine. It has received USFDA approval for Zopiclone.
- **Anti-Malarial:** Our Company is working closely with Clinton Health Access Initiative. We are broadly present in 5 products – Lumefantrine, Artesunate, Artemether, Arteether and Dihydroartemisinin. In March 2012, two of our malaria API's namely Artemether and Lumefantrine received WHO Geneva approval under their prequalification program.
- **Anti-Hypertensive:** Our Company has a strong 'Sartan' based product portfolio; its top products include Losartan Potassium, Telmisartan, Valsartan and Irbesartan. Our Company has submitted a DMF to the USFDA, for its approval, in respect of Losartan Potassium.
- **Others:** Our Company is also engaged in the manufacture and supply of APIs for Anti-histaminic, Anti-osteoporotic, Anti-viral and Anti-epileptic range of drugs.

Strengths

Focus on R&D: Our Company believes it has extensive research and development experience and strong product identification & development capabilities, including developing non-infringing processes, filing process patents, process improvements and driving cost efficiencies. Our Company has a dedicated team of 103 research and development personnel as on August 31, 2012, continuously engaged in developing new products and processes. As a result of this, our Company has been able to achieve breakthroughs in the process chemistry of various products like Lumefantrine, Artemether, Erythromycin based products etc.

Customer Base: Over a period of time, our Company has developed relationships with over 286 customers including several leading Indian as well as MNC pharmaceutical companies, in about 39 countries.

Manufacturing Facilities: Our Company has 2 manufacturing facilities, at Tarapur and Dombivli (both located on the outskirts of Mumbai). Our Tarapur facility has been inspected by the USFDA. Our Company believes that its manufacturing facilities and the process efficiencies in these facilities enable it to lower overall production costs, improve process efficiencies and establish presence in the developed countries including US, Europe and Japan. Our Company's manufacturing facilities have been built in accordance with the WHO's GMP guidelines.

Product Range: Our Company has a strong product portfolio of APIs and Intermediates across therapeutic segments including fast growing lifestyle segments such as anti- hypertensive and anti- depressant. This is coupled with a global scale in products like Pyrazinamide, Erythromycin and Zopiclone. As on August 31, 2012, our Company markets approximately 70 API and Intermediate products in about 39 countries. The Company believes that it has the necessary resources, experience and network to launch additional API and Intermediate products in these countries in the future. Over the last few years, our Company has substantially enhanced its Intermediates capabilities and has developed a strong portfolio.

Product List

The major products in our Company's product portfolio are as under:

APIs

Product	Therapeutic Segment
Pyrazinamide	Anti-Tuberculosis
Isoniazid	Anti-Tuberculosis
Cetirizine Dihydrochloride	Anti-histaminic
Meclizine Dihydrochloride	Anti-histaminic
Hydroxyzine Dihydrochloride	Anti-histaminic
Alendronate Sodium	Anti-osteoporotic

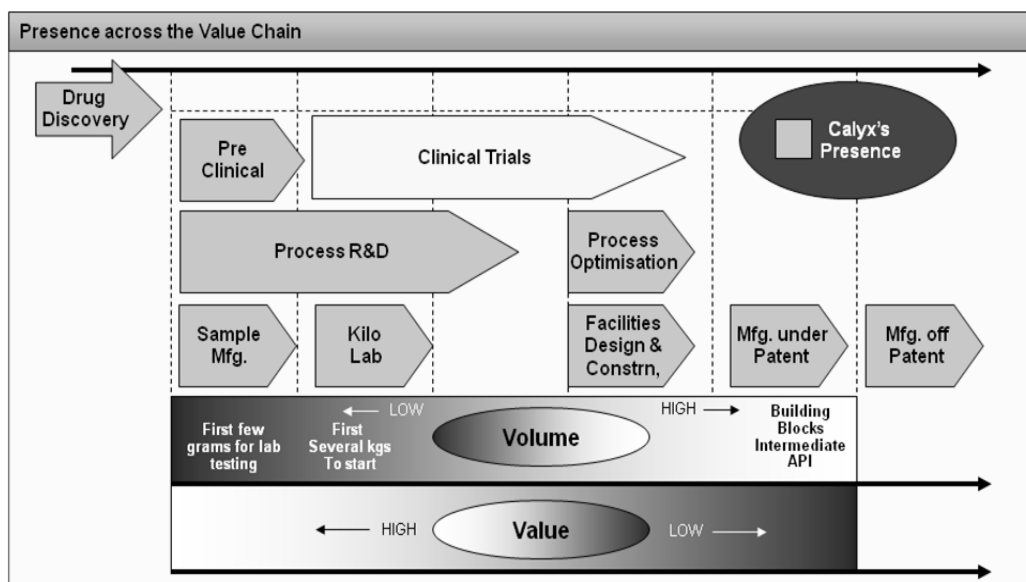
Zoledronic Acid	Anti-osteoporotic
Valproic Acid	Antiepileptic
Flucytosine	Anti-viral
Artesunate	Anti-malaria
Arteether	Anti-malaria
Artemether	Anti-malaria
Dihydroartemisinin	Anti-malaria
Lumefantrine	Anti-malaria
Irbesartan	Anti-hypertensive
Losartan Potassium	Anti-hypertensive
Telmisartan	Anti-hypertensive
Valsartan	Anti-hypertensive
Azithromycin	Macrolides
Clarithromycin	Macrolides
Erythromycin base	Macrolides
Erythromycin Estolate	Macrolides
Erythromycin Ethyl Succinate	Macrolides
Erythromycin Stearate	Macrolides
Zopiclone	Anti-depressant
Venlafaxine Hydrochloride	Anti-depressant
Eszopiclone	Hypnotic

Key Advanced and Basic Intermediates

Products
4-(2-(dimethylamino)-1-(1-hydroxycyclohexyl)ethyl)phenol hydroxycyclohexyl)ethyl)phenol
hydroxycyclohexyl)ethyl)phenol succinate
2-(1-hydroxycyclohexyl)-2-(4-methoxyphenyl)acetonitrile
4'-(bromomethyl)biphenyl-2-carbonitrile
Cyano-Irbesartan
4'-((2-Butyl-4-chloro-5-(hydroxymethyl)-1H-imidazol-1-yl)methyl)biphenyl-2-carbonitrile
(1-((2'-(1H-tetrazol-5-yl)biphenyl-4-yl)methyl)-2-butyl-4-chloro-1H-imidazol-5-yl)methanol 1H-imidazol-1-yl)methyl)biphenyl-2-yl)tetrazol-1-ide
2-(Dibutylamino)-1-(2,7-dichloro-9H-fluoren-4-yl)ethanol
L-Valine,N-(1-oxopentyl)-N-[[2'-(2H-tetrazol-5-yl)[1,1'-biphenyl]-4-yl]methyl]-, phenylmethyl ester
S)-1-((S)-2-((S)-1-ethoxy-1-oxo-4-phenylbutan-2-ylamino)-6-(2,2,2-trifluoroacetamido) hexanoyl) pyrrolidine-2-carboxylic acid

CRAMS Business

Our Company believes that it has the capabilities, knowledge, technology and infrastructure to offer its customers a portfolio of services ranging from custom synthesis to scale-up to pilot and commercial manufacturing.



Contract Research: Our Company is engaged in development of processes and custom synthesis of APIs and intermediates across the drug discovery cycle and has capabilities to handle several complex reactions in a cost-effective manner. Our Company has a well-equipped research and development centre in Dombivli with 20 Scientists and 83 Chemists/RA/SRIC staff as on August 31, 2012, involved *inter alia* in providing contract research and analytical services.

Contract Manufacturing: As a contract manufacturer, our Company undertakes manufacturing on behalf of global pharmaceutical companies, in terms of the relevant agreements entered into with the customers. In the last few years, in line with our business strategy, our Company has made efforts to further develop its contract manufacturing business by creating adequate expertise and infrastructure to provide scale-up services from gram to kilo and kilo to ton scale manufacturing.

At present, our Company carries out contract manufacturing for customers based in various developed countries including the US, Europe, Japan and other developed countries. Revenues from CRAMS for the Fiscals 2012 and 2011 contributed ₹12,416.76 Lacs and ₹ 6,868.36 Lacs respectively, i.e. 21.00% and 16.40% of our Company's Revenue from Operations on standalone basis respectively.

Strengths

Strong R&D setup: research and development activities have been a key to our Company's business model and strategy:

- Our Company has a highly qualified team of 20 Scientists and 83 Chemists/RA/SRIC staff as on August 31, 2012, with academic qualifications such as M.Sc., Ph.D and Post Doctorate along with experience in their respective fields. Our team continuously works on various molecules, developing non-infringing processes, filing process patents, process improvements and effecting cost efficiencies. Our research and development team includes a separate technology transfer team as well which is specifically responsible for "scale up" operations.
- Our Company has built a DSIR recognized unit admeasuring about 2,325 square meters at Dombivli which houses 4 research and development synthesis laboratories, along with a complete analytical set-up including a Nuclear Magnetic Resonance ("NMR") laboratory, organic synthetic laboratories etc. The unit also has a provision for another 3 research and development labs and 4 kilo laboratories.
- Production scale up capabilities from gram scale to ton scale

- Gram quantities of compounds for lead optimization
- Kilo scale quantities for clinical trials
- Ton scale for product launch at maturity
- Technical expertise in process development and scale up

Our Company is one of the few “pure API” companies in India that has USFDA inspected facilities: Our Company is one of the few “pure API” companies in India, with singular focus on the development and manufacture of APIs and Intermediates only (no presence in formulations). We believe that the larger API companies in India are increasingly becoming integrated players. This positions our Company as a preferred supplier, able to serve as a non- conflicting collaborator to innovators and manufacturers of formulations. Our Company has state- of- the- art manufacturing facilities at Tarapur, which comply with various world standards – GMP and USFDA standards. We believe that a manufacturing facility with USFDA inspection is one of the major influencers for the innovator companies in US and Europe to source their requirements from our Company.

Global Presence: Through its team of 26 sales representatives and agents, our Company caters to markets in about 39 countries as on August 31, 2012. For the Fiscal 2012 and Fiscal 2011; about 25.28% (out of total direct exports of ₹ 14,893.00 Lacs) and 20.12% (out of total direct exports of ₹ 8,395.30 Lacs) respectively are to regulated markets like USA, Europe and Japan.

Filings, Regulatory Approvals and Compliance: Our Company has filed 14 DMFs in the regulated markets and has a team of 4 scientists as on August 31, 2012, working on patent and production regulatory compliances. We believe that this is a major incentive for innovators to source their requirements from our Company.

Presence across the “value chain”: Our Company believes that it has the capabilities, knowledge, technology and infrastructure to execute projects across the pharmaceutical value chain in the production of APIs and Intermediates i.e. from process research and development through scale-up services including full scale manufacturing. We believe that our Company’s ability to support our customers through all stages of the value chain, from discovery to large scale manufacture of the developed products, gives our Company a competitive advantage.

Strong Analytical Capabilities: Apart from process improvements, our R&D centre is well equipped with strong support from analytical laboratories:

- For every 3 R&D staff, our Company normally keeps 1 analytical staff;
- The analytical staff is well qualified and suitably trained. All new employees are absorbed only upon satisfactory completion of training;
- The analytical lab comprises of latest Chromatography, Spectroscopy and analytical equipments and is capable of providing:
 - A complete Analytical Method Development and Validation package as per ICH guidelines for APIs and Custom Synthesis molecules
 - Specificity, precision, accuracy, linearity, limit of detection/limit of quantitation, ruggedness and solution stability support to the regulatory department for filing of CTD and DMFs.

Strategy

Our Company intends to continue to strengthen its CRAMS business and API product portfolio, consolidate position in the regulated markets and expand its operations in semi-regulated markets in order to achieve long-term sustainable growth and increase its shareholder value. Our Company’s principal strategy and initiatives to achieve these objectives are set out below.

Increasing Contract Manufacturing Activities: Our Company proposes to expand and enhance its contract-manufacturing business of APIs and intermediates by developing long-term relationships with global chemical and pharmaceutical companies and attaining preferred supplier status for the manufacture of APIs and Intermediates. Our Company believes the following factors will help position it as a preferred outsourcing partner:

- Understanding of synthetic chemistry, so as to try and reduce cost of production by process improvement;
- Availability of dedicated facilities for customers to whom we act as outsourcing partners;
- Inspected facilities which have been made in compliance with the regulations set out by the USFDA and other regulatory authorities;
- Non-competing business proposition in terms of producer of intermediates and APIs and not formulations;
- Understanding and respecting intellectual property issues and status, resulting in positioning as an independent outsourcing partner to various pharmaceutical and chemical companies.

Our Company's position as an independent Contract Manufacturing Organisation ("CMO") is further strengthened, because it has not obtained investments from any of its customers and is financially capable to make investments to service customer manufacturing needs.

Continued focus on research and development in our Products business: Our Company's in-house research and development capabilities have played a crucial role in developing new processes and enhancing the process development of the existing products. Going forward also, our research and development team will be entirely focused on developing new and non-infringing processes, filing process patents, process improvements and effecting cost efficiencies.

Our Company has shifted its focus to manufacturing multi-step synthesis products as compared to earlier 2-3 step synthesis products. Having the ability to carry out multi-step synthesis will open up opportunities for synthesis of several high end molecules for our Company. This will differentiate us from any competitors who may not have the ability to carry out processes which involve more than 2- 3 step synthesis.

Further expand API portfolio: Our Company believes that increasing its portfolio of API products will increase opportunities to form new partnerships and build relationships with other pharmaceutical companies. As on the date of this Draft Red Herring Prospectus, our Company has about 12 products awaiting market exploitation; our team of research and development professionals is working on new products in Anti-depressant, Anti-retroviral, Anti-hypertensive and Anti-malarial segments.

Manufacturing capacities: Our Company started manufacturing operations with an installed reactor capacity of 55,600 litres in 1998 and as on as on August 31, 2012, our Company has an installed reactor capacity of 1,27,463 litres per annum. Our Company further proposes to set up a multi purpose and multi product cGMP compliant Intermediate plant.

Our Company has invested significantly to expand its existing manufacturing capabilities.

CLASS OF GOODS	(in Metric Ton)							
	Pyrazinamide	Zopiclone	Artemether	Lumefanterine	Ery Oxime	Ery base	Ery Salts	Losartan Potassium
Installed capacity in the year ended March 31, 2012	1,320	18	30	96	240	300	400	60
Installed capacity in the year ended March 31, 2011	1,320	18	30	96	204	240	216	60
Installed capacity in the year ended	1,320	18	30	96	204	240	216	60

**March
31, 2010**

Note: Above products are manufactured from the total installed capacity of 1,27,463 litres per annum as mentioned above

From the proceeds of this Issue, our Company proposes to invest ₹ 8,500 Lacs for setting up new cGMP compliant facility for Intermediates. For details, please see the chapter titled “*Objects of the Issue*” beginning on page 88 of this Draft Red Herring Prospectus.

Diversification and increased presence into new markets: Our Company intends to expand its API sales into markets across the world. In particular, our Company aims to increase its presence in regulated markets like countries in the US, Europe and South America and establish itself in new pharmerging markets (regulated and semi-regulated), in order to expand its global reach and diversify its geographic coverage.

Registration of products: Our Company aims to position itself as a preferred supplier of APIs globally, by increasing the number of DMFs in the US, as well as increase registration and marketing activities of its existing and new products, in semi-regulated markets.

Explore potential acquisition and partnership opportunities: Our Company intends to explore inorganic opportunities for expanding its reach in the API industry through potential acquisitions, as and when such opportunities arise. Our Company also intends to develop new business partnerships and build upon existing partnerships with innovator companies and capitalize on business opportunities, in the rapidly growing CRAMS industry.

Large multi-national pharmaceutical companies are executing large generic outsourcing contracts for both the emerging and regulated markets, with Indian companies winning large contracts. Calyx with its strong customer base may be a preferred supplier for various intermediates.

Focus on environment protection: Our Company is committed to maintaining a safe, clean and healthy environment. We focus on minimizing the generation of waste water and air emissions, thereby preventing pollution at source. Further, our Company is adopting policies such as “Green Chemistry” which emphasize on cleaner technologies, to reduce, recycle, or eliminate the use of toxic chemicals into its manufacturing processes. Our Company has recently set up a team for steering our Green Chemistry initiatives, which is in the process of incorporating the principles of Green Chemistry relevant to our Industry, such as use of water instead of solvents in chemical processes, in our production system.

Constitution of a Board Advisory Group of consultants renowned for their experience in our Industry: Our Company has constituted an advisory group (“**Board Advisory Group**”) to advise on various aspects of our Industry and provide counsel on our Company’s growth plans. Our Company intends to draw on the collective expertise, understanding of business and connectivity of the Board Advisory Group so constituted, to promote our business.

As on the date of this Draft Red Herring Prospectus, our Company has appointed two consultants as part of the Board Advisory Group. The consultants so appointed are:

- (i) Dr. Ranga Iyer has held several senior positions of increasing responsibility in finance and commercial functions (including the position of managing director) in multinational companies and is presently an advisor/ consultant to companies in the pharmaceuticals industry. He was also the president of the Organisation of Pharmaceutical Producers of India and the American Chamber of Commerce, Mumbai chapter.
- (ii) Mr. Jagdish V. Dore has been associated with several multinationals in our industry in various capacities as managing director, consultant and independent director. He has over 38 years of experience in general management and his areas of specialization are strategy, market entry, product portfolio and product development. He is also a life member of the Bombay Management Association.

Research & Development

Our Company's CRAMs business initiative is headed by Dr. Bansi Lal, a scientist with over 36 years of new drug discovery experience. Our Company's research and development centre is located in Dombivli. It is a 2,325 square meter DSIR recognized unit, fully capable of handling several complex reactions and scales of operations (capacities varying from gram to kilograms).

As on August 31, 2012, our Company has a team of 103 R&D personnel including 20 Scientists and 83 Chemists/RA/SRIC staff with academic qualifications such as PhD, Post Doc and MSc and experience in their respective fields. Our team continuously works on developing new and non-infringing processes, process improvements and deriving cost efficiencies. Furthermore, R&D is also responsible and involved in the following activities:

- **Material Safety Data Sheets ("MSDS"):** This is an important document, which provides information pertaining to chemicals such as information on safe handling, spillage handling instructions, hazards of fire, exposure to human, possible emergency measures, etc. Typically, customers request that a copy of the MSDS be provided, before the first order is placed. The MSDS is also a material document during transport of chemicals and materials, and is part of the shipping documents. Our R&D team prepares the same and provides it to our Safety, Health and Environment department, production department and Quality Assurance teams.
- **Analytical Techniques:** Together with the analytical development department, R&D teams develop suitable methods of analysis and methods for determining physical and chemical properties, impurity and identification, etc. This is essential for the Quality Assurance/ Quality Control department as well as for our customers. Our Company has a team of 75 people as on August 31, 2012, working on quality control and production and regulatory compliances.

Our Company's R&D capabilities and understanding of process chemistry have resulted in early stage development work for various global pharmaceutical companies, with the intention of getting long-term manufacturing contracts and capitalizing on the potential outsourcing market related to the pharmaceutical and the chemical related industries.

Our Company has a strong in-house patent cell, a strong team of information scientists and local as well as US based patent attorneys which enable us in our process of understanding and filing patents. As on August 31, 2012, our Company has filed 30 process patents, and we have been granted 3 patents.

Manufacturing and Packaging

Our Company's manufacturing facilities are situated at 2 locations:

Tarapur Facility

Established in the year	1998
Facility Area	The facility is built on land admeasuring 4,100 square meters with 3,395.65 square meters of constructed area.
Key Products	Pyrazinamide, Isoniazid, Zopiclone, Losartan Potassium, Lumefantrine, Artisunate, Artemether, Arteether, Dihydroartemisinin, Erythromycin Base and other Intermediates.

Our Company has a state-of-the-art integrated manufacturing facility for manufacture of select APIs and Intermediates in Tarapur. It is built on stringent standards prescribed and inspected by USFDA and WHO. The facility has 7 production units which manufacture a wide range of APIs & Intermediates. Production at the plant is ISO 9001 and ISO 14001 certified and is supported by analytical development laboratories, a Kilo Lab and a Pilot Plant for conducting laboratory trials and scale-up process development. Our Company also undertakes contract manufacturing in this unit.

Salient features of the facility

- Designed with logical and unidirectional flow for man and material movement in the entire manufacturing area
- Equipped with stainless steel and glass lined reactors having capacities ranging from 160 litres to 7,500 litres, stainless steel and Haller coated Centrifuges, Cleaning- In- Place Nozzles etc
- Hydrogenation facility for pressures upto 30 bar
- High ventilation air conditioning system as per the cGMP guidelines, with appropriate area classification and segregation
- Purified water system to generate water quality as per ICH Q-7A and USFDA guidelines

This is our Company's main plant and is the major contributor to the revenues of our Company. For details of the same, please refer to the heading titled "*Our Property*" of the chapter titled "*Business Overview*" beginning on page 118 of this Draft Red Herring Prospectus.

Dombivli Facility

Established in the year	1979
Facility Area	The facility is built on a 3,240 square meter plot with 1,860 square meters of constructed area
Key Products	Erythromycin Base, Erythromycin Ethyl Succinate, Erythromycin Stearate, Erythromycin Estolate and other Erythromycin salt based products

This facility is a dedicated Macrolides API production unit, built up as per the ICH Q7A guidelines. The unit produces full range of Erythromycin and its salts. The site has 2 independent manufacturing blocks, a pilot plant, Quality Assurance /Quality Control and normal support services including utilities, water treatment system, a warehouse and an administration office. Our Company has acquired leasehold rights to a plot admeasuring approximately 500 square meters next to its Dombivli plant for future expansion. For further details please refer to the section titled "*Our Properties*", part of this chapter of this Draft Red Herring Prospectus.

Plants and Machinery

For details of plant and machinery, please refer to the chapter titled "*Objects of the Issue*" beginning on page 88 of this Draft Red Herring Prospectus.

Capacity and capacity utilization

Typically in the pharmaceutical industry, the production facilities are multipurpose in nature and can be used to manufacture various APIs/ Intermediates/ chemicals. It is difficult for our Company to determine licensed capacity and installed capacity for each product separately.

Hence, below mentioned is the total combined reactor capacity of both the above mentioned plants:

Class of goods	Units Installed	March 31, 2012	March 31, 2011	March 31, 2010
Reactor Capacity	Litres	1,70,963	1,27,463	1,27,463

Proposed Capacity

Class of goods	Units Installed	Capacity 2012-2013	Capacity 2013-2014	Capacity 2014-2015
Reactor Capacity	Litres	1,70,963	1,70,963	3,62,163

Utilities

Power

The total existing power requirement of our Company is around 3,241 kVA, break up of which is as under:

Details of the unit	Connected Load
Tarapur	2,062 kVA
Dombivli	401 kVA
Dombivli R&D centre	778 kVA
Total	3,241 kVA

Our manufacturing units at Tarapur and Dombivli also have back- up through diesel generator sets.

Water

Our Company's current water requirement is 250 Kilo liters per day for process requirement, human consumption and general needs of the employees. For the water requirement our Company is dependent on MIDC's water supply connection, which ensures sufficient availability of water at all our Company sites through pipelines. Once water is received, it is collected and stored in the water storage tanks at the site and is distributed throughout the facility using internal pipelines.

As high purity water is used in the pharmaceutical industry, each facility of our Company has a process water system which ensures purest quality of the water.

Steam and Cooling Arrangements

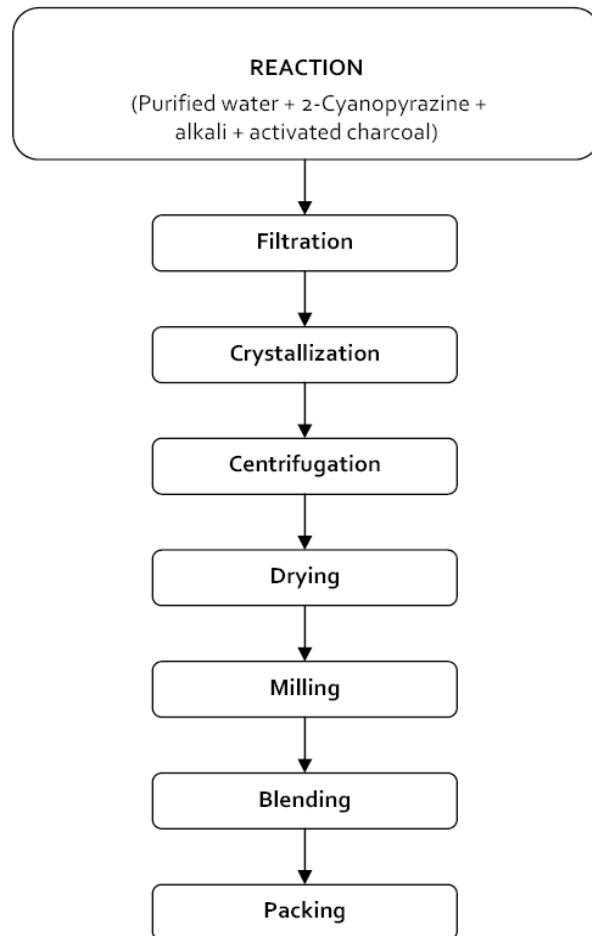
Utilities like the boilers, cooling towers, brine compressors, and water chilling units are required to maintain the designed process conditions during the reactions and play a vital role in the production process. All our units have the required quantity of steam generation capacity, compressors, chilling units and cooling towers to meet the process requirements. Our manufacturing facilities have standby equipments to meet any eventuality of a breakdown or failure.

Location	Cooling capacity	Chilling Brine/Water Capacity	Heating Capacity
Tarapur	1700 Tons of Refrigeration	300 Tons of Refrigeration	6,000 kilo grams/ hour
Dombivli	125 Tons of Refrigeration	43 Tons of Refrigeration	1,200 kilo grams/ hour

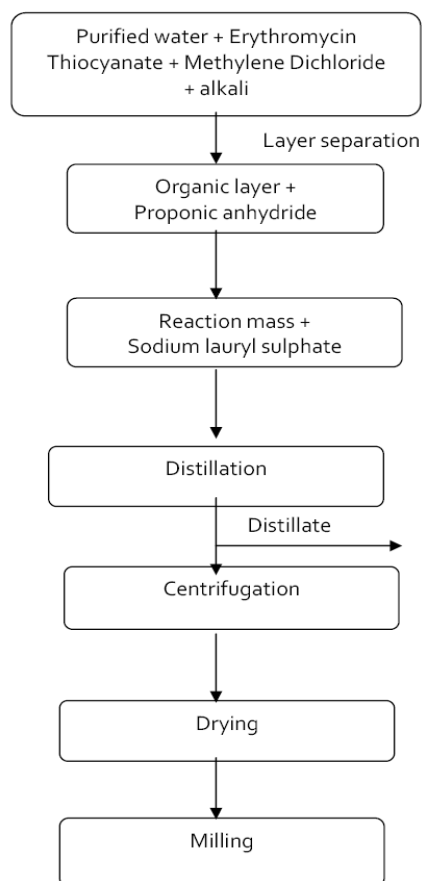
Manufacturing Process Chart

The manufacturing process of bulk drugs/intermediates involves a series of reaction steps under controlled conditions of temperature and pressure. An API or intermediate can be produced by a number of alternative methods, from different starting points and under a variety of controlled operations. For each product, our Company identifies several alternative methods of manufacture and chooses the one which is most appropriate for the situation viz., economic, patent non-infringing, achieving a desired quality standard, having minimal environment impact etc. Depending on the nature of the APIs/ Intermediates and in accordance with requirements of our customers, the finished products can be either in powder or liquid form. It is then suitably packed in different packaging material. Brief manufacturing processes of some of our Company's major products are as under:

Pyrazinamide

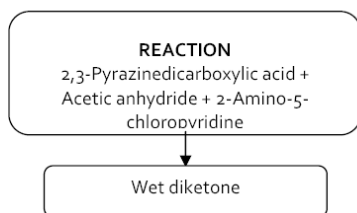


Erythromycin Estolate

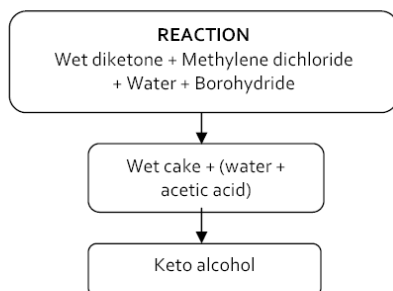


Zopiclone

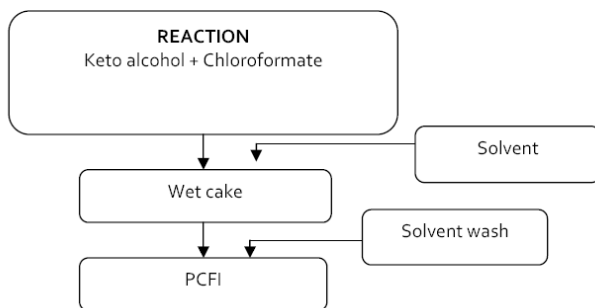
Stage I : Manufacture of diketone



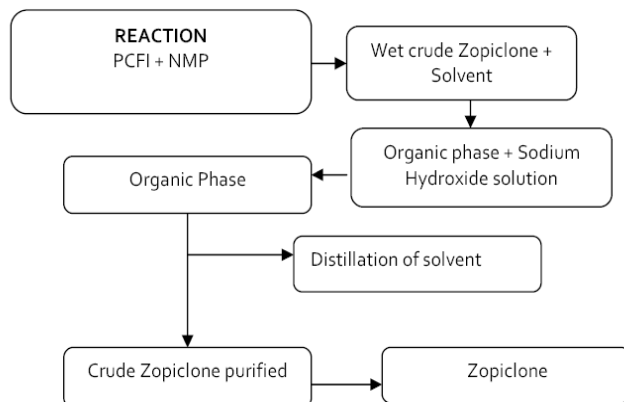
Stage II: Manufacture of keto alcohol



Stage III: Manufacture of Chloroformate intermediate

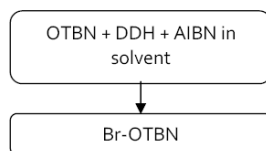


Stage IV : Manufacture of Zopiclone

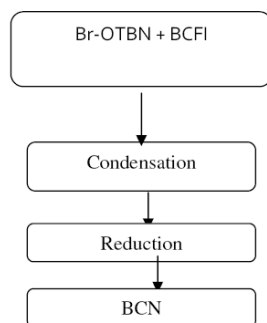


Losartan potassium

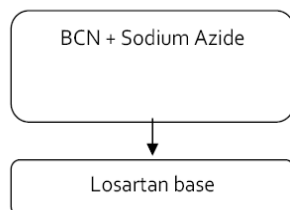
STAGE I - OTBN TO Br-OTBN



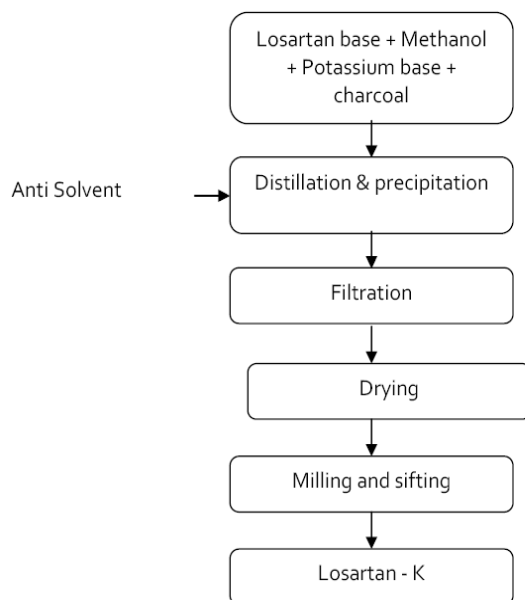
STAGE II - Br-OTBN TO BCN



STAGE III - BCN To Losartan base



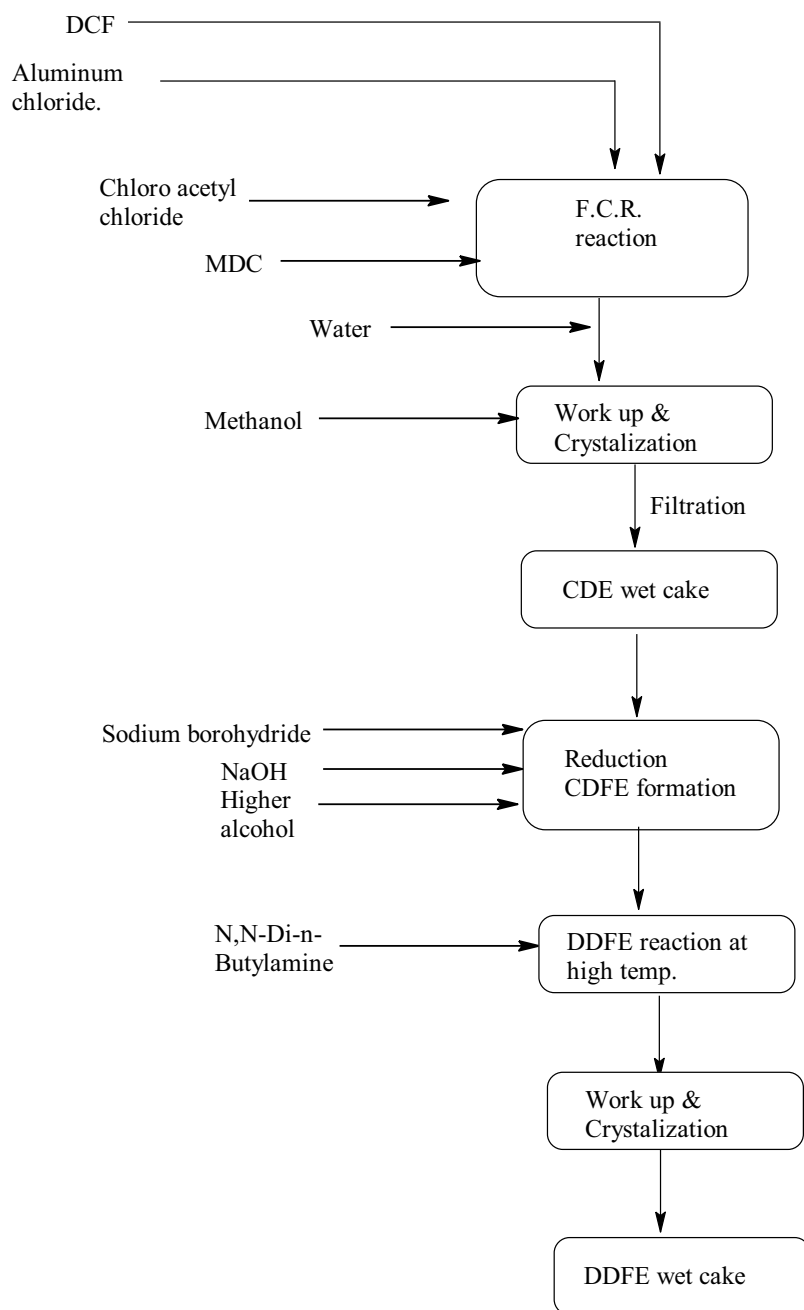
STAGE IV - Losartan base to Losartan potassium



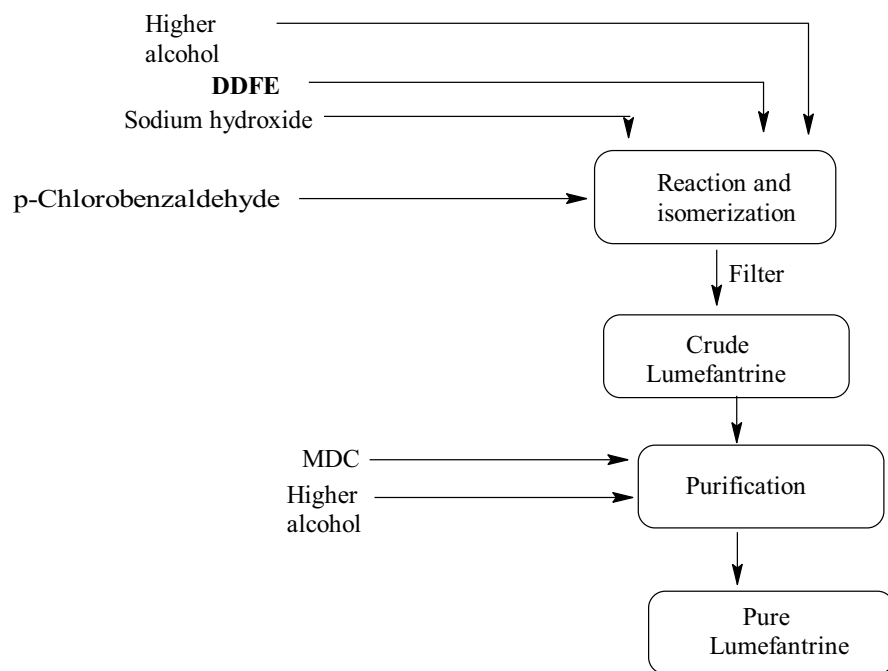
Lumefantrine

FLOW Chart:

DCF to DDFE



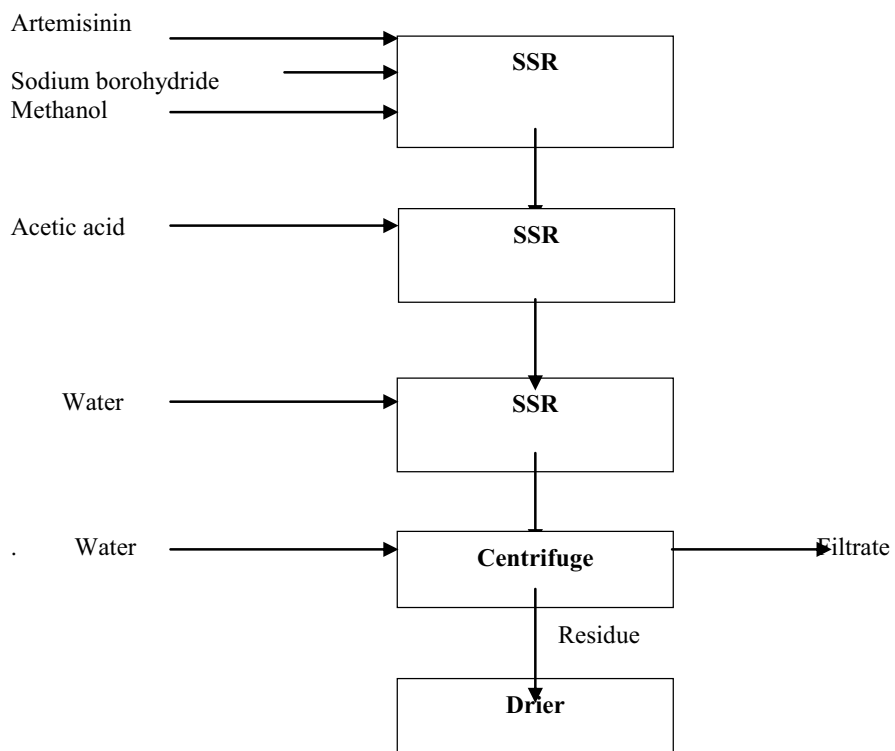
DDFE to LUMEFANTRINE:



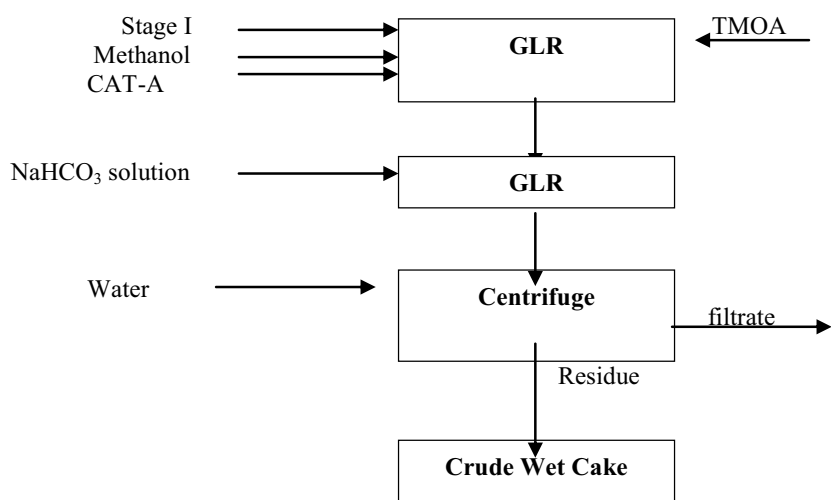
Artemether

FLOW Chart:

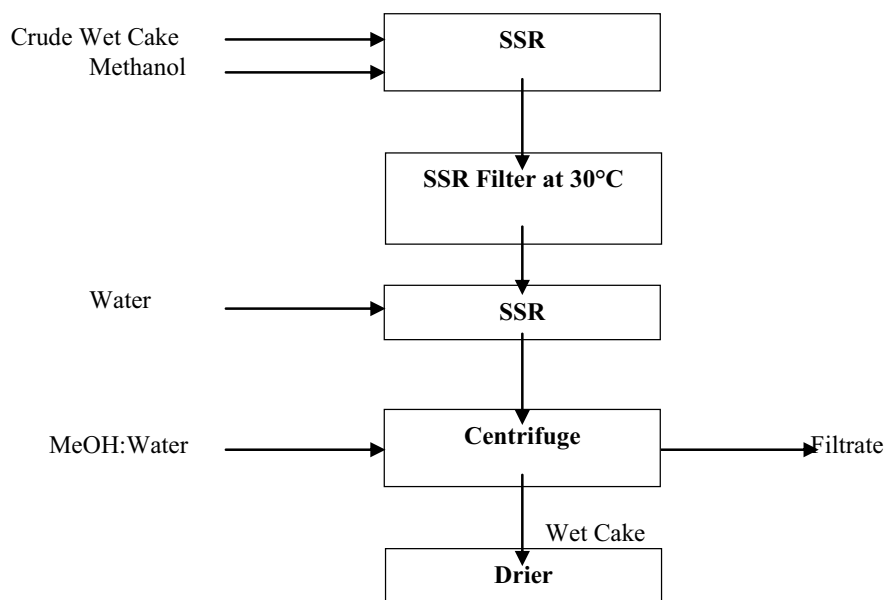
Stage I:



Stage II:



PURIFICATION:



Packaging

The finished products are first packed in low density polyethylene bags, to make them shock, heat and solvent resistant and then rolled into Antistatic low density polyethylene bags for safe loading and storage. Then all the bags are put in high density polyethylene bags containers to increase its durability.

Raw Material

The basic raw materials used by our Company for manufacture of various products are Erythromycin Thiocynate, 2-Cyano-4-Methyl Biphenyl, Pyrazine 2,3 Dicarboxylic Acid, 2, -7 Dichloro Fluorene, 2-Cyanopyrazine, Hydrazine Hydrate, Artemisinin etc. Apart from these raw materials, various solvents are also used in the manufacture of APIs and Intermediates. These raw materials are procured from both domestic as well as international markets at competitive prices. However, no long-term contract has been entered into with any of the suppliers. The imported and indigenous raw material consumed in value terms was ₹ 9,625.03 Lacs and ₹ 20,655.74 Lacs respectively for the Fiscal 2011. Similarly, ₹ 10,862.56 Lacs (24.03%) and ₹ 34,349.27 Lacs (75.97%) respectively for the Fiscal 2012. Our Company generally maintains adequate stock of raw material to cover the existing order book position, which mitigates any adverse effect due to price fluctuation. Other steps taken by our Company to ensure continuous flow of raw material include maintaining a daily raw material stock statement, approved vendor list, obtaining quotations and comparative statements etc. on a regular basis.

Safety, Health and Environment

For our Company, Safety, Health and Environment (“SHE”) are of paramount importance. To validate the SHE policy as being in accordance with global standards, our Company has appraised its internal systems through an external agency. Our Company’s comprehensive environmental management system complies with the stringent requirements as stipulated in the standard ISO 14001: 2004.

Under the environment management system our Company covers the following:


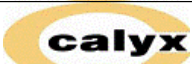

- Avoidance of ignition source, nitrogen inertisation, containments, pressure relief venting and online detection system;
- Basic safety training is imparted to all factory employees including temporary workers. Safety and technical competency development programs are carried out to improve competencies of team members as well as employees of contractors for safety critical jobs;
- SHE magazine (“Suraksha Mitra”) and newsletters are released on a quarterly basis, internally as well as to customers, which serves as important means of communication on SHE updates.

Our Company’s manufacturing unit at Tarapur achieved 2.22 million man-hours (reportable accident free) till the end of Fiscal 2009, in consideration of which our Company has been awarded a certificate from National Safety Council (Maharashtra Chapter), in the month of September 2009, for achieving the ‘Lowest Accident Frequency Rate’. As on August 31, 2012, our Company’s unit at Tarapur has achieved 4.03 million man-hours, reportable as accident- free.

Intellectual Property

Our continued focus and ability to generate innovative research ideas has resulted in 30 process patents applications and 03 granted patents. We have been granted process patents for the manufacture of “an improved process for preparation of substituted aryl acetonitrile derivatives”, “an improved process for preparation of intermediate of venlafaxine” and “improved process for zopiclone synthesis from the Indian Patent Office.

Following table sets forth the details of trademarks registered with the Trade Marks Registry, Mumbai, under Section 23 (2), Rule 62 (1) under Trademarks Act, 1999 and Trademark Rules, 2002 respectively. The following trademarks are registered in the name of our Company:

Sr. No.	Trademark Registration Number	Trademark	Class No.	Validity Period	
				From	To
1.	1260256		1	January 09, 2004	January 08, 2014
2.	1260257		16	January 09, 2004	January 08, 2014
3.	1260260		5	January 09, 2004	January 08, 2014

Our Properties

The following table sets forth our significant freehold and leasehold properties as on the date of this Draft Red Herring Prospectus:

I Owned Properties

Sr. No.	Details of the Agreement	Particulars of the Property	Consideration	Usage
1.	Sale Agreement dated December 31, 2005 entered into by and between Bharat Mehta HUF (“ Vendor ”) and Calyx Chemicals and Pharmaceuticals Private Limited (“ Purchaser ”)	Property located at Unit number 2 on the ground floor of the Marwah’s Complex, Marwah Industrial Estate, Saki Vihar Road, Sakinaka, Andheri (East), Mumbai-400072 on land bearing C.T.S. number 667/8 of village Marol abutting on 44 D.P.Road, off Saki Vihar Road, Mumbai-400072 admeasuring 965 square feet built-up area with office furniture.	₹ 35.11 Lacs	Office
2.	Deed of Transfer dated December 31, 2005 entered into by and between Mr. Bharat Sukhlal Mehta, Mr. Amit Bharat Mehta, Ms. Asha Bharat Mehta, Bharat Sukhlal Mehta HUF, Mr. Smitesh Chandarvadan Shah, Ms. Parul Smitesh Shah, Mr. Indulal Dalichand Doshi, Mr. Rajat Indulal Doshi and Ms. Alpana Indulal Doshi, Partners of M/s. Indi Systems (“the Transferors ”) and Calyx Chemicals and Pharmaceuticals Private Limited (“the Transferee ”).	Property located at Gala number 110 on the first floor of the building known as “Marwah Industrial Premises”, situated at 4, Marwah Industrial Estate, off. Saki Vihar Road, Sakinaka, Andheri (East), Mumbai-400072, admeasuring 4536 square feet built-up area (equivalent to 421.40 square metres) along with loft of 900 square feet (equivalent to 83.61 square metres) constructed on piece or parcel of land bearing CTS number 662/7 in Bombay Suburb, Marol Division and assessed by the Assessor and Collector of Municipal rates and taxes under ‘L’ ward, Mumbai.	₹1,24,74,000/- (which consists of 12,47,400 equity shares of face value of ₹10/- each at par aggregating to ₹ 1,24,74,000/-).	Registered Office of our Company

II Leasehold Properties

Sr. No.	Details of the Agreement	Particulars of the Property	Consideration	Tenure	Usage
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1.	Deed of Assignment and Transfer dated November 07, 2006 entered into by and between Mr. Smitesh Chandravadan Shah, Mr. Indulal Dalichand Doshi, Mr. Bharat Sukhalal Mehta, Ms. Parul Smitesh Shah, Ms. Alpana Indulal Doshi and Ms. Asha Bharat Mehta, partners of M/s. Calyx Chemicals (“ Assignors ”) and Calyx Chemicals and Pharmaceuticals Limited (“ Assignee ”).	Property located at plot number W-212(D) in the Dombivli Industrial Estate, situated at village Sagaon and outside the limits of Kalyan Dombivli Municipal Corporation and within the Registration sub-District Kalyan, District and Registration District Thane admeasuring 510 square metres together with the built up shed admeasuring 171 square metres.*	₹ 1.48 Lacs towards differential premium.	80 years commencing from October 01, 1993 which will expire on September 30, 2073.	Manufacturing Unit.
			The Assignee is bound, during the term of the lease, to pay such yearly recurring fees or service charges as may be due in respect of the amenities or common facilities provided by Lessor i.e. Maharashtra Industrial Development Corporation.		
2.	An Agreement dated June 30, 2010 entered into by and between Maharashtra Industrial Development Corporation (“ Grantor ”) and Calyx Chemicals and Pharmaceuticals Limited (“ Licensee ”).	Property located at plot number W-212 Part in the Dombivli Industrial Estate, situated at village Sonarpada and outside the limits of Kalyan Dombivli Municipal Corporation and within the Registration sub-District Kalyan, District and Registration District Thane admeasuring 500 square metres*	₹ 34.65 Lacs towards premium.	Licensee was to submit within 24 months from the date of possession i.e. April 08, 2010 to Executive Engineer, MIDC for his approval the specifications for the proposed factory building on said plot. Accordingly, Licensee has submitted the specifications for the proposed factory building within the specified time. Consequently, Building Completion Certificate dated April 04, 2012 has been issued. Further, final lease agreement has not been executed and still under process as on the date of this Draft Red Herring Prospectus.	Manufacturing unit.

3.	<p>Lease Deed dated June 28, 1999 entered into by and between Maharashtra Industrial Development Corporation (“Lessor”) and Mr. Jagmohan Gaurishankar Nangalia and Ms. Savitridevi Gaurishankar Nangalia (“Confirming Parties”) and Calyx Chemicals and Pharmaceuticals Limited (“Lessee”)</p> <p>The lease is with effect from November 01, 1993.</p>	<p>Property located at plot number W-213(D) in the Dombivli Industrial Estate, situated at village Sagaon and outside the limits of Kalyan Dombivli Municipal Corporation and within the Registration sub-District Kalyan, District and Registration District Thane admeasuring 510 square metres together with shed.</p>	<p>₹ 0.74 Lacs being the amount of differential premium.</p> <p>The Lessee is bound, during the term of the lease, to pay such yearly recurring fees or service charges as may be due in respect of the amenities or common facilities provided by Lessor.</p> <p>The Lessee is bound, during the term of the lease, to pay yearly rent of ₹ 1.</p>	<p>80 years commencing from November 01, 1993 which will expire on October 31, 2073.</p>	<p>Manufacturing unit.</p>
4.	<p>Lease Deed dated December 29, 2006 entered into by and between Maharashtra Industrial Development Corporation (“Lessor”) and Mr. Indrakumar Ramniwas Khandelwal, Mr. Sureshkumar Ramniwas Khandelwal, Mr. Mohanlal Hiralal Khandelwal, Mr. Subhas Mohanlal Khandelwal and Mr. Rajiv Mohanlal Khandelwal, Partners of M/s. Crystal Electricals (“Confirming Parties”) and Calyx Chemicals and Pharmaceuticals Private Limited (“Lessee”)</p>	<p>Property located at plot number W-215 in the Dombivli Industrial Estate, situated at village Sagaon and outside the limits of Kalyan Dombivli Municipal Corporation and within the Registration sub-District Kalyan, District and Registration District Thane admeasuring 600 square metres and industrial shed admeasuring 216 square metres.</p>	<p>₹ 1.30 Lacs plus ₹ 1.57 Lacs towards the differential premium an aggregate sum of ₹ 2.87 Lacs</p> <p>The Lessee is bound, during the term of the lease, to pay such yearly recurring fees or service charges as may be due in respect of the amenities or common facilities provided by Lessor.</p>	<p>80 years commencing from November 01, 1993 which will expire on October 31, 2073.</p>	<p>Manufacturing Unit.</p>
5.	<p>Deed of Assignment and Transfer dated May 24, 2006 entered into by and between Mr. Subhas Mohanlal Khandelwal, Ms. Pushpa Indrakumar Khandelwal, Ms. Pushpa Sureshkumar Khandelwal, Mr. Indrakumar Ramniwas Khandelwal and Mr. Suresh Ramniwas Khandelwal Partners of M/s. Sunrays Electricals (“Assignors”) and Calyx Chemicals and Pharmaceuticals Private Limited (“Assignee”)</p>	<p>Property located at plot number W-216 in the Dombivli Industrial Estate, situated at village Sagaon and outside the limits of Kalyan Dombivli Municipal Corporation and within the Registration sub-District Kalyan, District and Registration District Thane admeasuring 600 square metres and factory building admeasuring 200.88 square metres.</p>	<p>₹ 9.63 Lacs (plus sum of ₹ 0.18 Lacs as by way of non-refundable additional premium and ₹ 1.57 Lacs as by way of differential premium.</p> <p>The Assignee is bound, during the term of the lease, to pay such yearly rent as reserved by the Deed.</p>	<p>69 years.</p>	<p>Manufacturing unit.</p>

6.	Lease Deed dated June 28, 1999 entered into by and between Maharashtra Industrial Development Corporation (“ Lessor ”) and Alma Laboratories Private Limited (“ First Confirming Parties ”) and Mr. Bharat Sukhalal Mehta, Mr. Indulal Dalichand Doshi, Mr. Smitesh Chandravadan Shah, Ms. Parul Smitesh Shah, Ms. Alpana Indulal Doshi and Ms. Asha Bharat Mehta, partners of M/s. Calyx Chemicals (“ Second Confirming Parties ”) and Calyx Pharmaceuticals and Chemicals Private Limited (“ Lessee ”)	Property located at plot number W-217(E) in the Dombivli Industrial Estate, situated at village Sagaon and outside the limits of Kalyan Dombivli Municipal Corporation and within the Registration sub-District Kalyan, District and Registration District Thane admeasuring 600 square metres.	₹ 0.87 Lacs The Lessee is bound, during the term of the lease, to pay such yearly recurring fees or service charges as may be due in respect of the amenities or common facilities provided by Lessor.	80 years commencing from October 01, 1993 and expiring on September 30, 2073.	Manufacturing unit.
7.	Lease Deed dated March 01, 2004 entered into by and between Maharashtra Industrial Development Corporation (“ Lessor ”) and Ms. Raksha Bharat Mehta (“ Confirming Party ”) and Calyx Chemicals and Pharmaceuticals Private Limited (“ Lessee ”)	Property located at plot number N-91 in the Tarapur Industrial Area, within the village limits of Pamtembhi and outside the limits of Municipal Council in rural area, Taluka and Registration Sub-District Palghar, District and Registration District Thane admeasuring 2100 square metres.	₹ 2.10 Lacs plus a further sum of ₹ 2.44 Lacs as differential premium making together an aggregate sum of ₹ 4.54 Lacs The Lessee is bound, during the term of the lease, to pay such yearly recurring fees or service charges as may be due in respect of the amenities or common facilities provided by Lessor. The Lessee is bound, during the term of the lease, to pay yearly rent of ₹ 1.	99 years.	Manufacturing unit.
8.	Lease Deed dated December 15, 1998 entered into by and between Maharashtra Industrial Development Corporation (“ Lessor ”) and Calyx Chemicals and Pharmaceuticals Private Limited (“ Lessee ”)	Property located at plot number N-102 in the Tarapur Industrial Area, within the village limits of Pamtembhi and outside the limits of Municipal Council in rural area, Taluka and Registration Sub-District Palghar, District and Registration District Thane admeasuring 2,100 square	₹ 2.10 Lacs The Lessee is bound, during the term of the lease, to pay such yearly recurring fees or service charges as may be due in respect of the amenities or common facilities provided by Lessor. The Lessee is	95 years.	Manufacturing unit.

		metres.	bound, during the term of the lease, to pay yearly rent of ₹ 1.		
9.	Lease Deed dated April 17, 2008 entered into by and between Maharashtra Industrial Development Corporation (“Lessor”) and Calyx Chemicals and Pharmaceuticals Limited (“Lessee”).	Property located at plot number M-4 in the Tarapur Industrial Area, within the village limits of Pamtembhi and outside the limits of Municipal Council in rural area, Taluka and Registration Sub-District Palghar, District and Registration District Thane admeasuring 9984 square metres.**	₹ 3.99 Lacs The Lessee is bound, during the term of the lease, to pay such yearly recurring fees or service charges as may be due in respect of the amenities or common facilities provided by Lessor. The Lessee is bound, during the term of the lease, to pay yearly rent of ₹ 1.	95 years.	Manufacturing unit.
10.	Lease Deed dated July 01, 2011 entered into by and between Mr. Laxman Baliram Patil (“Lessor”) and Calyx Chemicals and Pharmaceuticals Private Limited (“Lessee”).	All that property in the name of Mr. Laxman Baliram Patil known as House number 805-C situated, lying and being at 1 st floor, Baliram Patil Compound, near Annapurna Hotel, Sonarpade, Dombivli(East), District-Thane admeasuring 970 square feet (carpet area).	₹ 5,500 as monthly rent and Lessee shall keep interest free refundable deposit of ₹ 1.50. Lacs.	5 years commencing from July 01, 2011 which will expire on June 30, 2016	Commercial

*Letter dated January 18, 2011 has been issued by MIDC approving amalgamation of plot numbers W-212 and W-212 (part), Dombivli. However each plot is treated as separate plot for all other purposes.

**Letter dated December 16, 2011 has been issued by MIDC approving amalgamation of plot numbers M-4 and M-15, Tarapur. However each plot is treated as separate plot for all other purposes.

III Leave and License Properties

Sr. No.	Details of the Agreement	Particulars of the Property	Consideration	Tenure	Usage
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1.	Leave and License Agreement dated September 24, 2012 entered into by and between Jivraj Chemical Industries Private Limited (“ Licensor ”) and Calyx Chemicals and Pharmaceuticals Limited (“ Licensee ”).	All that piece and parcel of land together with hereditament and premises and building now standing thereon and situated lying and being at plot known as plot number N-90 in the Tarapur Industrial Area of MIDC, within the village limits of Pamtembhi and outside the limits of Municipal Council in rural area, Taluka and Registration Sub-District Palghar, District and Registration District Thane admeasuring 2,100 square metres.	Monthly license fee to be paid is ₹ 1.60 Lacs per month for the period from August 01, 2012 to July 31, 2013. Monthly license fee to be paid is ₹ 1.80 Lacs per month for the period from August 01, 2013 to July 31, 2014. Monthly license fee to be paid is ₹ 2.00 Lacs per month for the period from August 01, 2014 to July 31, 2015. Licensee shall keep interest free refundable total deposit of ₹ 6.25 Lacs with the Licensor for the performance and observance of the understanding. The amount will not be increased during the license period.	3 years commencing from August 01, 2012 and is valid until July 31, 2015	Manufacturing unit.
2.	Leave and License Agreement dated April 17, 2007 entered into by and between Atul Impex Private Limited (“ Licensor ”) and Calyx Chemicals and Pharmaceuticals Limited (“ Licensee ”).*	All that piece and parcel of land known as plot number A-37 and 38 in the MIDC Industrial Area, Phase-I, Dombivli (East) within the village limits of Asadia Golivi, Taluka and Registration Sub-District at Kalyan District and registration District – Thane admeasuring 2000 square metres or thereabouts together with the Building constructed thereon. The whole of the existing building and marginal space surrounded to the building on that piece and parcel of land situated on Plot number A-37 and 38 in the MIDC Industrial Area, Phase-I, Dombivli (East) within the village limits of Asadia Golivi, Taluka and Registration Sub-District at Kalyan District and registration District – Thane.	₹ 2.16 Lacs as a monthly license fees, subject to deduction of tax at source. ₹ 13.05 Lacs as interest free refundable security deposit.	5 years commencing from April 01, 2007.	Business activities

**Our Company is in the process of renewing the Leave and License Agreement as on date of this Draft Red Herring Prospectus. For further details, refer to Risk Factor 24 in the section titled “Risk Factors” on page 11 of this Draft Red Herring Prospectus.*

Our Company is party to a Leave and License Agreement dated December 04, 2009 entered into by and between Maharashtra Industrial Development Corporation (“**Grantor**”) and our Company (“**Licensee**”) in respect of property located at plot number M-15 in the Tarapur Industrial Area, within village limits of Pamtembhi and outside the limits of Municipal Council, Taluka Palghar, District Thane admeasuring 9,593 square metres. The said agreement was valid till January 28, 2010 and our Company has made application dated February 07, 2011 for extending the time limit for obtaining the Building Construction Certificate. Further, Licensee is required to obtain

final fire no-objection certificate which is still under process as on date of this Draft Red Herring Prospectus, pursuant to which Building Completion Certificate will be granted.

Quality Assurance / Quality Control (QA/QC)

Our Company is an ISO: 9001-2000 and ISO: 14001-2004 (certification relating to environmental safety and protection) compliant company with a dedicated Quality Assurance Department (“QAD”). Our Company’s manufacturing unit at Tarapur is also USFDA inspected. All Quality Assurance activities are well integrated with the centralized R&D cell.

Quality Assurance Procedures followed at our Company



As regards Quality Control, our Company has ensured that every stage in the manufacturing process has a quality plan in place for monitoring the process. All records for activities are maintained; processes and specifications are documented for Quality Control and Assurance. Quality evaluation and measurement parameters for inputs, final or intermediate products or processes are well defined. All input raw materials are tested against known material specifications. QAD approves the carrying out of the activity only after conformance of laid quality parameters. Methods to handle non-conformities have also been developed and documented.

Marketing, Export and Export obligation details

Our Markets

We supply APIs to a number of domestic and international companies. For details of the Industry within which our Company operates, please see the chapter titled “*Industry Overview*” beginning on page 111 of this Draft Red Herring Prospectus.

The APIs manufactured by us are purchased by pharmaceutical companies which convert the APIs into various forms of formulations such as tablets, capsules and liquid form for sale. Some of the intermediates manufactured at our facilities are also purchased by bulk drug units for further processing and conversion into bulk drugs.

Marketing and Distribution

Our Company serves markets in about 39 countries across the globe through representatives, agents and distributors across the US, Latin America, Europe and Asia. These representatives and agents are responsible not only to market our products but also to gather market intelligence.

Our Company has a team of around 26 Sales and Distribution agents and we regularly participate in various pharmaceutical conferences and exhibitions (both domestic and international). Our Company has endeavoured to create a reliable partner image in the pharmaceutical industry the world over.

Our Company started exporting our products to Portugal in the year 1999-2000 followed by exports to other countries like USA, Europe, Asia, Japan and South America. During the last 3 Fiscals our total sales constitutes the following:

(₹ in Lacs)						
For the period	2011-12	%	2010-11	%	2009-10	%
Sales:						
API and Intermediates	45,585.48	77.37	33,683.78	80.7	26,876.31	83.5
Contract Manufacturing	7,623.43	12.94	2,768.40	6.64	509.97	1.58
Contract Research	4,793.33	8.14	4,099.96	9.83	3,478.41	10.81
Process Knowhow	480.00	0.81	1,004.99	2.41	1,226.53	3.81
Other Sales and Service	436.38	0.74	160.61	0.38	89.04	0.28
Net Sales	58,918.61	100.00	41,717.74	100.00	32,180.25	100.00

During the last 3 Fiscals, the geographical distribution of sales is as under:

(₹ in Lacs)						
Sales	2011-12	%	2010-11	%	2009-10	%
Domestic	38,311.61	65.02	27,786.80	66.61	23,030.24	71.57
Exports (including deemed exports)	20,607.00	34.98	13,930.94	33.39	9,150.01	28.43
Total	58,918.61	100.00	41,717.74	100.00	32,180.25	100.00

Major Customers

Our Company's key customers in the domestic market are large and medium sized formulation manufacturers (including local manufacturers as well as Indian subsidiaries of multinational corporations). We also market our Intermediates to other manufacturers of APIs. We also supply our products to approximately 39 countries, including regulated markets and in the international market, our Company's major customers include pharmaceutical companies acknowledged as being amongst the leaders in the Industry, globally. Some of the countries to which we supply our products include Turkey, Jordan, Syria, Iran, Korea, Italy, the Netherlands and the US.

Following are the details of the revenue derived from our top 10 customers for the last 3 Fiscals:

(₹ in Lacs)					
Fiscal 2012		Fiscal 2011		Fiscal 2010	
Amount	%	Amount	%	Amount	%
40,772.02	63.19	25,897.12	55.41	23,163.69	71.98

Export Obligation

We have 41 outstanding advance authorisations and duty obligation amount is ₹ 645.51 Lacs as on as on August 31, 2012. For details of advance licenses availed by our Company, please refer to the chapter titled "Government and Other Statutory Approvals" beginning on page 336 of this Draft Red Herring Prospectus.

Employees

As on August 31, 2012, our Company had 484 permanent employees, which includes corporate and managerial staff, sales staff and staff located at manufacturing facilities. Approximately 180 of these permanent employees have post-graduate qualifications (including around 20 doctorate holders). Approximately 103 of our Company's employees are engaged in research and development activities.

Key Function	Number of Employees
Strategy and Business Development	8
Corporate	2
R&D	103
Quality Assurance/ Quality Control and Regulatory	75
Safety, Health and Environment	10
Operations	187
Sales	8
Purchase	10
Projects	10
Human Resources	10
Secretarial and Legal	3
General Administration	19
Systems	5
Finance	34
Total	484

Further, as on August 31, 2012 our Company also has 150 employees on contract basis. Since incorporation, our Company has not witnessed any work disruptions, strikes, lock-outs or other employee unrest. Our Company believes that its relations with its employees are good. For details of our Company's employees and our Company's management labour relations, please refer to the chapters titled "*Our Management*" and "*History and Other Corporate Matters*" beginning on pages 170 and 282 of this Draft Red Herring Prospectus.

Subsidiaries

As on the date of this Draft Red Herring Prospectus, our Company has one Subsidiary, being Singind Life Sciences PTE Limited. Further, our Company is in the process of incorporating a new subsidiary in Oman to cater to our clients in the Middle East and the same has been approved by our Board of Directors in their meeting held on May 24, 2012. As on the date of this Draft Red Herring Prospectus, this subsidiary has not been incorporated. For further details pertaining to Singind Life Sciences PTE Limited, please refer the heading "*Our Subsidiary*" in the chapter titled "*History and Other Corporate Matters*" beginning on page 161 of this Draft Red Herring Prospectus.

Competition

Our Company operates in the pharmaceutical sector which faces competition from domestic as well as international players. Competition emerges not only from the organized and unorganized sector but also from small and big players. Its competitiveness depends on several factors including quality, price and customer service.

Internationally, competition typically comes from low-cost operations in other developing countries. Chinese companies, particularly, are one example of such competitors, which rely on leveraging its volume advantages in manufacturing to compete in the market place. Our Company operates in the regulated markets where the Chinese producers are not very active.

We believe that we face competition in the domestic market from various entities including listed companies such as Divi's Laboratories Limited, Dishman Pharmaceuticals Limited, Hikal Limited, Jubilant Lifesciences Limited, Shasun Chemicals and Pharmaceuticals Limited, Shilpa Medicare Limited and Suven Lifesciences Limited etc.

Collaborators

As on the date of this Draft Red Herring Prospectus, our Company do not have any collaborations, performance guarantee or assistance in marketing by collaborators.

Insurance

Our Company has insured its assets and stocks through various insurance policies, details of which are as under, as on the date of this Draft Red Herring Prospectus:

Sr. No	Policy No.	Policy Type	Insurance Details	Sum Insured	Premium Amount	Date of Expiry
1.	2002/73139975/00/000	Marine Export Import Insurance (Open) Policy	For risks in transit. To cover raw material chemicals, Intermediates, Bulk drugs – Pharma goods powder transported from factory/warehouse in India to anywhere in India	60,000,000	838,840	July 30, 2013.
2.	32052013	Boiler and Pressure Plant	To cover Boiler and Steam Boiler with Accessories located at Premises situated at Dombivli & Tarapur plants.	5,183,540	7,209	August 20, 2013
3.	45035725	Money Insurance	Money in transit and Cash at the premises of the Company situated at Dombivli, Tarapur, Andheri and Ambernath.	Money in transit - Annual Carrying Limit ₹ 1,50,00,000 Single Carrying Limit ₹ 5,00,000 Cash at premises: Dombivli R&D centre – ₹ 2,00,000 Dombivli Unit – ₹ 1,00,000 Tarapur plant – 2,00,000 Ambarnath - ₹ 50,000 Andheri (Unit No. 2 and Registered office) – 3,00,000 Cash in safe: ₹ 8,50,000	14,551	August 29, 2013.
4.	Policy renewed 124500/48/2012/7516	All Risks Policy	To cover 40 laptops owned by the Company	1741067	37,444	January 05, 2013
5.	41018496	Public Liability (Industrial and Storage) Policy	To cover Public Liability Insurance (Industrial Risk) for the premises at Plot number N-102/N-91/N-90 and M-4, Tarapur, Plot number W-	Limit of Liability: Any One Accident- 20,000,000; Any One Year- 20,000,000	80,000	November 23, 2012.

			212/213/215/216/217, Dombivli, Plot number A-37/38, Dombivli and our Registered Office.	Aggregate limit during the policy period- 20,000,000		
6.	020600/11/11/11/00001 910	Standard Fire and Special Perils Policy	To cover risks pertaining to AC, factory building, plant and machinery , laboratory equipments, elect installation & fittings, FF, computer, office equipments, factory equipments CWIP, WIP at Plot number N-102/91/90, M-15 and M-4, Tarapur, Plot number W-212/213/215/216/217, Dombivli, Aromatic & Indl Chemicals Pvt Ltd, B-15, Kalyan Badlapur road, MIDC, Ambernath. and Plot number A-37/38, Dombivli	175,00,00,000	17,25,329	December 03, 2012.
7.	Policy renewed 020600/11/11/13/00001 745	Standard Fire and Special Perils Policy (Floater Basis)	Industrial manufacturing risks pertaining to stock of raw material and finished goods of all kinds including packing materials of insured trade for Company's premises at Tarapur, Dombivli and Unit No. 2, Andheri	225,00,00,000	13,34,190	December 02, 2012
8.	OG-13-1901-2801- 00000355	Workmen Compensation policy	To cover 53 workers of our Company	7,990,440	49,404	August 24, 2013
9.	11577186	Standard fire and special perils policy (material damage)	To cover the plots situated at - Unit No. 110, Andheri Mumbai for Rs 72500000, Unit No. 2, Andheri Mumbai for Rs 740000	79,900,000	33488	November 30, 2012
10.	124500/21/2012/310	Marine cargo open policy	To cover risks pertaining to Furniture, fixture and fittings.	30,000,000	19855	December 05, 2012

In addition to the above, our Company has also availed keyman insurance policy, group accident and mediclaim policies, motor vehicle policies and Overseas Mediclaim policy for our Promoters and key managerial personnel.

Regulations and Environment

US Regulations

DMFs

A Drug Master File (“**DMF**”) is a filing with the USFDA with regards to an API / Bulk Drug. A DMF is essentially a submission to the USFDA that may be used to provide confidential, detailed information about facilities, processes or articles used in the manufacturing, processing, packaging and storing of one or more human drugs. It usually refers to the raw material or active ingredient which is used in manufacturing the final drug (the “**API / bulk drug**”). Information in the DMF may be used to support an Investigational New Drug Application (“**INDA**”), a New Drug Application (“**ND A**”), an Abbreviated New Drug Application (“**ANDA**”), another DMF or amendments or supplements for any of these filings. Set out below are the types of DMF filings, with Type II being the most common.

- Type I – Manufacturing site, facilities, operating procedures and personnel;
- Type II – Drug substance, drug substance intermediate, material used in drug preparation or drug product;
- Type III – Packaging material; and
- Type IV – Excipient, colorant, 150nstal, essence or other materials used in their preparation.

ANDAs

An ANDA is a filing with the USFDA with regards to a Formulation (generic). An ANDA contains data which when submitted to the USFDA’s Center for Drug Evaluation and Research, Office of Generic Drugs, is reviewed and is the ultimate basis of approval for any generic drug product (Formulation) for sale. Once approved an applicant may manufacture and market the generic drug product provided that all issues related to patent protection and exclusivity have been resolved.

An ANDA filing is expected to prove the bioequivalence of the generic drug with respect to the original patented drug. A generic drug is “bioequivalent” if such generic version releases its active ingredient into the bloodstream at virtually the same speed and in virtually the same amounts as the original drug. Because the active ingredient in the generic drug has already been shown in testing of the trade-name drug to be safe and effective, bioequivalence studies only have to show that the generic version produces virtually the same levels of drug in the blood over time. Apart from bioequivalence checks conducted by the USFDA include chemical tests, toxicity, drug interactions and inspection of facilities and packaging details.

Indian Regulations

For an overview of the key industry regulations and policies applicable to our Company in India, please refer to the chapter titled “*Key Regulations and Policies*” beginning on page 151 of this Draft Red Herring Prospectus.

KEY REGULATIONS AND POLICIES

The regulations set out hereinbelow and their description are not exhaustive, and are only intended to provide general information to Bidders and is neither designed nor intended to be a substitute for professional legal advice. Taxation statutes such as the IT Act, Central Sales Tax Act, 1956 and applicable local sales tax statutes and other miscellaneous regulations apply to us as they do to any other Indian company. 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.

Our Company is engaged in the business of manufacturing, selling and exporting APIs and is governed by a number of central and state legislations that regulate its business. Further our Company is subject to and affected by certain foreign laws, particularly laws relating to intellectual property. Applicable laws of jurisdiction outside India have not been set out or detailed herein. No action or omission should be taken or contemplated based on the contents below without independent verification with each prospective investors' legal advisors, and any prospective investor who does so without such independent verification and based on the contents hereinbelow would do so at his / her / its sole risk and without recourse to our Company or the BRLMs or any other person or entity whatsoever.

The following discussion summarises certain significant Indian laws and regulations that govern our Company's business.

Laws applicable to the manufacture, sale and marketing of APIs

The Drugs and Cosmetics Act, 1940

The Drugs and Cosmetics Act, 1940 (the “**DCA Act**”) regulates the import, manufacture, distribution and sale of drugs in India as well as aspects relating to labelling, packing and testing as well as matters pertaining to drug formulations, biologicals and APIs. It provides the procedure for testing and licensing new drugs. These procedures involve obtaining a series of approvals for different stages at which the drugs are tested, before the Drug Controller General of India, an authority established under the DCA Act (“**DCGI**”) grants the final license to allow the drugs to be manufactured and marketed. Obtaining an approval from DCGI involves an application to be made to the DCGI. Upon examining the medical data, the chemical data and the toxicity of the drug, the DCGI issues a no objection certificate. The no objection certificate allows the manufacturer of the drug to move on to the next stage of testing at the central drug laboratories. The drug is subject to a series of tests at the central drug laboratories, for its chemical integrity and analytical purity. If the drug meets the standards required by the authority, the authority issues a certificate in that respect.

The DCGI issues a manufacturing and marketing license in respect of APIs. These licenses are submitted by the company seeking to produce the drug, to the drug control administration of the state which clears the drug for manufacturing and marketing. The drug control administration also provides the approval for technical staff as per the DCA Act and Drugs and Cosmetics Rules, 1945 framed under the legislation abiding by the WHO and GMP inspection norms. The approvals for licensing are to be obtained from the drug control administration. The Central Drugs Standard Control Organisation (“**CDSCO**”) is responsible for testing and approving APIs and formulations in consultation with the DCGI.

The approval process for conducting clinical trials, manufacturing and marketing of a drug depends on whether the drug is a new chemical entity or a Recombinant Deoxyribonucleic Acid (“**RDNA**”) product. For new chemical entities, the DCGI is the approving authority. However, for RDNA products, applications have to be submitted to the Department Of Biotechnology (“**DBT**”) after which they are processed for scientific, safety and efficacy issues by an advisory committee comprising the DBT, the chairman of the review committee on genetic manipulation, the DCGI, the Ministry of Health and Family Welfare, and other experts. If the advisory committee is satisfied, it then recommends the proposal to DCGI who then clears the proposal for Phase I clinical trials. The DCGI reviews the clinical data after every phase based on which it grants approval for entering into the next phase. The Phase III clinical data is examined by the DCGI in consultation with the Genetic Engineering Approval Committee (“**GEAC**”). Thereafter, the DCGI grants the final approval for manufacturing and marketing the product.

According to the DCA Act and the applicable guidelines for generating pre-clinical and clinical data for RDNA based vaccines, diagnostics and other biological, human clinical trials can be conducted in four sequential phases that may overlap under some circumstances:

- *Phase I:* In this phase, the drug or treatment is introduced into a small group of healthy human beings to evaluate its safety, determine a safe dosage range and identify its side effects.
- *Phase II:* This phase involves studies on a selected group of patients to identify possible adverse effects and risks, to determine the efficacy of the product for specific targeted diseases and to further evaluate its safety.
- *Phase III:* Pursuant to Phase II evaluations demonstrating that a dosage range of the product is effective and has an acceptable safety profile, further trials are undertaken on larger groups of patients to confirm their effectiveness, monitor side effects, compare it to commonly used treatments and collect information that will allow the drug or treatment to be used safely.
- *Phase IV:* In this phase, a study of post-marketing information with regard to the drug's risks, benefits and optimal use is carried out.

Further, the DCGI has *vide* a notification, made registration of human clinical trial mandatory from June 15, 2009, which will be applicable for clinical trials initiated after June 15, 2009.

Under the DCA Act, the Government may, by notification in the official gazette, regulate or restrict the manufacture, sale or distribution of a drug, if it is satisfied that such drug is essential to meet the requirements of an emergency arising due to epidemic or natural calamities and that in the public interest, it is necessary or expedient to do so or that the use of such drug is likely to involve any risk to human beings or animals or that it does not have the therapeutic value claimed or purported to be claimed for it or contains ingredients and in such quantity for which there is no therapeutic justification.

The Drugs and Cosmetics Rules, 1945

The Drugs and Cosmetics Rules, 1945 (the “**DCA Rules**”) have been enacted to give effect to the provisions of the DCA Act to regulate the, manufacture, distribution and sale of drugs and cosmetics in India. The DCA Rules prescribe the procedure for submission of report to the Central Drugs Laboratory, of samples of drugs for analysis or test, the forms of Central Drugs Laboratory's reports thereon and the fees payable in respect of such reports. The DCA Rules also prescribe the drugs or classes of drugs or cosmetics or classes of cosmetics for the import of which a licence is required, and prescribe the form and conditions of such licences, the authority empowered to issue the same, the fees payable therefor. The DCA Rules provide for the cancellation or suspension of such licence in any case where any provisions or rule applicable to the import of drugs and cosmetic is contravened or any of the conditions subject to which the licence is issued is not complied with. The DCA Rules further prescribe the manner of labeling and packaging of drugs.

The Narcotic Drugs and Psychotropic Substances Act, 1985

The Narcotic Drugs and Psychotropic Substances Act, 1985 (the “**NDPS Act**”) has been enacted, *inter alia* to consolidate and amend the law relating to narcotic drugs, to make stringent provisions for the control and regulation of operations relating to narcotic drugs and psychotropic substances, to provide for the forfeiture of property derived from, or used in, illicit traffic in narcotic drugs and psychotropic substances and to implement the provisions of international conventions on narcotic drugs and psychotropic substances.

The NDPS Act provides, *inter alia*, that no person shall produce, manufacture, possess, sell, purchase, transport, warehouse, use, consume, import inter-state, export inter-state, import into India, export from India or tranship any narcotic drug or psychotropic substance, except for medical or scientific purposes and in the manner and to the extent provided by the provisions of the NDPS Act or this rules or orders made thereunder, and in a case where any such provision, imposes any requirement by way of licence, permit or authorisation also in accordance with the terms and conditions of such licence, permit or authorisation.

Accordingly, the Central Government may, *inter alia*, permit and regulate the manufacture of manufactured drugs (other than prepared opium,) but not including manufacture of medicinal opium or any preparation containing any manufactured drug from materials which the maker is lawfully entitled to possess. Further, rules formulated under the NDPS Act prescribe, among others (i) the forms and conditions of licences for the manufacture of manufactured drugs, the authorities by which such licences may be granted and the fees that may be charged therefor, as also (ii) the forms and conditions of certificates, authorisations or permits, as the case may be, for such import, export or transshipment of narcotic drugs and psychotropic substances, the authorities by which such certificates, authorisations or permits may be granted and the fees that may be charged therefor. State Governments are also granted powers to permit, control and regulate possession, transport, purchase, sale, import inter-state, export inter-state, use or consumption of manufactured drugs other than prepared opium and of coca leaf and any preparation containing any manufactured drug.

Standards of Weights and Measures Act, 1976 and Standards of Weights and Measures (Packaged Commodities) Rules, 1977

The Standards of Weights and Measures Act, 1976 (the “**Act**”) aims at introducing standards in relation to weights and measures used in trade and commerce. The rules made thereunder, particularly the Standards of Weights and Measures (Packaged Commodities) Rules, 1977 lay down the norms to be followed, in the interests of consumer safety, when commodities are sold or distributed in packaged form in the course of inter-state trade or commerce. The Act and rules formulated thereunder regulate *inter alia* inter-state trade and commerce in weights and measures and commodities sold, distributed or supplied by weights or measures.

Essential Commodities Act, 1955

The Essential Commodities Act, 1955 (the “**EC Act**”) is enacted to control the production, supply and distribution of trade and commerce in the essential commodities for maintaining or increasing supplies and for securing their equitable distribution and availability at fair prices. Section 3 of the EC Act confers wide powers on the Central Government to, *inter alia*, regulate the production or manufacture of any essential commodity, control the price at which any essential commodity may be bought or sold (in accordance with the directions issued by the Central Government).

In furtherance of the above powers, the Central Government may order any person, engaged in the production of an essential commodity, to sell the same to the Central or State Government. Under Section 5, various powers of the Central Government under the EC Act have been delegated to the State Governments. Section 6 of the EC Act provides for seizure / confiscation of an essential commodity by a District Collector.

Drugs (Prices Control) Order, 1995

The Drugs (Prices Control) Order, 1995 (the “**DPCO**”) was promulgated under section 3 of the EC Act and is to be read with the said Act. The DPCO fixes the price for certain APIs and formulations which fall within the purview of the legislation and are called as scheduled drugs and scheduled formulations, respectively.

The National Pharmaceutical Pricing Authority (“**NPPA**”) is responsible for the collection of data and study of the pricing structure of APIs and formulations and to enforce prices and availability of the medicines in the country, under the DPCO. Upon recommendation of the NPPA, the Ministry of Chemicals and Fertilizers, Government of India fixes ceiling prices of the APIs and formulations and issues notifications on drugs which are scheduled drugs and scheduled 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 Government has the power under the DPCO to recover amounts charged in excess of the notified price from the company. There are penal provisions for violation of any rules and regulations under the EC Act. As per Section 7 of the EC Act, the penalty for contravention of the DPCO is minimum imprisonment of three months, which may extend to seven years and the violator is also liable to pay fine. Presently there are 74 scheduled drugs under the

DPCO. These provisions are applicable to all scheduled formulations irrespective of whether they are imported or patented, unless they are exempted. However, the prices of other drugs can be regulated, if warranted in public interest.

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. The NPPA monitors the prices of medicines as per monthly audit reports.

The following information is required to be printed on the label of a medicine under the provisions of the DCA and the DPCO:

- Name of the formulation;
- Composition of the formulation;
- Pack size;
- Address of the manufacturer;
- Manufacturing license number;
- Date of manufacture;
- Expiry date;
- Maximum retail price (excluding local taxes).

Laws applicable to the creation and protection of intellectual property rights

Trade Marks Act, 1999

The Trade Marks Act, 1999 (the “**Trademark Act**”) governs the statutory protection of trademarks in India. In India, trademarks enjoy protection under both statutory and common law. Indian trademark law permits the registration of trademarks for goods and services so as to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A ‘mark’ may consist of a word or invented word, signature, device, letter, numeral, brand, heading, label, name written in a particular style and so forth. Certification marks and collective marks are also registrable under the Trademark Act. An application for trademark registration may be made by individual or joint applicants and can be made on the basis of either use or intention to use a trademark in the future. However, the registration of a trademark that is not inherently distinctive on the basis of intent to use may be difficult to obtain.

Applications for a trademark registration may be made for in one or more international classes. The trademark, once applied for, is advertised in the trademarks journal. Oppositions, if any, are invited and, after satisfactory adjudications of the same, a certificate of registration is issued. The right to use the mark can be exercised either by the registered proprietor or a registered user. The registration is valid for ten years unless cancelled. If not renewed after ten years, the mark lapses and the registration has to be restored.

Indian Patent Regulation

The Patents Act, 1970 governs the patent regime in India. Historically, India granted patent protection only to processes and not to products in respect of food, medicine or drugs. However, as a signatory to the Trade Related Agreement on Intellectual Property Rights (“**TRIPS**”), India was required to ensure that its patent laws were in compliance with the TRIPs by January 1, 2005. Under this new patent regime, India is required to recognize product patents as well as process patents. The new regime provides for:

- i) Recognition of product patents in respect of food, medicine and drugs;
- ii) Patent protection period of 20 years as opposed to the earlier seven year protection for process;
- iii) Patent protections allowed on imported products;
- iv) Under certain circumstances, the burden of proof in case of infringement of process patents may be transferred to the alleged infringer.

India was granted a ten-year grace period to comply with product patent laws. Accordingly, the actual product patent regime came into force from 2005. However, during the transition period, India had to provide a pipeline protection to drugs patents after 1995. The validity period of patent for these products is calculated from the date of applying for the patent, so once the provisions of product patents are implemented, the patent will be granted for the balance of the 20 year patent term from the date of filing of the application for pipeline protection.

The Patents (Amendment) Act, 2005 passed by Indian Parliament on March 17, 2005, has made certain changes to the Patents Act, 1970 (the “**Patents Act**”). The definition of inventive step in the Patents Act has been amended to exclude incremental improvements or ever greening of patents. Under the amended Patents Act, an inventive step must involve a technical advance as compared to the existing knowledge or must have economic significance or both. Further, the invention must be non-obvious to a person skilled in the art. Another amendment, with a view to reducing ever greening of patents, is the expansion of the Section 3 which determines what are not patents. Section 3(d) of the Patents Act has been amended such that the following are not patents:

- the mere discovery of a new form of a known substance which does not result in the enhancement of the known efficacy of that substance, or
- the mere discovery of any new property or new use for a known substance or of the mere use of a known process, machine or apparatus unless such known process results in a new product or employs at least one new reactant.

The explanation to section 3(d) clarifies that salts, esters, ethers, polymorphs, metabolites, pure form, particle size, isomers, mixtures of isomers, complexes, combinations, and other derivatives of known substance shall be considered the same substance, unless they differ significantly in properties with regard to efficacy. Hence, this explanation will ensure that derivatives, isomers, metabolites of known substances are not easily patentable without the establishment of significant improvements in properties.

The proviso to section 11A (7) has been introduced in the Patents Act to provide protection to those Indian enterprises which have made significant investment and have been producing and marketing a product prior to January 1, 2005, for which a patent has been granted through an application made under section 5(2) of the Patents Act and have continued to manufacture the product covered by the patent on the date of grant of the patent. In such a case, the patent-holder shall only be entitled to receive reasonable royalty from such enterprises and cannot institute infringement proceedings against such enterprises.

Labour laws applicable to our Company

Contract Labour (Regulation and Abolition) Act, 1970

The Contract Labour (Regulation and Abolition) Act, 1970 (the “**CLRA Act**”) regulates the employment of contract labour in certain establishments, provides for its abolition in certain circumstances. It applies:

- to every establishment which does not carry on intermittent / casual work in which 20 or more workmen are / were employed on any day of the preceding 12 months as contract labour (“**Establishment**”);
- to every contractor who employs, or who employed on any day of the preceding 12 months, 20 or more workmen.

Every Establishment must, within the specified period, apply to the registering officer for registration of the Establishment and obtain a certificate of registration containing such particulars as may be prescribed.

Further, a contractor can only undertake or execute any work through contract labour under and in accordance with a licence issued in that behalf by the licensing officer. The license may contain conditions including, in particular, conditions as to hours or work, fixation of wages and other essential amenities in respect of contract labour. The license will be valid for the period specified therein.

Every contractor is duty-bound to provide and maintain supply of drinking water, canteens, rest-rooms latrines and urinals, washing facilities, first- aid box in the prescribed manner for contract labour employed in connection with the work of an Establishment to which the Act applies. If such amenities are not provided by the contractor within the prescribed time, such amenities shall be provided by the principal employer of the Establishment. Contractor shall be responsible for payment of wages to each worker employed by him as contract labour within the prescribed period and in case he fails to do so, the principal employer of the Establishment will be so responsible. Every principal employer and contractor is required to maintain the prescribed records in respect of the contract labour employed.

Contract Labour (Regulation and Abolition) Central Rules, 1971

The Contract Labour (Regulation and Abolition) Central Rules, 1971 (the “**CLRA Rules**”) are formulated to carry out the purposes of the Contract Labour (Regulation and Abolition) Act, 1970 (“**Act**”). As per the Rules, the application for registration of establishments to which the Act applies shall be made in Form I in triplicate and shall be accompanied by a treasury receipt showing payment of fees. A certificate of registration in Form II containing particulars of the name of the establishment, type of work carried on therein, number of contract labourers employed and other particulars is then issued. Any change in these particulars must be intimated by the principal employer at the establishment within 30 days of such change along with details of such change. Every application for license by the Contractor, made in Form IV, shall be accompanied by a certificate by the principal employer in Form V to the effect that the applicant has been employed by him as a contractor in relation to his establishment. Security as prescribed must also be deposited. Every license granted to the contractor in Form VI is non- transferable and shall contain particulars such as the maximum number of contract labourers employed.

The Employees Provident Fund and Miscellaneous Provisions Act, 1952 (“Act**”) and the schemes formulated thereunder (“**Schemes**”)**

This Act provides for the institution of provident funds, family pension funds and deposit linked insurance fund for the employees in the factories and other establishments. Accordingly, the following schemes are formulated for the benefit of such employees:

- (i) *The Employees Provident Fund Scheme:* as per this Scheme, a provident fund is constituted and both the employees and employer contribute to the fund at the rate of 12% (or 10% in certain cases) of the basic wages, dearness allowance and retaining allowance, if any, payable to employees per month.
- (ii) *The Employees Pension Scheme:* Employees’ Pension Scheme is Pension Scheme for survivors, old aged and disabled persons. This Scheme derives its financial resource by partial diversion from the Provident Fund contribution, the rate being 8.33%. Thus, a part of contribution representing 8.33 per cent of the employee’s pay shall be remitted by the employer to the Employees’ Pension fund within 15 days of the close of every month by a separate bank draft or cheque on account of the Employees’ Pension Fund contribution in such manner as may be specified in this behalf by the appropriate authority constituted under the Act. The Central Government shall also contribute at the rate of 1.16 per cent of the pay of the members of the Employees’ Pension Scheme and credit the contribution to the Employees’ Pension Fund.
- (iii) *The Employees Deposit Linked Insurance Scheme:* As per this Scheme, the contribution by the employer shall be remitted by him together with administrative charges at such rate as the Central Government may fix from time to time under Section 6C(4) of the Act, to the Insurance Fund within 15 days of the close of every month by a separate bank draft or cheque or by remittance in cash in such manner as may be specified in this behalf by the appropriate authority constituted under the Act.

Further, the employer is required to maintain records and submit periodic returns with regard to the implementation of the Act and Schemes.

The Industrial Employment (Standing Orders) Act, 1946 (“Act**”)**

The Act requires employers in industrial establishments formally to define with sufficient precision the conditions of employment under them and to make the conditions known to workmen employed by them. The Act extends to the whole of India and applies to every industrial establishment wherein 100 or more workmen are employed, or were employed on any day of the preceding 12 months. Every employer whose industrial establishment falls within the purview of this Act is required to submit draft standing orders to the certifying officer appointed under the Act in the prescribed manner. The certifying officer shall thereupon certify the draft standing orders, after making any modifications therein.

The text of the standing orders as finally certified under this Act shall be prominently posted by the employer in English and in the language understood by the majority of his workmen on special boards to be maintained for the purpose at or near the entrance through which the majority of workmen enter the industrial establishment and in all departments thereof where the workmen are employed.

The Workman Compensation Act, 1923

The Workmen's Compensation Act, 1923 (the "**WC Act**") aims at providing financial protection to employees (for their dependents in the event of fatal accidents) by means of payment of compensation by the employers, if personal injury is caused to them by accidents arising out of and in the course of their employment. The WC Act makes it obligatory for the employers brought within the ambit of the Act to furnish, to the State Governments / Union Territory Administrations, annual returns containing statistics relating to the average number of workers covered under the Act, number of compensated accidents and the amount of compensation paid.

The Payment of Wages Act, 1936

The Payment of Wages Act, 1936 (the "**Act**") is enacted to regulate the period and payment of wages, overtime wages and deductions from wages and also to regulate the working hours, overtime, weekly holidays of certain classes of employed persons. The Act contains provisions as to the minimum wages that are to be fixed by the appropriate governments for the employees, entitlement of bonus of the employees, fixing the payment of wages to workers and ensuring that such payments are disbursed by the employers within the stipulated time frame and without any unauthorized deductions.

State specific Shops and Commercial Establishments Acts as applicable

Under various state laws dealing with shops and establishments, any shop or commercial establishment has to obtain a certificate of registration from the supervising inspector and has to comply with certain rules laid down therein. These statutes and rules and regulations framed thereunder regulate the opening and closing hours of shops and commercial establishments, daily and weekly work hours, closing dates and holidays, health and safety of persons working in shops and commercial establishments, payment of wages, maintenance of records and registers by the employers, among others.

Laws applicable to our manufacturing units

The Factories Act, 1948

The Factories Act, 1948 (the "**Factories Act**") seeks to regulate labour employed in factories and makes provisions for the safety, health and welfare of the workers. The Factories Act defines a 'factory' to cover any premises, which employs ten or more workers and in which manufacturing processes are carried on with the aid of power, and to cover any premises, where there are at least 20 workers who may or may not be engaged in an electrically aided manufacturing process. Each State Government has set out rules in respect of the prior submission of plans and its approval for the establishment of factories and registration and licensing of factories. The Factories Act also provides for the mechanisms for safety of certain equipment used in factories, procedures for periodic examination of equipment such as pressure vessels and lifting tackles, regulation of working conditions within the factories and includes specific provisions applicable to women and children employed in factories.

The Indian Boilers Act, 1923

The Indian Boilers Act, 1923 (the "**Boilers Act**") states that the owner of any boiler (as defined therein), which is wholly or partly under pressure when is shut off, shall under the provisions of the Boilers Act, apply to the Inspector appointed thereunder to have the boiler registered which shall be accompanied by prescribed fee. The certificate for use of a registered boiler is issued pursuant to such application, for a period not exceeding twelve months, provided that a certificate in respect of an economiser or of an unfired boiler which forms an integral part of a processing plant in which steam is generated solely by the use of oil, asphalt or bitumen as a heating medium may be issued for a period not exceeding twenty-four months in accordance with the regulations made under Boilers Act. On the expiry of the term or due to any structural alteration, addition or renewal to the boiler, the owner of the boiler shall renew the certificate by providing the Inspector all reasonable facilities for the examination and all such information as may reasonably be required of him to have the boiler properly prepared and ready for examination in the prescribed manner.

The Explosives Act, 1884

The Explosives Act, 1884 (the “**Explosives Act**”) has been enacted to regulate the manufacture, possession, use, sale, transport and importation of explosives. The Explosives Act stipulates as follows:

No person-

- (i) who has not completed the age of 18 years;
- (ii) who has been sentenced on conviction of any offence involving violence or moral turpitude for a term of not less than 6 months, at any time during a period of 5 years after the expiration of the sentence;
- (iii) who has been ordered to execute under Chapter VIII of the Code of Criminal Procedure, 1973 (2 of 1974), a bond for keeping the peace or for good behaviour, at any time during the term of the bond; or
- (iv) whose licence under this Act has been cancelled, whether before or after the commencement of the Indian Explosives (Amendment) Act, 1978 (32 of 1978) for contravention of the provisions of this Act or the Rules made thereunder, at any time during a period of 5 years from the date of cancellation of such licence shall:
 - (a) manufacture, sell, transport, import or export any Explosive; or
 - (b) possess any such Explosive as the Central Government may, having regard to the nature thereof, by notification in the Official Gazette, specify.

Further, no person shall import, export, transport, manufacture, possess, use or sell any explosive which is not an authorised explosive. The Explosives Act also prescribes safety standards and qualifications required in order to obtain a license for the manufacture, use, possession, sale etc., of explosives.

Environmental laws applicable

The Water (Prevention and Control of Pollution) Act, 1974 (“Act”)

The Act provides for the prevention and control of water pollution and the maintaining or restoring of wholesomeness of water, for the establishment, with a view to carrying out the purposes aforesaid, of Boards for the prevention and control of water pollution, for conferring on and assigning to such Boards powers and functions relating thereto and for matters connected therewith. The Act defines “*pollution*” as such contamination of water or such alteration of the physical, chemical or biological properties of water or such discharge of any sewage or trade effluent or of any other liquid, gaseous or solid substance into water (whether directly or indirectly) as may, or likely to, create a nuisance or render such water harmful or injurious to public health or safety, or to domestic, commercial, industrial, agricultural or other legitimate uses, or to the life and health of animals or plants or of aquatic organisms. The Act envisages establishing a Central Board as well as State Board for Prevention and Control of Water Pollution.

Accordingly, the previous consent of the Board constituted under the Act must be obtained, for establishing or taking steps to establish operation or process, or any treatment and disposal system or any extension or addition thereto, which is likely to discharge sewage or trade effluent into a stream or well or sewer or on land. Such previous consent is required for bringing into use any new or altered outlet for the discharge of sewage or for the new discharge of sewage. If at any place where any industry, operation or process, or any treatment and disposal system or any extension or addition thereto is being carried on, due to accident or other unforeseen act or event, any poisonous, noxious or pollution matter is being discharged, or is likely to be discharged into a stream or well or sewer or on land and, as a result of such discharge, the water in any stream or well is being polluted, or is likely to be polluted, then the person in charge of such place shall forthwith intimate the occurrence of such accident, act or event to the Board constituted under the Act and such other authorities or agencies as may be prescribed.

The Air (Prevention and Control of Pollution) Act, 1981 (“Act”)

The Act provides for the prevention, control and abatement of air pollution, for the establishment, with a view to carrying out the aforesaid purposes of Boards for conferring on and assigning to such Boards powers and functions relating thereto and for matters connected therewith.

The Act envisages establishing a Central Board as well as State Pollution Control Boards in each State. The Central Board constituted under Water (Prevention and Control of Pollution) Act, 1974, shall, without prejudice to its powers and functions under this Act, shall also exercise the powers and perform the functions of the Central Board under the Prevention and Control of Air Pollution. Similarly if in any State, the State Government has constituted for that State, a State Board for the Prevention and Control of Water Pollution, then such State Board shall be deemed to be the State Board for the Prevention and Control of Air Pollution and exercise the powers and perform the functions of the State Board for the Prevention and Control of Air Pollution also.

As per the Act, no person operating any industrial plant, in any air pollution control area (so declared under Section 19 of the Act) shall discharge or cause or permit to be discharged the emission of any air pollutant in excess of the standards laid down by the Board constituted under the Act. Further, no person shall, without the previous consent of the Board constituted under the Act, establish or operate any industrial plant in an air pollution control area.

The Act further prescribes certain compliances with regard to the reporting and prevention of accidents. Thus, where in any area the emission of any air pollutant into the atmosphere in excess of the standards laid down by the Board constituted under the Act occurs or is apprehended to occur due to accident or other unforeseen act or event, the person in charge of the premises from where such emission occurs or is apprehended to occur shall forthwith intimate the fact of such occurrence or the apprehension of such occurrence to such Board and to such authorities or agencies as may be prescribed by the Act.

The Environment (Protection) Act, 1986 (“Act”)

The Act provides for the protection and improvement of environment and for matters connected therewith and is in pursuance of India’s participation in the United Nations Conference on the Human Environment held at Stockholm in June, 1972.

In keeping with its mandate, the Act provides for the constitution of Boards to regulate pollution levels and protect the environment, the formulation of rules with regard to environmental standards and imposes certain obligations. It stipulates that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emitted any environmental pollutant in excess of such standards as may be prescribed. Further, no person shall handle or cause to be handled any hazardous substance except in accordance with such procedure and after complying with such safeguards as may be prescribed.

The Manufacture, Storage and import of Hazardous Chemical Rules, 1989 (“Rules”)

The Rules are formulated under the Environment (Protection) Act, 1986. The Rules are applicable to an industrial activity in which a hazardous chemical which satisfies certain criteria as listed in the schedule thereto, and to an industrial activity in which there is involved a threshold quantity of hazardous chemicals as specified in the schedule thereto. The occupier of a facility where such industrial activity is undertaken has to provide evidence to the prescribed authorities that he has identified the major accident hazards and that he has taken steps to prevent the occurrence of such accident and to provide to the persons working on the site with the information, training and equipment including antidotes necessary to ensure their safety.

Where a major accident occurs on a site or in a pipe line, the occupier shall forthwith notify the concerned authority and submit reports of the accident to the said authority.

Furthermore, an occupier shall not undertake any industrial activity unless he has submitted a written report to the concerned authority containing the particulars specified in the schedule to the Rules at least 3 months before commencing that activity or before such shorter time as the concerned authority may agree.

The Public Liability Insurance Act, 1991 (“Act”)

The Act provides for public liability insurance for the purpose of providing immediate relief to the persons affected by accident occurring while handling any hazardous substance and for matters connected therewith or incidental thereto. Where death or injury to any person (other than a workman) or damage to any property has resulted from an accident (being caused during the handling of any hazardous substance resulting in continuous or intermittent or

repeated exposure to death of, or injury to, any person or damage to any property), the person who owns, or has control over handling, such hazardous substance at the time of the Accident shall be liable to give such relief as is specified in the Schedule to the Act for such death, injury or damage. Therefore, such person who will be liable in case of an accident shall, before he starts handling any hazardous substance, obtain one or more insurance policies providing for contracts of insurance whereby he is insured against liability to give relief as described above. Such person is also required to contribute to the environment relief fund a sum equal to the premium paid by him towards the public liability insurance cover obtained.

Tax laws applicable

The Customs Act, 1962

The Customs Act, 1962 (the “**Customs Act**”) is to consolidate and amend the laws related to customs. The Custom Act provides that all importers must file a bill of entry or a cargo declaration, containing the prescribed particulars for a customs clearance. Additionally, a series of other documents relating to the cargo are to be filed with the appropriate authority. After registration of the bill of entry, it is forwarded to the concerned appraising group in the custom house. This is followed by an assessment by the assessing officer in order to determine the duty liability which is on the basis of statement made in the entry relating thereto and the documents produced and information furnished by the importer or exporter. Further, all imported goods are examined for verification of correctness of description given in the bill of entry. Post- assessment, the importer may seek delivery of the goods from the custodians.

Central Excise

Excise duty imposes a liability on a manufacturer to pay excise duty on production or manufacture of goods in India. The Central Excise Act, 1944 is the principal legislation in this respect, which provides for the levy and collection of excise and also prescribes procedures for clearances from factory once the goods have been manufactured etc. Additionally, the Central Excise Tariff Act, 1985 prescribes the rates of excise duties for various goods.

Value Added Tax

Value Added Tax (“**VAT**”) is a system of multi-point levy on each of the entities in the supply chain with the facility of set-off input tax whereby tax is paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. Only the value addition in the hands of each of the entities is subject to tax. VAT is based on the value addition of goods, and the related VAT liability of the dealer is calculated by deducting input tax credit for tax collected on the sales during a particular period. VAT is essentially a consumption tax applicable to all commercial activities involving the production and distribution of goods, and each State that has introduced VAT has its own VAT Act, under which, persons liable to pay VAT must register themselves and obtain a registration number.

Sales Tax

The tax on sale of movable goods within India is governed by the provisions of the Central Sales Tax Act, 1956 or relevant state law depending upon the movement of goods pursuant to the relevant sale. If the goods move inter-state pursuant to a sale arrangement, then the taxability of such sale is determined by the Central Sales Tax Act, 1956. On the other hand, when the taxability of an arrangement of sale of movable goods which does not contemplate movement of goods outside the state where the sale is taking place is determined as per the local sales tax / VAT legislations in place within such state.

HISTORY AND OTHER CORPORATE MATTERS

Our Company was originally incorporated as “*Shree Deep Jyote Industrial Paints Private Limited*” on January 14, 1986 under the Companies Act, 1956 *vide* Certificate of Incorporation bearing registration number 38618 issued by the Registrar of Companies, Mumbai. Our Company’s name was changed to “*Calyx Chemicals and Pharmaceuticals Private Limited*” *vide* Fresh Certificate of Incorporation Consequent upon Change of Name dated August 04, 1997 pursuant to change in the management and control of our Company. Our Company’s name was subsequently changed to “*Calyx Health Sciences Private Limited*” *vide* Fresh Certificate of Incorporation Consequent upon Change of Name dated March 11, 2005 in order to more correctly reflect the business of our Company. Our Company’s name was changed back to “*Calyx Chemicals and Pharmaceuticals Private Limited*” *vide* Fresh Certificate of Incorporation Consequent upon Change of Name dated May 19, 2005 and our business objects were changed to include the manufacture and sale of pharmaceutical products. Our Company was converted into a public limited company and consequently the name of our Company was changed to “*Calyx Chemicals and Pharmaceuticals Limited*” *vide* Fresh Certificate of Incorporation Consequent upon Change of Name on Conversion to Public Limited Company dated September 08, 2006. Our CIN is U24220MH1986PLC038618.

Our Company was originally promoted by Mr. Dharmesh Shah and Mr. Satyen Shah *inter alia* to manufacture, produce, refine, recover, extract, distil, concentrate, dilute, rectify, convert, buy, sell, export, import or otherwise deal in all types of paints, synthetic paints and thinners, coloured or other cements, varnishes, synthetic resins, enamel, lacquers, distempers, disinfectants, oils, wood preservative, fruit or vegetable or other preservatives, printing and making inks, dry inks, writing inks, polishes of description including metal, wood, paper, polishes, crayons, powders, electroplating, abrasive and its chemicals, shoe dressing, greases, vaselines, creams, glue, gelatine and other glue preparations and allied products, methylated and rectified spirits, dry or other colours, water dyes, die intermediates, pigments dyes, all type of turpentine including Canada turpentine from fine larchfir, pistacho and other trees.

Our Promoter-Directors, Mr. Smitesh Chandravadan Shah and Mr. Bharat Sukhlal Mehta along with Mr. Indulal Dalichand Doshi acquired our Company in the year 1995. Subsequently, our business objects were changed to include the manufacture and sale of pharmaceutical products and our Company’s name was changed to “*Calyx Chemicals and Pharmaceuticals Private Limited*” accordingly. For further details of changes in our business objects, please refer to the section titled “*Changes in the Memorandum of Association of our Company since incorporation*” of this chapter, hereinbelow.

In the year 2004, our Company acquired the properties and assets of M/s. Indi Systems. In the year 2006, Calyx Pharmaceuticals and Chemicals Private Limited (a company promoted by Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Indulal Dalichand Doshi) merged with our Company in pursuance of order of the High Court of Judicature at Bombay in Company Petition No. 100 of 2006 connected with Company Application No. 132 of 2006 dated April 19, 2006. Pursuant to conversion into a public limited company, our Company changed is presently named “*Calyx Chemicals and Pharmaceuticals Limited*”.

Our turnover and profitability for last five years has been as follows:

Particulars (on standalone basis)	(₹ in Lacs)				
	Fiscal 2012	Fiscal 2011	Fiscal 2010	Fiscal 2009	Fiscal 2008
Total Income	59,220.00	41,865.40	32,666.88	23,960.73	16,273.97
PBDIT	11,633.20	7,725.28	6,097.44	4,846.64	3,154.81
PAT	4,207.37	3,001.65	2,188.89	1,508.89	937.48

Details of schemes of amalgamation

Scheme of Amalgamation (“Scheme”) sanctioned by the High Court of Judicature at Bombay in Company Petition bearing number 100 of 2006 connected with Company Application bearing number 132 of 2006 and Company Petition bearing number 101 of 2006 connected with Company Application bearing number 133 of

2006, in the matter of scheme of amalgamation of Calyx Pharmaceuticals and Chemicals Private Limited (“Transferor”) with Calyx Chemicals and Pharmaceuticals Private Limited (“Transferee”)

As per the said Scheme, with effect from the commencement of business on April 01, 2005 (“Appointed Date”), subject to the provisions of the Scheme, the undertaking and entire business and all immovable properties wheresoever situated and incapable of passing by physical delivery, as also all assets of whatsoever nature and in control of, or vested in, or granted in favour of, or enjoyed by the Transferor would be transferred and vested in the Transferee, pursuant to the provisions of Section 394 of the Act.

The Transferee company, in accordance with the Scheme, issued and allotted, to the members of the Transferor company, whose names appeared on the Transferor company’s register of members on the stipulated date, 10 convertible and redeemable preference shares of ₹ 100 each of the Transferee, credited as fully paid up, for every 54 Equity Shares of ₹10 each (“Preference Shares”), of the Transferor. Such Preference Shares allotted were cumulative and carried 9% interest from the date of their issue till conversion. Accordingly, 3,70,371 Preference Shares of ₹100 each were allotted by the Transferee to the members of the Transferor company. These Preference Shares were to be converted into Equity Shares in 2 tranches, on March 31, 2009 and on March 31, 2010.

Subsequently, on March 31, 2009, 1,85,186 of the Preference Shares were converted into 18,51,860 Equity Shares of face value ₹10 each.

Pursuant to the Order of the High Court of Judicature at Bombay dated February 17, 2010, Transferee was permitted to convert the remaining Preference Shares into Equity Shares before March 31, 2010. Accordingly, on March 23, 2010, 1,85,185 Preference Shares were converted into 18,51,850 Equity Shares of face value ₹10 each.

As on the date of this Draft Red Herring Prospectus, our share capital does not include any preference shares. For details of our capital structure, please refer to the chapter titled “*Capital Structure*” beginning on page 57 of this Draft Red Herring Prospectus.

Changes in Registered Office

Details of changes in the Registered Office of our Company are as follows:

Sr. No.	Effective date of change in address	Address to which Registered Office of our Company was changed	Reason for change
1.	December 23, 1985	Number 34, Cawsji Patel Street, Lakhani Terrace, Fort, Mumbai – 400 001, Maharashtra, India	Address at incorporation.
2.	December 01, 1986	Number 28/B/4, Krishna Kunj, Jawahar Nagar, S. V. Road, Goregaon (West), Mumbai – 400 062, Maharashtra, India	Administrative convenience
3.	Fiscal 1995*	Unit Number 2, Marwah’s Complex, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai – 400 072, Maharashtra, India	Change in management from Mr. Dharmesh Shah and Mr. Satyen Shah to Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Indulal Dalichand Doshi
4.	January 09, 2003	Unit Number 5, Marwah’s Complex, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai – 400 072, Maharashtra, India	Administrative convenience
5.	January 01, 2008	Unit Number 2, Marwah’s Complex, Marwah Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai – 400 072, Maharashtra, India	Administrative convenience
6.	September 03, 2012	Unit Number 110, Marwah’s Complex, Krishanlal, Marwah Marg, Off. Saki Vihar Road, Andheri (East), Mumbai-400072, Maharashtra, India	Administrative convenience

**The ROC filing for this change in the registered office is not available with our Company. Please refer to the risk factor titled “Our corporate records for the period from 1986 to 1997 (during which period, our Company was under different management) are not in order” in the chapter titled “Risk Factors” beginning on page 11 of this Draft Red Herring Prospectus.*

Major Events

Our presence in the pharmaceuticals industry can be traced from 1979, when our Promoter, Mr. Smitesh Chandravadan Shah set up M/s. Calyx Chemicals, a sole proprietorship for the manufacture of pharmaceutical products. The major events in the history of our Company are as set out hereinbelow:

Date	Event
1979	Mr. Smitesh Chandravadan Shah starts business under the name and style of “ <i>Calyx Chemicals</i> ”, a sole proprietorship for the manufacture of pharmaceutical products.
1986	Mr. Dharmesh Shah and Mr. Satyen Shah incorporate “ <i>Shree Deep Jyote Industrial Paints Private Limited</i> ” a private limited company incorporated under the laws of India.
1994	M/s. Calyx Chemicals is converted into a partnership constituted by Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Indulal Dalichand Doshi.
1995	“ <i>Calyx Pharmaceuticals and Chemicals Private Limited</i> ” is incorporated to take over the business of M/s. Calyx Chemicals.
1995	Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Indulal Dalichand Doshi acquired our Company which was then named ‘ <i>Shree Deep Jyote Industrial Paints Private Limited</i> ’. It is renamed “ <i>Calyx Chemicals and Pharmaceuticals Private Limited</i> ”.
1998	Our Company expanded its manufacturing unit at Tarapur
2004	Our Company acquires the assets and properties of M/s. Indi Systems, a partnership firm.
2004	Mr. Indulal Dalichand Doshi transfers his controlling shareholding in our Company to his son, Mr. Rajat Indulal Doshi, who subsequently becomes a Promoter of our Company.
2005	The capacity of our manufacturing unit at Tarapur is expanded with the addition of 2 manufacturing facilities
2005	Our Company acquires property located at Unit Number 2 on the ground floor of the Marwah’s Complex, Marwah Industrial Estate, Saki Vihar Road, Sakinaka, Andheri (East), Mumbai-400 072.
2006	Calyx Pharmaceuticals and Chemicals Private Limited merges with our Company <i>vide</i> order of the High Court of Judicature at Bombay dated April 19, 2006 in Company Petition No. 100 of 2006 connected with Company Application No. 132 of 2006 and Company Petition No. 101 of 2006 connected with Company Application No. 133 of 2006.
2006	Pursuant to the merger of Calyx Pharmaceuticals and Chemicals Private Limited with our Company, our Company acquires control of manufacturing unit at Dombivli.
2006	Our Company is converted into a public limited company.

Raising of capital in the form of equity or debt

Other than as disclosed under the section titled “*Capital Structure*” beginning on page 57 of this Draft Red Herring Prospectus, our Company has not raised any capital in the form of equity.

Other than as disclosed under the section titled “*Financial Information*” beginning on page 201 of this Draft Red Herring Prospectus, our Company has not raised any capital in the form of debt in the past 5 years.

Revaluation of assets

There has been no revaluation of assets since incorporation.

Defaults or Rescheduling of borrowings with financial institutions / banks

There have been no defaults or rescheduling of borrowings with the financial institutions / banks in the history of our Company except as disclosed hereunder:

Name of Bank / Institution	Amount due (₹)	Due date of payment	Actual date of payment
Term loan- Bank of India	33,00,000	February 20, 2008	February 29, 2008
Term loan- Exim Bank	52,00,000	September 12, 2007	September 14, 2007
		December 12, 2007	February 15, 2008
		March 12, 2008	March 15, 2008

		March 12, 2009	April 13, 2009
Term loan- Exim Bank	66,00,000	March 20, 2008	March 29, 2008
		March 20, 2009	June 05, 2009
Term Loan- ICICI Bank	4,01,156	July 31, 2007	August 09, 2007
		September 30, 2007	October 03, 2007
		November 30, 2007	December 03, 2007
		January 31, 2008	February 04, 2008
		March 31, 2008	April 25, 2008
Term loan- State Bank of India- I	9,00,000	April 30, 2007	May 05, 2007
		June 30, 2007	July 03, 2007
		July 31, 2007	September 07, 2007
		August 31, 2007	September 28, 2007
		December 31, 2007	January 08, 2008
		February 29, 2008	March 05, 2008
Term loan- State Bank of India- II	25,00,000	April 30, 2007	June 04, 2007
		May 31, 2007	June 04, 2007
		June 30, 2007	July 03, 2007
		July 31, 2007	September 07, 2007
		August 31, 2007	September 28, 2007
		November 30, 2007	January 29, 2008
		December 31, 2007	January 29, 2008
		January 31, 2008	February 05, 2008
		February 29, 2008	March 05, 2008
Axis Bank Limited (the repayment schedule was revised by this lender and the loan was repaid in terms of the reschedulement of this loan)	10,00,00,000	August 20, 2008	August 20, 2008
		September 20, 2008	January 20, 2009
		October 20, 2008	February 27, 2009
		November 20, 2008	March 30, 2009
		December 20, 2008	October 24, 2009
		January 20, 2009	October 24, 2009
		February 20, 2009	November 24, 2009
		March 20, 2009	December 24, 2009
		April 20, 2009	January 30, 2010
		May 20, 2009	February 25, 2010
		June 20, 2009	February 25, 2010
		July 20, 2009	March 26, 2010

Time / Cost Overrun

There has been no time / cost overrun in any projects undertaken by our Company since incorporation.

Lock-out or strikes

There have been no lock-outs or strikes in our Company since inception.

Changes in the activities of our Company during the preceding five years

There has been no change in the activities being carried out by our Company during the preceding five years from the date of this Draft Red Herring Prospectus which may have a material effect on the profits / loss of our Company, including discontinuance of lines of business, loss of agencies or markets and similar factors.

Injunctions or Restraining Orders

Our Company is not operating under any injunction or restraining order.

Members

The total number of members of our Company as on the date of this Draft Red Herring Prospectus is 323.

Awards and achievements

Year	Award
2007	Maharashtra Safety Award Certificate dated September 20, 2008 awarded by the National Safety Council, Maharashtra Chapter to our manufacturing unit at Tarapur for achieving Lowest Accident Frequency Rate During the Year 2007 in the “Paper, Sugar and Pharmaceuticals” industry group.
2007	Silver award in Quality Excellence awarded to our Company for the year 2007, for our manufacturing unit at Tarapur, in the category of bulk drug units having annual turnover of more than 10,000 Lacs.
2008	Maharashtra Safety Award Certificate dated September 19, 2009 awarded by the National Safety Council, Maharashtra Chapter to our manufacturing unit at Tarapur for achieving Lowest Accident Frequency Rate During the Year 2008 in the “Paper, Sugar and Pharmaceuticals” industry group.
2009	Certification bearing number IND12.9432U dated September 26, 2006 issued to our Company for our Company’s manufacturing units at Tarapur and Dombivli, certifying that the management system at the said units is in accordance with the requirements under ISO 9001: 2008 certification. The same is valid until September 25, 2015
2010	<p>Certification bearing number IND10.6497 dated July 12, 2010 issued to our Company for our Company’s manufacturing units at Tarapur certifying that the said unit is in compliance with the requirements under ISO 14001: 2004 for the manufacture and supply of APIs and their intermediates. The same is valid until July 24, 2013.</p> <p>Acknowledgment letter dated May 05, 2010 awarded to our Company’s manufacturing unit at Tarapur by the Foreign Inspection Team, Department of Health and Human Services, Food and Drug Administration, USA in respect of certifying that the API facility at the premises is acceptable to the Issuing Authority pursuant to the review of the Establishment Inspection Report (EIR) submitted by our Company.</p> <p>Certificate of Registration bearing number TU-IV/2496/2010 dated June 10, 2010 has been issued to our Company’s Research and Development Centre by the Scientist- G, Ministry of Science and Technology, Department of Scientific and Industrial Research, Government of India in respect of registration of the unit as research institution other than a hospital for the purpose of availing customs or central excise duty exemption in terms of the Government Notification number 24/2007-Customs dated March 01, 2007 and Central Excise Duty exemption in terms of Government Notification number 16/2007-Central Excise dated March 01, 2007 as amended from time to time. The same is valid until March 31, 2015.</p>
2011	<p>Letter of Acceptance dated August 31, 2011 issued to our Company in respect of our Company’s manufacturing unit at plot number N- 102/91 by Head of Assessments, Prequalification of Medicines Programme, Quality Assurance and Safety, Medicines, World Health Organization regarding WHO prequalification of Medicines programme, prequalification of API “Pyrazinamide” and allotting APIMF reference number APIMF078.</p> <p>Letter dated September 28, 2011 issued to our Company in respect of our Company’s manufacturing unit at plot number N- 102/91 by Acting Head of inspections, Prequalification of Medicines Programme, Quality Assurance and Safety, Medicines, World Health Organization regarding WHO prequalification of Medicines programme, closing of inspection intimating that the site is considered to be operating in compliance with WHO GMP for Active Pharmaceutical Ingredients “Pyrazinamide”, “Isoniazid”, “Artemther” and “Lumefantrine” and the same are considered to be manufactured in compliance with WHO GMP for APIs.</p> <p>Good Manufacturing Certificate bearing number GMP Cert./2011/00166/6dated December 21, 2011 issued to our Company for our Company’s manufacturing unit at Tarapur by the office of the Joint Commissioner, Konkan Division, Food and Drug Administration, Maharashtra State Thane in respect of certifying that (i) our Company holds drug manufacturing license bearing number 25-KD-352 granted on December 24, 1998 and license bearing number 28-KD-329 granted on September 06, 2001 under the provisions of the Drugs and Cosmetics Act, 1940 and the rules made thereunder; and that (ii) our Company manufactures drugs by observing good manufacturing practices as per the revised rules of Schedule ‘M’ to the Drugs and Cosmetics Rules, 1945. The license bearing number 25-KD-352 is valid until December 31, 2016 and license bearing number 28-KD-329 is valid until September 05, 2016.</p> <p>Certificate of Merit dated September 15, 2012 awarded to our Company for its manufacturing units located at plot number A-37/38, W-217, W-216, W-215, W-212 and 213, Dombivli by the Chairman, National Safety Council-Maharashtra Chapter in respect of Maharashtra Safety Awards 2011 for meritorious performance in industrial safety during the year 2011 in paper, sugar and pharmaceuticals industry group.</p>
2012	<p>Certificate of Recognition bearing number ZB/ 0561 dated May 21, 2012 has been issued to our Company by the Zonal Joint Director General of Foreign Trade, Government of India, Ministry of Commerce and Industry in respect of certifying our Company as star export house and allotting status holder number 03 / 15 / 0561 / 20120521 in accordance with the provisions of the Foreign Trade Policy, 2009 – 2014. The same is valid for a period of 5 years, effective from April 01, 2012 till March 31, 2017.</p> <p>Certificate of Suitability bearing number R1-CEP-2001-203-Rev 01 dated March 01, 2012 has been awarded to our Company in respect of our Company’s manufacturing unit at plot number 102/91, Tarapur by the Certification of Substances Division, European Directorate for the Quality of Medicines and Health Care, Council of Europe for the product “Zopiclone” (“Product”) pursuant to the information provided by our Company on the manufacturing method and subsequent processes including purification for this substance on the site of the production mentioned above. The Product has been certified by the issuing Authority as per the current version of the monograph Zopiclone no. 1060 of</p>

the European Pharmacopoeia.

Certificate of Suitability bearing number R1-CEP-2000-036-Rev 02 dated March 01, 2012 has been awarded to our Company in respect of our Company's manufacturing unit at plot number 102/91, Tarapur by the Certification of Substances Division, European Directorate for the Quality of Medicines and Health Care, Council of Europe for the product "Pyrazinamide" ("Product") pursuant to the information provided by our Company on the manufacturing method and subsequent processes including purification for this substance on the site of the production mentioned above. The Product has been certified by the issuing Authority as per the current version of the monograph Pyrazinamide no. 859 of the European Pharmacopoeia.

Certificate of Suitability bearing number R0-CEP-2008-108-Rev 01 dated March 01, 2012 has been awarded to our Company in respect of our Company's manufacturing unit at plot number 102/91, Tarapur by the Certification of Substances Division, European Directorate for the Quality of Medicines and Health Care, Council of Europe for the product "Isoniazid" ("Product") pursuant to the information provided by our Company on the manufacturing method and subsequent processes including purification for this substance on the site of the production mentioned above. The Product has been certified by the issuing Authority as per the current version of the monograph Isoniazid no. 146 of the European Pharmacopoeia.

Acknowledgment letter dated March 08, 2012 awarded to our Company's manufacturing unit located at plot number N-90/91/102, Tarapur by the Team Leader, Antimicrobial Team, Division of Manufacturing Technologies, Office of New Animal Drug Evaluation, Centre for Veterinary Medicine, Public Health Service, Food and Drug Administration, USA in respect of certifying that the API facility at the premises is acceptable to the Issuing Authority pursuant to the review of the Establishment Inspection Report (**EIR**) submitted by our Company.

Acknowledgment letter dated March 08, 2012 awarded to our Company's manufacturing unit located at plot number W-212/213, Dombivli by the Team Leader, Antimicrobial Team, Division of Manufacturing Technologies, Office of New Animal Drug Evaluation, Centre for Veterinary Medicine, Public Health Service, Food and Drug Administration, USA in respect of certifying that the API facility at the premises is acceptable to the Issuing Authority pursuant to the review of the Establishment Inspection Report (**EIR**) submitted by our Company.

Main Objects of our Company

The main objects of our Company, as contained in our Memorandum of Association, are as set forth below:

1. "To carry on all or any of the business of manufacturers, processors, refiners, buyers, sellers, exporters, importers and distributing agents of and dealers in all kinds of bulk drugs, patent, pharmaceutical, medical and medicated preparations, patent medicines, drugs, herbs, essences, serums, fine chemicals, medical products, syrups, nutrients and ingredients and component, constituents compounds and articles of all kinds".

Changes in the Memorandum of Association of our Company since incorporation

Date of shareholder's approval	Changes in the Memorandum of Association
August 28, 1989	Alteration in Capital Clause The Authorised Share Capital of our Company was increased from ₹50,000 divided into 5,000 Equity Shares of ₹10 each to ₹5,00,000 divided into 50,000 Equity Shares of ₹10 each.
September 14, 1992	Alteration in Capital Clause The Authorised Share Capital of our Company was increased from ₹5,00,000 divided into 50,000 Equity Shares of ₹10 each to ₹20,00,000 divided into 2,00,000 Equity Shares of ₹10 each.
June 25, 1997	Alteration in Name Clause Change in name of our Company from "Shree Deep Jyote Industrial Paints Private Limited" to "Calyx Chemicals and Pharmaceuticals Private Limited".
August 08, 1997*	Alteration in Capital Clause The Authorised Share Capital of our Company was increased from ₹20,00,000 divided into 2,00,000 Equity Shares of ₹10 each to ₹2,00,00,000 divided into 20,00,000 Equity Shares of ₹10 each*.
June 24, 1999	Alteration in Other Objects Clause Clause (C) (79), being "To carry on business of manufacturers, processors, refiners, importers, exporters, and dealers in all kinds of chemicals, chemical products, chemical compounds, dyes, intermediates, ionic, non-ionic, cationic, emulsifiers and other related paints, leather pesticides, auxiliaries." Added to the Other Objects Clause.
April 16, 2001	Alteration in Capital Clause The Authorised Share Capital of our Company was increased from ₹2,00,00,000 divided into 20,00,000

Date of shareholder's approval	Changes in the Memorandum of Association
April 23, 2001	Equity Shares of ₹10 each to ₹3,50,00,000 divided into 35,00,000 Equity Shares of ₹10 each. Alteration in Capital Clause The Authorised Share Capital of our Company was increased from ₹3,50,00,000 divided into 35,00,000 Equity Shares of ₹10 each to ₹4,00,00,000 divided into 40,00,000 Equity Shares of ₹10 each.
October 23, 2003	Alteration in Capital Clause The Authorised Share Capital of our Company was increased from ₹4,00,00,000 divided into 40,00,000 Equity Shares of ₹10 each to ₹4,50,00,000 divided into 45,00,000 Equity Shares of ₹10 each.
May 06, 2004	Alteration in Capital Clause The Authorised Share Capital of our Company was increased from ₹4,50,00,000 divided into 45,00,000 Equity Shares of ₹10 each to ₹10,00,00,000 divided into 1,00,00,000 Equity Shares of ₹10 each .
March 03, 2005	Alteration in Name Clause Change in name of our Company from “Calyx Chemicals and Pharmaceuticals Private Limited” to “Calyx Health Sciences Private Limited”.
March 03, 2005	Alteration in Main Object Clause Clause III (A) (1) being “To carry on business of manufacturers produce, formulate, process, refine, recover, extract, distill, concentrate, dilute, rectify, convert, replace, grow, cultivate, rectify, convert, buy, sell, export, import or otherwise deal in all types of paints, synthetic pains and thinners, coloured; or other cements, yamishes, synthetic resins, enamels, lacquers, distempers, disinfectants oils, wood preservatives, fruit or vegetable or other preservatives, printings and making inks, dry inks, writing inks, polishes of descriptions including metal, wood, paper, polishers, crayons powders, electro plating abrasive and its chemicals, shnoe dressing, greases, vase lines, creams, glue, Gerstein, and other blue preparations and allied products, methylated and rectified spirits, dry or other colours, water dyes, die intermediates, pigments dyes, all type of turpentine including Canada turpentine from fine larch fur, pistachio and other trees.” Shifted to Other Objects Clause (C) (79). Clause (C) (79) being “To carry on business of manufacturers, processors, refiners, importers, exporters, and dealers in all kinds of chemicals, chemical products, chemical compounds, dyes, intermediates, ionic, non-ionic, cationic, emulsifiers and other related paints, leather pesticides, auxiliaries.” Shifted to Main Objects Clause (III) (A) (1).
April 29, 2006	Alteration in Capital Clause The Authorised Share Capital of our Company was increased from ₹10,00,00,000 divided into 1,00,00,000 Equity Shares of ₹ 10 each to ₹11,00,00,000 divided into 1,10,00,000 Equity Shares of ₹10 each. Re-classification of Share Capital The Authorised Share Capital of our Company of ₹11,00,00,000 was re-classified from 1,10,00,000 Equity Shares of ₹10 each to 72,96,290 Equity Shares of ₹10 each and 3,70,371 Preference Shares of ₹100 each.
May 09, 2005	Alteration in Name Clause Change in name of our Company from “Calyx Health Sciences Private Limited” to “Calyx Chemicals and Pharmaceuticals Private Limited”.
August 10, 2006	Alteration in Name Clause Change in the name of our Company from “Calyx Chemicals and Pharmaceuticals Private Limited” to “Calyx Chemicals and Pharmaceuticals Limited”.
January 16, 2009	Alteration in Capital Clause The Authorised Share Capital of our Company was increased from ₹11,00,00,000 divided into 1,10,00,000 Equity Shares of ₹ 10 each to ₹15,00,00,000 divided into 1,12,96,290 Equity Shares of ₹10 each and and 3,70,371 Preference Shares of Rs. 100 each.
March 30, 2009	Alteration in Capital Clause The Authorised Share Capital of our Company of ₹15,00,00,000 was re-classified into 1,31,48,150 Equity Shares of ₹10 each and 1,85,185 Preference Shares of ₹100 each.
January 30, 2010	Alteration in Capital Clause The Authorised Share Capital of our Company was increased to Rs. 30,00,00,000 divided into 2,81,48,150 Equity Shares of ₹10 each and and 1,85,185 preference shares of ₹ 100 each
March 31, 2010	Alteration in Capital Clause The Authorised Share Capital of our Company was reclassified into Rs. 30,00,00,000 divided into 3,00,00,000 Equity Shares of ₹ 10 each.

** The authorised share capital of our Company was increased from ₹ 50,000 to ₹ 20,00,000 when it was under the management of Mr. Dharmesh Shah and Mr. Satyen Shah. However, our internal corporate records for this increase are unavailable as on date. Upon acquisition of our Company by Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Indulal*

Dalichand Doshi, as a matter of abundant caution, our Company has filed a Form 5 dated August 11, 1997 to record the enhancement of authorised share capital of our Company from ₹50,000 to ₹2,00,00,000.

Our Subsidiary

SINGIND LIFE SCIENCES PTE. LIMITED

Singind Life Sciences PTE Limited (“**SLSPL**”) was incorporated as a Limited Private Company under the name and style of Calyx Health Science PTE Limited, in accordance with the provisions of the Singapore Companies Act (CAP. 50) *vide* Certificate of Incorporation dated October 01, 2009. SLSPL has its registered office at 371, Beach Road # 2-01C, Keypoint, Singapore (199597). By a Special Resolution dated November 14, 2009 the name of Calyx Health Science PTE Limited was changed to Singind Life Sciences PTE Limited. SLSPL was incorporated for carrying out research and experimental development on life sciences and wholesale of medicinal and pharmaceutical products (Western) as its principal activities.

SLSPL is a wholly owned subsidiary of our Company and the share capital of SLSPL is 100 Singapore Dollars (SGD) comprising 100 shares of 1 Singapore Dollar per share.

The RBI has, in terms of notification bearing number FEMA 120/RB-2004 dated July 07, 2004, *vide* its letter dated January 21, 2010 allotted an identification number to the WOS, being BYWAZ20100001.

Board of Directors

The constitution of the board of directors of SLSPL as on the date of this Draft Red Herring Prospectus is as follows:

Sr. No.	Name of Director	Designation
1.	Mr. Bharat Sukhlal Mehta	Director
2.	Mr. Smitesh Chandravadan Shah	Director
3.	Mr. Rajat Indulal Doshi	Director
4.	Mr. Balasubramanian Narayan Iyer	Director

Financial performance:

The summary of financial statements of SLSPL for the half year ending on March 31, 2010, year ending on March 31, 2011 and year ending on March 31, 2012 are as follows:

(figures in USD unless otherwise stated)

Particulars	Year ending March 31, 2012	Six month period ended March 31, 2011	Year ended September 30, 2010
Equity Share Capital (par value Singaporean \$ 10 per equity share)	46,259	46,259	73
Reserves and Surplus (excluding revaluation reserve if any)	4,44,813	4,15,409	2,14,683
Turnover	4,36,950	1,34,69,450	1,02,67,250
Profit / (Loss) after Tax	29,404	2,00,726	2,14,683
Earnings Per Share (EPS) (in usd)	0.49	3.34	2146.83
Net worth	4,91,072	4,61,668	2,14,756
Net Asset Value (NAV) per share (in usd)	8.17	7.68	2,147.56

Note: the first accounting year of the Subsidiary ended on September 30, 2010. Thereafter, the year-end was changed to coincide with our Company and hence, the Subsidiary's accounts were prepared for the six month period October 01, 2010 to March 31, 2011. Thereafter, the Subsidiary company's accounting year has been from April 01, 2011 to March 31, 2012.

Equity shares of SLSPL are not listed on any of the stock exchanges and it has not made any public / rights issue since incorporation. Further, no action has been taken against the company by any regulator or governmental authority. As on the date of this Draft Red Herring Prospectus, SLSPL does not have negative networth, is not under winding up and is not a sick company as per applicable laws.

As on the date of this Draft Red Herring Prospectus, there are no accumulated losses / profits of SLSPL which have not been accounted for by our Company.

Shareholders Agreements

1. *Share Subscription Agreement dated October 08, 2010 (“Agreement”) entered into between Lytton Grove Corporation (“Investor”) and our Company.*

Pursuant to the Agreement, the Investors have invested in our Company by way of subscription to 7,97,222 Equity Shares (“Shares”) of our Company at a price of ₹ 179.89 per Equity Share, aggregating to ₹ 1,434.11 Lacs.

Initial Public Offering- Investor acknowledges and agrees that our Company is proposing an initial public offering of its Equity Shares and that in case the timelines for the same get delayed, our Company may issue further Equity Shares to other investors in one or more tranches before filing the Draft Red Herring Prospectus for the said initial public offering in compliance with applicable laws and subject to its capital requirements. Such further issue of Equity Shares, excluding the proposed initial public offering, shall not be at a price lower than the cost per share of the Investor. If our Company chooses to allot further Equity Shares at a price lower than the cost per share to the Investor, the Investor value shall be protected as per standard anti-dilutive mechanisms.

2. *Share Subscription Agreement dated March 26, 2012 (“Agreement”) entered into between Marble Arch Group Limited (“Investor”) and our Company.*

Pursuant to the Agreement, the Investors have invested in our Company by way of subscription to 1,25,000 Equity Shares (“Shares”) of our Company at a price of ₹ 245.49 per Equity Share, aggregating to ₹ 306.86 Lacs.

Initial Public Offering- Investor acknowledges and agrees that our Company is proposing an initial public offering of its Equity Shares and that in case the timelines for the same get delayed, our Company may issue further Equity Shares to other investors in one or more tranches before filing the Red Herring Prospectus for the said initial public offering in compliance with applicable laws and subject to its capital requirements. Such further issue of Equity Shares, excluding the proposed initial public offering, shall not be at a price lower than the cost per share of the Investor. If our Company chooses to allot further Equity Shares at a price lower than the cost per share to the Investor, the Investor value shall be protected as per standard anti-dilutive mechanisms.

Lytton Grove Corporation or Marble Arch Group Limited have not been granted any special rights in relation to their shareholding in our Company, in terms of the above agreements or otherwise and there will be no special rights to Lytton Grove Corporation or Marble Arch Group Limited even after the Equity Shares of the Company are listed on the Stock Exchange (s).

Other Agreements

Except as disclosed hereinabove under the heading “Shareholders Agreements”, we are not a party to, nor have we entered into, any other material contract not being a contract:

1. Entered into in the normal course of business carried on, or intended to be carried on, by our Company; or
2. Entered into more than 2 years before the date of this Draft Red Herring Prospectus.

Strategic Partners

As on the date of this Draft Red Herring Prospectus, our Company does not have any strategic partners.

Financial Partners

As on the date of this Draft Red Herring Prospectus, our Company does not have any financial partners.

OUR MANAGEMENT

Under our Articles of Association, our Board shall consist of not less than 3 and not more than 12 Directors. As on the date of this Draft Red Herring Prospectus, our Board consists of 7 Directors comprising of 3 Promoter-Directors and 4 Independent Directors and our Board has been constituted in accordance with the requirements of Clause 49 of the Listing Agreement with respect to composition of the Board.

OUR DIRECTORS

Our Board consists of 7 Directors, of which 4 are independent directors and our Chairman is an Executive Director. The following table sets forth the details regarding our Board of Directors as on the date of this Draft Red Herring Prospectus.

Sr. No.	Full Name, Age, Nationality, DIN, Occupation, Designation, Address	Date of Appointment and Term of Office	Other Directorships
1)	Mr. Smitesh Chandravadan Shah Age: 53 years Nationality: Indian DIN: 00019720 Occupation: Business Designation: Chairman and Managing Director Address: "Eden III", B-403, Hiranandani Garden, Powai, Mumbai-400 076 Maharashtra, India	Date of appointment: April 01, 1995 Term: 3 years (term expires on March 31, 2013)	Top Brass Gifts Private Limited Noble Tele Infotech Private Limited Noble Strategies International Private Limited Singind Life Sciences PTE Limited Pharmaceuticals Export Promotion Council of India
2)	Mr. Bharat Sukhlal Mehta Age: 73 years Nationality: Indian DIN: 00038165 Occupation: Consultant Designation: Non- Executive Director Address: Number 21, "Nibbana", Pali Hill, Bandra (West), Mumbai – 400 050, Maharashtra, India	Date of appointment: April 01, 1995 Term: To retire by rotation	Top Brass Gifts Private Limited Advanced Digital Software Private Limited Noble Tele Infotech Private Limited Noble Strategies International Private Limited Singind Life Sciences PTE Limited
3)	Mr. Rajat Indulal Doshi Age: 53 years Nationality: Indian DIN: 02423171 Occupation: Business Designation: Non- Executive Director Address: 1E, "Dil Pazir", Bhulabhai Desai Road,	Date of appointment: April 23, 2009 Term: To retire by rotation	Singind Life Sciences PTE Limited

	Cumbhala, Gamdevi, Mumbai 400 026 Maharashtra, India		
4)	Mr. Jambunathan Srinivasa Iyer Age: 74 years Nationality: Indian DIN: 00063729 Occupation: IAS Officer (Retired) Designation: Independent Director Address: Number 09, Prakash Co- operative Housing Society, Relief Road, Daulat Nagar, Santa Cruz (West), Mumbai – 400 054, Maharashtra, India	Date of appointment: September 27, 2010 Term: To retire by rotation	Patel Engineering Limited Inventure Growth and Securities Limited First Policy Insurance Brokers Private Limited Helios and Matheson Inc.
5)	Mr. Bhumitra Vinodchandra Dholakia Age: 63 years Nationality: Indian DIN: 01871816 Occupation: Company Secretary in wholetime practice Designation: Independent Director Address: MHB 11, A 302, Sarvodaya Co- operative Housing Society, Service Road, Kher Nagar, Bandra (East), Mumbai – 400 051, Maharashtra, India	Date of appointment: September 27, 2010 Term: To retire by rotation	Mruga Corporate Services Private Limited Rapicut Carbides Limited
6)	Mr. Abhay Prafulchandra Desai Age: 50 years Nationality: Indian DIN: 03016913 Occupation: Consultant Designation: Independent Director Address: 502, “Glen Classic”, 5 th Floor, Hiranandani Gardens, Powai, Mumbai – 400 076, Maharashtra, India	Date of appointment: September 27, 2010 Term: To retire by rotation	None
7)	Mr. Chakradhar Bharat Chhaya Age: 68 years Nationality: Indian DIN: 00968966 Occupation: Practicing Cost Accountant Designation: Independent Director Address: Flat No. 204, Gokul Sangeet, 22/2, Linking Road Extension, Opp. Babi Masjid, Near Police Station,	Date of appointment: September 27, 2010 Term: To retire by rotation	Credila Financial Services Private Limited Texmo Pipes and Products Limited Aries Agro Limited Yalamanchili Software Exports Limited

Note: None of the above mentioned Directors are on the RBI List of wilful defaulters as on the date of this Draft Red Herring Prospectus.

Further, neither our Company nor our Promoters, persons forming part of our Promoter Group, Directors or persons in control of our Company are debarred from accessing the capital market by SEBI.

None of the Promoters, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by the SEBI. None of our Directors were directors of any company when the shares of the said company were suspended from trading by Stock Exchange(s) for more than 3 months during last 5 years or delisted. For details of companies which our Directors are associated with, which are SEBI registered entities, please see the section titled “*Other Regulatory and Statutory Disclosures*” beginning on page 361 of this Draft Red Herring Prospectus.

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the above mentioned Directors was selected as director or member of senior management.

Brief Profile of our Directors

Mr. Smitesh Chandravadan Shah, aged 53 years, is the Promoter and Chairman and Managing Director of our Company. He holds a Bachelors degree in Commerce from Mumbai University. He was appointed as the Director of our Company on April 01, 1995 and as the Chairman and Managing Director of our Company on January 08, 2007. He founded M/s. Calyx Chemicals, a sole proprietorship, in the year 1979. He has over 30 years of experience in the field of pharmaceuticals and has steered the progress of our Company. He is also active member of US based Associations such as: Synthetic Organic Chemicals Manufacturers Association (SOCMA), American Chemical Society (ACS). He is also on the membership committee at Drugs, Chemicals and Technologies Association (DCAT). He is also the General Secretary of Indian Drugs Manufacturers Association (IDMA) and Senior Vice President of Bulk Drugs Manufacturers Association (BDMA). He was also the Chairman of Pharmaceutical Export Promotion Council (Pharmexcil). Remuneration paid to him for the Fiscal 2012 was ₹ 166.33 Lacs.

Mr. Bharat Sukhlal Mehta, aged 73 years, is the Promoter and Director of our Company. He holds a bachelors degree in commerce from Mumbai University and a masters degree in business administration from Ohio University, USA. Mr. Bharat Sukhlal Mehta was earlier associated with Union Carbide India Limited for 15 years. He has also served as advisor to Reliance Industries Limited and as director on the board of State Bank of Mauritius for over 6 years. He was appointed as the Director of our Company on April 01, 1995 and was the Chairman of our Company till January 08, 2007. He was also paid professional fees amounting to ₹ 60.00 Lacs for the Fiscal 2012 for rendering corporate and management advisory services to our Company. Further, sitting fees paid to him for the Fiscal 2012 was ₹ 1.35 Lacs.

Mr. Rajat Indulal Doshi, aged 53 years, is the Promoter and Director of our Company. He holds a Bachelors degree in Commerce from Mumbai University. He was appointed as Non- Executive Director of our Company *vide* resolution of the shareholders at the Annual General Meeting of our Company held on September 30, 2009. Mr. Rajat Indulal Doshi is also the proprietor of M/s. Paras Trading Corporation. Mr. Rajat Indulal Doshi has also been appointed as an advisor to our Company with effect from April 01, 2012. For the Fiscal 2012, he was paid sitting fees amounting to ₹ 0.90 Lacs.

Mr. Jambunathan Srinivasa Iyer, aged 74 years, is an Independent Director on the Board of our Company. He holds a Masters degree in Arts (Mathematics) obtained from Madras University and was an officer of the Indian Administrative Service, having graduated in 1961. He has 49 years of experience in the fields of corporate governance, financial administration and general administration. He was earlier associated with BSE in the capacity of chairman, Gujarat Alkalis and Chemicals Limited, Baroda as director, JSW Steel Limited as director and with State Bank of Mauritius (Local Advisory Board) as chairman, He was also the Chairman cum Managing Director of ECGC, Govt. of India and at present he is also, non-executive Director to Patel Engineering Limited, Inventure

Growth and Securities Limited. Mumbai. As an IAS officer, his assignments included being the managing director of Maharashtra State Financial Corporation, vice chairman and general manager of Maharashtra State Road Transport Corporation, Joint Secretary Defence Production, Government of India. Sitting fees paid to him for the Fiscal 2012 was ₹ 0.85 Lacs.

Mr. Bhumitra Vinodchandra Dholakia, aged 63 years, is an Independent Director on the Board of our Company. He holds a Bachelors degree in Arts (Economics) and Laws obtained from Gujarat University and is a Certified Associate of Indian Institute of Bankers. He holds a certificate of practice as company secretary and is a fellow member of the Institute of Company Secretaries of India, New Delhi. He has more than 32 years of experience as a company secretary and has been in wholetime practice for 26 years. He was earlier associated with Precision Fsternerws Limited. Mr. Bhumitra Vinodchandra Dholakia is the proprietor of M/s. Dholakia & Associates, Company Secretaries since April, 1984 and was rendering company law, secretarial and legal services on retainership basis to our Company till March, 2010. Sitting fees paid to him for the Fiscal 2012 was ₹ 0.60 Lacs.

Mr. Abhay Prafulchandra Desai, aged 50 years, is an Independent Director on the Board of our Company. He holds a Bachelors degree in Commerce obtained from Mumbai University. He has 27 years of experience in the fields of finance, sales and marketing. He commenced his career in 1983 with M/s. P.P. Desai and was earlier associated with Conick Alloys Limited, M/s. Cosmos Advertising, Atlaz Technology Private Limited, Titan Industries Limited, erstwhile Lakme India Limited, Arvind Mills Limited, K.B.S. Capital Markets Limited as consultant. Sitting fees paid to him for the Fiscal 2012 was ₹ 0.88 Lacs.

Mr. Chakradhar Bharat Chhaya, aged 68 years is an Independent Director on the Board of our Company. He holds a Bachelors degree in Commerce from the University of Bombay and is a Fellow Member of the Institute of Cost Accountants of India. He is also a Certified Associate of Indian Institute of Bankers. He began his career in the year 1964 with Bank of Baroda. He worked at various positions before retiring as Managing Director of BOBCARDS Limited, a subsidiary of Bank of Baroda in 2003 and has more than 44 years of experience in the field of banking and finance. Sitting fees paid to him for the Fiscal 2012 was ₹ 1.08 Lacs.

Family Relationship between Directors

None of our Directors are related to each other or to the Promoter-Directors or Key Managerial Personnel of our Company within the meaning of Section 6 of the Companies Act.

BORROWING POWERS OF BOARD OF DIRECTORS

The borrowing powers of our Directors are regulated by Article 84 of the Articles of Association subject to Sections 58A, 292 and 293 of the Companies Act, of our Company.

The Board of Directors of our Company has power to borrow up to ₹ 1,50,000 Lacs as per the members' resolution passed in the AGM of our Company held on July 19, 2012. The extract of the resolution of our Company authorizing the Board's borrowing powers is given herein below:

***“RESOLVED THAT** in partial modification to the resolution passed by the shareholders at its Annual General Meeting held on September 21, 2011 that pursuant to Section 293(1)(d) and other applicable provisions, if any of the Companies Act, 1956, the consent of members of the Company be and is hereby accorded to the Board of Directors of the Company to borrow periodically from any Banks and / or financial institutions and / or any foreign financial institution(s) and / or any entity / entities or authority / authorities and / or through suppliers credit, securities instruments, such as floating rate notes, fixed rate notes, syndicated loans, advance or deposits, debentures, commercial papers, short term loans, bill discounting or any other instruments and / or through official agencies and / or by way of commercial borrowings, from the private sector window or multilateral financial institutions, either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding ₹ 1,500/- Crores (Rupees One Thousand Five Hundred Crores only) notwithstanding that the money so borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.”*

For further details of the provisions of our Articles of Association regarding borrowing powers, please refer to the section titled “Main Provisions of the Articles of Association of our Company” beginning on page 429 of this Draft Red Herring Prospectus.

There are no service contracts entered in to by our Company with any of our Directors / Promoters.

COMPENSATION AND BENEFITS TO THE MANAGING DIRECTOR / WHOLE TIME DIRECTORS

1. Terms of appointment and compensation of Mr. Smitesh Chandravadan Shah, Chairman and Managing Director are as follows:

Mr. Smitesh Chandravadan Shah was appointed as our Chairman and Managing Director on January 02, 2007 for the period of September 08, 2006 to March 31, 2010. Mr. Smitesh Chandravadan Shah has since been reappointed as Chairman and Managing Director of our Company on September 27, 2010 for the period from April 01, 2010 to March 31, 2013. Our Company has entered into an agreement dated April 01, 2010 with Mr. Smitesh Chandravadan Shah, pursuant to his re-appointment as the Chairman and Managing Director of our Company. As per the said agreement, Mr. Smitesh Chandravadan Shah was to be paid gross salary of ₹ 75.00 Lacs per annum for a period of 3 years from March 31, 2010. However, *vide* a resolution dated September 21, 2011 passed by the shareholders of our Company, the remuneration paid to Mr. Smitesh Chandravadan Shah was revised and increased from ₹ 75 Lacs to ₹ 84 Lacs with effect from April 01, 2011. Further, our Company has entered into Supplemental and Amendatory Agreement dated May 24, 2012 with him, whereby the remuneration paid to him has been increased from ₹ 84 Lacs to ₹ 94.08 Lacs with effect from April 01, 2012. The same has been approved *vide* a resolution dated July 19, 2012 passed by the shareholders of our Company.

Accordingly, in addition to the salary and perquisites, a commission upto 2% of the net profits subject to minimum commission of ₹ 75 Lacs per year, which will be computed in accordance with the Companies Act will be payable to Mr. Smitesh Chandravadan Shah, on evaluation of the performance by our Board of Directors upon the recommendation of the Remuneration Committee of our Board of Directors. The remuneration payable to Mr. Smitesh Chandravadan Shah in any Fiscal shall not exceed 5% of the net profits of our Company.

The particulars of salary and perquisites payable to Mr. Smitesh Chandravadan Shah with effect from April 01, 2012 are given below:

Particulars	Amount per annum (₹.)
Salary	62,50,000
Perquisites	
(a) House rent allowance and House maintenance with expenditure on gas, electricity, water and furnishings.	6,25,000
(b) Leave Travel Allowance for self and family.	3,75,000
(c) Medical Expenses and Medical Insurance for self and family.	15,000
(d) Variable Allowances	13,93,000
Provident Fund contribution by our Company	7,50,000
Total gross salary	94,08,000
Company car and telephone at residence (including payment of local calls and long distance calls) are not part of the computation of perquisites.	

Sitting Fees Payable to Non-Executive Directors

As per resolution of our Board of Directors dated May 24, 2012, the sitting fees payable to each of our Non-Executive Directors is as follows:

- (i) for meetings of the Board of Directors: ₹ 13,000 per meeting;
- (ii) for meetings of our Audit Committee: ₹ 13,000 per meeting;
- (iii) for meetings of our Remuneration Committee: ₹ 6,500 per meeting;

- (iv) for meetings of our Shareholder's / Investor Grievance Committee: ₹ 3,250 per meeting;
- (v) for meetings of our Initial Public Offering Committee: ₹ 3,250 per meeting;
- (vi) for meetings of our Treasury Committee: ₹ 3,250 per meeting; and
- (vii) for meetings of our Compensation Committee: ₹ 3,250 per meeting.

For details of sitting fees paid to Independent Non- Executive Directors, please refer to the profiles of the Directors in the chapters titled “*Our Promoters and Promoter Group*” and “*Our Management*” beginning on pages 189 and 170 of this Draft Red Herring Prospectus.

Policy On Disclosures and Internal Procedure For Prevention Of Insider Trading

The provisions of Regulation 12 (1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 will be applicable to our Company immediately upon the listing of its Equity Shares on the Stock Exchanges.

Mr. Devanand Parshottam Mojidra, Company Secretary and Compliance Officer is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.

Shareholding of Directors

As per our Articles of Association of our Company, a Director of our Company shall not be required to hold any qualification shares. The following table details the shareholding of our Directors in their personal capacity and either as sole or first holder, as on the date of this Draft Red Herring Prospectus:

Sr. No.	Name of the Directors	Number of Equity Shares held	Pre- Issue Percentage (%) of holding in our Company
1.	Mr. Smitesh Chandravadan Shah*	22,75,817	13.87
2.	Mr. Bharat Sukhlal Mehta**	17,66,939	10.77
3.	Mr. Rajat Indulal Doshi	31,24,322	19.04
4.	Mr. Jambunathan Srinivasa Iyer	Nil	Nil
5.	Mr. Bhumitra Vinodchandra Dholakia	Nil	Nil
6.	Mr. Abhay Prafulchandra Desai***	5,000	0.03
7.	Mr. Chakradhar Bharat Chhaya	Nil	Nil

* Mr. Smitesh Chandravadan Shah holds 22,75,817 Equity Shares jointly with Ms. Parul Smitesh Shah.

**Mr. Bharat Sukhlal Mehta holds 17,66,939 Equity Shares jointly with Ms. Asha Bharat Mehta.

***Mr. Abhay Prafulchandra Desai holds 5,000 Equity Shares jointly with Ms. Minal Desai.

Interest of Directors

Mr. Bharat Sukhlal Mehta renders corporate and management advisory services to our Company, and accordingly, Mr. Bharat Sukhlal Mehta is paid professional fees for the same. Mr. Bharat Sukhlal Mehta is to be paid professional fees of ₹ 60 Lacs for the Fiscal 2012 (Central Government approval for the same has been obtained for such payment in accordance with applicable provisions of the Companies Act) and may be deemed interested to the extent of professional fees paid to him.

Mr. Rajat Indulal Doshi has been appointed as a Finance Consultant of our Company with effect from April 01, 2012, and accordingly, Mr. Rajat Indulal Doshi is paid professional fees of ₹ 1,25 Lacs per month and may be deemed interested to the extent of professional fees paid to him.

All the Directors may be deemed to be interested to the extent of fees payable to them, if any, 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, if any under the Articles of Association, and to the extent of remuneration paid to them, if any for

services rendered as an officer or employee of the Company. The Directors may also be interested to the extent of the stock options of the Company held by them, if any. However, as on the date of this Draft Red Herring Prospectus, no options are granted to any Director.

The Directors may also be regarded as interested to the extent of Equity Shares held by them, if any, or by the companies / firms / ventures promoted by them, if any, or that may be subscribed by or allotted to the companies, firms, trusts, in which they are interested as directors, members, partners, trustees and promoter, pursuant to this Issue. All of the Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Except as stated in the chapter titled “*Related Party Transactions*” beginning on page 268 of this Draft Red Herring Prospectus, the Directors do not have any other interest in the business of our Company.

Interest as to Property

Our Directors have no interest in any property acquired by the Company within 2 years of the date of this Draft Red Herring Prospectus.

CHANGES IN THE BOARD OF DIRECTORS DURING THE LAST 3 YEARS

The following changes have taken place in the Board of Directors of our Company during the last 3 years:

Name of the Director	Date of Appointment	Date of Cessation of Directorship	Remarks
Mr. Jambunathan Srinivasa Iyer	September 27, 2010	November 25, 2011	Resigned as a Director to release extra DIN
Mr. Jambunathan Srinivasa Iyer	November 26, 2011	Not Applicable	Appointed as Independent Director of our Company
Mr. Bhumitra Vinodchandra Dholakia	September 27, 2010	Not Applicable	Appointed as Independent Director of our Company
Mr. Abhay Prafulchandra Desai	September 27, 2010	Not Applicable	Appointed as Independent Director of our Company
Mr. Chakradhar Bharat Chhaya	September 27, 2010	Not Applicable	Appointed as Independent Director of our Company

CORPORATE GOVERNANCE

The provisions of the Listing Agreement, to be entered into, with BSE and NSE with respect to corporate governance and of the SEBI ICDR Regulations in respect of corporate governance will be applicable to our Company at the time of seeking in principle approval for listing of our Company’s Equity Shares with the Stock Exchanges. Our Company has complied with the Listing Agreement in respect of Corporate Governance, specifically with respect to broadbasing of Board, constituting the Committees such as Shareholders / Investors Grievance Committee, Audit Committee and Remuneration Committee.

COMPOSITION OF THE BOARD OF DIRECTORS

The Board of Directors of our Company has an optimum combination of executive and non-executive Directors as envisaged in Clause 49 of the Listing Agreement. Our Board has 7 Directors out of which 4 are Independent Directors in accordance with the requirement of Clause 49 of the Listing Agreements of the Stock Exchanges.

Sr. No.	Name of the Director	Designation	Category
1.	Mr. Smitesh Chandravadan Shah	Chairman and Managing Director	Executive Director
2.	Mr. Bharat Sukhlal Mehta	Promoter Director	Non- Executive Director
3.	Mr. Rajat Indulal Doshi	Promoter Director	Non- Executive Director
4.	Mr. Jambunathan Srinivasa Iyer	Independent Director	Non- Executive Director
5.	Mr. Bhumitra Vinodchandra Dholakia	Independent Director	Non- Executive Director

6.	Mr. Abhay Prafulchandra Desai	Independent Director	Non- Executive Director
7.	Mr. Chakradhar Bharat Chhaya	Independent Director	Non- Executive Director

Furthermore, in terms of Clause 49 of the Listing Agreement, our Company has constituted the following Committees of the Board:

1. Audit Committee; and
2. Shareholders / Investors Grievance Committee.

Our Company has also constituted a Remuneration Committee, a Treasury Committee, an Initial Public Offering Committee and a Selection Committee. In addition, our Company has constituted a Compensation Committee in respect of the Calyx ESOP 2010, as required by the SEBI (ESOP) Regulations.

1. **Audit Committee**

Our Board has constituted an Audit Committee, pursuant to the provisions of Section 292A of the Companies Act. The constitution of the Audit Committee was approved at a meeting of the Board of Directors held on March 23, 2010.

The terms of reference of Audit Committee are in accordance with the requirements of Clause 49 of the Listing Agreement, which will be entered into with the Stock Exchanges in due course. The terms of reference of the Audit Committee are as follows:

- i. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. 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;
- iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- iv. Appointment, removal and terms of remuneration of internal auditors;
- v. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - 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;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to the financial statements;
 - Disclosure of any related party transactions;
 - Qualifications in the draft audit report.
- vi. Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval;
- vii. To monitor the utilisation of proceeds of the proposed initial public offering of the Company and any other issue of shares of the Company, statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice, reviewing the report submitted by monitoring agency, if any, and to make appropriate recommendations to the Board to take up steps in the matter;
- viii. Reviewing, with the management, performance of statutory and internal auditors, and 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 internal auditors on any significant findings and follow up thereon;
- xi. Reviewing internal audit reports and adequacy of the internal control system;
- xii. Reviewing management letters / letters of internal control weaknesses issued by the statutory auditors;

- xiii. 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;
- xiv. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xv. 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;
- xvi. To review the functioning of the whistle blower mechanism, when the same is adopted by our Company and is existing;
- xvii. Approval of appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. Of the candidate;
- xviii. Carrying out any other function as may be statutorily required to be carried out by the Audit Committee.

The Audit Committee consists of the following Directors:

Sr. No.	Name	Designation	Nature of Directorship
1.	Mr. Chakradhar Bharat Chhaya	Chairman	Independent Director
2.	Mr. Abhay Prafulchandra Desai	Member	Independent Director
3.	Mr. Jambunathan Srinivasa Iyer	Member	Independent Director
4.	Mr. Bharat Sukhlal Mehta	Member	Non- Executive Director

During the period commencing from April 01, 2011 till August 31, 2012, the Audit Committee has met 6 times as disclosed hereinbelow:

Date of meeting	Number of Directors present
May 24, 2012	3
March 24, 2012	4
December 26, 2011	3
November 28, 2011	4
July 27, 2011	4
April 04, 2011	3

Our Company Secretary, Mr. Devanand Parshottam Mojidra will act as the secretary of the Committee.

2. REMUNERATION COMMITTEE

The constitution of the Remuneration Committee was approved at a meeting of the Board of Directors held on March 23, 2010.

The terms of reference of Remuneration Committee comply with the requirements of Schedule XIII of the Act. The terms of reference of our Remuneration Committee are as follows:

- i. To decide and approve the terms and conditions of remuneration for appointment of Executive Directors and / or Whole Time Directors and matters related thereto;
- ii. To recommend to the Board, the remuneration packages of the Company's Managing / Joint Managing / Deputy Managing / Whole Time / Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.); and
- iii. To be authorised at its duly constituted meeting to determine on behalf of the Board of Directors and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for Company's Managing / Joint Managing / Deputy Managing / Whole-time / Executive Directors, including pension rights and any compensation payment.

The Remuneration Committee has been constituted with the following Directors:

Sr. No.	Name	Designation	Nature of Directorship
1.	Mr. Bhumitra Vinodchandra Dholakia	Chairman	Independent Director
2.	Mr. Chakradhar Bharat Chhaya	Member	Independent Director
3.	Mr. Jambunathan Srinivasa Iyer	Member	Independent Director
4.	Mr. Bharat Sukhlal Mehta	Member	Non- Executive Director

During the period from April 01, 2011 till August 31, 2012, the Remuneration Committee has met twice as disclosed hereinbelow:

Date of meeting	Number of Directors present
May 24, 2012	3
July 27, 2011	3

Our Company Secretary, Mr. Devanand Parshottam Mojidra will act as the secretary of the Committee.

3. SHAREHOLDERS' / INVESTORS' GRIEVANCES COMMITTEE

The Shareholders' / Investors' Grievance Committee has been formed by the Board of Directors at the meeting held on March 23, 2010 in accordance with Clause 49 of the Listing Agreement.

The terms of reference of our Shareholders' / Investors Grievance Committee are given below:

- To approve transfer, transmission, nomination and transposition of shares and debentures and review of cases for refusal of transfer/ transmission/transposition of shares and debentures;
- Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc;
- Issue of duplicate / split / consolidated share certificates;
- Allotment and listing of shares;
- To authorise any of the Directors and the Secretary or any other person to sign the share certificates and affixing of common seal of the Company in their presence on such share certificates;
- To dematerialize or rematerialize the securities of the Company without prior sanction of the members as and when the equity and preference shares of the Company are available in demat form;
- To investigate into the matter within its terms of reference;
- To deal with any other shares related issues recommended by the Board of Directors.
- Reference to statutory and regulatory authorities regarding investor grievances and to otherwise ensure proper and timely attendance and redressal of investor queries and grievances;

The Shareholders' / Investors' Grievance Committee has been constituted with the following Directors:

Sr. No.	Name	Designation	Nature of Directorship
1.	Mr. Bhumitra Vinodchandra Dholakia	Chairman	Independent Director
2.	Mr. Abhay Prafulchandra Desai	Member	Independent Director
3.	Mr. Smitesh Chandravadan Shah	Member	Executive Director

During the period commencing from April 01, 2011 till August 31, 2012, the Shareholders' / Investors' Grievance Committee has met 5 times as disclosed hereinbelow:

Date of meeting	Number of Directors present
May 28, 2012	3
May 26, 2012	3
April 09, 2012	3
April 03, 2012	3
March 31, 2012	3

Our Company Secretary, Mr. Devanand Parshottam Mojidra will act as the secretary of the Committee.

4. COMPENSATION COMMITTEE

The Compensation Committee has been formed by the Board of Directors at the meeting held on March 23, 2010.

The terms of reference of our Compensation Committee are given below:

To *inter alia*, formulate the detailed terms and conditions of the stock option schemes formulated by our Company including:

- i. the quantum of option to be granted under an employee stock option scheme per employee and in aggregate;
- ii. the conditions under which option vested in employees may lapse in case of termination of employment for misconduct;
- iii. the exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
- iv. the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
- v. the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
- vi. the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others.

The Compensation Committee has been constituted with the following Directors:

Sr. No.	Name	Designation	Nature of Directorship
1.	Mr. Chakradhar Bharat Chhaya	Chairman	Independent Director
2.	Mr. Abhay Desai	Member	Independent Director
3.	Mr. Bharat Sukhlal Mehta	Member	Non- Executive Director

During the period commencing from April 01, 2011 till August 31, 2012 the Compensation Committee did not hold any meeting.

Our Company Secretary, Mr. Devanand Parshottam Mojidra will act as the secretary of the Committee.

5. INITIAL PUBLIC OFFERING COMMITTEE

Our Company has also constituted an Initial Public Offering Committee, the details of which are as follows:

The Initial Public Offering Committee has been formed by the Board of Directors at the meeting held on March 23, 2010.

The terms of reference of our Initial Public Offering Committee are given below:

The Initial Public Offering Committee has been constituted to approve, implement, negotiate, carry out and decide upon all activities relating to this Issue, including, preparing, approving, finalising and filing this Draft Red Herring Prospectus and the Red Herring Prospectus with SEBI, the Stock Exchanges and other regulatory bodies as may be required, approving a code of conduct and a suitable policy on insider trading, approving any corporate governance requirement, deciding on the number of Equity Shares to be offered in this Issue and appointing various intermediaries and advisors to this Issue as may be necessary including determining their remuneration, deciding on the objects of the Issue and the estimated expense on the Issue, allocation of Equity Shares to specific categories of persons, opening of bank accounts, securities account, escrow or custodian accounts, submitting applications and seeking listing of Equity Shares with the Stock Exchanges, seeking consent of the lenders with whom our Company has entered into various commercial agreements, determining and finalising the price band, bid opening and closing date of this Issue, approving and finalising the 'Basis of Allocation', determining the price at which Equity Shares are to be offered to the investors, settling difficulties and doubts arising in relation to the Issue, empowering the authorized officers to enter into and execute any agreements or arrangements in relation to the Issue.

The Initial Public Offering Committee has been constituted with the following Directors:

Sr. No.	Name	Designation	Nature of Directorship
1.	Mr. Smitesh Chandravadan Shah	Chairman	Executive Director
2.	Mr. Bharat Sukhlal Mehta	Member	Non- Executive Director
3.	Mr. Rajat Indulal Doshi	Member	Non- Executive Director

During the period commencing from April 01, 2011 till August 31, 2012, the Initial Public Offering Committee held only one meeting on September 23, 2011.

Our Company Secretary, Mr. Devanand Parshottam Mojindra will act as the secretary of the Committee.

6. TREASURY COMMITTEE

In addition, our Company has also constituted a Treasury Committee, the details of which are as follows:

The Treasury Committee has been formed by the Board of Directors at the meeting held on March 23, 2010. The terms of reference of our Treasury Committee are given below:

- To exercise the powers of borrowings by obtaining or restructuring various credit facilities namely Cash Credit, Overdraft, term loan, bills discounting, cheque purchasing, packing credit etc. For such amount as may be fixed by the Board of Directors from time to time within the limit fixed by the shareholders in pursuance of Section 293 of the Act.
- To finalise, sign, execute and deliver Loan agreements, Deeds creating the charge on the property and assets of the Company and such other documents, supplemental deeds, instruments and other writings and to agree or accept such modifications thereto as may be suggested by the lenders or their trustees, agents or advisors.
- To negotiate the terms and conditions of the sanction letter or the loan agreement or any agreement governing the terms and conditions of the borrowings.
- To do all such acts, deeds and all things as may be required or considered necessary for the purposes of availing of all kinds of credit Facilities.
- To create, for the purposes of securing the Facilities, all kinds of charge, encumbrances, mortgage, hypothecation within the overall limits approved / to be approved by the shareholders under Section 293(1)(a) of the Companies Act, 1956:
- To approve and finalise, sign, execute and deliver such other agreements, deeds, undertakings, indemnity and documents as may be required by the banks or financial institutions in connection with the Facilities availed.
- To avail corporate internet banking services from banks or financial institutions, opening of all types of banks accounts in the name of the Company and closing of accounts with the banks and to do all such necessary acts related.
- To confirm and acknowledge outstanding balances for the credit facilities availed from banks or financial institutions.

The Treasury Committee has been constituted with the following Directors:

Sr. No.	Name	Designation	Nature of Directorship
1.	Mr. Smitesh Chandravadan Shah	Chairman	Executive Director
2.	Mr. Bharat Sukhlal Mehta	Member	Non- Executive Director
3.	Mr. Rajat Indulal Doshi	Member	Non- Executive Director

During the period commencing from April 01, 2011 till August 31, 2012, the Treasury Committee has held 17 meetings as disclosed hereinbelow:

Date of meeting	Number of Directors present
July 02, 2012	3
June 19, 2012	3
June 11, 2012	3
May 22, 2012	3
April 12, 2012	3

March 24, 2012	3
March 12, 2012	3
February 09, 2012	2
November 17, 2011	3
October 05, 2011	3
September 29, 2011	3
September 15, 2011	3
August 12, 2011	3
July 26, 2011	3
June 06, 2011	3
May 20, 2011	3
April 20, 2011	3

Our Company Secretary, Mr. Devanand Parshottam Mojidra will act as the secretary of the Committee.

7. Selection Committee

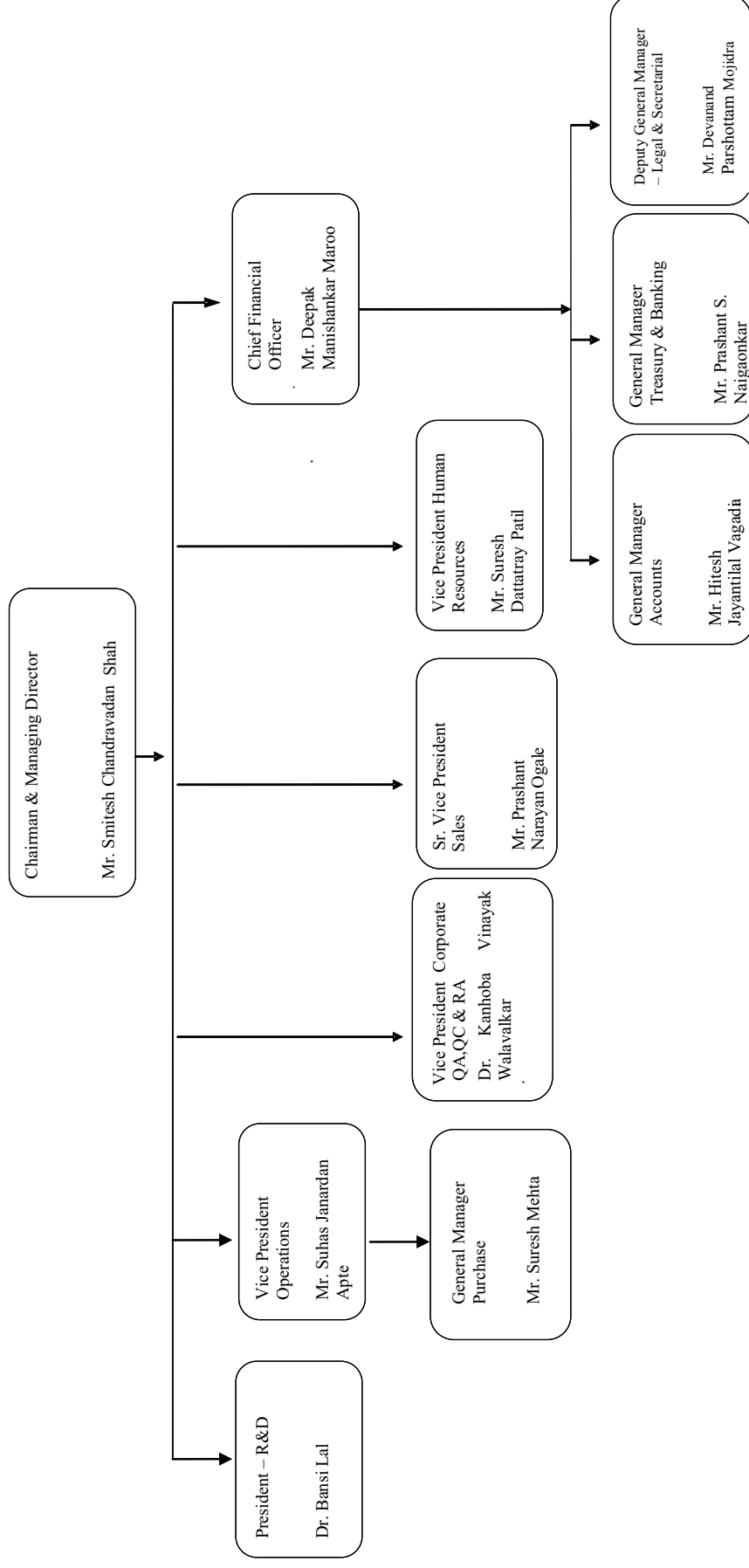
Our Board has constituted a Selection Committee, pursuant to the provisions of the requirements of Director's Relatives (Office or Place of Profit) Rules, 2003, to deal with matters concerning the appointment and remuneration of a relative of director for holding office or place of profit in our Company. The constitution of the Selection Committee was approved by our Board of Directors on May 24, 2012.

The Selection Committee consists of the following persons:

Sr. No.	Name	Designation
1.	Mr. Smitesh Shah	Chairman
2.	Mr. Bhumitra Dholakia	Member
3.	Mr. Abhay Desai	Member
4.	Mr. Navroz Mahudawala	Member

The Selection Committee shall be a special purpose committee which shall only deal with matters concerning the appointment and remuneration of a relative of director for holding office or place of profit in our Company.

ORGANISATIONAL CHART



KEY MANAGERIAL PERSONNEL

The Key Managerial Personnel of our Company, other than our Executive Directors, are as follows:

Sr. No.	Name and age	Functional Responsibility	Overall Experience	Date of joining our Company	Previous Employment
1)	Dr. Bansilal Age: 67 years	Research and Development	37 years	October 18, 2005	President Research and Development / Distinguished Scientist at Nicholas Piramal Research Centre.
2)	Dr. Kanhoba Vinayak Walavalkar Age: 46 years	Corporate Assurance, Quality Control and Regulatory Affairs	22 years	December 20, 2010	Mylan India Private Limited
3)	Mr. Suhas Janardan Apte Age: 61 years	Operations.	38 years	July 01, 2006	Nicholas Piramal India Limited
4)	Mr. Deepak Manishankar Maroo Age: 48 years	Chief Financial Officer	26 years	December 07, 2010	Sabero Organics Gujarat Limited
5)	Mr. Hitesh Jayantilal Vagadia Age: 46 years	Finance and Accounts	27 years	April 01, 1999	Atlas Tech Private Limited
6)	Mr. Prashant Shrikrishna Naigaonkar Age: 50 years	Treasury and Banking	30 years	October 10, 2005	Lupin Limited
7)	Mr. Prashant Narayanrao Ogale Age: 48 years	Sales	25 years	February 07, 2006	Garware Limited Chemicals
8)	Mr. Suresh Dattatray Patil Age: 53 years	Human Resources	32 years	June 01, 2006	Siemens Limited
9)	Mr. Suresh Harilal Mehta Age: 64 years	General Manager Purchase	34 years	February 01, 2006	M/s. Triangle Est.
10)	Mr. Devanand Parshottam Mojidra Age: 39 years	Deputy General Manager – Legal & Secretarial	12 years	May 11, 2012	Hindustan Construction Company Limited

Notes:

- All the Key Managerial Personnel mentioned above are on the payrolls of our Company as the permanent employees.
- There is no arrangement or understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned Key Managerial Personnel have been recruited.
- The Key Managerial Personnel mentioned above are not related parties as per the Accounting Standard 18.

The details of our Key Managerial Personnel are set out below:

Dr. Bansilal is the President and Head of Department of our Research and Development team. Dr. Bansilal has obtained a Bachelors degree in Science from Jammu and Kashmir University and a Masters degree in Science from

Jammu and Kashmir University, Doctorate in medicinal chemistry from Central Drug Research Institute, Lucknow, Post Doctoral Research Associate in organic chemistry from Steven's Institute of Technology, USA and Post Doctoral Research Fellowship in organic chemistry from Indiana University, RIA University, USA. Dr. Bansilal has 37 years of experience and, prior to joining our Company, was associated with Hoechst Marion Roussel Limited and Nicholas Piramal Research Centre. Dr. Bansilal's core areas of competence are drug discovery, synthetic chemistry, patents and administration. The remuneration paid to him in the Fiscal 2012 was ₹ 72.04 Lacs inclusive of perquisites and other benefits.

Dr. Kanhoba Vinayak Walavalkar is the Vice President- Corporate Quality Assurance, Quality Control and Regulatory Affairs of our Company. Dr. Walavalkar has obtained a Bachelors degree in Science from University of Mumbai, Masters degree in Science from University of Mumbai and a Doctorate in organic chemistry from University of Mumbai. Dr. Walavalkar has 22 years of experience and, prior to joining our Company, was associated with Mylan India Private Limited, Lupin Limited, Merind Limited and German Remedies Limited and his core areas of competence are quality assurance, quality control and regulatory affairs. The remuneration paid to him in the Fiscal 2012 was ₹22.48 Lacs inclusive of perquisites and other benefits.

Mr. Suhas Janardan Apte is the Vice President of our Operations Team and Head of three plant units. Mr. Apte has obtained a Bachelors degree in Chemical Engineering specialising in Chemicals from University Department of Chemical Technology, University of Mumbai and a Diploma in Management Studies specialising in General Management from Jammalal Bajaj Institute of Management Studies, University of Mumbai. Mr. Apte has 38 years of experience and, prior to joining our Company, was associated with Nicholas Piramal India Limited, M/s. Vitara Chemicals, Cadila Pharmaceuticals India Limited, Unigloves Limited, Apte Amalgamation Limited, Roussel Pharmaceuticals India Limited, Cipla Limited, Burroughs Wellcome India Limited. Mr. Apte's core areas of competence are Operations and Chemical Engineering. The remuneration paid to him in the Fiscal 2012 was ₹ 37.80 Lacs inclusive of perquisites and other benefits.

Mr. Deepak Manishankar Maroo is the Chief Financial Officer of our Company. Mr. Maroo has obtained a Bachelor of Commerce degree from University of Mumbai and is a qualified Chartered Accountant from Institute of Chartered Accountants of India, Mumbai. Mr. Maroo has 27 years of experience and, prior to joining our Company, was associated with Sabero Organics Gujarat Limited, Uni Abex Alloy Steel Products, Batliboi Limited, Nitin Castings Limited, GSL (India) Limited, Koron Business Systems Limited, Maharashtra Tubes Limited and the Jam Shree RSW Mills Company Limited and his core areas of competence are working capital finance management, project finance management, accounts finalisation and operational cash flow management. The remuneration paid to him in Fiscal 2012 was ₹ 18.77 Lacs inclusive of perquisites and other benefits.

Mr. Hitesh Jayantilal Vagadia is the General Manager – Accounts. Mr. Vagadia has obtained a Bachelor of Commerce degree from Mumbai University and Diploma in Business Administration from Institute of Chartered Financial Analysts of India, Hyderabad. Mr. Vagadia has 27 years of experience and, prior to joining our Company, was associated with Atlas Tech Private Limited and M/s. Eastern Agency. Mr. Vagadia's core areas of competence are financial accounting and audit, taxation and management information systems. The remuneration paid to him in the Fiscal 2012 was ₹ 16.82 Lacs inclusive of perquisites and other benefits.

Mr. Prashant Shrikrishna Naigaonkar is the General Manager- Treasury and Banking of our Company. Mr. Naigaonkar has obtained a Bachelors degree in law from University of Mumbai and Bachelors degree in Commerce from University of Mumbai. Mr. Naigaonkar has 30 years of experience and, prior to joining our Company, was associated with Lupin Limited, Photophone Limited and Pentagon Engineering Private Limited and his core areas of competence are working capital finance management, project finance management, trade finance management, forex risk management and operational cash flow management. The remuneration paid to him in the Fiscal 2012 was ₹ 18.13 Lacs inclusive of perquisites and other benefits.

Mr. Prashant Narayanrao Ogale is the Senior Vice President – Sales. Mr. Ogale has obtained a Bachelor of Technology degree in Chemical Engineering from Laxminarayan Institute of Technology., Nagpur University, a Diploma in Business Management from Welingkar Institute, Mumbai, Masters degree in Chemical Engineering from University Department of Chemical Technology, Mumbai University and Diploma in Marketing Management from Welingkar Institute, Mumbai. Mr. Ogale has 25 years of experience and, prior to joining our Company, was associated with Bombay Dyeing and Manufacturing Company Limited, Garware Chemicals Limited. Mr. Ogale's

core areas of competence are project concept and execution, chemical engineering, business development, relationship management. The remuneration paid to him in the Fiscal 2012 was ₹ 32.73 Lacs inclusive of perquisites and other benefits.

Mr. Suresh Dattatray Patil is the Vice President – Human Resources. Mr. Patil has obtained a Bachelor of Commerce degree from University of Mumbai, a Master of Commerce degree from University of Mumbai, Post Graduation in Training and Development from Indian Society for Training and Development, New Delhi and Post Graduation in Personnel Management from National Institute of Personnel Management, Kolkata. Mr. Patil has 32 years of experience and, prior to joining our Company, was associated with Sandoz Limited, FGP Limited, Chowgute and Company and Siemens Limited. Mr. Patil's core areas of competence are HR – Development (OD) Processes, people management and leadership development. The remuneration paid to him in the Fiscal 2012 was ₹ 35.99 Lacs inclusive of perquisites and other benefits.

Mr. Suresh Harilal Mehta is the General Manager – Purchase of our Company. Mr. Mehta has obtained a Bachelors degree and a Masters degree in Engineering from Stevens Institute of Technology, New Jersey. Mr. Mehta has 34 years of experience and prior to joining our Company, was associated with M/s Computer Engineering Services, M/s Royal Buildmat Pct. Ltd., and M/s Triangle Est. His core area of competence is Purchase. The remuneration paid to him in the Fiscal 2012 was ₹ 21.89 Lacs.

Mr. Devanand Parshottam Mojidra is the Deputy General Manager – Legal and Secretarial of our Company. Mr. Mojidra has obtained a Bachelors degree in Commerce from University of Mumbai, and is also an associate member of the Institute of Company Secretaries of India. Mr. Mojidra has 12 years of experience and, prior to joining our Company, was associated with Himco (India) Limited, Reliance Industries Limited, Hinduja Group India Limited and Hindustan Construction Company Limited. Mr. Mojidra has joined our Company on May 11, 2012; hence no remuneration has been paid to him for the Fiscal 2012.

Interest of Key Managerial Personnel

The Key Managerial Personnel of our Company do not have any interest in our Company other than to the extent of the remuneration, Equity Shares allotted under Calyx ESOP 2010, if any, or benefits which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

None of the Key Managerial Personnel have been paid any consideration of any nature from the Company, other than their remuneration.

Relationship of Key Managerial Personnel with our Directors, Promoters and / or other Key Managerial Personnel

None of our Key Managerial Personnel are related to each other or to any of our Directors or Promoters within the meaning of Section 6 of the Companies Act.

Shareholding of Key Managerial Personnel

The following is the shareholdings of our Key Managerial Personnel as on date of this Draft Red Herring Prospectus:

Sr. No.	Name	Numbers of Shares Held	Percentage (%) Pre-Issue holding
1.	Dr. Bansi Lal	5,193	0.03
2.	Mr. Suresh Dattatray Patil	4,378	0.03
3.	Mr. Prashant Narayanrao Ogale	2,878	0.02
4.	Mr. Hitesh Jayantilal Vagadia	9,281	0.06
5.	Mr. Suhas Janardan Apte	4,378	0.03
6.	Mr. Prashant Shrikrishna Naigaonkar	2,115	0.01
7.	Mr. Suresh Harilal Mehta	4,115	0.03

Mr. Suresh Dattaray Patil holds 4,378 Equity Shares of our Company jointly with Ms. Seema Suresh Patil
 Mr. Prashant Narayan Ogale holds 2,878 Equity Shares of our Company as the second holder jointly with Ms. Varsha Prashant Ogale
 Mr. Hitesh Jayantilal Vagadia holds 9,281 Equity Shares of our Company jointly with Ms. Surabhi Vagadia
 Mr. Prashant Shrikrishna Naigaonkar holds 2,115 Equity Shares of our Company jointly with Ms. Purva P. Naigaonkar.
 Mr. Suresh Harilal Mehta holds 4,115 Equity Shares of our Company jointly with Ms. Meera Suresh Mehta.

Bonus or profit sharing plan for Directors and Key Managerial Personnel

There is no bonus or profit sharing plan for our Directors and Key Managerial Personnel other than as may be decided by the Management.

Change in our Key Managerial Personnel

Changes in the Key Managerial Personnel of our Company in the last three years are as follows:

Sr. No.	Name	Designation	Date of Joining	Date of Resignation/ Retirement	Remarks
1.	Mr. Deepak Manishankar Maroo	Chief Financial Officer	December 07, 2010	-	Appointed as Chief Financial Officer
2.	Dr. Kanhoba Vinayak Walawalkar	Vice President- Quality Assurance, Quality Control and Regulatory Affairs	December 20, 2010	-	Appointed as Vice President- Quality Assurance, Quality Control and Regulatory Affairs
3.	Dr. Chintamani Prabhakar Bapat	Vice President – Research & Development	July 12, 2004	May 31, 2011	Resigned from services with effect from May 31, 2011
4.	Mr. Jitendra Rameshchandra Shah	Associate Vice President - Sales	April 01, 1999	March 31, 2012	Resigned from services with effect from March 31, 2012
5.	Ms. Dipali Ramchandra Dorugade	Executive – Company Secretarial and Legal	July 06, 2007	February 17, 2012	Resigned from services with effect from February 17, 2012
6.	Mr. Suresh Harilal Mehta	General Manager - Purchase	February 01, 2006	-	Appointed as General Manager- Purchase
7.	Dr. Sanjeev Manohar Gupte	General Manager- Sales (Japan, Korea & S.E. Asia)	November 06, 2006	-	Appointed as General Manager- Sales (Japan, Korea & S.E. Asia)
8.	Mr. Devanand Parshottam Mojidra	Deputy General Manager- Legal and Secretarial	May 11, 2012	-	Appointed as Deputy General Manager- Legal and Secretarial

Employees

We believe that a motivated and empowered employee base is integral to our competitive advantage. Our Company has 484 permanent employees and 150 contract labourers as on August 31, 2012, the details of which are enumerated below:

Particulars	Permanent	Contract	Total
Non- Management	455	147	602
Management	29	03	32
Total	484	150	634

Payment or Benefit to officers of our Company (non-salary related)

We have not given any non-salary related payments or benefits to the officers of our Company.

Employees Stock Option Scheme

As on the date of this Draft Red Herring Prospectus, our Company does not have an ESOP Scheme. For details of the Calyx ESOP Scheme 2010, please refer to the chapter titled “*Capital Structure*” beginning on page 57 of this Draft Red Herring Prospectus.

OUR PROMOTERS AND PROMOTER GROUP

Our Company is promoted by the following 3 Promoters:

1. Mr. Smitesh Chandravadan Shah;
2. Mr. Bharat Sukhlal Mehta; and
3. Mr. Rajat Indulal Doshi.

The brief profiles of our Promoters are as follows:

	Driving License No. 78/ C/ 23341 Directors Identification Number 00019720 Voters Identification number Not available
	Driving License No. 2878/ 2 Directors Identification Number 00038165 Voters Identification number Not available
	Driving License No. 89/ 23464/ BOMBAY (C)/ 19 Directors Identification Number 02423171 Voters Identification number Not available

Mr. Smitesh Chandravadan Shah, aged 53 years, is the Promoter and Chairman and Managing Director of our Company. He holds a Bachelors degree in Commerce from Mumbai University. He was appointed as the Director of our Company on April 01, 1995 and as the Chairman and Managing Director of our Company on January 08, 2007. He founded M/s. Calyx Chemicals, a sole proprietorship, in the year 1979. He has over 31 years of experience in the field of pharmaceuticals and has steered the progress of our Company.

Mr. Smitesh Chandravadan Shah is also the director of Phamaexcil (Pharmaceuticals Export Promotion Council of India).

Mr. Bharat Sukhlal Mehta, aged 73 years, is the Promoter and Director of our Company. He holds a bachelors degree in commerce from Mumbai University and a masters degree in business administration from Ohio University, USA. Mr. Bharat Sukhlal Mehta was earlier associated with Union Carbide India Limited for 15 years. He has also served as advisor to Reliance Industries Limited and as director on the board of State Bank of Mauritius for over 6 years. He was appointed as the Director of our Company on April 01, 1995 and was the Chairman of our Company till January 08, 2007.

Mr. Bharat Sukhlal Mehta is also the trustee of the Saurashtra Medical and Educational Charitable Trust, Indian Medical Scientific Research Foundation and Smt. N. S. Charitable Trust. Mr. Bharat Sukhlal Mehta has authored the book "*All About Business Computer Systems*".

Mr. Rajat Indulal Doshi, aged 53 years, is the Promoter and Director of our Company. He holds a Bachelors degree in Commerce from Mumbai University. He was appointed as Non- Executive Director of our Company *vide* resolution of the shareholders at the Annual General Meeting of our Company held on September 30, 2009. Mr. Rajat Indulal Doshi is also the proprietor of M/s. Paras Trading Corporation.

Declaration

The Permanent Account Number, Bank Account details and Passport Number of our Promoters (as applicable) have been submitted to BSE and NSE, on which our Company proposes to list its Equity Shares, at the time of filing of this Draft Red Herring Prospectus.

Further, our Promoters have not been identified as wilful defaulters by RBI or any other Government authority and there are no violations of securities laws committed by the Promoters in the past or any such proceedings are pending against the Promoters.

Change in our Promoters

There have been no changes in our Promoters in 3 years immediately preceding the date of this Draft Red Herring Prospectus.

Relationship of Promoters with each other and with our Directors

None of our Promoters are related to each other or to any of our Directors or Key Managerial Personnel.

Interest of Promoters

Our Promoters are interested in the promotion of our Company and are also interested to the extent of their shareholding, for which they are entitled to receive the dividend declared, if any, by our Company. Further, our Promoters, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of our Board or committees constituted thereof as well as to the extent of remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of the Articles.

Mr. Bharat Sukhlal Mehta rendered corporate and management advisory services to our Company, and accordingly, Mr. Bharat Sukhlal Mehta was paid professional fees for the same. Mr. Bharat Sukhlal Mehta is to be paid professional fees of ₹ 60 Lacs for the Fiscal 2012 and an application has been made to the Central Government in this regard under Section 309 of the Companies Act. He may be deemed interested to the extent of professional fees paid to him. Further, Mr. Rajat Indulal Doshi has been appointed as financial advisor/consultant to our Company with effect from April 01, 2012 and accordingly, Mr. Rajat Indulal Doshi is paid professional fees of ₹ 1,25 Lacs per month and may be deemed interested to the extent of professional fees paid to him. Our Promoters may be deemed to be interested to the extent of Equity Shares held by them, their friends and relatives, and benefits arising from their holding directorship / employment in our Company. They may also be deemed to be interested in the transactions entered into by our Company with the ventures where they are interested as Promoter, Director or otherwise.

Except as stated hereinabove and as stated in *Related Party Transactions*, “Annexure 15” of the section titled “Financial Information” beginning on page 201 of this Draft Red Herring Prospectus, we have not entered into any contract, agreements or arrangements during the preceding 2 years from the date of this Draft Red Herring Prospectus in which the Promoters are directly or indirectly interested and no payments have been made to them in respect of these contracts, agreements or arrangements which are proposed to be made to them.

Our Promoter-Directors have given unsecured loans to our Company periodically. Details of amounts outstanding as on August 31, 2012 are as disclosed hereunder:

(₹ in Lacs)		
Sr. No.	Name of Lender	Amount outstanding as on August 31, 2012
1.	Mr. Bharat Sukhlal Mehta	214.46
2.	Mr. Smitesh Chandravadan Shah	122.79
3.	Mr. Rajat Indulal Doshi	56.25

Payment or Benefit to our Promoters

No payment has been made or benefit given to our Promoters in the 2 years preceding the date of this Draft Red Herring Prospectus save and except as mentioned/referred to in this chapter and in the chapter titled “Our

Management” and in the section titled “*Financial Information*” beginning on pages 170 and 201 respectively, of this Draft Red Herring Prospectus.

There is no bonus or profit sharing plan for our Promoters except as disclosed in the section titled “*Compensation and Benefits to the Managing Director/ Whole Time Directors*” of the chapter titled “*Our Management*” beginning on page 170 of this Draft Red Herring Prospectus.

Other Ventures of our Promoters

There are no other ventures of our Promoters in which they have business interests/other interests except as disclosed in the chapter titled “*Our Group Entities*”.

Interest in the Property of our Company

The Promoters do not have any interest in any property acquired by our Company within 2 years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company, save and except as stated in paragraph titled “*Our Properties*” under the chapter titled “*Business Overview*” beginning on page 118 of this Draft Red Herring Prospectus.

Our Promoter Group

Our Promoter Group includes the following individuals:

Promoter	Mr. Smitesh Chandravadan Shah	Mr. Bharat Sukhlal Mehta	Mr. Rajat Indulal Doshi
Spouse	Ms. Parul Smitesh Shah	Ms. Asha Bharat Mehta	Ms. Jagriti Doshi
Father	Mr. Chandravadan Shah	-	Mr. Indulal Doshi
Mother	Ms. Kokila Shah	-	-
Brother	Mr. Apurva Shah Mr. Sujen Shah	Mr. Dilip Mehta	-
Sister	-	Ms. Ansuya Mody Ms. Hansa Apparao Dr. (Ms.) Rama Vaidya	Ms. Alpana Doshi
Son	-	Mr. Sumit Mehta Mr. Amit Mehta	Mr. Rahul Doshi
Daughter	Ms. Saumini Shah	Ms. Parul Mehta Patel	Ms. Kanisha Doshi

Promoter's Spouse	Ms. Parul Smitesh Shah	Ms. Asha Bharat Mehta	Ms. Jagriti Doshi
Father	-	-	Mr. Anantraaj Ajmera
Mother	Ms. Rajni Zaveri	-	Ms. Anila Ajmera
Brother	-	Mr. Yogendra Durlabhji	Mr. Himanshu Ajmera Mr. Sanjay Ajmera Mr. Manish Ajmera
Sister	Dr. (Ms.) Pallavi Shah Ms. Preeti Sanghvi	Ms. Anita Surana	Ms. Priti Doshi

Sales or Purchases between companies in our Promoter Group

There are no sales or purchases between our Company and companies forming part of our Promoter Group except as disclosed in the chapter / sections titled “*Related Party Transactions*” and “*Financial Information*” on pages 268 and 201 of this Draft Red Herring Prospectus, respectively.

Related Party Transactions

For details on our related party transactions please refer to the paragraph titled “*Our Properties*” in the chapter titled “*Business Overview*” beginning on page 118, paragraph titled “*Interest of Directors*” under the chapter titled “*Our Management*” beginning on page 170 and in the chapter titled “*Financial Information*” beginning on page 201 of this Draft Red Herring Prospectus.

OUR GROUP ENTITIES

Apart from our Subsidiary, the following entities, being promoted by our Promoters, form part of our Group Entities as defined by SEBI ICDR Regulations:

Private companies:

1. Top Brass Gifts Private Limited;
2. Noble Tele Infotech Private Limited;
3. Noble Strategies Private Limited;
4. Advanced Digital Software Private Limited; and

Limited liability partnership firms:

5. M/s. MSD Trading LLP.

Sole proprietorships:

6. M/s. Paras Trading Corporation;
7. M/s. Bharat S. Mehta;

HUFs

8. Bharat Mehta HUF.

For details of our Subsidiary, please refer to the chapter titled “*History and Other Corporate Matters*” beginning on page 161 of this Draft Red Herring Prospectus.

Our Group Entities do not include any listed companies.

PRIVATE LIMITED COMPANIES

1. Top Brass Gifts Private Limited (“TBGPL”)

TBGPL was incorporated on June 10, 1993 under the name of Cascol Garments Private Limited under the Companies Act, 1956 with the Registrar of Companies, Maharashtra, Mumbai. The CIN of TBGPL is U18101MH1993PTC072347. The name of TBGPL was changed from Cascol Garments Private Limited to Top Brass Gifts Private Limited *vide* fresh Certificate of Incorporation consequent on change of name issued by Registrar of Companies, Maharashtra, Mumbai dated July 18, 2000. The registered office of TBGPL is situated at 2, Marwah’s Complex, off Saki Vihar Road, Saki Naka, Andheri (East) Mumbai-400 072, Maharashtra, India.

Main Objects

The main objects of TBGPL include, *inter alia*, to carry on the business of processors, assemblers, manufacturers, importers, exporters, buyers, sellers, dealers, distributors, of all types of goods, gift articles, presentation articles, curious, antiques, novelties, objects of art and any other articles including but not limited to calendar clocks, table clocks with ink pot pen, pen holder, dice clock, travel clock, visiting card holders, multi hole punches and other articles of similar nature and carry out further process such as plating, finishing, altering, ornamenting, modifying or otherwise making said articles marketable covered with gold finish, nickel, powder coated or with any other finish.

Current Nature of Activities

TBGPL is not operational as on the date of this Draft Red Herring Prospectus.

Shareholding Pattern

As on the date of this Draft Red Herring Prospectus, the shareholding pattern of TBGPL is as follows

Sr. No.	Name of Shareholders	Number of Shares	Percentage of share capital (%)
1.	Mr. Smitesh Chandravadan Shah	1,40,000	50
2.	Mr. Bharat Sukhlal Mehta	1,40,000	50
Total		2,80,000	100

Audited Financial Information

Particulars	Fiscal		
	2010	2011	2012
Authorised Capital	30.00	30.00	30.00
Equity Capital	28.00	28.00	28.00
Reserves and Surplus	50.62	14.91	9.71
Sales	0	0	0
Profit / (Loss) after tax	(1.28)	(0.31)	(1.49)
Earnings per share (₹)	0	(0.11)	(0.53)
Net Asset Value per share (₹)	16.82	10.65	13.47
Face value (₹ per share)	10	10	10

Other disclosures:

Equity shares of TBGPL are not listed on any of the Stock Exchanges and it has not made any public/rights issue in last 5 years. Further, no action has been taken against the company by any Stock Exchange or SEBI.

TBGPL is not sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and is not under the Board for Industrial and Financial Reconstruction. Further TBGPL is not under winding up, neither does it have a negative net-worth.

There are no defaults in meeting any statutory / bank / institutional dues. No proceedings have been initiated for economic offences against TBGPL.

2. Noble Tele Infotech Private Limited (“NTIPL”)

NTIPL was incorporated on March 15, 2000 under the Companies Act, 1956 with the Registrar of Companies, Maharashtra, Mumbai. The CIN of NTIPL is U72200MH2000PTC124925. The registered office of NTIPL is situated at Unit No. 5, Marwah Industries, Off Saki Vihar Road, Andheri (East) Mumbai-400 072, Maharashtra, India.

Main Objects

The main object of NTIPL include *inter alia* to render services or extend assistance in conceiving, conceptualizing, designing, engineering, procuring, inspecting, erecting, commissioning, implementing, completing, managing, administrating and supervising all kinds of software development, value added services in Information Technology, and Telecommunication, internet and intranet related services and solutions, multimedia related activities and solutions, supplying professionals for Information Technology assignments overseas or in India and writing compact disc roms or any other magnetic or electronic media and publishing the same.

Shareholding Pattern

As on March 31, 2002, the shareholding pattern of NTIPL was as follows:

Sr. No.	Name of Shareholders	Number of Shares	Percentage of share capital (%)
1.	Mr. Haresh Jhaveri	11,11,814	27.80

2.	Mr. Sumit Bhattacharya	2,50,000	6.25
3.	Mr. Bharat Sukhlal Mehta	2,50,000	6.25
4.	Mr. Smitesh Chandravadan Shah	40,000	1
5.	Mr. Vimal Rasiklal Ambani	5,00,000	12.50
6.	NMP Investments Limited	10,12,550	25.31
7.	Mr. Abhay Aima	1,00,000	2.50
8.	Mr. Shuketu Shah	50,000	1.25
9.	Ms. Nila Jhaveri	1,00,000	2.50
10.	Ms. Jagruti Doshi	50,000	1.25
11.	Mr. Rajat Indulal Doshi	50,000	1.25
12.	Mr. Shashikant M. Jhaveri	20,000	0.5
13.	Ms. Pallavi Shah	50,000	1.25
14.	Mr. Parvesh Shelatkar	30,000	0.75
15.	Mr. V. Suba Rao	5,000	0.12
16.	Entrepreneurial Group Limited	3,80,636	9.52
	Total	40,00,000	100

Audited Financial Information

Particulars	Fiscal		
	2010	2011	2012
Authorised Capital	400.00	400.00	400.00
Equity Capital	400.00	400.00	400.00
Reserves and Surplus	(418.88)	(418.89)	(418.90)
Sales	0	0	0
Profit / (Loss) after tax	(2.95)	(0.01)	(0.01)
Earnings per share (₹)	0.07	Nil	Nil
Net Asset Value per share (₹)	(0.47)	(0.47)	(0.47)
Face value (₹ per share)	10	10	10

Other disclosures:

On the presumption that no shares have been allotted / transferred since the abovementioned date being March 31, 2002, the shareholding pattern as stated above may be deemed to be current. The last annual general meeting of NTIPL was held on September 30, 2002. NTIPL may be deemed a defunct company as on date as NTIPL has not carried out any business activities since 2002. However no letter from RoC has been received by NTIPL regarding striking off, as on date.

Equity shares of NTIPL are not listed on any of the Stock Exchanges and it has not made any public / rights issue in last 5 years. Further, no action has been taken against the company by any Stock Exchange or SEBI.

NTIPL is not sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and is not under the Board for Industrial and Financial Reconstruction.

3. Noble Strategies International Private Limited (“NSIPL”)

NSIPL was incorporated on February 15, 2000 under the Companies Act, 1956 with the Registrar of Companies, Maharashtra, Mumbai. The CIN of NSIPL is U72200MH2000PTC124247. The registered office of NSIPL is situated at 13, Marwah Complex off Saki Vihar Road, Saki Naka, Andheri (East), Mumbai-400 072, Maharashtra, India.

Main Objects

The main objects of NSIPL *inter alia* include to act as strategists, consultants, advisers, supervisors, administrators, managers, developers, manufacturers or service providers in all kinds of software development, value added services in Information Technology, web development, and maintenance, hardware, internet and intranet related services and solutions, multimedia and animation related activities and solutions and also in the fields of commerce, trade,

industry, management, administration, either on turn-key basis or any other basis depending upon the prevailing global strategies.

Shareholding Pattern

As on March 31, 2001, the shareholding pattern of NSIPL was as follows:

Sr. No.	Name of Shareholders	Number of Shares	Percentage of share capital (%)
1.	Mr. Dinesh Dubey	100	25
2.	Mr. Farouk Velani	100	25
3.	Mr. Bharat Sukhlal Mehta	100	25
4.	Mr. Smitesh Chandravadan Shah	100	25
Total		400	100

Audited Financial Information

Particulars	Fiscal		
	2010	2011	2012
Authorised Capital	100	100	100
Equity Capital	2.01	2.01	2.01
Reserves and Surplus	(0.39)	(0.98)	(0.99)
Sales	0	0	0
Profit / (Loss) after tax	(0.01)	(0.59)	(0.01)
Earnings per share (₹)	(0.05)	(2.94)	(0.05)
Net Asset Value per share (₹)	8.05	5.14	5.05
Face value (₹ per share)	10	10	10

Other disclosures:

On the presumption that no shares have been allotted / transferred since the abovementioned date being March 31, 2001, the shareholding pattern as stated above may be deemed to be current. The last annual general meeting of NSIPL was held on August 11, 2001. NSIPL may be deemed a defunct company as on date as NSIPL has not carried out any business activities since 2001. However no letter from RoC has been received by NSIPL regarding striking off, as on date.

Equity shares of NSIPL are not listed on any of the Stock Exchanges and it has not made any public / rights issue in last 5 years. Further, no action has been taken against the company by any Stock Exchange or SEBI.

NSIPL is not sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and is not under the Board for Industrial and Financial Reconstruction.

4. Advanced Digital Software Private Limited (“ADSPL”)

ADSPL was incorporated on November 11, 1982 under the Companies Act, 1956 with the Registrar of Companies, Tamil Nadu, Chennai. The CIN of ADSPL is U74210TN1982PTC009687. The registered office of ADSPL is situated at No. 28 – A, Krishnaswamy Iyer Avenue, Luz Church Road, Chennai – 600 004, Tamil Nadu, India.

Main Objects

The main objects of ADSPL include, *inter alia*, to provide the latest techniques to undertake, plan, prepare, implement, control, analyse, systematise, programme, process, survey, design, carry out researches, O & M assignments, project reports, feasibility reports, autocoder programming, Fortran programming, PERT, CPM, COBOL programming, all programming languages, job scheduling, programme monitoring, effective communication with users to determine and fulfil their requirements, complete system design and documentation of procedures, cards, forms, design and detailed procedure, flowchart, evaluate, manage, advise, select offer

consultancy services and supply personnel in respect of all sorts of projects, technical, industrial, commercial, mercantile, socioeconomical or otherwise through computers, automotive machines and/or by any other means.

Shareholding Pattern

As on September 29, 1992, the shareholding pattern of ADSPL was as follows:

Sr. No.	Name of Shareholders	Number of Shares	Percentage of share capital (%)
1.	Mr. Murali Dharan	250	12.5
2.	Mr. Chandra Sekharan	310	15.5
3.	Mr. Bharat Sukhlal Mehta	500	25
4.	Mr. K. V. S. Kutty	50	2.5
5.	Ms. Sita Muralidharan	190	9.5
6.	Ms. Lalitha Chandrasekharan	90	4.5
7.	Mr. S. H. Aiyar	50	2.5
8.	Ms. Nandini	30	1.5
9.	Ms. Vaishnavi	30	1.5
10.	Sum Business Consultants Private Limited	500	25
Total		2,000	100

Other disclosures:

The last annual general meeting of ADSPL was held on September 29, 1992 whereafter no information regarding shareholding pattern and no accounts statements are available. ADSPL may be deemed a defunct company as on date as ADSPL has not carried out any business activities since 1992. However no letter from RoC has been received by ADSPL regarding striking off, as on date.

Equity shares of ADSPL are not listed on any of the Stock Exchanges and it has not made any public / rights issue in last 5 years. Further, no action has been taken against the company by any Stock Exchange or SEBI.

ADSPL is not sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and is not under the Board for Industrial and Financial Reconstruction.

LIMITED LIABILITY PARTNERSHIPS

5. M/s. MSD Trading LLP (“MSD”)

M/s. MSD is a limited liability partnership incorporated pursuant to Limited Liability Partnership Agreement dated July 26, 2010 amended *vide* Deed of retirement dated August 04, 2012. M/s. MSD has its registered office at Gala number 17, Narayan Plaza, Chandivli, Andheri (East) Mumbai, Maharashtra- 400 076, Maharashtra, India.

M/s. MSD is incorporated with the main object of engaging in the business of trading in all kinds of commodities, merchandise, goods, chattels, properties, plant and machinery, equipments and agency business. As on the date of this Draft Red Herring Prospectus, M/s. MSD does not carry on any business activity.

Partners of M/s. MSD

Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi are the present partners of M/s MSD and have an equal profit/ loss sharing ratio.

Financial Performance

(₹ in Lacs)			
Particulars	2012	Fiscal	
		2011	2010*
Income/Sales	0.00	0.00	-
Profit (Loss) after Tax	(0.01)	(0.05)	-

Partners capital	0.09	0.10	-
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* M/s. MSD was incorporated on July 26, 2010, hence the financials for the Fiscal 2010 are not applicable.

SOLE PROPRIETORSHIPS

6. M/s. Paras Trading Corporation (“PTC”)

M/s. PTC is a proprietary concern formed by Mr. Rajat Indulal Doshi. M/s. PTC has its office at 1-E, Dil-Pazir, Bhulabhai Desai Road Mumbai-400 026, Maharashtra, India.

M/s. PTC is currently engaged in the business of acting as a commission agent for chemicals and allied items.

Financial Performance

Particulars	Fiscal		
	2010	2011	2012
Total Income	0	6.65	9.20
Profit / (Loss) after tax	(8.01)	(3.84)	1.11
Capital Account	(7.39)	(3.43)	(4.23)

(₹ in Lacs)

7. M/s. Bharat S. Mehta

M/s. Bharat S. Mehta is a proprietary concern formed by our Promoter, Mr. Bharat Sukhlal Mehta. M/s. Bharat S. Mehta has its office at 21, Nibbana, Nargis Dutt Road, Palli Hill, Bandra (West) Mumbai-400 050, Maharashtra, India.

M/s. Bharat S. Mehta is currently engaged in the business of share trading.

Financial Performance

Particulars	Fiscal		
	2009	2010	2011
Total Income / Sales	579.55	1,495.61	1,455.65
Profit / (Loss) after tax	(115.28)	105.75	5.46
Capital Account	91.05	225.46	177.47

(₹ in Lacs)

HUFs

8. Bharat Mehta (HUF)

Mr. Bharat Sukhlal Mehta is the Karta of the Bharat Mehta (HUF), having its office at 21, Nibbana, Nargis Dutt Road, Palli Hill, Bandra (West) Mumbai- 400 050, Maharashtra, India. The HUF does not have any business activities; however, the HUF has investments in listed and non listed companies.

Financial Performance

Particulars	Fiscal		
	2010	2011	2012
Total Income	0.01	0	0
Profit / (Loss) after tax	0	0	0
Capital Account	141.38	143.64	151.25

(₹ in Lacs)

Companies / Firms from which the Promoters have disassociated themselves in last 3 years

None of our Promoters have disassociated themselves from any of the companies, firms or other entities during the last 3 years preceding the date of this Draft Red Herring Prospectus except as given below:

Sr. No.	Name of the entity	Name of Director	Date of disassociation	Reason for disassociation
1.	Royal Buildmat India Private Limited (“RBIPL”)	Mr. Rajat Indulal Doshi Mr. Bharat Sukhlal Mehta	February 27, 2010	Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi have disassociated from RBIPL as it is not operational and has not carried on any activities since incorporation
2.	M/s, Sukhlal Mansukhlal Herbals (previously known as M/s. Sum Electronics (“SMH”))	Mr. Bharat Sukhlal Mehta	April 01, 2011	Mr. Bharat Sukhlal Mehta ceased to be partner of M/s. SMH pursuant to retirement <i>vide</i> Deed of Retirement dated April 01, 2011.
3.	Macro Edge (India) Private Limited (“Macro”)	Mr. Bharat Sukhlal Mehta	The name of Macro has been struck off from the official records of RoC as observed on the website of MCA. However, we have not received any official confirmation for the same from RoC.	Mr. Bharat Sukhlal Mehta has dissociated from Macro as it ceased to exist in accordance with Section 560 of the Companies Act through the Easy Exit Scheme of 2011.
4.	Adage Systems Private Limited (“Adage”)	Mr. Rajat Indulal Doshi	June 25, 2011	Mr. Rajat Indulal Doshi has dissociated from Adage as it ceased to exist in accordance with Section 560 of the Companies Act through the Easy Exit Scheme of 2011.

Common Pursuits

There are no common pursuits between our Company and our Group Entities except as disclosed in the chapter titled “*Our Group Entities*” of this Draft Red Herring Prospectus.

We shall adopt the necessary procedures and practices as permitted by law to address any conflict situations, if at all and as and when they may arise.

Except as stated in this section, none of our Promoters or Directors is involved with one or more ventures which are in the same line of activity or business as that of our Company.

Litigation

For details relating to legal proceedings involving our Group Entities of our Promoter, please see the section “*Outstanding Litigation and Material Developments*” beginning on page number 301 of this Draft Red Herring Prospectus.

DIVIDEND POLICY

Dividends, other than interim dividends, will be declared at the AGM of our shareholders based on the recommendation of our Board of Directors. Our Board may, at its discretion, recommend dividends to be paid to the shareholders, considering a number of factors including, without limitation, our Company's future expansion plans and capital requirements, profits earned during the Fiscal, cost of raising funds from alternate sources, liquidity position, applicable taxes including tax on dividend, as well as exemptions under tax laws available to various categories of investors from time to time and general market conditions. The dividend payments in the past are not necessarily indicative of the dividend amounts, if any, or the dividend policy, of our Company in the future.

Set forth below are details of dividends paid by our Company to Equity shareholders in the past 5 Fiscal as per audited financial accounts:

Fiscal	Face value (₹)	Dividend per Equity Share (₹)	Amount of dividend declared (exclusive of tax) (₹ in Lacs)	Rate of Dividend
2012	10	1.75	279.71	17.50%
2011	10	1.50	239.00	15%
2010	10	1.00	117.20	10%
2009	10	Nil	Nil	Nil
2008	10	Nil	Nil	Nil

In addition, our Company's share capital comprised of 3,70,371 cumulative preference shares in respect of which 9% dividend was paid by our Company per annum, to the preference share holders. For Fiscal 2010, our Company has paid dividend at 9% per preference share to the preference share holders, aggregating to a sum of ₹ 16,66,665 (exclusive of taxes). The preference shares have been converted into Equity Shares before March 31, 2010 and the authorised share capital comprises of only Equity Shares as on the date of this Draft Red Herring Prospectus. For details thereof, please refer to the heading titled "*Preference Share Capital History*" in the chapter titled "*Capital Structure*" beginning on page 57 of this Draft Red Herring Prospectus.

SECTION VII
FINANCIAL INFORMATION

Date: - 12th July, 2012

The Board of Directors
Calyx Chemicals and Pharmaceuticals Limited,
2, Marwah's Complex, off Saki Vihar Road,
Sakinaka, Andheri (E),
Mumbai – 400 072

Dear Sirs

1. I have examined the attached financial information of Calyx Chemicals and Pharmaceuticals Limited ('Company') as approved by the Board of Directors of the Company, prepared in terms of the requirements of Paragraph B, Part II of Schedule II of the Companies Act, 1956 ('the Act') and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 ('SEBI Regulations'), and in terms of my engagement agreed upon with you in accordance with my engagement letter dated 24th May 2012 in connection with the proposed Initial Public Offer of Equity Shares of the Company.

The audit for the years ended March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009, and March 31, 2008 of the company was conducted by me.

The audit for the years ended March 31, 2012, March 31, 2011 and half year ended March 31, 2010 of the company's sole subsidiary Singind Life Sciences Pte. Ltd, Singapore was conducted by MGIN Rajan Associates and Company, Certified Public Accountants. The financial information for the year ended March 31, 2012, March 31, 2011 and half year ended March 31, 2010 Of the subsidiary are consolidated to the company's financial statements for the years ended March 31, 2012, March 31, 2011 and March 31, 2010. All references to the consolidated financial statements are for the years ended March 31, 2012, March 31, 2011 and March 31, 2010.

The attached financial information has been extracted by the Management from the consolidated financial statements for the year ended March 31, 2012, March 31, 2011 and March 31, 2010 and standalone financial statements for the years ended March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009, and March 31, 2008. The reliance has been placed on the financial statements for the year ended March 31, 2012 and years ended March 31, 2011, March 31, 2010, March 31, 2009, March 31, 2008 of the Company audited by me. The reliance has been placed on the financial statements for the year ended March 31, 2012, March 31, 2011 and half year ended March 31, 2010 of the only subsidiary Singind Life Sciences Pte Ltd, audited by MGIN Rajan Associates and Company, Certified Public Accountants. Accordingly, my examination of the restated financial information of the Company for the years ended March 31, 2012 and years ended March 31, 2011, March 31, 2010, March 31 2009, March 31 2008 and of the sole subsidiary for the year ended March 31, 2012, March 31, 2011 and half year ended March 31, 2010 are based solely on financial statements audited by me and by MGIN Rajan Associates and Company Certified Public Accountants, respectively.

The financial information for the above years was examined for the purpose of audit of financial information in accordance with the Standard of Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that I plan and perform my audit to obtain reasonable assurance, whether the financial information under examination is free of material misstatement.

Based on the above, I report that in my opinion and according to the information and explanations given to me, I have found the same to be correct and the same have been accordingly used in the financial information appropriately.

2. In accordance with the requirements of Paragraph B of Part II of Schedule II of the Act, the SEBI Regulations and terms of my engagement agreed with you, I further report that:
 - a. The Summary statement of Consolidated Assets and Liabilities, as Restated as at March 31, 2012, March 31, 2011 and March 31, 2010 and Summary statement of Standalone Assets and Liabilities, as Restated as at , March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008 examined by me, as set out in Annexure 1 to this report are after making adjustments and regrouping as in my opinion were appropriate and more fully described in Statement of adjustments in Consolidated Profit and Loss Accounts, as restated under Indian GAAP (Refer Annexure 5) and Statement of adjustments in Standalone Profit and Loss Accounts, as restated under Indian GAAP (Refer Annexure 5). For the year ended on March 31, 2012 and years ended March 31, 2011, March 31, 2010, March 31, 2009, March 31, 2008, of the Company and the year ended March 31, 2012, March 31, 2011 and March 31, 2010 of the sole subsidiary, reliance has been placed by me on the financial statements audited by me and MGIN Rajan Associates and Company, Certified Public Accountants respectively.
 - b. The Summary statement of Consolidated Profit and loss, as Restated of the Company, and the Summary Statement of Consolidated Cash Flows as restated for the year ended March 31, 2012 , March 31, 2011 and March 31, 2010 and Summary statement of Standalone Profit and loss as restated for the years ended , March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008 and Summary Statement of Standalone Cash Flows as restated for the years ended March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009, March 31, 2008 and, (together with Summary Statement of Consolidated Assets and Liabilities as restated/ Summary statement of Standalone Restated Assets and Liabilities), examined by me, as set out in Annexures 2,3 and 1 respectively to this report are after making adjustments and regrouping as in my opinion were appropriate and more fully described in Statement of adjustments in Standalone Profit and Loss Accounts, as restated under Indian GAAP (Refer Annexure 5) and Statement of adjustments in Consolidated Profit and Loss Accounts, as restated under Indian GAAP (Refer Annexure 5). For the year ended March 31, 2012 and years ended March 31, 2011, March 31, 2010, March 31, 2009, March 31, 2008, of the Company and year ended March 31, 2012 , March 31, 2011, March 31, 2010 of the sole subsidiary, reliance has been placed by me on the financial statements audited by me and MGIN Rajan Associates and Company, Certified Public Accountants, respectively.
3. Based on the above, and also as per the reliance placed on the financial statements of the company and its sole subsidiary audited by me and MGIN Rajan Associates and Company, Certified Public Accountants respectively, I am of the opinion that the restated financial information have been made after incorporating:
 - a. adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;
 - b. adjustments for the material amounts in the respective financial years to which they relate;
 - c. and there are no extra-ordinary items other than stated therein, that need to be disclosed separately in the accounts and qualifications requiring adjustments.
4. I have also examined the following other financial information set out in the Annexures prepared by the management and approved by the Board of Directors relating to the Company for the years March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009, March 31, 2008.
 - a. Statement of Significant Accounting Policies to Standalone Financial Statements as restated as appearing in Annexure 4
 - b. Statement of Standalone Pre-issue Capitalization as at March 31, 2012 as appearing in Annexure 6

- c. Statement of Standalone loans funds as appearing in Annexure 7
- d. Statement of principal terms of secured loans and assets charged as security, as appearing in Annexure 7A
- e. Statement of Standalone Investment as appearing in Annexure 8
- f. Statement of Standalone Trade receivables, as appearing in Annexure 9
- g. Statement of Standalone Loans and Advances, as appearing in Annexure 10
- h. Statement of Standalone Other Income as appearing in Annexure 11
- i. Statement of Standalone Dividend, as appearing in Annexure 12
- j. Statement of tax shelter, as appearing in Annexure 13
- k. Statement of Standalone Contingent Liabilities, as appearing in Annexure 14
- l. Statement of Standalone Related Party Transactions, as appearing in Annexure 15
- m. Statement of Standalone accounting ratios, as appearing in Annexure 16

I have also examined the consolidated financial information (the “Financial Information”) for the years period ended March 31, 2012, March 31, 2011 and March 31, 2010 comprising

- a) Statement of Significant Accounting Policies to Consolidated Financial Statements as restated as appearing in Annexure 4
- b) Statement of Consolidated Pre-issue capitalization as at March 31, 2012, as appearing in Annexure 6
- c) Statement of Consolidated loan funds, as appearing in Annexure 7
- d) Statement of principal terms of secured loans and assets charged as security, as appearing in Annexure 7A
- e) Statement of Consolidated Investment, as appearing in Annexure 8
- f) Statement of Consolidated Trade Receivables as appearing in Annexure 9
- g) Statement of Consolidated Loans and Advances, as appearing in Annexure 10
- h) Statement of Consolidated Other Income, as appearing in Annexure 11
- i) Statement of Consolidated Dividend, as appearing in Annexure 12
- j) Statement of Consolidated Contingent Liabilities, as appearing in Annexure 13
- k) Statement of Consolidated Related Party Transactions as appearing in Annexure 14
- l) Statement of Consolidated accounting ratios, as appearing in Annexure 15

of the Company and its subsidiary, Singind Life Sciences Pte.Ltd and approved by the Board of Directors of the Company, included in the Company’s Red Herring Prospectus.

For the purposes of making adjustments to the financial information for the financial years ended March 31, 2008, March 31, 2009, March 31, 2010, March 31, 2011, March 31, 2012 with respect to the financial statements of the Company, reliance has been placed on the financial statements audited by me. The Consolidated financial information has been prepared by the management from the audited financial statements of the Company and its subsidiary as at March 31, 2012, March 31, 2011 and March 31, 2010. The reliance has been placed by me on subsidiary’s financial statements audited by MGIN Rajan Associates and Company, Certified Public Accountants.

The Consolidated financial information of the Company for the financial years ended March 31, 2008, March 31, 2009 have not been prepared by the management, as the Company did not have any subsidiary during these years.

- 5. This report should not be constructed as re-issuance or reaudit of any of the previous audit reports either issued by me or auditors of subsidiary company.
- 6. I have no responsibility to update my report for events and circumstances occurring after the date of the report.
- 7. In my opinion the financial information contained in Annexure 1 to 16 in Standalone and Annexure 1 to 15 in Consolidated financial information of this report read along with the Significant Accounting Policies, Changes in Significant Accounting Policies and Notes prepared after making adjustments and regrouping as considered appropriate have been prepared in accordance with Paragraph B, Part II of Schedule II of the Act and the SEBI Regulations.

8. My report is intended solely for use of the management and for inclusion in the offer document in connection with the proposed Initial Public Offer of the Company. My report should not be used for any other purpose except with my consent in writing.

Jatin V. Shah

Chartered Accountant

Membership No: 103858

Mumbai

Peer Review Certificate No. 005166 dated 10th February, 2011

Annexure 1

SUMMARY STATEMENT OF STANDALONE ASSETS AND LIABILITIES AS RESTATED

(Rs. in Lacs)

Particulars	As At				
	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
I. EQUITY AND LIABILITIES					
(1) Shareholder's Funds					
Share Capital	1604.89	1593.32	1353.60	1353.60	1025.86
Reserves and surplus	15978.65	11830.37	7724.89	5692.61	4222.74
(A)	17583.54	13423.69	9078.49	7046.21	5248.60
(2) Share Application Money Pending Allotment (B)	577.04	0.00	0.00	0.00	0.00
(3) Non- current liabilities					
Long-term borrowings	10664.29	11756.07	8582.28	10649.33	11130.34
Deferred Tax Liabilities (Net)	2078.7	1662.38	1562.46	1335.36	1302.71
Other Long Term Liabilities	4008.44	3666.41	0.00	0.00	0.00
Long-term provisions	101.53	0.00	55.67	20.75	26.49
(C)	16852.96	17084.86	10200.41	12005.44	12459.54
(4) Current liabilities					
Short-term borrowings	15774.92	10243.64	6705.94	5252.22	4375.38
Trade Payables	17619.60	6460.52	9232.68	7213.66	4283.17
Other current liabilities	3659.40	3731.54	3738.96	931.19	1600.66
Short-term provisions	679.92	306.28	586.21	400.83	133.96
(D)	37733.84	20741.98	20263.79	13797.90	10393.17
TOTAL : (A)+(B)+(C)+(D)	72747.38	51250.53	39542.69	32849.55	28101.31
II. ASSETS					
(1) Non - Current Assets					
Fixed Assets					
- Tangible assets	11849.38	9738.80	10006.07	10637.48	11101.03
- Intangible assets	4813.06	4863.20	1567.17	1869.59	2187.50
- Capital work-in-progress	883.60	887.62	13.52	0.00	0.00
- Intangible assets under development	4429.41	3456.99	2949.25	1341.87	0.00
	21975.45	18946.61	14536.01	13848.94	13288.54
Non-current investments	29.81	27.13	4.44	0.05	0.05
Other Non-Current Assets	186.69	345.23	180.94	-21.42	4.04
Long term loans and advances	298.50	278.83	191.46	1576.74	172.85
	22490.45	19597.80	14912.85	15404.31	13465.48
(2) Current Assets					
Current Investments	51.59	48.89	5.76	8.15	7.78
Inventories	26292.76	18681.38	12234.11	8752.29	6278.94
Trade receivables	17969.06	9207.27	7292.27	6955.53	7210.64
Cash and cash equivalents	4647.35	1880.12	2424.60	739.24	467.40
Short-term loans and advances	1296.17	1835.07	2673.10	990.03	671.07
Other current assets	0.00	0.00	0.00	0.00	0.00
	50256.93	31652.73	24629.84	17445.24	14635.83
TOTAL	72747.38	51250.53	39542.69	32849.55	28101.31

Notes:

The above statement should be read with significant accounting policies as in Annexure – 4 and statement of adjustments to statement of profit and loss account as in Annexure 5.

Annexure -2

SUMMARY STATEMENT OF STANDALONE PROFIT AND LOSS AS RESTATED

(Rs. in Lacs)

Particulars	For the year ended				
	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
I. Revenue from operations					
API and Manufacturing	45585.48	33683.78	26876.31	15761.69	12625.06
Contract Manufacturing	7623.43	2768.40	509.97	3141.12	58.47
Contract Research	4793.33	4099.96	3478.41	3107.33	2195.35
Process Knowhow	480.00	1004.99	1226.53	1416.30	1286.30
Other Sales and Service	436.38	160.61	89.04	75.31	52.59
SUB-TOTAL (I)	58918.61	41717.74	32180.26	23501.74	16217.77
II. Other Income	301.39	147.66	486.62	459.00	56.20
III. Total Revenue (I +II)	59220.00	41865.40	32666.88	23960.74	16273.97
IV. Expenses:					
- Cost of materials consumed	45283.58	30388.99	25478.24	18459.62	12137.16
- Purchase of Stock-in-Trade	2929.79	0.00	0.00	0.00	0.00
- Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	(4474.20)	765.35	0.00	(1396.62)	(1358.75)
- Employee benefit expenses	1608.26	1253.02	1042.91	887.26	693.85
- Manufacturing Expenses	1544.82	1252.78	902.02	952.00	716.48
-Administration, Selling and Distribution Expenses	2875.41	2170.01	1428.10	1505.01	842.02
-Research and Development Expenses	198.11	221.76	146.85	258.25	107.07
- Financial costs	4558.70	2866.37	2462.45	2278.66	1082.37
- Depreciation and amortization expense	1294.30	977.04	773.71	743.42	554.71
Total Expenses	53439.81	37983.53	29805.60	22136.17	14756.24
V. Profit before exceptional and extraordinary items and tax (III - IV)	5780.19	3881.87	2861.28	1824.57	1517.73
VI. Tax expense:					
(1) Current tax	1156.49	780.30	445.28	283.04	175.00
(2) Deferred tax	416.33	99.92	227.10	32.65	405.26
Total Tax Expenses (VI)	1572.82	880.22	672.38	315.69	580.26
VII. Profit after tax but before prior period, exceptional and extraordinary items (V - VI)	4207.37	3001.65	2188.90	1508.88	937.47
VIII. Exceptional Items					
Prior Period expenses (net)	0.00	0.00	0.00	0.00	0.00
Prior Period Tax	0.00	0.00	0.00	0.00	0.00
IX. Profit after tax, prior period, exceptional and extraordinary items (VII+VIII)	4207.37	3001.65	2188.90	1508.88	937.47
X. Earnings Per Equity Share [nominal value of share of Rs. 10/-]					
Basic	26.41	19.55	18.50	22.22	14.17
Diluted	26.41	19.55	16.17	14.63	9.30

Note: The above statement should be read with significant accounting policies as in Annexure – 4 and statement of adjustments in profit and loss accounts as in Annexure 5

Annexure 3

SUMMARY STATEMENT OF STANDALONE CASH FLOW STATEMENTS AS RESTATED

(Rs. in Lacs)

Particulars	For the year ended				
	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
A. Cash Flow from Operating Activities					
Profit before Tax	5780.19	3881.87	2861.28	1824.57	1517.73
Adjustments for :-					
Depreciation/Amortisation	1294.30	977.04	773.71	743.42	554.71
Finance charges	4558.70	2866.37	2462.45	2278.66	1082.37
Exchange Rate Gain/Loss	380.33	72.78	(336.09)	474.58	75.01
Exchange Rate Gain/Loss - on consolidation					
Interest/Dividend on Investments	(0.12)	(1.42)	0.00	(0.62)	(0.06)
Profit/Loss on Sale of Assets / Technical Know How	(69.75)	0.00	(354.47)	(345.75)	2.10
Provision for diminution in value of investments	2.54	0.00	-	0.00	0.00
Deferred Product Marketing	310.05	80.94	0.00	0.00	0.00
Miscellaneous Expenditure w/off	6.87	3.94	54.76	27.50	1.43
Employee Compensation Expenses Provided	0.00	0.00	0.00	0.00	-
Income tax/Misc. provision written back	0.00	0.00	0.00	0.00	(34.43)
Operating Profit Before Working Capital Changes	12263.11	7881.52	5461.64	5002.36	3198.86
<i>Adjustments for changes in Working Capital</i>					
(Increase)/Decrease in Sundry Debtors	(8761.79)	(1915.00)	(336.74)	255.11	(2995.49)
(Increase)/Decrease in Inventories	(7611.38)	(6447.27)	(3481.80)	(2473.35)	(1875.09)
(Increase)/Decrease in Loans, advances & other current assets	519.23	750.66	(265.33)	(1722.86)	(346.96)
Increase/(Decrease) in Current Liabilities	11666.77	1010.72	1754.16	2658.14	1693.72
Exchange Rate Gain/Loss	(383.02)	(72.78)	336.09	(474.58)	(75.01)
Cash Generated from Operations	7692.92	1207.85	3468.02	3244.82	(399.97)
Taxes paid (Including TDS)	(786.21)	(850.71)	(243.69)	(46.03)	(190.40)
Net Cash from Operating Activities - A	6906.70	357.14	3224.33	3198.79	(590.37)
B. Cash Flow from Investing activities					
Purchase of Fixed Assets (Net)	(4253.39)	(5387.64)	(1109.48)	(958.07)	(4824.67)
Dividend on Investments	0.12	1.42	0.00	0.62	0.06
Investment	(5.24)	(65.82)	2.36	(0.37)	(7.50)
Investment in Subsidiary	0.00	-	-	-	-
Net Cash used in Investing activities - B	(4258.51)	(5452.04)	(1107.12)	(957.82)	(4832.11)
C. Cash Flow From Financing Activities					
Finance Charges	(4558.70)	(2866.37)	(2462.45)	(2278.66)	(1082.37)
Increase in Short Term / Long Term Borrowings	4413.88	6066.47	2460.57	(16.16)	5992.64
Proceeds from Shares Issue	854.61	1622.24	0.00	327.74	750.00
Deferred Product Marketing	(55.23)	(165.63)	(246.61)	0.00	0.00
IPO Expenses	(103.15)	(83.54)	0.00	0.00	0.00
Share Issue Expenses	0.00	0.00	(10.50)	(2.05)	0.00
Dividend & Dividend Tax	(432.38)	(22.75)	(172.86)	0.00	(179.69)
Net Cash from Financing Activities - C	119.03	4550.42	431.85	(1969.13)	5480.58
Net Increase/ Decrease (+/-) in Cash & Cash Equivalents	2767.23	(544.48)	1685.36	271.84	58.10
Cash and Cash Equivalents at the commencement of the year	1880.12	2424.60	739.24	467.40	409.30
Cash and Cash Equivalents at the end of the year	4647.35	1880.12	2424.60	739.24	467.40

Particulars	For the year ended				
	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
	2767.23	(544.48)	1685.36	271.84	58.10

Notes: The above statement should be read with significant accounting policies as in Annexure – 4 and statement of adjustments to statement of profit and loss account as in Annexure 5.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES TO STANDALONE FINANCIAL STATEMENTS AS RESTATED

A. BASIS OF PREPARATION

The summary statement of assets and liabilities, as restated of the Company as at March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 & March 31, 2008, and the summary statement of profits and losses, as restated and summary statement of cash flows, as restated for the years/ period ended March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009, March 31, & 2008, March 31 (collectively, the “Summary Statements”) and Other Financial Information have been extracted by the management from the Audited Financial Statements of the Company for the years/ period ended March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 & March 31, 2008 .

These Summary Statements have been prepared for the proposed Initial Public Offer (referred to as the “Offer”), in accordance with the requirements of: paragraph B(1) of Part II of Schedule II to the Companies Act, 1956 (‘the Act’); and the SEBI (ICDR) Regulations issued by Securities and Exchange Board of India (“SEBI”) on August 26, 2009 in pursuance of Section 30 of the Securities and Exchange Board of India Act, 1992 (the “SEBI Regulations”);

These Summary Statements have been prepared to comply in all material respects with the Notified Accounting Standards by Companies Accounting Standard Rules, 2006 and under the historical cost convention on an accrual basis.

B. USE OF ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and reported amounts of revenues and expenses during the reporting period. Actual result could differ from these estimates and differences between actual result and estimates are recognized in the period in which the results are known/materialized.

C. FIXED ASSETS / CAPITAL WORK IN PROGRESS / INTANGIBLES:

Fixed Assets are stated at cost of acquisition less accumulated depreciation and impairment losses, if any. Cost comprises of purchase price, import duties and other non-refundable taxes or levies and expenditure directly attributable to cost of bringing assets ready for use. Indirect expenditure is capitalised to the extent it relates to the cost of bringing assets for use or incidental thereto. The Assets acquired on Hire Purchase basis have been capitalised at the Gross Value and Interest thereon is charged to Statement of Profit and Loss. Projects under commissioning and other Capital Work In Progress are carried at Costs, comprising Direct Cost and related incidental expenses.

D. DEPRECIATION / AMORTISATION:

I. Tangible Assets: -

Depreciation has been calculated in accordance with section 205(2)(b) of the Companies Act, 1956 from the date the Assets are put to use, on Straight Line method at the rates prescribed under Schedule XIV of the Companies Act, 1956.

Depreciation on additions to / deductions from assets is calculated pro-rata from/to the date of additions / deductions.

II. Intangible Assets: -

These are amortised over their estimated useful life not exceeding 10 years.

- III. Leasehold Land, which are given by Central / State Authorities are not amortised in view of the long tenure of the Lease.

E. INVESTMENTS:

Long term Investments are stated at cost less permanent diminution in value, if any. Current Investments are stated at Cost less diminution in value of Investments, if any.

F. VALUATION OF INVENTORIES:

Raw materials, packing materials, stores, spares and consumables are valued at cost on “first-in-first out” basis. Work in process is valued at material cost and apportioned amount of overheads. Finished goods are valued at cost or realisable value whichever is lower.

G. REVENUE RECOGNITION:

1. Revenue from sale of goods including Revenue from contract research and contract manufacturing (CRAM) is recognised on dispatch which coincides with transfer of significant risk and rewards to customer. Sales turnover includes Sale of goods, Revenue from CRAM and other Services related thereto. Further, sales revenues are net of VAT, excise duties, sales returns and discounts. Dividend income is recognized when right to receive is established.
2. Income on Term deposits is accounted on accrual basis and the same is netted off from the Finance Cost.

H. TRANSACTIONS IN FOREIGN CURRENCIES:

Foreign currency transactions are accounted for at the exchange rate prevailing on/or closely approximating to the date of transactions. Assets and liabilities of monetary items are re-stated at year end rates and difference arising on account of revaluation of monetary assets are recognised in the Statement of Profit and Loss. Any differences that arise in exchange rates on the date that these transactions are settled are recognised as foreign exchange gains or losses.

In case of forward exchange contracts, difference between the contract rate and exchange rate on the date of transaction is recognised as income or expenses over the life of contract. Any profit or loss arising on account of cancellation of forward contract is recognised as income or loss for the year.

I. EMPLOYEE BENEFIT:

- a) Short term employee benefits are recognised as an expense at the undiscounted amount in the Statement of profit and loss of the year in which the related service is rendered.
- b) Long term benefits:
 - i. Defined Contribution Plan:

Provident and Family Pension Fund

The eligible employees of the Company are entitled to receive post employment benefits in respect of provident and family pension fund, in which both employees and the Company make monthly contributions at a specified percentage of the employees' eligible salary (currently 12% of employees' contributions are made to Regional Provident fund Commissioner. Provident Fund and Family Pension Fund are classified as Defined Contribution Plans as the Company has no further obligations beyond

making the contribution. The Company's contributions to Defined Contribution Plan are charged to Statement of profit and loss as incurred.

ii. Defined Benefit Plan:

1. Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes contribution to Fund is administered by the Trustees of the Life Insurance Corporation based on an independent actuarial valuation made at the year-end. Actuarial gains and losses are recognised in the Statement of profit and loss.

2. Compensated absences

The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment/availment. The liability is recognised based on number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation. Actuarial gains and losses are recognised in the Statement of profit and loss.

J. OPERATING LEASES:

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating lease. Operating lease payments are recognised as expenses in the Statement of Profit and Loss.

K. RESEARCH & DEVELOPMENT:

Revenue expenditure on Research Phase is charged to revenue as and when incurred. Expenditure on Development phase, for new processes of product which according to the management are completed and are expected to generate economic benefit are shown as Intangible assets. The same is amortised on Straight line basis over a period of 10 years from the time of capitalization as an intangible asset. Expenses incurred on development of new processes for products which according to the management are yet to be completed are shown under Capital Work in Progress.

An evaluation of intangible assets and Capital work in progress is conducted annually or more often and if there is an indication of decrease in future economic benefit, then the same is charged to Statement of Profit and Loss in that year.

TAXATION:

Provision for taxation comprises of Current Tax and Deferred Tax. Current Tax Provision has been made on the basis of relief and deductions available under the Income Tax Act, 1961.

The deferred tax for timing difference between the book profit and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the Balance Sheet date.

Deferred Tax assets arising from timing differences are recognised to the extent there is a virtual certainty, as the case may be, that such assets are capable of being realised in future.

L. BORROWING COST:

The borrowing cost that are directly attributable to the acquisition, production and/or construction of qualifying assets are capitalised as part of the cost of such assets up to the date when the assets are ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. Other borrowing costs are charged to the Statement of Profit and Loss.

M. IMPAIRMENT OF FIXED ASSETS:

The carrying amount of assets is reviewed periodically for any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. Post impairment, depreciation is provided on the revised carrying value of the asset over its remaining useful life.

N. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised for when the company has present legal or contractual obligation as a result of past events and there is probability of outflow of resources and the amount is capable of being estimated reliably. Contingent liability is disclosed by way of note when the said conditions are not met. Contingent assets are not recognised /disclosed.

O. PRIOR PERIOD ITEMS

Significant items of Income and Expenditure which relate to prior accounting period are accounted in the Statement of Profit and Loss under the head “Prior Period Adjustments” other than those occasions by events occurring during or after the close of the year and which are treated as relatable to the current year.

P. EARNINGS PER SHARE (EPS)

The earnings considered in ascertaining EPS comprise the amount attributable to Equity Shareholders. The number of shares used in computing the basic earnings per share is the weighted average number of shares outstanding during the period.

The weighted average number of Equity Shares outstanding during the previous year is adjusted for events of bonus issue. The number of shares used in computing the diluted earnings per share comprises the weighted average number of share considered for deriving basic earnings per share, and also the weighted average number of shares, if any issued on the conversion of all dilutive potential Equity Shares. The number of weighted average shares outstanding during the period and potentially dilutive Equity Shares are adjusted for the issued bonus shares and sub-division of shares.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to the Equity Shareholders and the weighted average number of shares outstanding during the period, are adjusted for the effects of all dilutive potential Equity Shares.

Q. EMPLOYEE STOCK OPTION SCHEME

The Company’s Employee Stock Option Schemes (“ESOSs”) provide for the grant of stock options to eligible employees of the Company. The ESOSs are administered by the Compensation Committee (“Committee”) of the Board of Directors of the Company through Calyx Employees Welfare Trust (“Trust”). The Company has issued and allotted 10,00,000 equity shares of Rs.10/- each to the “Trust” at par for offering to such eligible employees under Employee Stock Option Scheme. The Options are granted at the discretion of the committee to selected employees depending upon certain criterion.

Under “ESOP-2010”, total number of options granted on 1st April 2010, were 18456 with the limit of maximum grant of 1% of paid-up capital to an employee in any given year. ESOP 2010 provides the grant price of the options at par i.e. at paid up value of Rs. 10/- per share. The options were vested immediately. Options which were not exercised prior to the expiry date, i.e. 31st March 2011 have lapsed. As on date the Company does not have any ESOP scheme in force.

R. The movement of the employee stock options is as given below:

Particulars	In Numbers	
	2011-12	2010-11
Outstanding at the beginning of the year	NIL	NIL
Granted during the year	NIL	18456
Forfeited during the year	NIL	NIL
Exercised during the year	NIL	16650
Lapsed during the year	NIL	1806
Outstanding at the end of the year	NIL	NIL
Exercisable at the end of the year	NIL	NIL

S. OTHER NON CURRENTASSETS

IPO expenses incurred up to 31st March 2012 are shown under the head “Other Non Current Assets”. Issue expenses will be adjusted from Securities Premium account at the time of issue of shares.

Annexure - 5

STATEMENT OF ADJUSTMENTS IN STANDALONE PROFIT & LOSS ACCOUNTS

(Rs. in Lacs)

Particulars	For the year ended				
	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Profit after Tax & Extraordinary items (As per audited accounts)	4161.83	2967.26	2083.69	1425.35	1023.55
Adjustments on account of regrouping/ changes in accounting policies/ prior period adjustments:					
a. Deferred Tax for the year	0.00	0.00	(135.96)	342.35	(105.26)
b. VAT Claim Recievable for 07-08	0.00	0.00	(12.34)	0.00	12.34
c. VAT Claim Set off for 05-06	0.00	0.00	7.11	0.00	0.00
d. Professional fees	0.00	0.00	45.11	(45.11)	0.00
e. Warehousing charges	0.00	0.00	9.70	(9.70)	0.00
f. Exhibition Expenses	0.00	0.00	67.53	(67.53)	0.00
g. Brokerage & commission	0.00	0.00	12.83	(12.83)	0.00
h. Gift & presentation	0.00	0.00	4.73	(4.73)	0.00
i. Gratuity For 07-08, 08-09	0.00	0.00	20.75	5.74	(26.49)
j. Interest	0.00	0.00	60.09	(60.09)	33.33
k. Product Marketing Expenses W/off	0.00	0.00	25.66	(25.66)	0.00
l. Income Tax - Past periods	45.54	34.39		(38.91)	0.00
Net Total (Decrease) / Increase due to adjustments	45.54	34.39	105.21	83.53	(86.08)
Net Profit as per Restated Profit and Loss	4,207.37	3,001.65	2,188.90	1,508.88	937.47

Notes:

The above statement should be read with significant accounting policies as in Annexure – 4

Annexure - 6

STATEMENT OF STANDALONE PRE ISSUE CAPITALIZATION AS AT 31ST MARCH 2012

(Rs. in Lacs)

Particulars	Pre Issue as at 31-Mar-12	Post Issue as at (#)
Borrowing		
Short Term Debt	15,774.92	
Long Term Debt	13,464.67	
Total Debt	29,239.59	
Shareholders' funds		
Share Capital :		
Equity	1,604.89	
Stock Option Outstanding a/c	-	
Reserves & Surplus	15,978.65	
Less: Miscellaneous Expenditure not written off	(186.69)	
Total Shareholders' Funds	17,396.85	
Total Debt/ Equity ratio	1.68	

Notes:

- 1) The above statement should be read with significant accounting policies as in Annexure – 4 and statement of adjustments to profit and loss accounts as in Annexure – 5
- 2) Since 31-Mar-12 (which is the last date as of which financial information has been given in this document), share capital was increased from Rs. 1604.89 lacs to Rs.1641.35 lacs.

Annexure 7

STATEMENT OF STANDALONE LONG AND SHORT TERM BORROWINGS

(Rs. in Lacs)

Particulars	As at				
	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
<u>Long Term Borrowings (Due beyond 12 months)</u>					
A) From Banks (Secured Loan)	10163.26	10355.16	6621.71	7717.40	8117.07
B) Deferred Payment Liabilities (Unsecured)	174.34	179.72	175.33	86.98	0.00
C) Loans and advances from related parties (Unsecured)					
- From Directors	197.00	189.50	185.21	64.88	164.51
- From Shareholders	91.96	59.46	45.63	60.31	145.05
- From Others	36.23	971.23	2553.30	2719.76	2703.71
D) Security Deposits	1.50	1.00	1.10	0.00	0.00
<u>Long Term Borrowings (Due within 12 months)</u>					
A) From Banks (Secured Loan)	2800.38	2826.00	2471.00	396.00	808.00
<u>Short Term Borrowings</u>					
A) From Banks (Secured)	15774.92	9243.64	6705.94	5252.22	4375.38
B) From Banks (Unsecured)	0.00	1000.00	0.00	0.00	0.00
C) From Other Parties (Unsecured)	0.00	0.00	0.00	0.00	0.00
TOTAL	29239.59	24825.71	18759.22	16297.55	16313.72
The above amount includes:					
Secured Borrowings	28738.56	22424.80	15798.65	13365.62	13300.45
Unsecured Borrowings	501.03	2400.91	2960.57	2931.93	3013.26
TOTAL	29239.59	24825.71	18759.22	16297.55	16313.72

- 1). The above statement should be read with significant accounting policies as in Annexure – 4 and statement of adjustments to profit and loss accounts as in Annexure – 5
- 2) The terms and conditions and other information in respect of Secured Loans are given in Annexure 7A. In respect of Unsecured Loans from Promoters and Group Companies / Relatives, interest is payable @ 12%p.a.; however, no terms and conditions as regards repayment of these loans have been stipulated

STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGES AS SECURITY (STANDALONE)

Name of the Bank	Type of the Loan Facility	Sanctioned Amount (Rs. In Lacs)	Amount Outstanding as on March 31, 2012 (Rs. In Lacs)	Interest P.A	Repayment Schedule	Security
Export Import Bank of India – II	Term Loan	1320.00	198.00	12.00%	To be repaid in 20 equal quarterly installment after 1st year from date of commercial production	a) First pari passu charge over the entire moveable fixed assets and mortgage of entire immovable properties of borrower both present and future of the Borrower. b) Personal guarantees of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Ms. Alpana Indulal Doshi.
Bank of India – I	Term Loan	1320.00	293.15	15.50%	Step up quarterly installment ending August 2012.	a) First pari passu charge by way of hypothecation over the entire moveable fixed assets and mortgage over entire immovable properties of the Borrower, both present and future. b) Personal Guarantees of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi.
Bank of India	Clean Loan	1000.00	601.72	16.00%	Step up quarterly installment ending January 2013.	a) First pari passu charge by way of hypothecation over the entire moveable fixed assets and mortgage over entire immovable properties of the Borrower, both present and future. b) Personal guarantees of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi
Punjab National Bank	Corporate Loan	2000.00	1827.61	15.50%	Step Up quarterly installment from June 2011 to December 2014.	a) Ist Charge on by way of Equitable Mortgage / Hypothecation of Factory Land and Building/ Plant & Machinery and other moveable fixed assets both existing and proposed on pari passu basis along with other lenders of the company. b) Personal guarantee of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi
Punjab National Bank	Term Loan	1900.00	485.23	15.50%	8 Equal quarterly installment from December 2010 to September 2012.	a) Ist Charge on by way of Equitable Mortgage / Hypothecation of Factory Land and Building/ Plant & Machinery and other moveable fixed assets both existing and proposed on pari passu basis along with other lenders of the company. b) Personal guarantee of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi

Name of the Bank	Type of the Loan Facility	Sanctioned Amount (Rs. In Lacs)	Amount Outstanding as on March 31, 2012 (Rs. In Lacs)	Interest P.A	Repayment Schedule	Security
State Bank of Hyderabad	Corporate Loan	2000.00	1406.71	15.25%	To be repaid in 37 monthly installment of Rs. 54.00 lacs and last installment of Rs. 56.00 lacs with a moratorium of 12 months from the date of first disbursement.	a) First pari passu charge on entire fixed assets of the company, Second Pari Passu Charge on all Current Assets Borrower along with other lenders b) Personal Guarantees of Promoter Director Mr.Smitesh Shah.
					To be repaid: 2012-13 in 3 equal installment of Rs. 75.00 lacs each. 2013-14 in 4 equal installment of Rs. 150.00 lacs each. 2014-15 in 4 equal installment of Rs. 225.00 lacs each. 2015-16 in 4 equal installment of Rs. 300.00 lacs each. 2016-17 in 1 quarterly installment of Rs. 75.00 lacs.	a) First pari passu charge on fixed assets of the Borrower with other existing / proposed term loan lenders, present and future. b) Collateral Security: Second pari passu charge on the current assets of the Borrower. c) Personal Guarantee of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr.Rajat Indulal Doshi
State Bank of Patiala	Term Loan	3000.00	3039.26	15.25%	2012-13 in 3 equal installment of Rs. 75.00 lacs each.	a) First pari passu charge on the entire fixed assets of the Borrower.
					2013-14 in 4 equal installment of Rs. 150.00 lacs each.	b) Second pari passu charge on the entire current assets of the Borrower.
					2014-15 in 4 equal installment of Rs. 225.00 lacs each.	c) Personal Guarantees of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi.
					2015-16 in 4 equal installment of Rs. 300.00 lacs each.	
					2016-17 in 1 quarterly installment of Rs. 75.00 lacs.	
Export Import Bank of India	Term Loan	2500.00	1717.53	12.80%	In 20 equal quarterly installment after moratorium period of 3 Month from date of commercial production	a) First pari passu charge by way of hypothecation over the entire movable fixed assets and mortgage over entire immovable properties of the Borrower, both present and future b) Personal Guarantees of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta , Mr.Rajat Indulal Doshi.

Name of the Bank	Type of the Loan Facility	Sanctioned Amount (Rs. In Lacs)	Amount Outstanding as on March 31, 2012 (Rs. In Lacs)	Interest P.A	Repayment Schedule	Security
Export Import Bank of India	Term Loan	500.00	356.66	12.55%	In 20 equal quarterly installment after 1 Year from date of commercial production	a) First pari passu charge by way of hypothecation over the entire movable fixed assets and mortgage over entire immovable properties of the Borrower, both present and future b) Personal Guarantees of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta , Mr.Rajat Indulal Doshi.
IDBI Bank Limited	Cash Credit	1500.00	1485.89	14.50%	On Demand	a) First Pari Passu charge on the current assets of Borrower both present and future with other bankers. b) Second pari passu charge by way of mortgage in favour of Lender, on the immovable properties of the Borrower situated at Plot number N-102, N – 91, M – 4, Tarapur and plots bearing numbers W-212, 213,215, 216, 217, Dombivli c) Irrevocable and unconditional personal guarantee of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta, Mr. Rajat Indulal Doshi.
Oriental Bank of Commerce	Cash Credit	500.00	494.32	15.75%	On Demand	a) Hypothecation of stocks of raw materials, stock in process, finished Goods, stock and spares and receivables (not older than 180 days) on first pari passu basis with other banks in multiple banking arrangements. b) Second pari passu charge on the fixed assets of the Borrower. c) Personal Guarantee of Mr. Bharat Sukhlal Mehta, Mr. Smitesh Chandravadan Shah, Mr.Rajat Indulal Doshi.
Punjab National Bank	Cash Credit	2600.00	2550.06	15.00%	On Demand	a) First pari passu charge by way of Hypothecation of Raw Material, Stock - in Process and Finished Goods and entire current assets of the company with other member banks. b) Second pari passu charge on the fixed assets of the Borrower. c) Personal guarantee of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi
State Bank of India	Cash Credit	2925.00	2752.66	16.50%	On Demand (Renewable after 12 months)	First pari passu charge on the current assets of the Borrower with other member banks. Collateral Security:

Name of the Bank	Type of the Loan Facility	Sanctioned Amount (Rs. In Lacs)	Amount Outstanding as on March 31, 2012 (Rs. In Lacs)	Interest P.A	Repayment Schedule	Security
						<p>a) Second charge over entire fixed assets of the Borrower present and future on pari passu basis with other member banks as under:</p> <p>b) Second charge (equitable mortgage / hypothecation) on land and building and plant and machinery situated at Plot number N-102, N-91 and Plot number M-4 Tarapur Industrial Area, Phantambhi Taluka, sub District Palghar, District Thane.</p> <p>c) Second charge (equitable mortgage / hypothecation) on land and building and plant and machinery situated at W-212, W-213, W-215, W-216 and W-217, Dombivli Industrial</p> <p>d) Estate, Taluka- Sagaon, Sub District Kalyan, District Thane</p> <p>e) Personal guarantees of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta , Ms. Alpna Indulal Doshi and Rajat Indulal Doshi.</p>
State Bank of Mysore	Cash Credit	1000.00	929.01	15.50%	On Demand	<p>a) First pari passu charge with other member banks on current assets of the Borrower</p> <p>b) Second pari passu charge on the fixed assets of the Borrower with other bankers.</p> <p>c) Personal Guarantee of Mr. Bharat Sukhlal Mehta, Mr. Smitesh Chandravadan Shah, Mr. Rajat Indulal Doshi.</p>
State Bank of Mysore	EPC	500.00	502.54	12.00%	On Demand	<p>a) First pari passu charge with other member banks on current assets of the Borrower and</p> <p>b) Second pari passu charge on the fixed assets of the Borrower with other bankers.</p> <p>c) Personal Guarantee of Mr. Bharat Sukhlal Mehta, Mr. Smitesh Chandravadan Shah, Mr. Rajat Indulal Doshi.</p>

Name of the Bank	Type of the Loan Facility	Sanctioned Amount (Rs. In Lacs)	Amount Outstanding as on March 31, 2012 (Rs. In Lacs)	Interest P.A	Repayment Schedule	Security
State Bank of Patiala	Cash Credit	1500.00	1448.12	14.50%	On Demand	a) Hypothecation of entire current assets of the Borrower on first charge pari passu basis. b) Collateral Security: Second pari passu charge on the entire fixed assets of the Borrower. c) Personal guarantees of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi.
Bank of Bahrain and Kuwait B S C	Cash Credit	500.00	494.24	14.25%	On Demand	a) First pari passu charge by way of hypothecation of stock of raw material, stock-in - process, finished goods, stocks and spares and receivables (present & future) of the company along with other working capital bankers b) Second pari passu charge on the entire fixed assets of the company along with other working capital bankers c) Personal guarantees of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta, Mr. Rajat Indulal Doshi
Bank of India	Cash Credit	4000.00	305.18	14.50%	On Demand	a) First pari passu charge by way of current assets including all the stocks and book-debts/receivables of the Borrower, both present and future, to be shared with other working capital lenders in proportion of sanctioned credit facilities; Second pari passu charge over the entire fixed assets of the Borrower (first charge with term lenders). b) Personal guarantees of Mr. Smitesh Shah, Mr. Bharat Mehta and Mr. Rajat Doshi
Canara Bank	Cash Credit	2000.00	950.68	14.25%	On Demand	a) First pari passu charge over the current assets of the Company. b) Second Pari Passu charge on Company's Land Building and Plant & Machinery situated at -Plot No. N-102, Plot No. N-91, Plot No. M-4 Tarapur Industrial Area, Phantambhi Taluka, Sub- Dist. Palghar, Dist Thane. & Plot No.212, Plot No.213, Plot No.215, Plot No.216, Plot No 217 Dombivli Industrial Estate, Taluka- Sagaon, Sub Dist. Kalyan, Dist. Thane. c) Personal guarantees of Mr. Smitesh Shah, Mr. Bharat Mehta and Mr. Rajat Doshi

Name of the Bank	Type of the Loan Facility	Sanctioned Amount (Rs. In Lacs)	Amount Outstanding as on March 31, 2012 (Rs. In Lacs)	Interest P.A	Repayment Schedule	Security
Standard Chartered Bank	Cash Credit	1200.00	617.06	14.25%	On Demand	<p>a) Hypothecated by way of first pari passu charge on all present and future including book debts, outstanding moneys receivables, claims and bills; All present and future stock in trade consisting of raw materials, finished goods, goods in process of manufacturing and other merchandise; Hypothecation by way of second pari passu charge on all present and future of moveable properties of the Borrower.</p> <p>b) Personal guarantees of Mr. Smitesh Shah, Mr. Bharat Mehta and Mr. Rajat Doshi</p>
ING Vysya Bank	Cash Credit	500.00	980.28	13.75%	On Demand	<p>a) First pari passu charge by way of hypothecation of entire current assets of the Borrower along with other banks under multiple banking arrangements.</p> <p>b) Second pari passu charge on all the moveable and immoveable fixed assets including land and building plant and machinery at the manufacturing facilities of the Borrower located at Tarapur Industrial Estate and Dombivli Industrial Estate.</p> <p>c) Personal Guarantees of Mr. Smitesh Shah, Mr. Bharat Mehta and Mr. Rajat Doshi.</p>
State Bank of Mauritius	Cash Credit	1000.00	1018.78	14.25%	On Demand	<p>a) First pari passu charge on existing and future current assets of the Company.</p> <p>b) Second pari passu charge the existing and future fixed assets of the Borrower;</p> <p>c) Personal Guarantees of Mr. Smitesh Shah, Mr. Bharat Mehta and Mr. Rajat Doshi.</p>

Name of the Bank	Type of the Loan Facility	Sanctioned Amount (Rs. In Lacs)	Amount Outstanding as on March 31, 2012 (Rs. In Lacs)	Interest P.A	Repayment Schedule	Security
Allahabad Bank	Cash Credit	2500.00	1246.10	13.75%	On Demand	<p>a) First hypothecation charge over raw material, stock-in-process, finished goods, consumable and spares, book debts and other current assets of the Borrower ranking pari passu with other working capital lenders.</p> <p>b) Second pari passu charge over the entire fixed assets of the Borrower ranking pari passu with other working capital lenders.</p> <p>c) Personal Guarantees of Mr. Smitesh Shah, Mr. Bharat Mehta and Mr. Rajat Doshi.</p>
State Bank of India	Corp. Loan	1500	324.49	12.75%	Rs. 90.4 lacs monthly installment till March-2010 and Rs. 80 lacs monthly installment thereafter till January 2011.	<p>a) First Pari Passu Charge on entire Fixed Assets of the Company by way of mortgage of immovable properties and hypothecation of movable properties present and future along with EXIM Bank and Bank of India</p> <p>b) Second Charge on entire fixed assets of the Company present and future on Pari Passu basis with other member banks</p> <p>c) Personal Guarantees of Three Promoter Directors.</p>
Export Import Bank of India – I	Term Loan	1040	259.39	14.00%	To be repaid in 20 equal quarterly installment after 1st year from date of first disbursement	<p>a) First Pari Passu Charge by way of hypothecation over entire movable fixed assets and mortgage over entire immovable properties of the Company both present and future.</p> <p>b) Corporate Guarantee of Calyx Pharmaceuticals and Chemicals Private Limited (Group Company) [since merged with the Company]</p> <p>c) First pari passu charge by way of mortgage on the immovable properties of Calyx Pharmaceuticals and Chemicals Private Limited (Group Company) [since merged with the Company]</p> <p>d) Personal Guarantees of Three Promoter Directors</p>
Kotak Mahindra Bank	Term Loan	300	58.33	13.75%	Repayment in 36 monthly installment from the first disbursement	Exclusive Charge on Fixed Assets at Andheri
ICICI Bank Limited-I	Term Loan	200	15.13	10.00 %	To be repaid in 60 equal monthly installment covering from date of first draw down.	<p>a) First pari passu charge by way of hypothecation on the entire movable assets of the company both present and future.</p> <p>b) First and Exclusive charge on the entire assets of the company for which the term loan is granted, including all immovable and movable properties both present and future.</p>

Name of the Bank	Type of the Loan Facility	Sanctioned Amount (Rs. In Lacs)	Amount Outstanding as on March 31, 2012 (Rs. In Lacs)	Interest P.A	Repayment Schedule	Security
ICICI Bank Limited	Cash Credit	1075	1180.56	14.50	On Demand	c) Personal Guarantees of Three Promoter Directors a) First pari passu charge by way of hypothecation of entire stock of raw materials, semi-finished goods, consumable stores and spares and other moveables including book debts and bills b) Second pari passu charge on Land and Building and Plant and Machinery of the Company at Tarapur and Dombivli c) Personal Guarantees of Three Promoter Directors.

Annexure - 8

(Rs. in Lacs)

Particulars	As at				
	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
A. Non-Current Investments					
1. In Government or Trust Securities					
a) National savings Certificate	0.05	0.05	0.05	0.05	0.05
b) Calyx Employees Welfare Trust-Corpus Fund	1.25	1.25	0.00	0.00	0.00
2. Shares					
a) In Subsidiary company					
60,100 (p.y.- 100) Fully paid equity shares of Singind Life Sciences Pte. Ltd. of one Singapore \$ each [100% shares held directly by the company]	23.99	21.31	0.03	0.00	0.00
b) Tarapur Environment Protection Society (4515 shares of Rs. 100 each, fully Paid)	4.52	4.52	4.36	0.00	0.00
SUB-TOTAL (A)	29.81	27.13	4.44	0.05	0.05
Current Investments: Other than Trade					
1. Quoted:					
Shares					
800 (P.Y. 800) Shares of Canara Bank Rs.10 each fully paid	0.28	0.28	0.28	0.28	0.28
2. Unquoted:					
Portfolio Investments					
HDFC PMS Real Estate Portfolio	5.14	5.90	5.48	7.87	7.50
Mutual Funds					
249850.09 (PY: NIL) units of SBI-SHF-Ultra Short-Term Fund- Retail Plan - Daily dividend	25.00	25.00	0.00	0.00	0.00
180000 units (PY: NIL) of SBI PSU Fund - Dividend	15.17	17.71	0.00	0.00	0.00
50000 Units (PY:NIL) of SBI Debt Fund Series	5.00	0.00	0.00	0.00	0.00
10000 UnitsUnits (PY:NIL) of SBI Gold Fund	1.00	0.00	0.00	0.00	0.00
SUB-TOTAL (B)	51.59	48.89	5.76	8.15	7.78
Equity Shares of Canara Bank (B)	0.28	0.28	0.28	0.28	0.28
Market Value per Share (In Rupees)	473.65	626.25	410.35	165.90	225.20
Market Value of 800 Share	3.79	5.01	3.28	1.33	1.80

Note: The above statement should be read with significant accounting policies as in Annexure – 4 and statement of adjustments to profit and loss accounts as in Annexure – 5

Annexure - 9

STATEMENT OF STANDALONE TRADE RECEIVABLE

(Rs. in Lacs)

Particulars	As at				
	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Non-Current					
<u>Unsecured and Considered good unless stated otherwise</u>					
Outstanding for a period exceeding six months from the date, they are due for payment	0.00	0.00	703.49	1851.55	569.68
Other Receivables	0.00	0.00	0.00	0.00	0.00
Current					
Outstanding for a period exceeding six months from the date, they are due for payment	2706.19	1261.87	12.26	1192.93	221.42
Other Receivables	15262.87	7945.40	6576.52	3911.05	6419.54
TOTAL	17969.06	9207.27	7292.27	6955.53	7210.64

Notes:

- 1). The above statement should be read with significant accounting policies as in Annexure – 4 and statement of adjustments to profit and loss accounts as in Annexure – 5.
- 2). There are no amounts recoverable from promoters, group companies, associate companies and Directors of the company as at 31st March 2012 in above

Annexure - 10

STATEMENT OF STANDALONE LOANS AND ADVANCES

(Rs. in Lacs)

Particulars	As at				
	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Long term Loans & Advances					
(Unsecured and Considered good unless stated otherwise)					
Capital Advances	40.08	0.00	0.00	0.00	0.00
Security Deposits	172.72	170.70	170.43	167.96	162.97
<u>Loans and Advances to related parties</u>					
To wholly owned subsidiary	11.70	9.79	0.00	0.00	0.00
Calyx Employees Welfare Trust	74.00	98.34	0.00	0.00	0.00
Sub Total (A)	298.50	278.83	170.43	167.96	162.97
Short Term Loans and Advances					
(Unsecured and Considered good unless stated otherwise)					
Staff Loans & Advances	32.32	43.38	28.66	13.70	14.4
Balance with Tax Authorities	1,048.63	652.08	424.32	315.20	241.30
Prepaid Expenses	94.79	173.02	285.50	0.00	0.00
Others	120.43	966.59	1,934.62	2,204.58	420.03
Sub Total (B)	1,296.17	1,835.07	2,673.10	2,533.48	675.73
Total (A+B)	1,594.67	2,113.90	2,843.53	2,701.44	838.70
The above includes the following receivable from related parties :					
	As at				
	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Top Brass Gifts Private Limited	0.00	0.00	1.04	0.00	0.00
Noble Tele Infotech Pvt. Ltd.	0.00	0.00	0.00	0.00	0.00
Singind Life Sciences Pte Ltd	11.70	9.79	22.22	0.00	0.00
Calyx Employees Welfare Trust	74.00	98.34	0.00	0.00	0.00

Note: The above statement should be read with significant accounting policies as in Annexure – 4 and statement of adjustments to profit and loss accounts as in Annexure – 5

Annexure -11

STATEMENT OF STANDALONE OTHER INCOME

(Rs in Lacs)

Particulars	Recurring/ Non-Recurring	For the year ended				
		31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Profit Before Tax & extra ordinary items		5,780.19	3,881.87	2,861.28	1,824.57	1,517.73
20% of Net Profit Before Tax		1,156.04	776.37	572.26	364.91	303.55
Other Income for the Year		301.39	147.66	486.62	459.00	56.20
Other Income Details						
Dividend	Recurring	0.12	0.25	0.00	0.06	0.06
Interest Income	Recurring	7.64	4.69	0.00	0.00	0.00
Analytical Charges	Recurring	0.00	0.00	3.64	0.00	0.00
Sale of Technical Knowhow	Non-Recurring	202.91	0.00	0.00	0.00	0.00
Profit on Sale of Assets	Non-Recurring	69.48	0.00	0.00	345.74	8.84
Insurance Claim	Non-Recurring	0.00	0.00	0.28	0.25	0.52
Rent / Service Charges Received	Non-Recurring	0.00	0.00	0.00	0.00	0.00
Sales Tax Incentive	Non-Recurring	0.00	0.00	0.00	0.00	0.00
Income Tax Provision W/Back	Non-Recurring	0.00	0.00	0.00	0.00	34.43
VAT Claim Receivable	Non-Recurring	0.00	0.00	0.00	0.00	12.35
Sundry Balance W/off	Non-Recurring	0.00	0.00	136.59	112.04	0.00
Others	Non-Recurring	21.24	142.72	346.11	0.89	0.00
Total		301.39	147.66	486.62	458.99	56.20

Note: The above statement should be read with significant accounting policies as in Annexure – 4 and statement of adjustments to profit and loss accounts as in Annexure – 5

Annexure - 12

STATEMENT OF STANDALONE DIVIDEND

Particulars	For the year ended				
	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Dividend on Equity Shares	279.71	239.00	117.20	0.00	0.00
Dividend on Preference Shares	NA	NA	16.67	33.33	33.33*
Total Dividend	279.71	239.00	133.87	33.33	33.33
Dividend on equity shares (%)	17.50**	15.00	10.00	0.00	0.00
Dividend on preference shares (%)	NA	NA	9.00	9.00	9.00

Notes:

- 1). The above statement should be read with significant accounting policies as in Annexure – 4 and statement of adjustments to profit and loss accounts as in Annexure – 5.
- 2). * Figures taken from Regrouping and re-adjustment of Interest / Financial Charges
- 3). ** During the year 2011-12, interim dividend and final dividend of 10% and 7.5% respectively were declared.

Annexure - 13

STATEMENT OF TAX SHELTER

(Rs. in Lacs)

Particulars	For the year ended				
	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Tax Rate (including surcharge and education cess)	32.45%	33.22%	33.99%	33.99%	33.99%
MAT Rate (including surcharge and education cess)	20.01%	19.93%	17.00%	11.33%	11.33%
Net Profit / (Loss) before tax (as restated)	5,780.19	3,881.87	2,861.28	1,824.57	1,517.73
Notional Tax Payable (A)	1,875.38	1,289.46	972.55	620.17	515.88
Timing Difference					
(i) Difference Between Restated and Tax depreciation	196.57	(71.42)	(117.43)	(207.02)	(446.49)
(ii) Disallowance U/s.40(a) (ia)	-	17.20	-	(24.92)	112.21
(iii) Deduction U/sec.35	(554.21)	(59.56)	(550.62)	(83.35)	(858.02)
Total of B	(357.64)	(113.78)	(668.05)	(315.28)	(1,192.30)
Permanent Differences					
(i) Profit(-)/Loss(+) on Sale of Assets	354.47	0.00	(354.47)	(654.39)	0.00
(ii) Deduction U/s 35(1)(v)	(1,987.55)	(2,106.94)	(1,607.38)	(1,341.87)	0.00
(iii) Other Adjustments	0.00	15.94	2.26	47.82	35.39
Total of C	(1,633.08)	(2,091.00)	(1,959.58)	(1,948.44)	35.39
Net Adjustments (B+ C)	(1,990.72)	(2,204.78)	(2,627.63)	(2,263.72)	(1,156.90)
Tax saving thereon	(645.89)	(732.37)	(893.13)	(769.44)	(393.23)
Net Tax for the year / period	1,229.49	557.09	79.42	-	122.65
Tax Payable as per MAT	1,156.49	773.68	486.27	206.72	171.96

Notes:

- 1). The information pertaining to the years ended 31/03/2008 to 31/03/2011 are as per the Return of Income filed under Section 139(1) and 139(4) of the Income Tax Act, 1961. The effect of assessment / appellate orders has not been considered in the above calculation.
- 2). The above statement should be read with significant accounting policies as in Annexure – 4 and statement of adjustments to profit and loss accounts as in Annexure – 5.

Annexure - 14

STATEMENT OF STANDALONE CONTINGENT LIABILITIES

(Rs. in Lacs)

Particulars	As at				
	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Letters of Credit outstanding	598.66	1,594.34	1,804.51	176.25	197.44
Capital Commitments (net of advances)	280.58	318.45	290.36	80.52	381.00
Custom duty liability on account of pending Export obligation – Advance Licence and EPCG scheme	440.85	327.11	251.06	0.00	140.46
Direct and Indirect Taxation	88.99	113.71	188.20	150.65	0.00
Bank Guarantee	11.43	15.55	3.75	0.00	0.00
Contested claims (excluding taxation)	18.32	18.32	0.00	0.00	0.00

Note:

The above statement should be read with significant accounting policies as in Annexure – 4 and statement of adjustments to profit and loss accounts as in Annexure – 5.

STATEMENT OF STANDALONE RELATED PARTY TRANSACTIONS

NATURE OF RELATION		NAME OF RELATED PARTIES
Key Management Personnel		
	Mr. Smitesh C .Shah	Chairman and Managing Director
	Mr.Bharat S. Mehta	Chairman Esmirates and Founder Director
	Mr. Rajat I.Doshi	Non Executive Director (Appointed w.e.f. 23rd April 2009)
	Miss. Alpana Doshi	Director (ceased to be Director w.e.f.15th May 2009)
	Dr.Bansi Lal	Director (ceased to be Director w.e.f. 1st April 2009)
Relative of Key Management Personnel		
	Mr. Amit Mehta	
	Ms. Asha B Mehta	
	Bharat Meha - HUF	
	Ms. Parul Mehta/ Patel	
	Mr. Sumit Mehta	
	Mr. Bimal Patel	
	Mr.C.H.Shah	
	Ms.Kokilaben Shah	
	Ms.Parul Shah	
	Miss. Saumini Shah	
	Mr. Rahul Doshi	
	Miss Kanisha Doshi	
	Miss Alpana Doshi	
	Mr. Dilip Mehta	
	Ms.Jagriti Doshi	
	Mr.Sujen Shah	
	Mr. Apurva Shah	
	Ms.Hansa Apparao	
	Mr.M.V.K.Appa Rao	
	Ms. Anusaya Mody	
	Mr. Jyotindra Mody	
	Ms. Rama Vaidya	
	Ms. Ashok Vaidya	
	Mr. Indulal Doshi	
Company/entity in which director has significant influence		
	Top Brass Gifts Private Limited	
	Noble Strategies Private Limited	
	Noble Tele Infotech Private Limited	
	Royal Buildmat India Private Limited (our Promoters have disassociated from this entity w.e.f. February 27, 2010	
	Adage Systems Private Limited	
	Advance Digital Software Private Limited	
	M/s MSD Trading LLP	
	M/s . Sukhlal Mansukhlal Herbals (Formerly Known as Sum Electronics)	
	Calyx Employees Welfare Trust	
Subsidiary		
	Singind Life Sciences Pte. Ltd.	

A) Transaction with key Management Personnel:

(Rs. in Lacs)

Particulars	For the Year				
	Fiscal 2012	Fiscal 2011	Fiscal 2010	Fiscal 2009	Fiscal 2008
Salary / Remuneration					
Mr. Smitesh C.Shah	166.33	113.41	52.03	51.39	78.75
Mr.Bharat S. Mehta	60.00	85.11	20.00	0.00	51.42
Miss. Alpana Doshi	0.00	0.00	0.00	3.36	3.36
Dr.Bansilal	0.00	0.00	0.00	49.00	49.00
Mr.Rajat Doshi	0.00	0.00	0.00	0.00	0.00
Mr.Rahul Doshi	1.19	0.00	0.00	0.00	0.00
Unsecured loan taken by Company during the year /period					
Mr. Smitesh C.Shah	119.54	19.32	28.27	6.63	34.51
Mr.Bharat S. Mehta	70.00	253.98	22.25	77.92	89.25
Miss. Alpana Doshi	0.00	0.00	0.00	0.00	20.00
Dr.Bansilal	0.00	0.00	0.00	0.00	0.00
Mr.Rajat Doshi	79.00	150.00	95.00	0.00	0.00
Repayment of Unsecured loan taken by Company					
Mr. Smitesh C.Shah	82.04	49.00	0.00	38.20	1.25
Mr.Bharat S. Mehta	70.00	170.02	25.19	99.98	4.00
Miss. Alpana Doshi	0.00	0.00	0.00	46.00	0.00
Dr.Bansilal	0.00	0.00	0.00	0.00	0.00
Mr.Rajat Doshi	109.00	200.00	0.00	0.00	0.00
Dividend Paid (Equity) on paid /Credited basis	0.00	0.00	0.00	0.00	0.00
Mr. Smitesh C.Shah	56.27	0.00	16.92	0.00	19.28
Mr.Bharat S. Mehta	43.55	0.00	12.85	0.00	18.06
Miss. Alpana Doshi	0.00	0.00	17.30	0.00	20.10
Dr.Bansilal	0.00	0.00	0.00	0.00	0.00
Mr.Rajat Doshi	49.48	0.00	12.35	0.00	0.00
Dividend Paid (preference) on paid /Credited basis					
cMr. Smitesh C.Shah	0.00	0.00	2.38	3.05	6.23
Mr.Bharat S. Mehta	0.00	0.00	1.44	2.12	4.28
Miss. Alpana Doshi	0.00	0.00	1.99	2.43	4.93
Dr.Bansilal	0.00	0.00	0.00		0.00

Particulars	For the Year				
	Fiscal 2012	Fiscal 2011	Fiscal 2010	Fiscal 2009	Fiscal 2008
				0.02	
Mr.Rajat Doshi	0.00	0.00	0.06	0.00	0.00
Interest Paid					
Mr. Smitesh C.Shah	6.79	1.25	0.70	1.04	1.51
Mr.Bharat S. Mehta	19.18	7.02	7.43	1.81	2.42
Miss. Alpana Doshi	0.00	0.00	0.00	1.38	3.18
Dr.Bansilal	0.00	0.00	0.00	0.00	0.00
Mr.Rajat Doshi	6.76	7.47	1.06	0.00	0.00
	As At				
	Fiscal 2012	Fiscal 2011	Fiscal 2010	Fiscal 2009	Fiscal 2008
Closing Balance of Unsecured Loan:					
Mr. Smitesh C.Shah	37.79	0.29	29.96	1.69	33.26
Mr.Bharat S. Mehta	144.21	144.21	60.25	63.19	85.25
Miss. Alpana Doshi	0.00	0.00	0.00	0.00-	46.00
Dr.Bansilal	0.00	0.00	0.00	0.00	0.00
Mr.Rajat Doshi	15.00	45.00	95.00	0.00	0.00

B) Transaction with Relatives of Key Management Personnel:

(Rs. in Lacs)

Particulars	For the Year Ended				
	Fiscal 2012	Fiscal 2011	Fiscal 2010	Fiscal 2009	Fiscal 2008
Unsecured loan taken by Company during the year / period	219.25	233.50	99.82	106.73	69.19
Repayment of Unsecured loan taken by company	176.84	248.35	104.10	137.49	0.00
Closing Balance of Unsecured Loan (as at the end of the year/period)	128.19	85.78	100.01	104.29	135.05
Interest Paid	16.13	12.02	18.89	4.41	9.16

Other Payment/Reimbursement of Expenses for Services

(Rs. in Lacs)

Particulars	For the Year Ended				
	Fiscal 2012	Fiscal 2011	Fiscal 2010	Fiscal 2009	Fiscal 2008
KMP's and their relatives	9.01	10.26	6.70	16.33	35.63

C) Transaction with Companies/Entity in which directors and their relatives have significant influence/subsidiaries

(Rs. in Lacs)

Particulars	For the Year Ended				
	Fiscal 2012	Fiscal 2011	Fiscal 2010	Fiscal 2009	Fiscal 2008
Advances to Group Companies					
Advances given during the year / period	0.00	108.85	28.22	0.00	0.00
Advances received back during the year/period	25.37	22.95	4.96	0.00	0.00
Closing Balance (as at the end of the year/period)	83.79	109.17	23.26	0.00	0.00
Loan from Group companies					
Loan received during the year/period	0.00	0.00	10.00	1.08	0.00
Loan Repaid during the year/period	19.91	0.09	1.08	0.00	0.00
Closing Balance (as at the end of the year/period)	0.00	19.91	20.00	11.08	10.00
Interest	0.00	2.39	1.63	1.20	0.90
purchase					
Investments					
Opening balance (as at the beginning of the year/period)	22.56	0.03	0.03	0.00	0.00
During the year/period	0.00	22.53	- 0.00	0.00	0.00
Closing Balance (as at the end of the year/period)	22.56	22.56	0.03	0.00	0.00

STATEMENT OF STANDALONE ACCOUNTING RATIO

(Rs. in Lacs)

Particulars	For the year ended				
	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Net Profit/(Loss) after tax but before extraordinary items as restated	4,207.37	3,001.65	2,188.90	1,508.88	937.47
Less : Preference Dividend and Tax on Preference Dividend	-	-	19.50	39.00	33.33
Net Profit/(Loss) after tax but before extraordinary items as restated Less Preference Dividend and tax (A)	4,207.37	3,001.65	2,169.40	1,469.88	904.14
Net Profit/(Loss) after tax but before Preference Dividend and tax thereon (B)	4,207.37	3,001.65	2,188.90	1,508.88	937.47
Weighted average number of equity shares outstanding during the year (Nos. in lacs) (C)	159.34	153.51	117.25	66.14	63.79
Add: Effect of Potential Equity Share Holders (In Nos.) (D)	-	-	18.11	36.99	37.04
Weighted average number of equity shares outstanding during the year (In Nos.)-Diluted * (E)	159.34	153.51	135.36	103.13	100.83
Net Worth (Net of Miscellaneous Expenditure not written off) (F)	17396.85	13078.46	8897.55	7067.63	5244.56
Earnings Per Share					
Basic (In Rupees) (A/C)	26.41	19.55	18.50	22.22	14.17
Diluted * (B/E)	26.41	19.55	16.17	14.63	9.30
Return on Net Worth (%) (A/F)	24.18%	22.95%	24.38%	20.80%	17.24%
Net Asset Value/ Book Value per share (In Rupees) (F/C)	109.18	85.20	75.89	106.86	82.22

Notes:

- 1) Net Profit / (Loss), as restated as appearing in the summary statement of Profits and Losses as Restated of the Company has been considered for the purpose of computing the above ratios.
- 2) Net worth, as restated as appearing in the summary statement of Assets and Liabilities as restated of the Company has been considered for the purpose of computing the above ratios.

3) The above statement should be read with significant accounting policies as in Annexure – 4 and statement of adjustments to profit and loss accounts as in Annexure 5

Annexure 1

SUMMARY STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES AS RESTATED

(Rs. in Lacs)

Particulars	As at		
	31-Mar-12	31-Mar-11	31-Mar-10
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
Share Capital	1604.89	1593.32	1353.60
Reserves and surplus	16209.30	12005.46	7814.72
(A)	17814.19	13598.78	9168.32
(2) Share Application Money Pending Allotment (B)	577.04	0.00	0.00
(3) Non- current liabilities			
Long-term borrowings	10664.29	11756.07	8582.28
Deferred Tax Liabilities (Net)	2078.70	1662.38	1562.46
Other Long Term Liabilities	4008.44	3666.41	0.00
Long-term provisions	101.53	0.00	61.38
(C)	16852.96	17084.86	10206.12
(4) Current liabilities			
Short-term borrowings	15774.92	10243.64	6705.94
Trade Payables	19530.70	15189.49	13214.73
Other current liabilities	3706.06	3731.55	3738.94
Short-term provisions	690.42	324.47	589.20
(D)	39702.10	29489.15	24248.81
TOTAL : (A)+(B)+(C)+(D)	74946.29	60172.79	43623.25
II. ASSETS			
(1) Non - Current Assets			
Fixed Assets			
- Tangible assets	11849.38	9738.80	10006.07
- Intangible assets	4813.06	4863.20	1567.17
- Capital work-in-progress	883.60	887.62	13.52
- Intangible assets under development	4429.41	3456.99	2949.25
	21975.45	18946.61	14536.01
Non-current investments	5.82	5.82	4.41
Long term loans and advances	286.80	269.04	169.24
Other Non-Current Assets	186.69	345.23	180.94
	22454.76	19566.70	14890.60
(2) Current Assets			
Current Investments	51.59	48.89	5.76
Inventories	26292.76	18681.38	13572.86
Trade receivables	20152.20	18078.77	10038.17
Cash and cash equivalents	4659.91	1928.48	2442.78
Short-term loans and advances	1335.07	1868.57	2673.08
Other current assets	0.00	0.00	0.00
	52491.53	40606.09	28732.65
TOTAL	74946.29	60172.79	43623.25

Notes:

The above statement should be read with significant accounting policies as in Annexure – 4 and statement of adjustments to statement of profit and loss account as in Annexure 5.

Annexure -2

SUMMARY STATEMENT OF CONSOLIDATED PROFIT AND LOSS ACCOUNT AS RESTATED

(Rs. in Lacs)

Particulars	For the year ended		
	31-Mar-12	31-Mar-11	31-Mar-10
I. Revenue from operations			
API and Manufacturing	45738.91	41721.68	29699.09
Contract Manufacturing	7623.43	2768.40	509.97
Contract Research	4793.33	4099.96	3478.41
Process Knowhow	480.00	1004.99	1226.53
Other Sales and Service	436.38	160.61	89.04
SUB-TOTAL (I)	59072.05	49755.64	35003.04
II. Other Income	360.91	147.66	486.62
III. Total Revenue (I +II)	59432.96	49903.30	35489.66
IV. Expenses:			
- Cost of materials consumed	45474.65	38270.73	28179.59
- Purchase of Stock-in-Trade	2929.79	0.00	0.00
- Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	(4474.20)	765.35	(1481.63.00)
- Employee benefit expenses	1608.26	1253.01	1042.91
- Manufacturing Expenses	1544.82	1252.78	902.03
-Administration, Selling and Distribution Expenses	2881.11	2214.96	1447.95
-Research and Development Expenses	198.11	221.76	146.85
- Financial costs	4558.70	2866.37	2462.45
- Depreciation and amortization expense	1294.30	977.04	773.71
Total Expenses	53636.58	45910.21	32526.81
V. Profit before exceptional and extraordinary items and tax (III - IV)	5796.38	3993.09	2962.85
VI. Tax expense:			
(1) Current tax	1157.43	789.79	453.98
(2) Deferred tax	416.33	99.92	227.10
Total Tax Expenses (VI)	1573.76	889.71	681.08
VII. Profit after tax but before prior period, exceptional and extraordinary items (V - VI)	4222.62	3103.38	2281.77
VIII. Exceptional Items			
Prior Period expenses (net)	0.00	0.00	0.00
Prior Period Tax	0.00	0.00	0.00
IX. Profit after tax, prior period, exceptional and extraordinary items (VII+VIII)	4222.62	3103.38	2281.77
X. Earnings Per Equity Share [nominal value of share of Rs. 10/-]			
Basic	26.50	20.22	19.29
Diluted	26.50	20.22	16.86

Note:

The above statement should be read with significant accounting policies as in Annexure – 4 and statement of adjustments to statement of profit and loss account as in Annexure 5

Annexure 3

SUMMARY STATEMENT OF CONSOLIDATED CASH FLOW STATEMENTS AS RESTATED

(Rs. in Lacs)

Particulars	For the year ended		
	31-Mar-12	31-Mar-11	31-Mar-10
A. Cash Flow from Operating Activities			
Profit before Tax	5796.38	3993.09	2962.85
Adjustments for :-			
Depreciation/Amortisation	1294.30	977.04	773.71
Finance charges	4558.70	2866.37	2462.45
Exchange Rate Gain/Loss	380.33	72.78	(336.09)
Exchange Rate Gain/Loss - on consolidation	40.31	(16.46)	(3.06)
Interest/Dividend on Investments	(0.12)	(1.42)	0.00
Profit/Loss on Sale of Assets / Technical Know How	(69.75)	0.00	(354.47)
Provision for diminution in value of investments	2.54	0.00	0.00
Deferred Product Marketing	310.05	80.94	0.00
Miscellaneous Expenditure w/off	6.87	3.94	54.76
Employee Compensation Expenses Provided	0.00	0.00	0.00
Income tax/Misc. provision written back	0.00	0.00	0.00
Operating Profit Before Working Capital Changes	12319.61	7976.28	5560.15
Adjustments for changes in Working Capital			
(Increase)/Decrease in Sundry Debtors	(2073.43)	(8040.60)	(3082.64)
(Increase)/Decrease in Inventories	(7611.38)	(5108.52)	(4820.57)
(Increase)/Decrease in Loans, advances& other current assets	515.74	704.74	(243.11)
Increase/(Decrease) in Current Liabilities	4895.55	5996.65	5736.24
Exchange Rate Gain/Loss	(380.34)	(72.78)	336.09
Cash Generated from Operations	7665.75	1455.77	3486.16
Taxes paid (Including TDS)	(794.84)	(1081.03)	(243.67)
Net Cash from Operating Activities - A	6870.91	374.74	3242.49
B. Cash Flow from Investing activities			
Purchase of Fixed Assets (Net)	(4253.39)	(5387.64)	(1109.48)
Dividend on Investments	0.12	1.42	0.00
Investment	(5.24)	(44.54)	(2.38)
Investment in Subsidiary	0.00	0.00	0.00
Net Cash used in Investing activities - B	(4258.51)	(5430.76)	(1107.10)
C. Cash Flow From Financing Activities			
Finance Charges	(4558.70)	(2866.37)	(2462.45)
Increase in Short Term / Long Term Borrowings	4413.88	6066.47	2460.57
Proceeds from Shares Issue	854.61	1622.24	0.00
Deferred Product Marketing	(55.23)	(165.63)	(246.61)
IPO Expenses	(103.15)	(83.54)	0.00
Share Issue Expenses	0.00	0.00	(10.50)
Dividend & Dividend Tax	(432.38)	(31.45)	(172.86)
Net Cash from Financing Activities - C	119.03	4541.72	(431.85)
Net Increase/ Decrease (+/-) in Cash & Cash Equivalents	2731.43	(514.30)	1703.54
Cash and Cash Equivalents at the commencement of the year	1928.48	2442.78	739.24
Cash and Cash Equivalents at the end of the year	4659.91	1928.48	2442.78
	2731.43	(514.30)	1703.54

Notes:

- 1). The above statement should be read with significant accounting policies as in Annexure – 4 and statement of adjustments to statement of profit and loss account as in Annexure 5.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES TO CONSOLIDATED FINANCIAL STATEMENTS AS RESTATED

A. PRINCIPLES OF CONSOLIDATION

The consolidated balance sheets of Calyx Chemicals And Pharmaceuticals Ltd (the ‘Company’) and its subsidiary, (together referred to as the ‘Group’) as on March 31, 2012, March 31, 2011 and March 31, 2010 and the related statement of consolidated profit and loss and consolidated cash flow statement for the year March 31, 2012, March 31, 2011 and March 31, 2010 (collectively, the ‘Consolidated summary statements’) have been extracted by the management from the Consolidated Financial Statements of the Group for the year March 31, 2012, March 31, 2011 and March 31, 2010 which have been specifically prepared for the purpose of proposed Initial Public Offer.

The consolidated financial statements of the Group are prepared under historical cost convention in accordance with generally accepted accounting principles applicable in India, and the Notified Accounting Standard 21 (AS-21) on consolidation of financial statements, to the extent possible in the same format as that adopted by parent Company (the Company) for its separate financial statements.

The Company has sole subsidiary, namely SingInd Life Sciences Pte. Ltd, Singapore, incorporated on October 1, 2009, being 100% subsidiary. The first accounting year of this subsidiary has ended on September 30, 2010 and Audit Report thereon was obtained. The Company has also obtained separate audited accounts of Subsidiary Company for the period October 1, 2009 to March 31, 2010, for the period October 1 2009 to September 30, 2010, for the period October 1, 2010 to March 31, 2011 and April 1, 2011 to March 31, 2012 and audit report thereon for the purpose of consolidation with the Parent Company’s accounts for the year April 1, 2009 to March 31, 2010, for the period for April 1, 2010 to March 31, 2011 and April 1, 2011 to March 31, 2012.

The financial statements of the Company and its subsidiary have been combined on a line by line basis by adding together the book values of like items of assets and liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and necessary adjustments required for deviations, if any are made in the consolidated financial statements and are presented in the same manner as the company’s standalone financial statements.

B. BASIS OF PREPARATION

The summary statement of assets and liabilities, as restated of the Company as at March 31, 2012, March 31, 2011 and March 31, 2010 and the summary statement of profits and losses, as restated and summary statement of cash flows, as restated for the years ended on March 31, 2012, March 31, 2011 and March 31, 2010 (collectively, the ‘Summary Statements’) and Other Financial Information have been extracted by the management from the Audited Financial Statements of the Company for the years March 31, 2012, March 31, 2011 and March 31, 2010

These Consolidated Summary Statements and other financial information have been prepared for the proposed Initial Public Offer (referred to as the ‘Offer’), in accordance with the requirements of:

1. paragraph B(1) of Part II of Schedule II to the Companies Act, 1956 (‘the Act’); and
2. the SEBI ICDR Regulations issued by Securities and Exchange Board of India (‘SEBI’) on August 26, 2009 in pursuance of Section 30 of the Securities and Exchange Board of India Act, 1992 (the ‘SEBI Regulations’);

These Summary Statements have been prepared to comply in all material respects with the Notified Accounting Standards by Companies Accounting Standard Rules, 2006 and under the historical cost convention on an accrual basis.

C. USE OF ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and reported amounts of revenues and expenses during the reporting period. Actual result could differ from these estimates and differences between actual result and estimates are recognized in the period in which the results are known/materialized.

D. FIXED ASSETS / CAPITAL WORK IN PROGRESS / INTANGIBLES:

Fixed Assets are stated at cost of acquisition less accumulated depreciation and impairment losses, if any. Cost comprises of purchase price, import duties and other non-refundable taxes or levies and expenditure directly attributable to cost of bringing assets ready for use. Indirect expenditure is capitalised to the extent it relates to the cost of bringing assets for use or incidental thereto. The Assets acquired on Hire Purchase basis have been capitalised at the Gross Value and Interest thereon is charged to Profit and Loss Account. Projects under commissioning and other Capital Work In Progress are carried at Costs, comprising Direct Cost and related incidental expenses.

E. DEPRECIATION / AMORTISATION:

b) Tangible Assets: -

Depreciation has been calculated in accordance with section 205(2)(b) of the Companies Act, 1956 from the date the Assets are put to use, on Straight Line method at the rates prescribed under Schedule XIV of the Companies Act, 1956. Depreciation on additions to / deductions from assets is calculated pro-rata from/to the date of additions / deductions.

II) Intangible Assets: -

These are amortised over their estimated useful life not exceeding 10 years.

III) Leasehold Land, which are given by Central / State Authorities are not amortised in view of the long tenure of the Lease.

F. INVESTMENTS:

Long term Investments are stated at cost less permanent diminution in value, if any. Current Investments are stated at Cost less diminution in value of Investments, if any.

G. VALUATION OF INVENTORIES:

Raw materials, packing materials, stores, spares and consumables are valued at cost on “first –in –first out” basis. Work in process is valued at material cost and apportioned amount of overheads. Finished goods are valued at cost or realisable value whichever is lower.

H. REVENUE RECOGNITION:

1. Revenue from sale of goods including Revenue from contract research and contract manufacturing (CRAM) is recognised on dispatch which coincides with transfer of significant risk and rewards to customer. Sales turnover includes Sale of goods, Revenue from CRAM and other Services related thereto. Further, sales revenues are net of VAT, excise duties, sales returns and discounts.

2. Income on Term deposits is accounted on accrual basis and the same is netted off from the Finance Cost.

I. TRANSACTIONS IN FOREIGN CURRENCIES:

Foreign currency transactions are accounted for at the exchange rate prevailing on/or closely approximating to the date of transactions. Assets and liabilities of monetary items are re-stated at year end rates and difference arising on account of revaluation of monetary assets are recognised in the Profit And Loss Account. Any differences that arise in exchange rates on the date that these transactions are settled are recognised as foreign exchange gains or losses.

In case of forward exchange contracts, difference between the contract rate and exchange rate on the date of transaction is recognised as income or expenses over the life of contract. Any profit or loss arising on account of cancellation of forward contract is recognised as income or loss for the year.

J. EMPLOYEE BENEFIT:

1. Short term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

2. Long term benefits:

1. Defined Contribution Plan:

Provident and Family Pension Fund

The eligible employees of the Company are entitled to receive post employment benefits in respect of provident and family pension fund, in which both employees and the Company make monthly contributions at a specified percentage of the employees' eligible salary (currently 12% of employees' eligible salary). The contributions are made to Regional Provident fund Commissioner. Provident Fund and Family Pension Fund are classified as Defined Contribution Plans as the Company has no further obligations beyond making the contribution. The Company's contributions to Defined Contribution Plan are charged to profit and loss account as incurred.

2. Defined Benefit Plan:

- a) Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes contribution to Fund is administered by the Trustees of the Life Insurance Corporation based on an independent actuarial valuation made at the year-end. Actuarial gains and losses are recognised in the profit and loss account.

- b) Compensated absences

The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment/availment. The liability is recognised based on number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation. Actuarial gains and losses are recognised in the profit and loss account.

K. OPERATING LEASES:

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating lease. Operating lease payments are recognised as expenses in the Profit and Loss Account.

L. RESEARCH And DEVELOPMENT:

Revenue expenditure on Research Phase is charged to revenue as and when incurred. Expenditure on Development phase, for new processes of product which according to the management are completed and are expected to generate economic benefit are shown as Intangible assets. The same is amortised on Straight line basis over a period of 10 years from the time of capitalization as an intangible asset.

Expenses incurred on development of new processes for products which according to the management are yet to be completed are shown under Capital Work in Progress.

An evaluation of intangible assets is conducted annually or more often if there is an indication of decrease in value. The impairment loss if any, is charged to profit and loss account.

M. TAXATION:

Provision for taxation comprises of Current Tax and Deferred Tax. Current Tax Provision has been made on the basis of relief and deductions available under the Income Tax Act, 1961. The deferred tax for timing difference between the book profit and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the Balance Sheet date.

Deferred Tax assets arising from timing differences are recognised to the extent there is a virtual certainty, as the case may be, that such assets are capable of being realised in future.

N. BORROWING COST:

The borrowing cost that are directly attributable to the acquisition production and/or construction of qualifying assets are capitalised as part of the cost of such assets up to the date when the assets are ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. Other borrowing costs are charged to the Profit And Loss Account.

O. IMPAIRMENT OF FIXED ASSETS :

The carrying amount of assets is reviewed periodically for any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. Post impairment, depreciation is provided on the revised carrying value of the asset over its remaining useful life.

P. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised for when the company has present legal or contractual obligation as a result of past events and there is probability of outflow of resources and the amount is capable of being estimated reliably. Contingent liability is disclosed by way of note when the said conditions are not met. Contingent assets are not recognised /disclosed.

Q. PRIOR PERIOD ITEMS

Significant items of Income And Expenditure which relate to prior accounting period are accounted in the Profit and Loss account under the head "Prior Period Adjustments" other than those occasions by events occurring during or after the close of the year and which are treated as relatable to the current year.

R. EARNINGS PER SHARE (EPS)

The earnings considered in ascertaining EPS comprise the amount attributable to Equity Shareholders. The number of shares used in computing the basic earnings per share is the weighted average number of shares outstanding during the period.

The weighted average number of Equity Shares outstanding during the previous year is adjusted for events of bonus issue. The number of shares used in computing the diluted earnings per share comprises the weighted average number of share considered for deriving basic earnings per share, and also the weighted average number of shares, if any issued on the conversion of all dilutive potential Equity Shares. The number of weighted average shares outstanding during the period and potentially dilutive Equity Shares are adjusted for the issued bonus shares and sub-division of shares.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to the Equity Shareholders and the weighted average number of shares outstanding during the period, are adjusted for the effects of all dilutive potential Equity Shares.

S. EMPLOYEE STOCK OPTION SCHEME

The Company's Employee Stock Option Schemes ("ESOSs") provide for the grant of stock options to eligible employees of the Company. The ESOSs are administered by the Compensation Committee ("Committee") of the Board of Directors of the Company through Calyx Employees Welfare Trust ("Trust"). The Company has issued and allotted 10,00,000 equity shares of Rs.10/- each to the "Trust" at par for offering to such eligible employees under Employee Stock Option Scheme. The Options are granted at the discretion of the committee to selected employees depending upon certain criterion.

Under "ESOP-2010", total number of options granted on 1st April 2010, were 18456 with the limit of maximum grant of 1% of paid-up capital to an employee in any given year. ESOP 2010 provides the grant price of the options at par i.e. at paid up value of Rs. 10/- per share. The options were vested immediately. Options which were not exercised prior to the expiry date, i.e. 31st March 2011 have lapsed. As on date the Company does not have any ESOP scheme in force.

T. The movement of the employee stock options is as given below:

Particulars	In Numbers	
	2011-12	2010-11
Outstanding at the beginning of the year	NIL	NIL
Granted during the year	NIL	18456
Forfeited during the year	NIL	NIL
Exercised during the year	NIL	16650
Lapsed during the year	NIL	1806
Outstanding at the end of the year	NIL	NIL
Exercisable at the end of the year	NIL	NIL

U. OTHER NON CURRENT ASSETS

IPO expenses incurred up to 31st March 2012 are shown under the head "Other Non Current Assets". Issue expenses will be adjusted from Securities Premium account at the time of issue of shares.

Annexure - 5

STATEMENT OF ADJUSTMENTS IN CONSOLIDATED PROFIT & LOSS ACCOUNTS

(Rs. in Lacs)

Particulars	For the year ended		
	31-Mar-12	31-Mar-11	31-Mar-10
Profit after Tax & Extraordinary items (As per audited accounts)	4177.08	3068.98	2176.59
Adjustments on account of regrouping/ changes in accounting policies/ prior period adjustments:			
a. Deferred Tax for the year	0.00	0.00	(135.99)
b. VAT Claim Recievable for 07-08	0.00	0.00	(12.35)
c. VAT Claim Set off for 05-06	0.00	0.00	7.11
d. Professional fees	0.00	0.00	45.12
e. Warehousing charges	0.00	0.00	9.70
f. Exhibition Expenses	0.00	0.00	67.53
g. Brokerage & commission	0.00	0.00	12.83
h. Gift & presentation	0.00	0.00	4.73
i. Gratuity For 07-08, 08-09	0.00	0.00	20.75
j. Interest	0.00	0.00	60.09
k. Product Marketing Expenses W/off	0.00	0.00	25.66
l. Income Tax - Past periods	45.54	34.40	0.00
Net Total (Decrease) / Increase due to adjustments	45.54	34.40	105.18
Net Profit as per Restated Profit and Loss	4,222.62	3,103.38	2,281.77

Notes:

- 1) The above statement should be read with significant accounting policies as in Annexure – 4

Annexure - 6

STATEMENT OF CONSOLIDATED PRE ISSUE CAPITALIZATION AS AT 31ST MARCH 2012

(Rs. in Lacs)

Particulars	Pre Issue as at 31-Mar-12	Post Issue as at (*)
Borrowing		
Short Term Debt	15,774.92	
Long Term Debt	13,464.67	
Total Debt	29,239.59	
Shareholders' funds		
Share Capital :		
Equity	1,604.89	
Stock Option Outstanding a/c	0.00	
Reserves & Surplus	16,209.30	
Less: Miscellaneous Expenditure not written off	(186.69)	
Total Shareholders' Funds	17,627.50	
Total Debt/ Equity ratio	1.66	

Notes:

- 1). The above statement should be read with significant accounting policies as in Annexure – 4 and statement of adjustments to profit and loss accounts as in Annexure – 5
- 2). Since 31-Mar-12 (which is the last date as of which financial information has been given in this document), share capital was increased from Rs. 1604.89 lacs to Rs.1641.35 lacs

Annexure 7

STATEMENT OF CONSOLIDATED LONG AND SHORT TERM BORROWINGS

(Rs. in Lacs)

Particulars	As at		
	31-Mar-12	31-Mar-11	31-Mar-10
<u>Long Term Borrowings (Due beyond 12 months)</u>			
A) From Banks (Secured Loan)	10163.26	10355.16	6621.71
B) Deferred Payment Liabilities (Unsecured)	174.34	179.72	175.33
C) Loans and advances from related parties (Unsecured)			
- From Directors	197.00	189.50	185.21
- From Shareholders	91.96	59.46	45.63
- From Others	36.23	971.23	2553.30
D) Security Deposits	1.50	1.00	1.10
<u>Long Term Borrowings (Due within 12 months)</u>			
A) From Banks (Secured Loan)	2800.38	2826.00	2471.00
<u>Short Term Borrowings</u>			
A) From Banks (Secured)	15774.92	9243.64	6705.94
B) From Banks (Unsecured)	0.00	1000.00	0.00
C) From Other Parties (Unsecured)	0.00	0.00	0.00
TOTAL	29239.59	24825.71	18759.22
The above amount includes:			
Secured Borrowings	28738.56	22424.80	15798.65
Unsecured Borrowings	501.03	2400.91	2960.57
	29239.59	24825.71	18759.22

Notes:

- 1). The above statement should be read with significant accounting policies as in Annexure – 4 and statement of adjustments to profit and loss accounts as in Annexure – 5
- 2) The terms and conditions and other information in respect of Secured Loans are given in Annexure 7A. In respect of Unsecured Loans from Promoters and Group Companies / Relatives, interest is payable @ 12%p.a.; however, no terms and conditions as regards repayment of these loans have been stipulated

STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGES AS SECURITY (CONSOLIDATED)

Name of the Bank	Type of the Loan Facility	Sanctioned Amount (Rs. In Lacs)	Amount Outstanding as on March 31, 2012 (Rs. In Lacs)	Interest P.A	Repayment Schedule	Security
Export Import Bank of India – II	Term Loan	1320.00	198.00	12.00%	To be repaid in 20 equal quarterly installment after 1st year from date of commercial production	c) First pari passu charge over the entire moveable fixed assets and mortgage of entire immovable properties of borrower both present and future of the Borrower. d) Personal guarantees of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Ms. Alpana Indulal Doshi.
Bank of India – I	Term Loan	1320.00	293.15	15.50%	Step up quarterly installment ending August 2012.	c) First pari passu charge by way of hypothecation over the entire moveable fixed assets and mortgage over entire immovable properties of the Borrower, both present and future. d) Personal Guarantees of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi.
Bank of India	Clean Loan	1000.00	601.72	16.00%	Step up quarterly installment ending January 2013.	c) First pari passu charge by way of hypothecation over the entire moveable fixed assets and mortgage over entire immovable properties of the Borrower, both present and future. d) Personal guarantees of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi
Punjab National Bank	Corporate Loan	2000.00	1827.61	15.50%	Step Up quarterly installment from June 2011 to December 2014.	c) Ist Charge on by way of Equitable Mortgage / Hypothecation of Factory Land and Building/ Plant & Machinery and other moveable fixed assets both existing and proposed on pari passu basis along with other lenders of the company. d) Personal guarantee of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi
Punjab National Bank	Term Loan	1900.00	485.23	15.50%	8 Equal quarterly installment from December 2010 to September 2012.	c) Ist Charge on by way of Equitable Mortgage / Hypothecation of Factory Land and Building/ Plant & Machinery and other moveable fixed assets both existing and proposed on pari passu basis along with other lenders of the company. d) Personal guarantee of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi

Name of the Bank	Type of the Loan Facility	Sanctioned Amount (Rs. In Lacs)	Amount Outstanding as on March 31, 2012 (Rs. In Lacs)	Interest P.A	Repayment Schedule	Security
State Bank of Hyderabad	Corporate Loan	2000.00	1406.71	15.25%	To be repaid in 37 monthly installment of Rs. 54.00 lacs and last installment of Rs. 56.00 lacs with a moratorium of 12 months from the date of first disbursement.	c) First pari passu charge on entire fixed assets of the company, Second Pari Pasu Charge on all Current Assets Borrower along with other lenders d) Personal Guarantees of Promoter Director Mr.Smitesh Shah.
					To be repaid: 2012-13 in 3 equal installment of Rs. 75.00 lacs each. 2013-14 in 4 equal installment of Rs. 150.00 lacs each. 2014-15 in 4 equal installment of Rs. 225.00 lacs each. 2015-16 in 4 equal installment of Rs. 300.00 lacs each. 2016-17 in 1 quarterly installment of Rs. 75.00 lacs.	d) First pari passu charge on fixed assets of the Borrower with other existing / proposed term loan lenders, present and future. e) Collateral Security: Second pari passu charge on the current assets of the Borrower. f) Personal Guarantee of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr.Rajat Indulal Doshi
State Bank of Patiala	Term Loan	3000.00	3039.26	15.25%	2012-13 in 3 equal installment of Rs. 75.00 lacs each. 2013-14 in 4 equal installment of Rs. 150.00 lacs each. 2014-15 in 4 equal installment of Rs. 225.00 lacs each. 2015-16 in 4 equal installment of Rs. 300.00 lacs each. 2016-17 in 1 quarterly installment of Rs. 75.00 lacs.	d) First pari passu charge on the entire fixed assets of the Borrower. e) Second pari passu charge on the entire current assets of the Borrower. f) Personal Guarantees of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi.
					In 20 equal quarterly installment after moratorium period of 3 Month from date of commercial production	c) First pari passu charge by way of hypothecation over the entire movable fixed assets and mortgage over entire immovable properties of the Borrower, both present and future d) Personal Guarantees of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta , Mr.Rajat Indulal Doshi.
Export Import Bank of India	Term Loan	2500.00	1717.53	12.80%		

Name of the Bank	Type of the Loan Facility	Sanctioned Amount (Rs. In Lacs)	Amount Outstanding as on March 31, 2012 (Rs. In Lacs)	Interest P.A	Repayment Schedule	Security
Export Import Bank of India	Term Loan	500.00	356.66	12.55%	In 20 equal quarterly installment after 1 Year from date of commercial production	c) First pari passu charge by way of hypothecation over the entire movable fixed assets and mortgage over entire immovable properties of the Borrower, both present and future d) Personal Guarantees of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta , Mr.Rajat Indulal Doshi.
IDBI Bank Limited	Cash Credit	1500.00	1485.89	14.50%	On Demand	d) First Pari Passu charge on the current assets of Borrower both present and future with other bankers. e) Second pari passu charge by way of mortgage in favour of Lender, on the immovable properties of the Borrower situated at Plot number N-102, N – 91, M – 4, Tarapur and plots bearing numbers W-212, 213,215, 216, 217, Dombivli f) Irrevocable and unconditional personal guarantee of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta, Mr. Rajat Indulal Doshi.
Oriental Bank of Commerce	Cash Credit	500.00	494.32	15.75%	On Demand	d) Hypothecation of stocks of raw materials, stock in process, finished Goods, stock and spares and receivables (not older than 180 days) on first pari passu basis with other banks in multiple banking arrangements. e) Second pari passu charge on the fixed assets of the Borrower. f) Personal Guarantee of Mr. Bharat Sukhlal Mehta, Mr. Smitesh Chandravadan Shah, Mr.Rajat Indulal Doshi.
Punjab National Bank	Cash Credit	2600.00	2550.06	15.00%	On Demand	d) First pari passu charge by way of Hypothecation of Raw Material, Stock - in Process and Finished Goods and entire current assets of the company with other member banks. e) Second pari passu charge on the fixed assets of the Borrower. f) Personal guarantee of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi
State Bank of India	Cash Credit	2925.00	2752.66	16.50%	On Demand (Renewable after 12 months)	First pari passu charge on the current assets of the Borrower with other member banks. Collateral Security:

Name of the Bank	Type of the Loan Facility	Sanctioned Amount (Rs. In Lacs)	Amount Outstanding as on March 31, 2012 (Rs. In Lacs)	Interest P.A	Repayment Schedule	Security
						<p>f) Second charge over entire fixed assets of the Borrower present and future on pari passu basis with other member banks as under:</p> <p>g) Second charge (equitable mortgage / hypothecation) on land and building and plant and machinery situated at Plot number N-102, N-91 and Plot number M-4 Tarapur Industrial Area, Phantambhi Taluka, sub District Palghar, District Thane.</p> <p>h) Second charge (equitable mortgage / hypothecation) on land and building and plant and machinery situated at W-212, W-213, W-215, W-216 and W-217, Dombivli Industrial</p> <p>i) Estate, Taluka- Sagaon, Sub District Kalyan, District Thane</p> <p>j) Personal guarantees of Mr. Smitesh Chandravan Shah, Mr. Bharat Sukhlal Mehta, Ms. Alpna Indulal Doshi and Rajat Indulal Doshi.</p>
State Bank of Mysore	Cash Credit	1000.00	929.01	15.50%	On Demand	<p>d) First pari passu charge with other member banks on current assets of the Borrower</p> <p>e) Second pari passu charge on the fixed assets of the Borrower with other bankers.</p> <p>f) Personal Guarantee of Mr. Bharat Sukhlal Mehta, Mr. Smitesh Chandravan Shah, Mr. Rajat Indulal Doshi.</p>
State Bank of Mysore	EPC	500.00	502.54	12.00%	On Demand	<p>d) First pari passu charge with other member banks on current assets of the Borrower and</p> <p>e) Second pari passu charge on the fixed assets of the Borrower with other bankers.</p> <p>f) Personal Guarantee of Mr. Bharat Sukhlal Mehta, Mr. Smitesh Chandravan Shah, Mr. Rajat Indulal Doshi.</p>

Name of the Bank	Type of the Loan Facility	Sanctioned Amount (Rs. In Lacs)	Amount Outstanding as on March 31, 2012 (Rs. In Lacs)	Interest P.A	Repayment Schedule	Security
State Bank of Patiala	Cash Credit	1500.00	1448.12	14.50%	On Demand	d) Hypothecation of entire current assets of the Borrower on first charge pari passu basis. e) Collateral Security: Second pari passu charge on the entire fixed assets of the Borrower. f) Personal guarantees of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi.
Bank of Bahrain and Kuwait B S C	Cash Credit	500.00	494.24	14.25%	On Demand	d) First pari passu charge by way of hypothecation of stock of raw material, stock-in - process, finished goods, stocks and spares nad receivables(present & future) of the company along with other working capital bankers e) Second pari passu charge on the entire fixed assets of the company along with other working capital bankers f) Personal guarantees of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta, Mr. Rajat Indulal Doshi
Bank of India	Cash Credit	4000.00	305.18	14.50%	On Demand	c) First pari passu charge by way of current assets including all the stocks and book-debts/receivables of the Borrower, both present and future, to be shared with other working capital lenders in proportion of sanctioned credit facilities; Second pari passu charge over the entire fixed assets of the Borrower (first charge with term lenders). d) Personal guarantees of Mr. Smitesh Shah, Mr. Bharat Mehta and Mr. Rajat Doshi
Canara Bank	Cash Credit	2000.00	950.68	14.25%	On Demand	d) First pari passu charge over the current assets of the Company. e) Second Pari Passu charge on Company's Land Building and Plant & Machinery situated at -PlotNo. N-102, Plot No. N-91, Plot No.M-4 Tarapur Industrial Area, Phamtambhni Taluka, Sub- Dist. Palghar, Dist Thane. & Plot No.212, Plot No.213, Plot No.215, Plot No.216, Plot No 217 Dombivli Industrial Estate, Taluka- Sagaon, Sub Dist. Kalyan, Dist. Thane. f) Personal guarantees of Mr. Smitesh Shah, Mr. Bharat Mehta and Mr. Rajat Doshi

Name of the Bank	Type of the Loan Facility	Sanctioned Amount (Rs. In Lacs)	Amount Outstanding as on March 31, 2012 (Rs. In Lacs)	Interest P.A	Repayment Schedule	Security
Standard Chartered Bank	Cash Credit	1200.00	617.06	14.25%	On Demand	c) Hypothecated by way of first pari passu charge on all present and future including book debts, outstanding moneys receivables, claims and bills; All present and future stock in trade consisting of raw materials, finished goods, goods in process of manufacturing and other merchandise; Hypothecation by way of second pari passu charge on all present and future of moveable properties of the Borrower. d) Personal guarantees of Mr. Smitesh Shah, Mr. Bharat Mehta and Mr. Rajat Doshi
ING Vysya Bank	Cash Credit	500.00	980.28	13.75%	On Demand	d) First pari passu charge by way of hypothecation of entire current assets of the Borrower along with other banks under multiple banking arrangements. e) Second pari passu charge on all the moveable and immoveable fixed assets including land and building plant and machinery at the manufacturing facilities of the Borrower located at Tarapur Industrial Estate and Dombivli Industrial Estate. f) Personal Guarantees of Mr. Smitesh Shah, Mr. Bharat Mehta and Mr. Rajat Doshi.
State Bank of Mauritius	Cash Credit	1000.00	1018.78	14.25%	On Demand	d) First pari passu charge on existing and future current assets of the Company. e) Second pari passu charge the existing and future fixed assets of the Borrower; f) Personal Guarantees of Mr. Smitesh Shah, Mr. Bharat Mehta and Mr. Rajat Doshi.

Name of the Bank	Type of the Loan Facility	Sanctioned Amount (Rs. In Lacs)	Amount Outstanding as on March 31, 2012 (Rs. In Lacs)	Interest P.A	Repayment Schedule	Security
Allahabad Bank	Cash Credit	2500.00	1246.10	13.75%	On Demand	<p>d) First hypothecation charge over raw material, stock-in-process, finished goods, consumable and spares, book debts and other current assets of the Borrower ranking pari passu with other working capital lenders.</p> <p>e) Second pari passu charge over the entire fixed assets of the Borrower ranking pari passu with other working capital lenders.</p> <p>f) Personal Guarantees of Mr. Smitesh Shah, Mr. Bharat Mehta and Mr. Rajat Doshi.</p>
State Bank of India	Corp. Loan	1500	324.49	12.75%	Rs. 90.4 lacs monthly installment till March-2010 and Rs. 80 lacs monthly installment thereafter till January 2011.	<p>d) First Pari Passu Charge on entire Fixed Assets of the Company by way of mortgage of immovable properties and hypothecation of movable properties present and future along with EXIM Bank and Bank of India</p> <p>e) Second Charge on entire fixed assets of the Company present and future on Pari Passu basis with other member banks</p> <p>f) Personal Guarantees of Three Promoter Directors.</p>
Export Import Bank of India – I	Term Loan	1040	259.39	14.00%	To be repaid in 20 equal quarterly installment after 1st year from date of first disbursement	<p>e) First Pari Passu Charge by way of hypothecation over entire movable fixed assets and mortgage over entire immovable properties of the Company both present and future.</p> <p>f) Corporate Guarantee of Calyx Pharmaceuticals and Chemicals Private Limited (Group Company) [since merged with the Company]</p> <p>g) First pari passu charge by way of mortgage on the immovable properties of Calyx Pharmaceuticals and Chemicals Private Limited (Group Company) [since merged with the Company]</p> <p>h) Personal Guarantees of Three Promoter Directors</p>
Kotak Mahindra Bank	Term Loan	300	58.33	13.75%	Repayment in 36 monthly installment from the first disbursement	Exclusive Charge on Fixed Assets at Andheri
ICICI Bank Limited-I	Term Loan	200	15.13	10.00 %	To be repaid in 60 equal monthly installment covering from date of first draw down.	<p>d) First pari passu charge by way of hypothecation on the entire movable assets of the company both present and future.</p> <p>e) First and Exclusive charge on the entire assets of the company for which the term loan is granted, including all immovable and movable properties both present and future.</p>

Name of the Bank	Type of the Loan Facility	Sanctioned Amount (Rs. In Lacs)	Amount Outstanding as on March 31, 2012 (Rs. In Lacs)	Interest P.A	Repayment Schedule	Security
ICICI Bank Limited	Cash Credit	1075	1180.56	14.50	On Demand	f) Personal Guarantees of Three Promoter Directors a) First pari passu charge by way of hypothecation of entire stock of raw materials, semi-finished goods, consumable stores and spares and other moveables including book debts and bills b) Second pari passu charge on Land and Building and Plant and Machinery of the Company at Tarapur and Dombivli c) Personal Guarantees of Three Promoter Directors.

Annexure - 8

STATEMENT OF CONSOLIDATED INVESTMENTS

(Rs. in Lacs)

Particulars	As at		
	31-Mar-12	31-Mar-11	31-Mar-10
A. Non-Current Investments			
<u>1. In Government or Trust Securities</u>			
a) National savings Certificate	0.05	0.05	0.05
b) Calyx Employees Welfare Trust-Corpus Fund	1.25	1.25	0.00
<u>2. Shares</u>			
a) In Subsidiary company			
60,100 (p.y.- 100) Fully paid equity shares of Singind Life Sciences Pte. Ltd. of one Singapore \$ each [100% shares held directly by the company]	23.99	21.31	0.00
b) Tarapur Environment Protection Society (4515 shares of Rs. 100 each, fully Paid)	4.52	4.52	4.36
SUB-TOTAL (A)	29.81	27.13	4.41
Current Investments: Other than Trade			
1. Quoted:			
Shares			
800 (P.Y. 800) Shares of Canara Bank Rs.10 each fully paid	0.28	0.28	0.28
2. Unquoted:			
Portfolio Investments			
HDFC PMS Real Estate Portfolio	5.14	5.90	5.48
Mutual Funds			
249850.09 (PY: NIL) units of SBI-SHF-Ultra Short- Term Fund-Retail Plan - Daily dividend	25.00	25.00	0.00
180000 units (PY: NIL) of SBI PSU Fund - Dividend	15.17	17.71	0.00
50000 Units (PY:NIL) of SBI Debt Fund Series	5.00	0.00	0.00
10000 Units (PY:NIL) of SBI Gold Fund	1.00	0.00	0.00
SUB-TOTAL (B)	51.59	48.89	5.76
Equity Shares of Canara Bank (B)	0.28	0.28	0.28
Market Value per Share (In Rupees)	473.65	626.25	410.35
Market Value of 800 Share	3.79	5.01	3.28

Note: The above statement should be read with significant accounting policies as in Annexure – 4 and statement of adjustments to profit and loss accounts as in Annexure – 5

Annexure - 9

STATEMENT OF CONSOLIDATED TRADE RECEIVABLE

(Rs. in Lacs)

Particulars	As at		
	31-Mar-12	31-Mar-11	31-Mar-10
Non-Current			
<u>Unsecured and Considered good unless stated otherwise</u>			
Outstanding for a period exceeding six months from the date, they are due for payment	0.00	0.00	0.00
Other Receivables	0.00	0.00	0.00
Current			
Outstanding for a period exceeding six months from the-date, they are due for payment	4802.22	2298.78	1261.44
Other Receivables	15349.98	15779.99	8776.73
TOTAL	20152.20	18078.77	10038.17

Notes:

- 1). The above statement should be read with significant accounting policies as in Annexure – 4 and statement of adjustments to profit and loss accounts as in Annexure – 5.
- 2). There are no amounts recoverable from promoters, group companies, associate companies and Directors of the company as at 31st March 2012 in above

STATEMENT OF CONSOLIDATED LOANS AND ADVANCES

(Rs. in Lacs)

Particulars	As at		
	31-Mar-12	31-Mar-11	31-Mar-10
Long term Loans & Advances			
(Unsecured and Considered good unless stated otherwise)			
Capital Advances	40.08	0.00	0.00
Security Deposits	172.72	170.70	169.24
<u>Loans and Advances to related parties</u>			
To wholly owned subsidiary	0.00	0.00	0.00
Calyx Employees Welfare Trust	74.00	98.34	0.00
Sub Total (A)	286.80	269.04	169.24
Short Term Loans and Advances			
(Unsecured and Considered good unless stated otherwise)			
Staff Loans & Advances	32.32	43.38	13.80
Balance with Tax Authorities	1,048.63	652.08	274.25
Prepaid Expenses	94.79	173.02	0.00
Others	159.32	1,000.08	2,385.05
Sub Total (B)	1,335.06	1,868.56	2,673.10
Total (A+B)	1,621.86	2,137.60	2,842.34
The above includes the following receivable from related parties :			
	As At		
	31-Mar-12	31-Mar-11	31-Mar-10
Top Brass Gifts Private Limited	0.00	0.00	0.00
Noble Tele Infotech Pvt. Ltd.	0.00	0.00	0.00
Singind Life Sciences Pte Ltd	0.00	0.00	0.00
Calyx Employees Welfare Trust	74.00	98.34	0.00

Note:

The above statement should be read with significant accounting policies as in Annexure – 4 and statement of adjustments to profit and loss accounts as in Annexure – 5

Annexure -11

STATEMENT OF CONSOLIDATED OTHER INCOME

(Rs in Lacs)

For the year ended	Recurring/ Non-Recurring	As at		
		31-Mar-12	31-Mar-11	31-Mar-10
Profit Before Tax & extra ordinary items		5,796.38	3,993.09	2,962.85
20% of Net Profit Before Tax		1,159.28	798.62	592.57
Other Income for the Year		360.91	147.66	486.62
Other Income Details				
Dividend	Recurring	0.12	0.25	0.00
Interest Income	Recurring	7.64	4.69	0.00
Analytical Charges	Recurring	0.00	0.00	3.64
Sale of Technical Knowhow	Non-Recurring	202.91	0.00	0.00
Profit on Sale of Assets	Non-Recurring	69.48	0.00	0.00
Insurance Claim	Non-Recurring	0.00	0.00	0.28
Rent / Service Charges Received	Non-Recurring	0.00	0.00	0.00
Sales Tax Incentive	Non-Recurring	0.00	0.00	0.00
Income Tax Provision W/Back	Non-Recurring	0.00	0.00	0.00
VAT Claim Receivable	Non-Recurring	0.00	0.00	0.00
Sundry Balance W/off	Non-Recurring	0.00	0.00	136.59
Others	Non-Recurring	21.24	142.72	346.11
Total		301.39	147.66	486.62

Note:

The above statement should be read with significant accounting policies as in Annexure – 4 and statement of adjustments to profit and loss accounts as in Annexure – 5

Annexure - 12**STATEMENT OF CONSOLIDATED DIVIDEND****(Rs. in Lacs)**

Particulars	As at		
	31-Mar-12	31-Mar-11	31-Mar-10
Dividend on Equity Shares	279.71	239.00	117.20
Dividend on Preference Shares	NA	NA	16.67
Total Dividend	279.71	239.00	133.87
Dividend on equity shares (%)	17.50*	15.00	10.00
Dividend on preference shares (%)	NA	NA	9.00

Notes:

- 1). The above statement should be read with significant accounting policies as in Annexure – 4 and statement of adjustments to profit and loss accounts as in Annexure – 5.
- 2). * During the year 2011-12, interim dividend and final dividend of 10% and 7.5% respectively were declared.

Annexure - 13

STATEMENT OF CONSOLIDATED CONTINGENT LIABILITIES

(Rs. in Lacs)

Particulars	As at		
	31-Mar-12	31-Mar-11	31-Mar-10
Letters of Credit outstanding	598.66	1,594.34	1,804.51
Capital Commitments (net of advances)	280.58	318.45	290.36
Custom duty liability on account of pending Export obligation – Advance Licence and EPCG scheme	440.85	327.11	251.06
Direct and Indirect Taxation	88.99	113.71	188.20
Bank Guarantee	11.43	15.55	3.75
Contested claims (excluding taxation)	18.32	18.32	0.00

Note:

The above statement should be read with significant accounting policies as in Annexure – 4 and statement of adjustments to profit and loss accounts as in Annexure – 5

STATEMENT OF CONSOLIDATED RELATED PARTY TRANSACTIONS

NATURE OF RELATION	NAME OF RELATED PARTIES	
Key Management Personnel		
	Mr. Smitesh C .Shah	Chairman and Managing Director
	Mr.Bharat S. Mehta	Chairman Esmirates and Founder Director
	Mr. Rajat I.Doshi	Non Executive Director (Appointed w.e.f. 23rd April 2009)
	Miss. Alpana Doshi	Director (ceased to be Director w.e.f.15th May 2009)
	Dr.Bansi Lal	Director (ceased to be Director w.e.f. 1st April 2009)
	Mr Balasubramanian Narayan Iyer	Director of subsidiary company
Relative of Key Management Personnel		
	Mr. Amit Mehta	
	Ms. Asha B Mehta	
	Bharat Meha - HUF	
	Ms. Parul Mehta/ Patel	
	Mr. Sumit Mehta	
	Mr. Bimal Patel	
	Mr.C.H.Shah	
	Ms.Kokilaben Shah	
	Ms.Parul Shah	
	Miss. Saumini Shah	
	Mr. Rahul Doshi	
	Miss Kanisha Doshi	
	Miss Alpana Doshi	
	Mr. Dilip Mehta	
	Ms.Jagruti Doshi	
	Mr.Sujen Shah	
	Mr. Apurva Shah	
	Ms.Hansa Apparao	
	Mr.M.V.K.Appa Rao	
	Ms. Anusaya Mody	
	Mr. Jyotindra Mody	
	Ms. Rama Vaidya	
	Ms. Ashok Vaidya	
	Mr. Indulal Doshi	
Company/entity in which director has significant influence		
	Top Brass Gifts Private Limited	
	Noble Strategies Private Limited	
	Noble Tele Infotech Private Limited	
	Royal Buildmat India Private Limited (our Promoters have disassociated from this entity w.e.f. February 27, 2010	
	Adage Systems Private Limited	
	Advance Digital Software Private Limited	
	M/s MSD Trading LLP	
	M/s . Sukhlal Mansukhlal Herbals (Formerly Known as Sum Electronics)	
	Calyx Employees Welfare Trust	

A) Transaction with key Management Personnel:

(Rs. in Lacs)

For the Year ended	Fiscal 2012	Fiscal 2011	Fiscal 2010
Salary / Remuneration			
Mr. Smitesh C.Shah	166.33	113.41	52.03
Mr.Bharat S. Mehta	60.00	86.17	20.00
Miss. Alpana Doshi	0.00	0.00	0.00
Dr.Bansilal	0.00	0.00	0.00
Mr.Rajat Doshi	0.00	0.00	0.00
Mr.Rahul Doshi	1.19	0.00	0.00
Mr Balasubramanian Narayan Iyer	1.23	1.06	0.00
Unsecured loan taken by Company during the year /period			
Mr. Smitesh C.Shah	119.54	19.32	28.27
Mr.Bharat S. Mehta	70.00	253.98	22.25
Miss. Alpana Doshi	0.00	0.00	0.00
Dr.Bansilal	0.00	0.00	0.00
Mr.Rajat Doshi	79.00	150.00	95.00
Repayment of Unsecured loan taken by Company			
Mr. Smitesh C.Shah	82.04	49.00	-
Mr.Bharat S. Mehta	70.00	170.02	25.19
Miss. Alpana Doshi	0.00	0.00	0.00
Dr.Bansilal	0.00	0.00	0.00
Mr.Rajat Doshi	109.00	200.00	0.00
Dividend Paid (Equity) on paid /Credited basis			
Mr. Smitesh C.Shah	56.27	0.00	16.92
Mr.Bharat S. Mehta	43.55	0.00	12.85
Miss. Alpana Doshi	0.00	0.00	17.30
Dr.Bansilal	0.00	0.00	
Mr.Rajat Doshi	49.48	0.00	12.35
Dividend Paid (preference) on paid /Credited basis			
Mr. Smitesh C.Shah	0.00	0.00	2.38
Mr.Bharat S. Mehta	0.00	0.00	1.44
Miss. Alpana Doshi	0.00	0.00	1.99
Dr.Bansilal	0.00	0.00	0.00
Mr.Rajat Doshi	0.00	0.00	0.06
Interest Paid			
Mr. Smitesh C.Shah	6.79	1.25	0.70
Mr.Bharat S. Mehta	19.18	7.02	7.43
Miss. Alpana Doshi	0.00	0.00	0.00
Dr.Bansilal	0.00	0.00	0.00
Mr.Rajat Doshi	6.76	7.47	1.06
	As At		
	Fiscal 2012	Fiscal 2011	Fiscal 2010
Closing Balance of Unsecured Loan:			
Mr. Smitesh C.Shah	37.79	0.29	29.96
Mr.Bharat S. Mehta	144.21	144.21	60.25

Miss. Alpana Doshi	0.00	0.00	0.00
Dr.Bansilal	0.00	0.00	0.00
Mr.Rajat Doshi	15.00	45.00	95.00

B) Transaction with Relatives of Key Management Personnel:

	(Rs. in Lacs)		
For the Year ended	Fiscal 2012	Fiscal 2011	Fiscal 2010
Unsecured loan taken by Company during the year / period	219.25	233.50	99.82
Repayment of Unsecured loan taken by company	176.84	248.35	104.10
Closing Balance of Unsecured Loan (as at the end of the year/period)	128.19	85.78	100.01
Interest Paid	16.13	12.02	18.89

Other Payment/Reimbursement of Expenses for Services

	(Rs. in Lacs)		
For the Year Ended	Fiscal 2012	Fiscal 2011	Fiscal 2010
KMP's and their relatives	9.01	10.26	6.70

C) Transaction with Companies/Entity in which directors and their relatives have significant influence/subsidiaries

For the Year Ended	Fiscal 2012	Fiscal 2011	Fiscal 2010
Advances to Group Companies			
Advances given during the year	0.00	100.00	6.00
Advances received back during the year	25.37	1.67	4.96
Closing Balance (as at the end of the year)	74.00	99.38	1.04
Loan from Group companies			
Loan received during the year	0.00	0.00	10.00
Loan Repaid during the year	19.91	0.09	1.08
Closing Balance (as at the end of the year)	0.00	19.91	20.00
Interest	0.00	2.39	1.63
purchase	0.00	0.00	0.00
Investments	Fiscal 2012	Fiscal 2011	Fiscal 2010
Opening balance (as at the beginning of the year)	1.25	0.00	0.00
During the year	0.00	1.25	0.00
Closing Balance (as at the end of the year)	1.25	1.25	0.00

Annexure 15

STATEMENT OF CONSOLIDATED ACCOUNTING RATIO

(Rs. in Lacs)

Particulars	For the year ended		
	31-Mar-12	31-Mar-11	31-Mar-10
Net Profit/(Loss) after tax but before extraordinary items as restated	4,222.62	3,103.38	2,281.77
Less : Preference Dividend and Tax on Preference Dividend	0.00	0.00	19.50
Net Profit/(Loss) after tax but before extraordinary items as restated Less Preference Dividend and tax (A)	4,222.62	3,103.38	2,262.27
Net Profit/(Loss) after tax but before Preference Dividend and tax thereon (B)	4,222.62	3,103.38	2,281.77
Weighted average number of equity shares outstanding during the year (Nos. in lacs) (C)	159.34	153.51	117.25
Add: Effect of Potential Equity Share Holders (In Nos.) (D)	0.00	0.00	18.11
Weighted average number of equity shares outstanding during the year (In Nos.)-Diluted * (E)	159.34	153.51	135.36
Net Worth (Net of Miscellaneous Expenditure not written off) (F)	17627.50	13253.55	8987.38
Earnings Per Share			
Basic (In Rupees) (A/C)	26.50	20.22	19.29
Diluted * (B/E)	26.50	20.22	16.86
Return on Net Worth (%) (A/F)	23.95%	23.42%	25.17%
Net Asset Value/ Book Value per share (In Rupees) (F/C)	110.63	86.34	76.65

Notes:

- 1) Net Profit / (Loss), as restated as appearing in the summary statement of Profits and Losses as Restated of the Company has been considered for the purpose of computing the above ratios.
- 2) Net worth, as restated as appearing in the summary statement of Assets and Liabilities as restated of the Company has been considered for the purpose of computing the above ratios.
- 3) The above statement should be read with significant accounting policies as in Annexure – 4 and statement of adjustments to profit and loss accounts as in Annexure 5

RELATED PARTY TRANSACTIONS

For details of the related party transactions, please refer to Annexure 15 (Standalone) and Annexure 14 (Consolidated) in the chapter titled “*Financial Information*” beginning on pages 233 and 264 respectively of this Draft Red Herring Prospectus.

FINANCIAL INDEBTEDNESS

The following is a summary of our Company's indebtedness as on August 31, 2012:

A) Details of Secured Borrowings:

Term/ Corporate Loans

(₹ in Lacs)					
Lender	Date(s) of financing documents	Description of security	Amount sanctioned	Amount outstanding as on August 31, 2012	Repayment schedule
Bank of India*	Facility sanctioned on October 13, 2006. Facility modified on March 06, 2012.	<ul style="list-style-type: none"> First <i>pari passu</i> charge over Borrower's factory land and building, plant and machinery at Plot No. N-91 and N-102, Tarapur, W-212, 213, Dombivli (East) and Borrower's leased premises at Ambernath Personal guarantees of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi 	1,320.00	147.83	4 quarterly stepped up instalments
Bank of India*	Facility sanctioned on December 19, 2007. Facility modified on March 06, 2012.	<ul style="list-style-type: none"> Extension of above first <i>pari passu</i> charges. Personal guarantees of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi. 	1,000.00	544.98	10 quarterly stepped up instalments
Export Import Bank of India*	Facility sanctioned on November 13, 2006.	<ul style="list-style-type: none"> First <i>pari passu</i> charge by way of hypothecation over the entire movable fixed assets and mortgage over entire immovable properties of the Borrower, both present and future. Personal Guarantees of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi. 	1,320.00	132.00	To be repaid in 20 equal quarterly instalment after 1 st year from date of commercial production
Punjab National Bank *	Facility sanctioned on February 03, 2010. Facility modified on August 27, 2012.	<ul style="list-style-type: none"> The charge will operate as first charge in favour of charge holder by way of equitable mortgage / hypothecation of factory land and building / plant and machinery and other moveable fixed assets both existing and proposed on <i>pari passu</i> basis along with other lenders of the Borrower. Personal guarantee of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi. 	1,900.00	240.89	To be repaid in 8 quarterly equal instalments commencing from December 31, 2010 to September 30, 2012.
Punjab National Bank*	Facility sanctioned on February 03, 2010.	<ul style="list-style-type: none"> The charge will operate as first charge in favour of charge holder by way of equitable mortgage / hypothecation of factory land and 	2,000.00	1,722.86	To be repaid in 15 step up quarterly instalments

	Facility modified on August 27, 2012.	<ul style="list-style-type: none"> building / plant and machinery and other moveable fixed assets both existing and proposed on <i>pari passu</i> basis along with other lenders of the Borrower. Personal guarantee of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi. 			commencing from June 30, 2011 till December 30, 2014.
State Bank of Hyderabad*	Facility sanctioned on March 06, 2010. Facility modified on February 07, 2012.	<ul style="list-style-type: none"> First <i>pari passu</i> charge on the entire fixed assets of the Borrower; Second <i>pari passu</i> charge on the entire current assets of the Borrower. (change in security is <i>vide</i> letter dated February 07, 2012) Personal Guarantee of Mr. Smitesh Chandravadan Shah. 	2,000.00	1,279.48	Repayable in 37 monthly instalments of 54 lacs each and final instalment of 56 lacs with a moratorium of 12 months from the date of first disbursement.
State Bank of Patiala*	Facility sanctioned on July 09, 2010. Facility modified on December 20, 2011.	<ul style="list-style-type: none"> First <i>pari passu</i> charge on the entire fixed assets of the Borrower including value of land and building located at N-90/91/102, Tarapur, M-4 and M-15, Tarapur, and W-211/212/213/215/216/217, Dombivli and office premises at Unit No 2, Ground Floor, Marwah Complex, Marwah Industrial Estate, Andheri (E), Mumbai 400072 and our Registered Office Second <i>pari passu</i> charge on the entire current assets of the Borrower. Personal Guarantees of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi. 	3,000.00	3,110.65	Repayable in structured quarterly instalments of 75 consisting of 3 quarterly instalments payable in 2012-13, 150 consisting of 4 quarterly instalments payable in 2013-14, 225.00 consisting of 4 quarterly instalments payable in 2014-15, 300 consisting of 4 quarterly instalments in 2015-16 and last instalment of 75 payable in June 2016. The same is subject to moratorium period commencing from January 2011 to June 2012.
State Bank of Mysore*	Facility sanctioned on August 04, 2010.	<ul style="list-style-type: none"> First <i>pari passu</i> charge on the entire fixed assets of the Borrower including value of land and building located at N-90/91/102, Tarapur, M-4 and M-15, Tarapur, and W-211/212/213/215/216/217, Dombivli and office premises at Unit No 2, Ground Floor, Marwah 	3,000.00	3,038.90	Repayable in 3 quarterly instalment of 75 in 2012-13, 4 quarterly instalment of 150 in 2013-14, 4 quarterly

		<ul style="list-style-type: none"> Complex, Marwah Industrial Estate, Andheri (E), Mumbai 400072 and our Registered Office • Second <i>pari passu</i> charge on the current assets of the Borrower. • Personal Guarantee of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi. 			instalment of 225 in 2014-15, 4 quarterly instalment of 300 in 2015-16 and 1 quarterly instalment of 75 in 2016-17. The same is subject to moratorium period commencing from January 2012 to June 2012.
Export Import Bank of India*	Facility sanctioned on November 15, 2011	<ul style="list-style-type: none"> • First <i>pari passu</i> charge on the entire fixed assets of Borrower including immovable properties both present and future; • Irrevocable and unconditional personal guarantees of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi. 	500.00	467.53	Repayable in 20 equal quarterly instalments commencing after a moratorium of 12 months from the date of first disbursement.
Export Import Bank of India*	Facility sanctioned on November 15, 2011	<ul style="list-style-type: none"> • First <i>pari passu</i> charge on the entire fixed assets of Borrower including immovable properties both present and future; • Irrevocable and unconditional personal guarantees of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi. 	2,500.00	2,410.00	Repayable in 20 equal quarterly instalments commencing after a moratorium of 3 months from the Scheduled Commercial Operation Date (COD). Tentative scheduled COD is December, 2013.
Dena Bank	Facility sanctioned on December 30, 2011	<ul style="list-style-type: none"> • Equitable mortgage of property situated at Gala No. 2 on the ground floor of the Marwah's complex, Marwah Industrial Estate, Saki Vihar Road, Andheri (East), Mumbai- 400072 and our Registered Office; • Personal Guarantees of Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi. Mr. Smitesh Chandravadan Shah being Co-borrower. 	756.00	517.87	Repayable in 84 equated monthly instalments of 14.06 lacs each.
State Bank of Bikaner and Jaipur	Facility sanctioned on May 18, 2012	<ul style="list-style-type: none"> • First <i>pari passu</i> charge on Borrower's entire fixed assets, both present and future; • Second <i>pari passu</i> charge on entire current assets of the Borrower; • Personal guarantees of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi. 	2,000.00	1,716.72	Repayable in 20 quarterly unequal instalments on step-up basis

Bank of Maharashtra	Facility sanctioned on June 30, 2012	<ul style="list-style-type: none"> • Exclusive charge on the assets financed. 	1,000.00	539.88	Repayable in 25 equal quarterly instalments at 40 lacs per quarter commencing after a moratorium period of 1 year from the date of first disbursement.
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Cash Credit

<i>(₹ in Lacs)</i>					
Lender	Date(s) of financing documents	Description of security	Amount sanctioned	Amount outstanding as on August 31, 2012	Repayment schedule
State Bank of India*	Facility sanctioned on May 20, 2009. Facility modified on April 28, 2012.	<ul style="list-style-type: none"> • First <i>pari passu</i> charge on the current assets, present and future of the Borrower with other member banks. • Second charge over entire fixed assets of the Borrower present and future on <i>pari passu</i> basis with other member banks as under: • Personal guarantees of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta; and Rajat Indulal Doshi 	2,925.00	3,225.88	On demand
Oriental Bank of Commerce*	Facility sanctioned on September 01, 2009. Facility modified on April 07, 2012.	<ul style="list-style-type: none"> • Hypothecation of stocks of raw materials, stock in process, finished Goods, stock and spares and receivables (not older than 120 days) on <i>pari passu</i> basis with other consortium banks. • Second <i>pari passu</i> charge on the fixed assets of the Borrower with other banks. • Personal Guarantee of Mr. Bharat Sukhlal Mehta, Mr. Smitesh Chandravadan Shah and Mr. Rajat Indulal Doshi 	500.00	495.94	On demand.
State Bank of Mysore*	Facility sanctioned on May 28, 2009. Facility modified on August 04, 2010.	<ul style="list-style-type: none"> • First <i>pari passu</i> charge with other member banks on current assets of the Borrower. Second <i>pari passu</i> charge on the fixed assets of the Borrower with other bankers. • Personal <i>Guarantee</i> of Mr. Bharat Sukhlal Mehta, Mr. Smitesh Chandravadan Shah and Mr. Rajat Indulal Doshi. 	1,000.00	495.00	On demand.
IDBI Bank Limited *	Facility sanctioned on October 26, 2009. Facility modified <i>vide</i>	<ul style="list-style-type: none"> • First <i>Pari Passu</i> charge on the current assets of Borrower both present and future with other bankers. • Second <i>pari passu</i> charge on land and buildings, plant and machinery of the Borrower located at N-102/91, 	1,500.00	1,496.07	On demand.

	sanction letter dated April 04, 2012	<ul style="list-style-type: none"> Tarapur, M-4, Tarapur, and W-212/213/215/216/217, Dombivli; Personal guarantee of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi. 			
Punjab National Bank*	Facility sanctioned on February 03, 2010. Facility modified on August 27, 2012.	<ul style="list-style-type: none"> First <i>pari passu</i> charge by way of hypothecation of raw materials, stock in process and finished goods and entire current assets of the Borrower with other lenders. Second <i>pari passu</i> charge on the fixed assets of the Borrower. Personal guarantee of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi. 	2,600.00	2,630.11	On demand.
State Bank of Patiala*	Facility sanctioned on July 09, 2010. This facility has been modified on July 09, 2010 and again on December 20, 2011	<ul style="list-style-type: none"> Hypothecation of entire current assets of the Borrower on first charge <i>pari passu</i> basis. Second <i>pari passu</i> charge on the entire fixed assets of the company. Personal guarantees of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi. 	1,000.00 (Inter changeability of ₹ 500 lacs allowed from Non fund based Limit to Cash Credit account)	1,865.11	On demand
Canara Bank*	Facility sanctioned on July 22, 2011.	<ul style="list-style-type: none"> First <i>pari passu</i> charge over the current assets of the Borrower including stock and book debts; Second <i>pari passu</i> charge on Borrower's factory land and building, plant and machinery at Plot No. N-91 and N-102, Tarapur, W-212, 213, Dombivli (East) and Borrower's leased premises at Ambernath Personal Guarantees of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi. 	2,000 (one way interchange ability from fund based facility to non fund based facility)	959.01	On demand
Bank of Bahrain & Kuwait B.S.C*	Facility sanctioned on June 01, 2011.	<ul style="list-style-type: none"> First <i>pari passu</i> charge by way of hypothecation of stocks of raw materials, stock-in-process; finished goods; stocks and spares and receivables (present & future) of the Borrower along with other working capital lenders; Second <i>pari passu</i> charge on the entire fixed assets of the Borrower along with other working capital lenders; Personal guarantees of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi. 	500.00 (inter-changeable with non-fund based facility)	499.73	On demand
ING Vysya Bank*	Facility sanctioned on October	<ul style="list-style-type: none"> First <i>pari passu</i> charge by way of hypothecation of entire current assets of the Borrower along with 	1,000.00	718.43	On demand

	04, 2011	<ul style="list-style-type: none"> other banks under multiple banking arrangements. Second <i>pari passu</i> charge on all the moveable and immoveable fixed assets including land and building plant and machinery at the manufacturing facilities of the Borrower located at Tarapur Industrial Estate and Dombivli Industrial Estate. Personal Guarantees of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi. 			
Allahabad Bank*	Facility sanctioned on September 13, 2011	<ul style="list-style-type: none"> First hypothecation charge over raw material, stock-in-process, finished goods, consumable and spares, book debts and other current assets of the Borrower ranking <i>pari passu</i> with other working capital lenders. Second <i>pari passu</i> charge over the entire fixed assets of the Borrower ranking <i>pari passu</i> with other working capital lenders. Personal Guarantees of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi. 	2,500.00 (inter-changeable with non-fund facility)	2,429.18	On demand
Indian Bank*	Facility sanctioned on December 30, 2011	<ul style="list-style-type: none"> <i>Pari passu</i> first charge with other member banks on entire current assets of the Borrower. <i>Pari passu</i> second charge with other banks on entire fixed assets of the Borrower, present and future. Personal Guarantees of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi. 	1,000.00	NIL	On demand
Bank of India*	Facility sanctioned on March 06, 2012	<ul style="list-style-type: none"> First <i>pari passu</i> charge by way of current assets including all the stocks and book-debts/receivables of the Borrower, both present and future, to be shared with other working capital lenders in proportion of sanctioned credit facilities; Second <i>pari passu</i> charge over the entire fixed assets of the Borrower (first charge with term lenders). Personal guarantees of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi. 	1,500.00	1,536.60	On demand
State Bank of Bikaner and Jaipur	Facility sanctioned on May 18, 2012	<ul style="list-style-type: none"> First <i>pari passu</i> charge by way of hypothecation of Borrower's entire current assets, both present and future; Second <i>pari passu</i> charge on land and buildings, plant and machinery of the Borrower located at N-102/91, Tarapur, M-4, Tarapur, and W-212/213/215/216/217, Dombivli; 	1,500.00	1,120.02	On demand

- Personal guarantees of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi.

Non fund based Working Capital facilities

(₹ in Lacs)					
Lender	Date(s) of financing documents	Description of security	Amount sanctioned	Amount outstanding as on August 31, 2012	Repayment schedule
State Bank of India*	Facility sanctioned on May 20, 2009. Facility modified on April 28, 2012.	<ul style="list-style-type: none"> • First <i>pari passu</i> charge on the current assets of the Borrower with other member banks. • Second charge over entire fixed assets of the Borrower present and future on <i>pari passu</i> basis with other member banks: • Personal guarantees of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta, and Mr. Rajat Indulal Doshi. 	6,000.00	5445.50	On demand.
IDBI Bank Limited*	Facility sanctioned on October 26, 2009. Facility modified vide sanction letter dated April 04, 2012	<ul style="list-style-type: none"> • First <i>Pari Passu</i> charge on the current assets of Borrower, both present and future with other bankers. • Second <i>pari passu</i> charge on land and buildings, plant and machinery of the Borrower located at N-102/91, Tarapur, M-4, Tarapur, and W-212/213/215/216/217, Dombivli; • Personal guarantee of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi. 	1,000.00	835.23	On demand.
Oriental Bank of Commerce*	Facility sanctioned on September 01, 2009. Facility modified on April 07, 2012.	<ul style="list-style-type: none"> • Hypothecation of stocks of raw materials, stock in process, finished Goods, stock and spares and receivables (not older than 120 days) on first <i>pari passu</i> basis with other consortium banks. • Second <i>pari passu</i> charge on the fixed assets of the Borrower with other banks. • Personal Guarantee of Mr. Bharat Sukhlal. Mehta, Mr. Smitesh Chandravadan Shah and Mr. Rajat Indulal Doshi. 	2,000.00	1,876.72	On demand.
State Bank of Mysore*	Facility sanctioned on May 28, 2009. Facility modified on August 04, 2010.	<ul style="list-style-type: none"> • Extension of <i>pari passu</i> hypothecation charge over current assets of the Borrower. • Second <i>pari passu</i> charge on the fixed assets of the Borrower with other member banks. • Personal Guarantee of Mr. Bharat Sukhlal. Mehta, Mr. Smitesh Chandravadan Shah, Mr. Rajat Indulal Doshi. 	1,500.00	1,381.71	On demand.
Punjab National	Facility sanctioned	<ul style="list-style-type: none"> • Bills accompanied by Railway receipts/ approved motor transport 	6,000.00	5,975.80	On demand.

Bank*	on February 03, 2010. Facility modified on August 27, 2012.	<ul style="list-style-type: none"> receipts covering consignments of raw materials of various Indian suppliers. Bills accompanied by shipping documents covering consignments of raw materials. Usance period of the bills not to exceed 270 days from the date of shipment. Personal guarantee of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi. 			
State Bank of Patiala*	Facility sanctioned on January 27, 2010. This facility has been modified on July 09, 2010 and again on December 20, 2011.	<ul style="list-style-type: none"> Hypothecation of entire current assets of the Borrower on first charge <i>pari passu</i> basis. Second <i>pari passu</i> charge on the entire fixed assets of the company. Personal guarantees of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi. 	3,000.00 (Inter changeability of 500 lacs allowed from Non fund based Limit to Cash Credit account)	2,132.62	On demand.
Canara Bank*	Facility sanctioned on July 22, 2011.	<ul style="list-style-type: none"> First <i>pari passu</i> charge over the current assets of the Borrower including stock and book debts; Second <i>pari passu</i> charge on Borrower's factory land and building, plant and machinery at Plot No. N-91 and N-102, Tarapur, W-212, 213, Dombivli (East) and Borrower's leased premises at Ambarnath Personal Guarantees of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi. 	1,000.00 (one way interchange ability from fund based facility to non fund based facility)	1,966.31	On demand
Bank of Bahrain & Kuwait B.S.C.*	Facility sanctioned on June 01, 2011.	<ul style="list-style-type: none"> First <i>pari passu</i> charge by way of hypothecation of stocks of raw materials, stock-in-process; finished goods; stocks and spares and receivables (present & future) of the Borrower along with other working capital lenders; Second <i>pari passu</i> charge on the entire fixed assets of the Borrower along with other working capital lenders; Personal guarantees of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi. 	1,000.00	603.62	On demand
State Bank of Mauritius Ltd.*	Facility sanctioned on May 19, 2011	<ul style="list-style-type: none"> First <i>pari passu</i> charge on the existing and future current assets of the Borrower; Second <i>pari passu</i> charge on the existing and future fixed assets of the Borrower; 	1,000.00 (inter-changeable with cash-credit facility)	430.00	On demand

			<ul style="list-style-type: none"> Personal Guarantees of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi. 			
ING Bank*	Vysya	Facility sanctioned on October 04, 2011	<ul style="list-style-type: none"> First <i>pari passu</i> charge by way of hypothecation of entire current assets of the Borrower along with other banks under multiple banking arrangements. Second <i>pari passu</i> charge on all the moveable and immoveable fixed assets including land and building plant and machinery at the manufacturing facilities of the Borrower located at Tarapur Industrial Estate and Dombivli Industrial Estate. Personal Guarantees of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi. 	1,500.00	674.46	On demand
Allahabad Bank*		Facility sanctioned on September 13, 2011	<ul style="list-style-type: none"> First <i>pari passu</i> charge on raw material, stock-in-process, finished goods, consumable and spares, book debts and other current assets of the Borrower ranking <i>pari passu</i> with other working capital lenders. Second <i>pari passu</i> charge over the entire fixed assets of the Borrower ranking <i>pari passu</i> with other working capital lenders. Personal Guarantees of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi. 	1,500.00 (inter-changeable with cash-credit facility)	1,233.91	On demand
Indian Bank*		Facility sanctioned on December 30, 2011	<ul style="list-style-type: none"> <i>Pari passu</i> first charge with other member banks on entire current assets of the Borrower. <i>Pari passu</i> second charge with other banks on entire fixed assets of the Borrower, present and future. Personal Guarantees of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi. 	1,500.00	NIL	On demand
Bank of India*	of	Facility sanctioned on March 06, 2012	<ul style="list-style-type: none"> 15% margin in form of Term Deposit Receipt. Personal guarantees of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi. 	2,500.00	2,632.40	On demand
State Bank of Bikaner and Jaipur	and	Facility sanctioned on May 18, 2012	<ul style="list-style-type: none"> Bills/ Railway receipts/ motor transport receipt of Indian Bankers Association approved transport operators in short against TPND risks; First <i>pari passu</i> charge by way of hypothecation of Borrower's entire current assets, both present and future; Second <i>pari passu</i> charge on land 	2,500.00	1,686.38	On demand

		and buildings, plant and machinery of the Borrower located at N-102/91, Tarapur, M-4, Tarapur, and W-212/213/215/216/217, Dombivli;				
		<ul style="list-style-type: none"> Personal guarantees of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi. 				
Bank of Maharashtra	Facility sanctioned on June 30, 2012	<ul style="list-style-type: none"> Primary Security- hypothecation of goods procured; <i>Pari passu</i> second charge over the fixed assets of the Borrower within the consortium; Personal guarantees of Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi. 	1,500.00	1,450.79	Repayable in 25 equal quarterly instalments at 40 lacs per quarter commencing after a moratorium period of 1 year from the date of first disbursement.	

Our Company has been sanctioned total Loans of ₹ 647.90 Crores by various lenders comprising of both banks and financial institutions. Existing working capital lenders namely State Bank of India (“Lead Bank**”), State Bank of Mysore, State Bank of Patiala, Oriental Bank of Commerce, IDBI Bank Limited, Punjab National Bank, State Bank of Mauritius Limited, Bank of Bahrain and Kuwait B.S.C., Canara Bank, Allahabad Bank, ING Vysya Bank, Bank of India and Indian Bank have sanctioned ₹ 462.50 Crores to our Company under consortium arrangement. For the purposes of the same our Company and existing working capital lenders has entered into Working Capital Consortium Agreement dated June 19, 2012.*

*Whereas in addition to the working capital loans, existing term loan lenders namely Export Import Bank of India, Bank of India, Punjab National Bank, State Bank of Mysore, State Bank of Patiala and State Bank of Hyderabad have sanctioned ₹185.40 Crores to our Company. Further, our Company has appointed SBICAP Trustee Company Limited (“**Security Trustee**”) as security trustee vide Security Trustee Agreement dated June 19, 2012. Moreover, Deed of Guarantee dated June 19, 2012 has been executed by Mr. Smitesh Chandravadan Shah, Mr. Bharat Sukhlal Mehta and Mr. Rajat Indulal Doshi in favour of SBICAP Trustee Company Limited and Deed of Mortgage cum charge dated June 19, 2012 has been executed between our Company and SBICAP Trustee Company Limited for the benefit of all the lenders. Lenders jointly have entered into Inter-se Cum Creditor Agreement dated June 19, 2012.*

B) Details of unsecured borrowings

Unsecured loans

(₹ in Lacs)			
Lender	Amount sanctioned	Amount outstanding as on August 31, 2012	Repayment schedule
Mr. Bharat Sukhlal Mehta	214.46	214.46	Terms of repayment not stipulated
Mr. Rajat Indulal Doshi	56.25	56.25	Terms of repayment not stipulated
Mr. Smitesh Chandravadan Shah	122.79	122.79	Terms of repayment not stipulated
Ess Dee Aluminium Limited	500.00	500.00	Repayable after 120 days from the date of receipt
Helios Finserve Private Limited	25.00	25.00	Repayable after 90 days from the date of receipt / renewal
Helios Finserve Private Limited	25.00	25.00	Repayable after 30 days from the date of receipt / renewal
Ms. Alpana Doshi	30.00	30.00	Terms of repayment not stipulated
Mr. Sumit Mehta	36.23	36.23	Terms of repayment not stipulated
Mr. Amit Mehta	29.55	29.55	Terms of repayment not stipulated
Ms. Asha B. Mehta	63.12	63.12	Terms of repayment not stipulated
Ms. Parul Shah	3.78	3.78	Terms of repayment not stipulated
Ms. Saumini Shah	8.50	8.50	Terms of repayment not stipulated

Maharashtra Sales Tax (Under Deferred Sales Tax 1993 Scheme)	355.83	174.34	Repayment starting from October 2015
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Our agreements with banks in relation to financial facilities sanctioned by them have certain restrictive covenants. A summary of certain significant restrictive covenants is as follows:

1. Prior approval of the bank in writing is required in case our Company intends to undertake any of the following actions:
 - Undertake any new project / schemes or implement any schemes of expansion or acquire fixed assets unless such expenditure is covered by the Company's net cash accruals after providing for dividends, investments, etc;
 - Invest by way share capital in or lend advance funds to or place deposits with any other concern;
 - Undertake guarantee obligations on behalf of any other Company / firm / person;
 - Sell, assign, mortgage or otherwise dispose off any of the fixed assets charged to the bank in favour of any other bank, financial institution, Company, firm or individual;
 - Enter in to any contractual obligation which is long term in nature or which will affect our Company to a significant extent.
 - Change its practise with regard to remuneration of directors by means of ordinary remuneration or commission, scale of sitting fees amongst other things;
 - Undertake any trading activity other than the sale of products arising out of its own manufacturing operations;
 - Permit any transfer of the controlling interest or make any drastic change in the management setup or make any alterations in our Company's constitution, controlling ownership or any documents relating to its constitution or any other material change in our Company's management or in the nature or business or operations during the period of subsistence of the facilities;
 - Declare dividends for any year out of the profits of that year or the previous years. It is necessary for our Company to ensure first that provisions are made and that no repayment obligations remain unmet at the time of making the request for Bank's approval for the declaration of dividend;
 - Effect any change in our Company's capital structure;
 - Create any subsidiary or permit any company to become its subsidiary;
 - Carry out or permit any material amendment, termination or cancellation of any project or agreements, documents or arrangements entered into with, or executed in favour of, any other lenders or providers of funds;
 - Undertake any additional borrowings without the bank's prior written approval of the Bank and not create, assume or incur any further indebtedness of a long term whether for borrowed money or otherwise;
 - Enter into any scheme of merger, amalgamation, compromise or reconstruction;
 - Permit any change in the ownership or control of the business whereby the effective beneficial ownership or control shall change.
2. Monies brought in by the Promoters / Directors / Principal Shareholders and their relatives and friends by way of deposits / loans / advances will not be allowed to be repaid by our Company without the bank's prior permission in writing. Further, the rate of interest, if any, payable on such deposits should be lower than the rate of interest charged by the banker on the term loan;
3. Our Company shall not without the prior written consent of the bank transfer or create / allow to be created in any manner any charge, lien, hypothecation, mortgage, pledge or other encumbrance whatsoever on any of the properties, assets, actionable claim etc. Of the borrower which constitute security / ies to the bank for the loan or create or allow to be created any interest in any such securities in favour of anyone other than the bank;
4. Our Company shall not use all or any part of the facility for investments into capital market oriented mutual fund schemes including, without limitation, equity / real estate mutual funds;
5. Our Company shall not be entitled to assign or transfer any of its rights, benefits and obligations under the facility sanctioned by the bank;

6. Our Company shall not declare any dividend more than the net profit for the year;
7. Our Company shall not, during the tenure of the loan obtain any further loan or facility on the property constituting the bank's security;
8. Our Company shall not change its Fiscal end from March 31;
9. Our Company shall not change the accounting method or policies currently followed;
10. Our Company shall not cancel the facility availed or any part thereof without the prior approval of the bank;
11. Our Company shall not extend any loan or advance to or place deposit with any company free of interest or at a rate lower than that applicable to the loan availed from the lender without prior approval of the Board of Directors of the Company, except in the ordinary course of business;
12. Our Company shall not induct a person, who is a director on the Board of a company which has been identified as a willful defaulter and that in case such a person is found to be on the Board of our Company, it shall take expeditious and effective steps for the removal of such a person from the Board;
13. All loan facilities availed by our Company shall be utilized exclusively for the purposes set forth in the documents related thereto and for no other purpose and no charge shall be made therein without the written sanction of the Lenders;
14. Our Company shall not compound or release any of the book debts nor do anything whereby the recovery of the same may be impeded, delayed or prevented without the consent in writing of Lender banks first being obtained;
15. Our Company shall not pay any commission and / or compensation to any person by whatever name called exercising substantial powers of management of the affairs of our Company unless the dues to the corporation have been paid;
16. Without the prior written consent of the lender, our Company shall not revalue its assets at any time during the currency of the loan availed;
17. Our Company shall not, without the prior written consent of the Lenders, enter into any arrangement for the settlement of litigation for any amount which, in the opinion of the Lender amount to a material adverse effect;
18. Our Company shall not institute proceedings for dissolution without the prior written consent of the Lenders;
19. Our Company shall not transfer funds / assets to any group or associate concern or company; and
20. Our Company is also required to pay pre- payment penalties in certain cases where our Company chooses to repay the loans prior to the repayment date.

As regards this Issue, we have received No Objection Certificates from the following lenders:

Name of the Bank / Financial Institution	Date of the NOC
State Bank of India	September 25, 2012
Export Import Bank of India	September 26, 2012
State Bank of Mysore	September 25, 2012
Oriental Bank of Commerce	September 26, 2012
State Bank of Hyderabad	August 24, 2012
Canara Bank	August 27, 2012
Dena Bank	September 26, 2012
Bank of Bahrain & Kuwait B.S.C.	August 31, 2012

State Bank of Mauritius Ltd.	September 21, 2012
ING Vysya Bank Limited	September 22, 2012
Allahabad Bank	September 24, 2012
State Bank of Bikaner and Jaipur	September 25, 2012
Bank of Maharashtra	September 25, 2012
IDBI Bank Limited	September 26, 2012
Punjab National Bank	September 27, 2012

***Note:** Bank of India, State Bank of Patiala and Indian Bank are also lenders to our Company. We have made an application to these lenders seeking their consent to include their names in this Draft Red Herring Prospectus and no objection certificates to undertake this Issue. However, as on the date of this Draft Red Herring Prospectus, consents and no objection certificates from these lenders are awaited.*

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations is based on our restated Standalone financial statements as at and for the Fiscal ended March 31, 2009, 2010, 2011, 2012. Our Company's Fiscal ends on March 31st of each year. Accordingly, all references to a particular Fiscal are to the twelve-month period ended March 31st of that year. This discussion should be read together with our restated financial statements and related notes, under "*Financial Information*" beginning on page 201 of this Draft Red Herring Prospectus. This discussion also contains forward-looking statements and reflects management's current views of our Company with respect to plans, estimates and beliefs as well as future events and financial performance. Actual results may differ materially from those anticipated in these forward looking statements as a result of certain factors beyond our control, such as those set forth under "*Risk Factors*" beginning on page 11 of this Draft Red Herring Prospectus.

Overview

Our Company is a manufacturer of API and Intermediates in India with strong presence in the manufacture of macrolides, anti-tuberculosis and anti-malaria and increasing focus on CRAMS to transnational pharmaceutical companies. Our Company has, over the years, moved from a single product (Anti TB – Pyrazinamide) to a multi-product portfolio comprising Anti-TB, Macrolides, Anti-Depressants, Anti-Hypertensives and Anti-Malarial etc.

Our Company has 2 manufacturing facilities, both located in Maharashtra, India. USFDA has inspected our unit at Tarapur for API and unit at Dombivli for Intermediate. Our R&D centre located in Dombivli, Maharashtra is approved by the Department of Scientific and Industrial Research, India ("**DSIR**"). Our Company believes that its manufacturing facilities and the process efficiencies in these facilities enable it to lower overall production costs, improve process efficiencies and establish presence in the developed countries including US, Europe and Japan. Our Company's manufacturing facilities have been built also in accordance with the WHO's GMP guidelines.

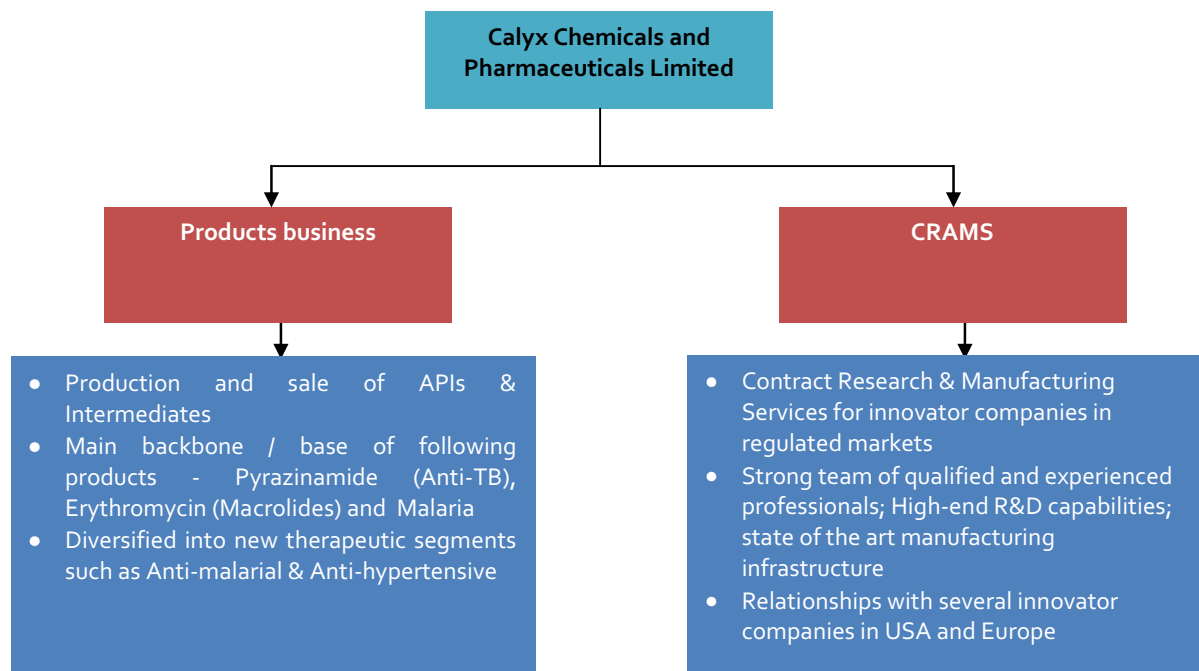
As on August 31, 2012, our Company has approximately 70 APIs and Intermediates in its product portfolio and has 14 Drug Master Files ("**DMFs**") filed with the USFDA. The Company has also spent a substantial part of its efforts in the last 5-6 years in creating a strong base for the CRAMS business and has signed over 100 Confidentiality Agreements ("**CDA**"s) with various trans-national pharmaceutical companies.

Our Company exports to countries like USA, Europe, Asia, Japan and South America. During the last three Fiscals our total Revenue constitutes the following:

Particulars	(₹ in Lacs)					
	For the year ended					
	31-Mar-12	%	31-Mar-11	%	31-Mar-10	%
Revenue from Operations:						
API and Manufacturing	45,585.48	77.0 %	33,683.78	80.7%	26,876.31	83.5%
Contract Manufacturing	7,623.43	12.9%	2,768.40	6.6%	509.97	1.6%
Contract Research	4,793.33	8.1%	4,099.96	9.8%	3,478.41	10.8%
Process Knowhow	480.00	0.8%	1,004.99	2.4%	1,226.53	3.8%
Other Sales and Service	436.38	0.7%	160.61	0.4%	89.04	0.3%
TOTAL	58,918.61	100.0%	41,717.74	100.0%	32,180.26	100.0%

Our Business Model

The business of our Company broadly comprises of the following segments:



Key Strengths

Focus on Research & Development

Our Company believes it has extensive R&D experience and strong product identification & development capabilities, including developing non-infringing processes, filing process patents, process improvements and driving cost efficiencies. Our Company has a dedicated team of 103 R&D personnel as on August 31, 2012, continuously engaged in developing new products and processes. As a result of this, our Company has been able to achieve breakthroughs in the process chemistry of various products like Lumefantrine, Artemether and Erythromycin based products etc.

Strong R&D Setup

R&D activities have been a key to our business model and strategy. Our Company has a highly qualified team of 20 Scientists and 83 Chemists/RA/SRIC staff as on August 31, 2012, with academic qualifications such as M.Sc., Ph.D and Post Doctorate along with experience in their respective fields. This team continuously works on various molecules, developing non-infringing processes, filing process patents, process improvements and effecting cost efficiencies. The R&D team includes a separate Technology Transfer team as well which is specifically responsible for “Scale up” operations. Our Company has a DSIR recognized 2,325 square meters unit at Dombivli which houses 4 R&D synthesis laboratories, along with a complete Analytical set-up including Nuclear Magnetic Resonance (“NMR”) lab, Organic Synthetic labs etc.

In last 5 years, our capital expenditure in R&D department has increased more than 6 times. Our investment in R&D assets has increased from ₹ 1,319.95 Lacs as on March 31, 2007 (which was about 23.02% of Total Gross Block of ₹ 5,735.09 Lacs as on March 31, 2007) to ₹ 8,359.93 Lacs as on March 31, 2012 (which is about 31.88% of Total Gross Block of ₹ 26,225.51 Lacs as on March 31, 2012.).

In-house USFDA Inspected Manufacturing Capabilities

Our Company has 2 manufacturing facilities in India; 1 at Tarapur and other at Dombivli (both located on the outskirts of Mumbai, Maharashtra). Further, our Company is one of the few “pure API” companies in India that has USFDA inspected facilities. USFDA has inspected our unit at Tarapur for API and our unit at Dombivli for Intermediate and has found it to be acceptable and compliant with the current good manufacturing practices. We believe that our manufacturing facilities and the process efficiencies in these 2 plants enables us to lower overall production costs, improve process efficiencies and establish presence in the developed countries including US, Europe and Japan. These manufacturing facilities have been built in accordance with the WHO GMP guidelines. We believe that owning a manufacturing facility with USFDA inspection is one of the major influencers for the innovator companies in US to source their requirements from our Company.

Wide Product Range

Our Company has a strong product portfolio across therapeutic segments including fast growing lifestyle segments such as anti- hypertensive and anti- depressant. This is coupled with a global scale in products like Pyrazinamide, Lumefantrine, Artemether and Erythromycin based products. As on August 31, 2012, our Company markets approximately 70 API and Intermediate products in about 39 countries.

Production Scale up Capabilities

Our Company has capabilities to scale up manufacturing from gram scale to ton scale as

- Gram quantities of compounds for optimization
- Kilo scale quantities for clinical trials
- Ton scale for product launch at maturity
- Technical expertise in process development and scale-up

Quality Certifications

Our Company has been awarded Quality Certifications from USFDA and we have filed 14 DMFs for various products, WHO Geneva approval for Pyrazinamide in July 2006, WHO approval for Lumefantrine, Artemether, Isoniazid. Certificate of Suitability for Pyrazinamide, Isoniazid and Zopiclone. Silver award for quality excellence from Indian Drugs and Manufacturers Association in January 2008. Korean FDA approval for Pyrazinamide in September 2009, ISO 9001:2008 (Quality Management System) valid till September 25, 2015, ISO 14001:2004 (Environment Management System) valid till July 24, 2013.

Zero Accident Manufacturing Facilities

Our Company’s manufacturing facilities at Tarapur and Dombivli have a very high level of safety track record. There have been no accidents at these manufacturing facilities for the last 3 years. Further, our Company has been a recipient of State level Safety award instituted by the National Safety Council, Maharashtra Chapter every year from 2008 to 2012.

Strategy

Our Company intends to continue to strengthen its CRAMS business and API product portfolio, consolidate position in the regulated markets and expand its operations in semi-regulated markets in order to achieve long-term sustainable growth and increase its shareholder value. Our Company’s principal strategy and initiatives to achieve these objectives are set out below

- Increasing Contract Manufacturing Activities
- Continued focus on R&D in our Products business
- Further expand API portfolio
- Diversification and increased presence into new markets
- Registration of products
- Explore potential acquisition and partnership opportunities

- Focus on environment protection
- Constitution of a Board Advisory Group of consultants reknowned for their experience in our Industry

Increasing Contract Manufacturing Activities: Our Company proposes to expand and enhance its contract-manufacturing business of APIs and intermediates by developing long-term relationships with global chemical and pharmaceutical companies and attaining preferred supplier status for the manufacture of APIs and Intermediates.

For further details of our business, please refer to the chapter titled “*Business Overview*” beginning on page 118 of this Draft Red Herring Prospectus.

Significant Developments Subsequent to the Last Fiscal

In the opinion of our Board of Directors, there have not arisen, since the date of the last audited financial statements included in this Draft Red Herring Prospectus, any circumstance that materially and adversely affect or is likely to affect our business or profitability or the value of our assets or our ability to pay our liabilities within the next 12 months. There is no subsequent development after the restated financial statements which we believe is expected to have a material impact on reserves, profits, earning per share and book value of our business except as described below:

Date of Allotment / Fully Paid up	Number of Equity Shares allotted	Face Value (₹)	Issue Price (₹)	Consideration	Remarks
April 03, 2012	12,357	10	245.49	Cash	Preferential Allotment to Marble Arch Group Ltd., Singapore
April 09, 2012	1,12,643	10	245.49	Cash	Preferential Allotment to Marble Arch Group Ltd., Singapore
May 26, 2012	1,12,502	10	240.00	Cash	Preferential Allotment to others
May 28, 2012	87,082	10	240.00	Cash	Preferential Allotment to others
May 28, 2012	39,999	10	245.00	Cash	Preferential Allotment to others

Further, our Company is in the process of incorporating a new subsidiary in Oman to cater to our clients in the Middle East and the same has been approved by our Board of Directors in their meeting held on May 24, 2012. As on the date of this Draft Red Herring Prospectus, this subsidiary has not been incorporated.

Factors Affecting our Results of Operations

Our results of operations have been, and will continue to be, influenced by a number of factors, some of which are beyond our control. The following are some of factors that may affect the results of our operations –

Macroeconomic Factors

Macroeconomic factors, both in the Indian and international contexts, such as economic instability, political uncertainty, social upheavals or natural calamities could influence our performance. In addition, fluctuations in interest rates, exchange rates and inflation could have a material effect on key aspects of our operations, including the costs of raw materials, prices at which we can sell our products, the cost of borrowing required to fund our operations and profit margins.

Competitive Pressures

The API industry is subject to increased competition from the introduction of competing products and new entrants, including international players, to expand or augment existing operations or products lines and extend the scope of their geographical operations. Further, adequate availability of key raw materials at manageable price levels is critical and price fluctuations exacerbated by competitive pricing pressures may materially affect our margins. Such factors may have a significant adverse effect on our income and financial condition and render our goals to enter into new lifestyle therapeutic segments and continually expand our customer base a significant challenge.

We seek to address competitive pressures through our focus on R&D initiatives. For instance, during Fiscal 2009 and 2010, products such as Artemether, Lumifantrine, Flucytosine and other Intermediates were launched to widen our product range. As on August 31, 2012, we have filed 30 process patents, and 3 have been granted.

Government and Other Regulatory Approvals

Our Company's ability to function and achieve greater business from domestic as well as regulated markets such as the US, Europe, Japan, etc., is dependent on success in continuing to obtain various governmental and regulatory approvals. Specifically, in order to operate in regulated markets, approvals from regulatory agencies such as USFDA are essential. Thus our business depends upon our adherence to stringent cGMP practices as also improving and maintaining our existing R&D operations. Furthermore, consistently obtaining approvals in the regulated markets is difficult. Any failure or delay in obtaining the said approvals may hamper our growth and penetration in regulated markets, thus hampering our Company's business prospects in regulated markets.

We have filed 14 DMFs with the USFDA to increase our penetration in the regulated markets.

Our relationship with Customers

A portion of our Company's business is contracted with MNCs. Once established, continued business relationships with MNCs depend on our ability to deliver products of requisite quality in a timely manner. Due to the investments of time and resources, among others, made in building such business relationships, continued business relationships with MNCs, once established, are important to our business. Further, we propose to expand and enhance our contract-manufacturing business of APIs and intermediates by developing long-term relationships with MNCs and attaining preferred supplier status. If we are unable to maintain our relationships with our customers, our growth in business segments such as CRAMs may be adversely affected.

Research and Development

Our in-house R&D capabilities have played a crucial role in developing new processes and enhancing the process development of the existing products. Further, to attract new CRAMs contracts, we commit substantial efforts, funds and other resources to R&D. Going forward also, the R&D team will be entirely focused on developing new and non-infringing processes, filing process patents, process improvements and effecting cost efficiencies. We expect that our Company's investments in R&D will continue to increase in the future. It is not certain whether these investments will translate into increased efficiency in our manufacturing processes or provide opportunities for new business partnerships. If these ongoing and increasing R&D investments prove unsuccessful, it would result in higher costs without a proportionate increase in income, which in turn would adversely affect our business and financial operations.

Foreign currency fluctuations

A significant portion of our earnings is denominated in foreign currency. The FOB value of exports was ₹ 14,863.44 Lacs and ₹ 8,178.67 Lacs in the Fiscal 2012 and Fiscal 2011 respectively. Further, a significant portion of raw materials consumed by us is imported. The CIF value of raw materials imported during Fiscal 2012 and Fiscal 2011 was ₹ 15,223.96 Lacs and ₹ 12,994.67 Lacs respectively.

Our revenue from outside India is denominated mostly in USD, and our foreign currency expenditures are mostly denominated in USD. Any unfavourable fluctuation in the value of the rupee against such currencies may adversely affect our results of operations.

Although our Company can hedge a portion of the resulting foreign exchange position through forward exchange contracts and import payments, our Company may still be affected by fluctuations in exchange rates between the USD, the Indian rupee and other currencies. Any significant fluctuation in exchange rates may therefore materially affect our profitability.

SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPARATION

The summary statement of assets and liabilities, as restated of the Company as at March 31,2012, March 31, 2011, March 31, 2010, March 31, 2009, March 31, 2008 and the summary statement of profits and losses, as restated and summary statement of cash flows, as restated for the years/ period ended March 31,2012, March 31, 2011, March 31, 2010, March 31, 2009, March 31, 2008 (collectively, the “Summary Statements”) and Other Financial Information have been extracted by the management from the Audited Financial Statements of the Company for the years/ period ended March 31,2012, March 31, 2011, March 31, 2010, March 31, 2009 March 31, 2008.

These Summary Statements have been prepared for the proposed Initial Public Offer (referred to as the “Offer”), in accordance with the requirements of: paragraph B(1) of Part II of Schedule II to the Companies Act, 1956 (‘the Act’); and the SEBI (ICDR) Regulations issued by Securities and Exchange Board of India (“SEBI”) on August 26, 2009 in pursuance of Section 30 of the Securities and Exchange Board of India Act, 1992 (the “SEBI Regulations”);

These Summary Statements have been prepared to comply in all material respects with the Notified Accounting Standards by Companies Accounting Standard Rules, 2006 and under the historical cost convention on an accrual basis.

T. USE OF ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses during the reporting period. Actual result could differ from these estimates and differences between actual result and estimates are recognized in the period in which the results are known/materialized.

U. FIXED ASSETS / CAPITAL WORK IN PROGRESS / INTANGIBLES:

Fixed Assets are stated at cost of acquisition less accumulated depreciation and impairment losses, if any. Cost comprises of purchase price, import duties and other non-refundable taxes or levies and expenditure directly attributable to cost of bringing assets ready for use. Indirect expenditure is capitalised to the extent it relates to the cost of bringing assets for use or incidental thereto. The Assets acquired on Hire Purchase basis have been capitalised at the Gross Value and Interest thereon is charged to Statement of Profit and Loss. Projects under commissioning and other Capital Work In Progress are carried at Costs, comprising Direct Cost and related incidental expenses.

V. DEPRECIATION / AMORTISATION:

IV. Tangible Assets: -

Depreciation has been calculated in accordance with section 205(2)(b) of the Companies Act, 1956 from the date the Assets are put to use, on Straight Line method at the rates prescribed under Schedule XIV of the Companies Act, 1956.

Depreciation on additions to / deductions from assets is calculated pro-rata from/to the date of additions / deductions.

V. Intangible Assets: -

These are amortised over their estimated useful life not exceeding 10 years.

VI. Leasehold Land, which are given by Central / State Authorities are not amortised in view of the long tenure of the Lease.

W. INVESTMENTS:

Long term Investments are stated at cost less permanent diminution in value, if any. Current Investments are stated at Cost less diminution in value of Investments, if any.

X. VALUATION OF INVENTORIES:

Raw materials, packing materials, stores, spares and consumables are valued at cost on “first-in-first out” basis. Work in process is valued at material cost and apportioned amount of overheads. Finished goods are valued at cost or realisable value whichever is lower.

Y. REVENUE RECOGNITION:

1. Revenue from sale of goods including Revenue from contract research and contract manufacturing (CRAM) is recognised on dispatch which coincides with transfer of significant risk and rewards to customer. Sales turnover includes Sale of goods, Revenue from CRAM and other Services related thereto. Further, sales revenues are net of VAT, excise duties, sales returns and discounts. Dividend income is recognized when right to receive is established.
2. Income on Term deposits is accounted on accrual basis and the same is netted off from the Finance Cost.

Z. TRANSACTIONS IN FOREIGN CURRENCIES:

Foreign currency transactions are accounted for at the exchange rate prevailing on/or closely approximating to the date of transactions. Assets and liabilities of monetary items are re-stated at year end rates and difference arising on account of revaluation of monetary assets are recognised in the Statement of Profit and Loss. Any differences that arise in exchange rates on the date that these transactions are settled are recognised as foreign exchange gains or losses.

In case of forward exchange contracts, difference between the contract rate and exchange rate on the date of transaction is recognised as income or expenses over the life of contract. Any profit or loss arising on account of cancellation of forward contract is recognised as income or loss for the year.

AA. EMPLOYEE BENEFIT:

- Short term employee benefits are recognised as an expense at the undiscounted amount in the Statement of profit and loss of the year in which the related service is rendered.
- Long term benefits:

Provident and Family Pension Fund

The eligible employees of the Company are entitled to receive post employment benefits in respect of provident and family pension fund, in which both employees and the Company make monthly contributions at a specified percentage of the employees' eligible salary (currently 12% of employees' contributions are made to Regional Provident fund Commissioner. Provident Fund and Family Pension Fund are classified as Defined Contribution Plans as the Company has no further obligations beyond making the contribution. The Company's contributions to Defined Contribution Plan are charged to Statement of profit and loss as incurred.

Defined Benefit Plan:

1. Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes contribution to Fund is administered by the Trustees of the Life Insurance Corporation based on an independent actuarial valuation made at the year-end. Actuarial gains and losses are recognised in the Statement of profit and loss.

2. Compensated absences

The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment/availment. The liability is recognised based on number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation. Actuarial gains and losses are recognised in the Statement of profit and loss.

BB. OPERATING LEASES:

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating lease. Operating lease payments are recognised as expenses in the Statement of Profit and Loss.

CC. RESEARCH & DEVELOPMENT:

Revenue expenditure on Research Phase is charged to revenue as and when incurred. Expenditure on Development phase, for new processes of product which according to the management are completed and are expected to generate economic benefit are shown as Intangible assets. The same is amortised on Straight line basis over a period of 10 years from the time of capitalization as an intangible asset. Expenses incurred on development of new processes for products which according to the management are yet to be completed are shown under Capital Work in Progress.

An evaluation of intangible assets and Capital work in progress is conducted annually or more often and if there is an indication of decrease in future economic benefit, then the same is charged to Statement of Profit and Loss in that year.

TAXATION:

Provision for taxation comprises of Current Tax and Deferred Tax. Current Tax Provision has been made on the basis of relief and deductions available under the Income Tax Act, 1961.

The deferred tax for timing difference between the book profit and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the Balance Sheet date.

Deferred Tax assets arising from timing differences are recognised to the extent there is a virtual certainty, as the case may be, that such assets are capable of being realised in future.

DD. BORROWING COST:

The borrowing cost that are directly attributable to the acquisition, production and/or construction of qualifying assets are capitalised as part of the cost of such assets up to the date when the assets are ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. Other borrowing costs are charged to the Statement of Profit and Loss.

EE. IMPAIRMENT OF FIXED ASSETS:

The carrying amount of assets is reviewed periodically for any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. Post impairment, depreciation is provided on the revised carrying value of the asset over its remaining useful life.

FF. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised for when the company has present legal or contractual obligation as a result of past events and there is probability of outflow of resources and the amount is capable of being estimated reliably. Contingent liability is disclosed by way of note when the said conditions are not met. Contingent assets are not recognised /disclosed.

GG. PRIOR PERIOD ITEMS

Significant items of Income and Expenditure which relate to prior accounting period are accounted in the Statement of Profit and Loss under the head “Prior Period Adjustments” other than those occasions by events occurring during or after the close of the year and which are treated as relatable to the current year.

HH. EARNINGS PER SHARE (EPS)

The earnings considered in ascertaining EPS comprise the amount attributable to Equity Shareholders. The number of shares used in computing the basic earnings per share is the weighted average number of shares outstanding during the period.

The weighted average number of Equity Shares outstanding during the previous year is adjusted for events of bonus issue. The number of shares used in computing the diluted earnings per share comprises the weighted average number of share considered for deriving basic earnings per share, and also the weighted average number of shares, if any issued on the conversion of all dilutive potential Equity Shares. The number of weighted average shares outstanding during the period and potentially dilutive Equity Shares are adjusted for the issued bonus shares and sub-division of shares.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to the Equity Shareholders and the weighted average number of shares outstanding during the period, are adjusted for the effects of all dilutive potential Equity Shares.

II. EMPLOYEE STOCK OPTION SCHEME

The Company’s Employee Stock Option Schemes (“ESOSs”) provide for the grant of stock options to eligible employees of the Company. The ESOSs are administered by the Compensation Committee (“Committee”) of the Board of Directors of the Company through Calyx Employees Welfare Trust (“Trust”). The Company has issued and allotted 10,00,000 equity shares of Rs.10/- each to the “Trust” at par for offering to such eligible employees under Employee Stock Option Scheme. The Options are granted at the discretion of the committee to selected employees depending upon certain criterion.

Under “ESOP-2010”, total number of options granted on 1st April 2010, were 18456 with the limit of maximum grant of 1% of paid-up capital to an employee in any given year. ESOP 2010 provides the grant price of the options at par i.e. at paid up value of Rs. 10/- per share. The options were vested immediately. Options which were not exercised prior to the expiry date, i.e. 31st March 2011 have lapsed. As on date the Company does not have any ESOP scheme in force.

JJ. The movement of the employee stock options is as given below:

In Numbers

Particulars	2011-12	2010-11
Outstanding at the beginning of the year	NIL	NIL
Granted during the year	NIL	18456
Forfeited during the year	NIL	NIL
Exercised during the year	NIL	16650
Lapsed during the year	NIL	1806
Outstanding at the end of the year	NIL	NIL
Exercisable at the end of the year	NIL	NIL

Results of Operations

The following table sets forth, for the periods indicated, certain items from our restated standalone financial statements, in each case also stated as a percentage of our total income:

(₹ in Lacs)

Particulars	For the year ended					
	31-Mar-12	%	31-Mar-11	%	31-Mar-10	%
I. Revenue from Operations						
API and Intermediates Manufacturing	45,585.48	77.0%	33,683.78	80.5%	26,876.31	82.3%
Contract Manufacturing	7,623.43	12.9%	2,768.40	6.6%	509.97	1.6%
Contract Research	4,793.33	8.1%	4,099.96	9.8%	3,478.41	10.6%
Process Knowhow	480.00	0.8%	1,004.99	2.4%	1,226.53	3.8%
Other Sales and Service	436.38	0.7%	160.61	0.4%	89.04	0.3%
TOTAL	58,918.61	99.5%	41,717.74	99.6%	32,180.26	98.5%
II. Other Income	301.39	0.5%	147.66	0.4%	486.62	1.5%
III. Total Revenue (I +II)	59,220.00	100.0%	41,865.40	100.0%	32,666.88	100.0%
IV. Expenses:						
- Cost of materials consumed	45,283.58	76.5%	30,388.99	72.6%	25,478.24	78.0%
- Purchase of Stock-in-Trade	2,929.79	4.9%	-	0.0%	-	0.0%
- Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	(4,474.20)	(7.6%)	765.35	1.8%	-	0.0%
- Employee benefit expenses	1,608.26	2.7%	1,253.02	3.0%	1,042.91	3.2%
- Manufacturing Expenses	1,544.82	2.6%	1,252.78	3.0%	902.02	2.8%
-Administration, Selling and Distribution Expenses	2,875.41	4.9%	2,170.01	5.2%	1,428.10	4.4%
-Research and Development Expenses	198.11	0.3%	221.76	0.5%	146.85	0.4%
- Financial costs	4,558.70	7.7%	2,866.37	6.8%	2,462.45	7.5%
- Depreciation and amortization expense	1,294.30	2.2%	977.04	2.3%	773.71	2.4%
Total Expenses	53,439.81	90.2%	37,983.53	90.7%	29,805.60	91.2%
V. Profit before exceptional and extraordinary items and tax (III - IV)	5,780.19	9.8%	3,881.87	9.3%	2,861.28	8.8%
VI. Tax expense:						
(1) Current tax	1,156.49	2.0%	780.30	1.9%	445.28	1.4%
(2) Deferred tax	416.33	0.7%	99.92	0.2%	227.10	0.7%
Total Tax Expenses (VI)	1,572.82	2.7%	880.22	2.1%	672.38	2.1%
VII. Profit after tax but before prior period, exceptional and extraordinary items (V - VI)	4,207.37	7.1%	3,001.65	7.2%	2,188.90	6.7%
VIII. Exceptional Items	-	0.0%	-	0.0%	-	0.0%
IX. Profit after tax, prior period, exceptional and extraordinary items (VII+VIII)	4,207.37	7.1%	3,001.65	7.2%	2,188.90	6.7%

Description of Profit and Loss Statement Key Items

Revenue from Operations: Our Revenue comprises of income from sale of APIs & intermediates such as Pyrazinamide (Anti-TB), Erythromycin (Macrolides), Zopiclone (Anti-Depressant) and Anti-Malarial products, sale of CRAM services, income from process know-how and income from other sales and services. Our Revenue has increased at a CAGR of above 38% from Fiscal 2008 to Fiscal 2012.

We supply our products and services domestically as well as internationally to about 39 countries, including regulated markets. During the last three years our total revenue from operations constitutes the following:

(₹ in Lacs)

Revenue	2011-12	%	2010-11	%	2009-10	%
Domestic	44,025.61	74.72%	32,888.15	78.83%	23,030.25	71.57%
Exports (including deemed exports)	14,893.00	25.28%	8,829.59	21.17%	9,150.01	28.43%
Total	58,918.61	100.00%	41,717.74	100.00%	32,180.26	100.00%

We are constantly striving to increase our customer base and reduce dependence on any particular customer. Details of our customers and percentage of sales derived from top 10 customers is given below:

Particulars	Fiscal 2012	Fiscal 2011	Fiscal 2010
Number of Customers	226	265	257
Net Sales to top 10 customers	63.19%	55.41%	71.98%

Income from CRAMs: Income from CRAMs comprises of income from research and manufacturing contracts entered by our Company with various domestic and international pharmaceutical companies.

Income from Other Sales and Service: Income from other sales and service comprises of income earned on manufacturing of a product carried out on job work basis and scrap sales.

Other income: Other income mainly comprises of income from sale of fixed assets, dividend income from investments, sale of technical knowhow and other miscellaneous income.

Expenditure: Our total expenditure mainly consists of materials consumed, personnel expenses, manufacturing expenses, research & development expenses, administrative, selling and distribution expenses. The following table sets out the principal components of our total expenditure and as a percentage of our total expenditure, for the periods indicated -

(₹ in Lacs)

Particulars	For the year ended					
	31-Mar-12	%	31-Mar-11	%	31-Mar-10	%
Expenses:						
- Cost of materials consumed	45,283.58	84.7%	30,388.99	80.0%	25,478.24	85.5%
- Purchase of Stock-in-Trade	2,929.79	5.5%	-	0.0%	-	0.0%
- Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	(4,474.20)	(8.4%)	765.35	2.0%	-	0.0%
- Employee benefit expenses	1,608.26	3.0%	1,253.02	3.3%	1,042.91	3.5%
- Manufacturing Expenses	1,544.82	2.9%	1,252.78	3.3%	902.02	3.0%
-Administration, Selling and Distribution Expenses	2,875.41	5.4%	2,170.01	5.7%	1,428.10	4.8%
-Research and Development Expenses	198.11	0.4%	221.76	0.6%	146.85	0.5%
- Financial costs	4,558.70	8.5%	2,866.37	7.5%	2,462.45	8.3%
- Depreciation and amortization expense	1,294.30	2.4%	977.04	2.6%	773.71	2.6%
Total Expenses	53,439.81	100.0%	37,983.53	100.0%	29,805.60	100.0%

Cost of materials consumed: Cost of materials consumed includes cost of raw materials and cost incurred in finished goods and work in progress. The main raw materials consumed by us are Erythromycin Thiocynate, 2-

Cyano-4-Methyl Biphenyl, Pyrazine 2,3 Dicarboxylic Acid, 2, -7 Dichloro Fluorene 2-Cyanopyrazine, Hydrazine Hydrate, Artemisinin etc. Raw materials consumed by us are both indigenously sourced and imported.

Manufacturing Expenses: Manufacturing expenses mainly comprise of power and fuel charges, repairs and maintenance expenses, consumables, labour charges, laboratory expenses and other manufacturing charges.

Employee benefit expenses: These expenses mainly comprise of salaries, wages and other allowances paid to our employees, including Directors' remuneration and contribution to statutory funds and other staff and labour welfare expenditure.

Administrative, Selling and Distribution Costs: Administrative expenses mainly comprise of bank charges, printing and stationery expenses, insurance expenses, professional and consultancy fees paid, foreign exchange gain / loss, travelling and conveyance expenses, office and miscellaneous expenses. Selling and distribution expenses mainly comprise freight and clearing expenses, exhibition and business promotion expenditure and commissions paid.

R&D Expenses: Revenue expenditure on research phase is charged to revenue as and when incurred. Expenditure on development phase, for new processes of product which according to the management are completed and are expected to generate economic benefit are shown as Intangible Assets. The same is amortised on Straight Line Basis over a period of 10 years from the time of capitalization as an Intangible Asset.

Financial costs: Our finance costs represent interest paid on loans (including working capital facilities availed and long term borrowings) availed from banks, interest paid on unsecured loans.

Depreciation and amortization expense: These relate primarily to the manufacturing facilities and equipment and Depreciation is calculated using the straight-line method.

Taxation: Our provision for taxation encompasses income tax, fringe benefit tax, and deferred tax. Deferred tax liability arises mainly due to the difference between tax and book written down value of assets.

An analysis of reasons for the changes in significant items of income and expenditure for the preceding 3 Fiscals is given hereunder:

Fiscal 2012 compared to Fiscal 2011

Total Revenue: Our Total Revenue is increased by above 41.5% from ₹ 41,865.40 Lacs in Fiscal 2011 to ₹ 59,220.00 Lacs in Fiscal 2012. The break up of the same is as under:

(₹ in Lacs)

Particulars	For the year ended		
	31-Mar-12	31-Mar-11	% Growth
Revenue from Operations			
API and Intermediates Manufacturing	45,585.48	33,683.78	35.3%
Contract Manufacturing	7,623.43	2,768.40	175.4%
Contract Research	4,793.33	4,099.96	16.9%
Process Knowhow	480.00	1,004.99	(52.2%)
Other Sales and Service	436.38	160.61	171.7%
Total	58,918.61	41,717.74	41.2%
Add: Other Income	301.39	147.66	104.1%
Total Revenue	59,220.00	41,865.40	41.5%

Revenue from Operations: Our Revenue from Operations amounted to ₹ 58,918.61 Lacs in the Fiscal 2012 which is increased by above 41% from ₹ 41,717.74 Lacs in the Fiscal 2011. Over 95% of our Revenue from Operations is contributed by Revenue from API and Intermediates Manufacturing, Contract Manufacturing and Contract Research in Fiscal 2012. During the Fiscal 2012 Revenue from APIs & Intermediates contributed ₹ 45,585.48 Lacs and Revenue from CRAMS contributed ₹ 12,416.76 Lacs showing over 35% and 80% growth respectively over the Fiscal 2011.

During the Fiscal 2012, we could achieve a high growth above 80% in CRAMS business due to reaping of past efforts of development activities. Further, growth in our Products business is due to diversification and increased presence in therapeutic areas such as anti- malarial, anti- hypertensive, anti- depressant as also other APIs and Intermediates. However, we witnessed a slowdown in the Process Knowhow business was due to strategic reasons of expansion of own manufacturing activities.

Income from Other Sales and Service: Income from other sales and service in Fiscal 2012 amounted to ₹ 436.38 . Lacs as compared to ₹ 160.61 Lacs in Fiscal 2011, has increased by 171.7 %.

Materials Consumed:

Our expenditure on materials consumed amounted to ₹ 45,283.58 Lacs in Fiscal 2012, as compared to ₹ 30,388.99 Lacs in Fiscal 2011, which is an increase of about 49%. The increase was primarily as a result of increase in Sales and also due to increase in raw material prices particularly in Macrolide and Anti- Malarial Segment.

Manufacturing Expenses:

In Fiscal 2012, our Company's manufacturing expenses amounted to ₹ 1,544.82 Lacs which is an increase of 23.31% as compared to ₹ 1,252.78 Lacs incurred in Fiscal 2011. This increase of 23.31% in Manufacturing Expenses is less when compared to growth of 41.45% in Revenue from Operations in the Fiscal 2012 over the Fiscal 2011, mainly on account of manufacturing of better product mix in Anti- Malarial Segment, production efficiency in Anti-Tuberculosis and Macrolide Segment.

Employee benefit expenses:

Our personnel expenses increased by 28.35% from ₹ 1,253.02 Lacs in Fiscal 2011 to ₹ 1,608.26 Lacs in Fiscal 2012. The increase in personnel expenses was mainly due to hiring of additional man power and increments in salaries of existing employees.

Administrative, Selling and Distribution Costs:

Our administrative, selling and distribution expenses increased by 32.51% from ₹ 2,170.01 Lacs in Fiscal 2011 to ₹ 2,875.41 Lacs in Fiscal 2012 in line with our increase in operations i.e. growth of 41.45% in Revenue from Operations in the Fiscal 2012 over the Fiscal 2011.

Depreciation and amortization expense:

Our Company's depreciation expense was ₹ 977.04 Lacs in Fiscal 2011 which is increased by 32.47% to ₹ 1,294.30 Lacs in Fiscal 2012. This increase is due to higher depreciation charges on account of additional investments in Fixed Assets during the period.

Financial costs:

Our Company's Financial costs was ₹ 2,866.37 Lacs in Fiscal 2011 which is increased by 59.04% to ₹ 4,558.70 Lacs in Fiscal 2012. This increase is mainly due to increase in our interest cost on account of increase in working capital loans (due to increase in current assets on account of growth of 41.45% in Revenue from Operations, slow down in global economy and delay in debtors realization) and increase in term loans.

Profit Before Tax:

Our Profit Before Tax was ₹ 3,881.87 Lacs in Fiscal 2011 as compared to ₹ 5,780.19 Lacs in Fiscal 2012, which has increased by 48.90%. The increase was mainly on account of high growth of 41.45% in Revenue from Operations in the Fiscal 2012 over the Fiscal 2011 and against such 41.45% growth in Revenue from Operations, increase in total expenses is only 40.69% due to increase in sales realization, better product mix and improvement in overall plant efficiency.

Taxation:

Our total tax liability was ₹ 1,572.82 Lacs in Fiscal 2012 as compared to ₹ 880.22 Lacs in Fiscal 2011. The main reason for increase in the total tax liability during this year was due to reduction in Deferred Tax Assets. Further, the rate of Minimum Alternate Tax (“MAT”) increased from 18% to 18.50% (excluding surcharge and cess) which also lead to an increase in total tax liability.

Profit After Tax as restated:

Our Profit After Tax was ₹ 4,207.37 Lacs in Fiscal 2012 (which is 7.1% of Total Revenue) as compared to ₹ 3,001.65 Lacs (which was 7.2% of Total Revenue) in Fiscal 2011, which is an increase of 40.17%.

Fiscal 2011 compared to Fiscal 2010

Total Revenue: Our Total Revenue has increased by over 28.2% from ₹ 32,666.88 Lacs in Fiscal 2010 to ₹ 41,865.40 Lacs in Fiscal 2011. The break up of the same is as under:

(₹ in Lacs)

Particulars	For the year ended		
	31-Mar-11	31-Mar-10	% Growth
Revenue from Operations			
API and Intermediates Manufacturing	33,683.78	26,876.31	25.3%
Contract Manufacturing	2,768.40	509.97	442.9%
Contract Research	4,099.96	3,478.41	17.9%
Process Knowhow	1,004.99	1,226.53	-18.1%
Other Sales and Service	160.61	89.04	80.4%
Total	41,717.74	32,180.26	29.6%
Add: Other Income	147.66	486.62	-69.7%
Total Revenue	41,865.40	32,666.88	28.2%

Revenue from Operations: Our Revenue from Operations was ₹ 41,717.74 Lacs in the Fiscal 2011 which has increased by about 29.6% from ₹ 32,180.26 Lacs in the Fiscal 2010. About 96.9% of our Revenue from Operations was contributed by Revenue from API and Intermediates Manufacturing, Contract Manufacturing and Contract Research in Fiscal 2011. During the Fiscal 2011 Revenue from APIs & Intermediates contributed ₹ 33,683.78 Lacs and Revenue from CRAMS contributed ₹ 6,868.36 Lacs showing above 25% and 72% growth respectively over the Fiscal 2010.

During the Fiscal 2011, we achieved a high growth of over 72% in CRAMS business due to past efforts of development activities. However, we witnessed a slowdown in the Process Knowhow business due to strategic reasons of expansion of own manufacturing activities.

Income from Other Sales and Service: Income from other sales and service in Fiscal 2011 was ₹ 160.61 Lacs as compared to ₹ 89.04 Lacs in Fiscal 2010, increased by above 80%.

Materials Consumed:

Our expenditure on materials consumed was ₹ 30,388.99 Lacs in Fiscal 2011, as compared to ₹ 25,478.24 Lacs in Fiscal 2010, which is an increase of about 19.27%. This increase of 19.27% was primarily as a result of corresponding increase in Revenue from Operations of about 29.64% in Fiscal 2011 over Fiscal 2010.

Manufacturing Expenses:

Our Company's manufacturing expenses was ₹ 1,252.78 Lacs which was an increase of 38.89% as compared to ₹ 902.02 Lacs incurred in Fiscal 2010. This increase of 38.89% in Manufacturing Expenses is higher when compared to growth of 29.64% in Revenue from Operations in the Fiscal 2011 over the Fiscal 2010, mainly on account of increase in cost of Labour, Power & Fuel.

Employee benefit expenses:

The personnel expenses increased by 20.15% from ₹ 1,042.91 Lacs in Fiscal 2010 to ₹ 1,253.02 Lacs in Fiscal 2011. The increase in personnel expenses was due to hiring of additional man power and normal increments in salaries of existing employees.

Administrative, Selling and Distribution Costs:

The administrative, selling and distribution expenses increased by 51.95% from ₹ 1,428.10 Lacs in Fiscal 2010 to ₹ 2,170.01 Lacs in Fiscal 2011 which was higher when compared to growth of 29.64% in Revenue from Operations in the Fiscal 2011 over the Fiscal 2010, mainly due to higher expenses incurred on increase in Professional & Legal fees and loss on account of Foreign Exchange rate fluctuations.

Depreciation and amortization expense:

Our Company's depreciation expense was ₹ 977.04 Lacs in Fiscal 2011 which increased by 26.28% on ₹ 773.71 Lacs in Fiscal 2010. This increase is due to higher depreciation charges on account of additional investments in Fixed Assets during the period.

Financial costs:

The Financial costs was ₹ 2,462.45 Lacs in Fiscal 2010 which increased by 16.40% to ₹ 2,866.37 Lacs in Fiscal 2011. This increase was in line with the increase in our operation and growth in Total Revenue and was on account of increase in our interest cost due to increase in working capital loans and term loans.

Profit Before Tax:

The Profit Before Tax was ₹ 2,861.28 Lacs in Fiscal 2010 which increased by 35.67% to ₹ 3,881.87 Lacs in Fiscal 2011. The increase was mainly on account of growth of 29.64% in Revenue from Operations in the Fiscal 2011 over the Fiscal 2010 and against this 29.64% growth in Revenue from Operations, increase in total expenses was only 27.44% mainly due to saving on cost of materials consumed (which came down to 72.6% of Total Revenue in FY 2011 from 78.0% of Total Revenue in FY 2010) and improvement in overall operational efficiency.

Taxation:

Our total tax liability increased from ₹ 672.38 Lacs in Fiscal 2010 by 30.91% to ₹ 880.22 Lacs in Fiscal 2011. The main reason for the increase in tax liability for this year was on account of increase in the rate of Minimum Alternate Tax ("MAT") from 15% to 18% (excluding surcharge and cess).

Profit After Tax as restated:

Our Profit After Tax was ₹ 3,001.65 Lacs in Fiscal 2011 (which is 7.2% of Total Revenue) as compared to ₹ 2,188.90 Lacs (which was 6.7% of Total Revenue) in Fiscal 2010, which increased by 37.13% due to the factors as explained in Profit Before Tax.

Fiscal 2010 compared to Fiscal 2009

Total Revenue: Our Total Revenue increased by over 36.3% from ₹ 23,960.74 Lacs in Fiscal 2009 to ₹ 32,666.88 Lacs in Fiscal 2010. The break up of the same is as under:

(₹ in Lacs)

Particulars	For the year ended		
	31-Mar-10	31-Mar-09	% Growth
Revenue from Operations			
API and Intermediates Manufacturing	26,876.31	15,761.69	70.5%
Contract Manufacturing	509.97	3,141.12	-83.8%
Contract Research	3,478.41	3,107.33	11.9%
Process Knowhow	1,226.53	1,416.30	-13.4%
Other Sales and Service	89.04	75.31	18.2%
Total	32,180.26	23,501.74	36.9%
Add: Other Income	486.62	459.00	6.0%
Total Revenue	32,666.88	23,960.74	36.3%

Revenue from Operations: Our Revenue from Operations was ₹ 23,501.74 Lacs in the Fiscal 2009 which increased by 36.9% to ₹ 32,180.26 Lacs in Fiscal 2010. About 94.5% of our Revenue from Operations was contributed by Revenue from API and Intermediates Manufacturing, Contract Manufacturing and Contract Research in Fiscal 2010. During the Fiscal 2010, Revenue from APIs & Intermediates contributed ₹ 26,876.31 Lacs and Revenue from CRAMS contributed ₹ 3,988.38 Lacs showing over 70.5% growth in API and Intermediates and a decrease of about 36.17% in CRAMS over the Fiscal 2009.

During the Fiscal 2011, we could achieve a high growth above 72% in API and Intermediates business due to diversification and increased presence in therapeutic areas such as anti- malarial, anti- hypertensive, anti- depressant as also other APIs and Intermediates.

Income from Other Sales and Service: Income from other sales and service in Fiscal 2010 was ₹ 89.04 Lacs as compared to ₹ 75.31 Lacs in Fiscal 2009, increase of 18.2%.

Materials Consumed:

The expenditure on materials consumed was ₹ 25,478.24 Lacs in Fiscal 2010, as compared to ₹ 18,459.62 Lacs in Fiscal 2009, which is an increase of about 38.02%. This increase of 38.02% was primarily as a result of corresponding increase in Revenue from Operations of about 36.93% in Fiscal 2010 over Fiscal 2009 and as a result of increase in raw material prices particularly in Macrolide and Anti- Malarial Segment.

Manufacturing Expenses:

The manufacturing expenses were ₹ 902.02 Lacs in Fiscal 2010 which decreased by 5.25% from ₹ 952.00 Lacs incurred in Fiscal 2009. This decrease in manufacturing expenses was mainly on account of better product mix in Anti- Malarial Segment and production efficiency in Ant-Tuberculosis Segment and in Macrolide.

Employee benefit expenses:

The personnel expenses increased by 17.54% from ₹ 887.26 Lacs in Fiscal 2009 to ₹ 1,042.91 Lacs in Fiscal 2010. The increase in personnel expenses was due to hiring of additional man power and normal increments in salaries of existing employees in line with Industry standards.

Administrative, Selling and Distribution Costs:

The administrative, selling and distribution expenses decreased by 5.11% from ₹ 1,505.01 Lacs in Fiscal 2009 to ₹ 1,428.10 Lacs in Fiscal 2010, mainly was due to reduction in Exhibition and Other Selling Expenses and due to fluctuation in Foreign Exchange rates.

Depreciation and amortization expense:

The depreciation expense was ₹ 773.71 Lacs in Fiscal 2010 which increased by 4.07% on ₹ 743.42 Lacs in Fiscal 2009.

Financial costs:

The Financial costs was ₹ 2,278.66 Lacs in Fiscal 2009 which increased by 8.07% to ₹ 2,462.45 Lacs in Fiscal 2010. This increase was on account of increase in our interest cost due to increase in working capital loans and term loans.

Profit Before Tax:

The Profit Before Tax was ₹ 1,824.57 Lacs in Fiscal 2009 which was increased by 56.82% to ₹ 2,861.28 Lacs in Fiscal 2010. The increase was mainly on account of growth of 36.34% in Total Revenue in the Fiscal 2010 over the Fiscal 2009 and against such 36.34% growth in Total Revenue, increase in total expenses was only 34.65% mainly due to saving on manufacturing expenses and Administration, Selling and Distribution Expenses incurred along with less increase in Financials cost and also due to saving in costs on shifting the location of its corporate office.

Taxation:

The total tax liability increased from ₹ 315.69 Lacs in Fiscal 2009 by 112.99% to ₹ 672.38 Lacs in Fiscal 2010.

Profit After Tax as restated:

The Profit After Tax was ₹ 2,188.90 Lacs in Fiscal 2010 (which is 6.7% of Total Revenue) as compared to ₹ 1,508.88 Lacs (which was 6.3% of Total Revenue) in Fiscal 2009, which increased by 45.07% due to the factors as explained under the heading Profit Before Tax.

Discription of other items:**Cash Flows**

The following table sets forth our standalone cash flows for the Fiscal years 2012, 2011 and 2010:

(In ₹ Lacs)

Particulars	Fiscal		
	2012	2011	2010
Net cash flow from operating activities (a)	6,906.70	357.14	3,224.33
Net cash flow from investing activities (b)	(4,258.51)	(5,452.04)	(1,107.12)
Net cash flow from financing activities (c)	119.03	4,550.42	431.85
Net increase / (decrease) in cash and cash equivalents (a+b+c)	2,767.23	(544.48)	1,685.36

Cash in the form of bank deposits, current account balances and cash on hand represents our cash and cash equivalents.

Contingent Liabilities

Our contingent liabilities as restated on standalone basis are as under:

(₹ in Lacs)

Particulars	March 31,	March 31,	March 31,
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	2012	2011	2010
Letters of Credit outstanding	598.66	1,594.34	1,804.51
Capital Commitments (net of advances)	280.58	318.45	290.36
Custom duty liability on account of pending Export obligation – Advance Licence and EPCG scheme	440.85	327.11	251.06
Direct and Indirect Taxation	88.99	113.71	188.20
Bank Guarantee	11.43	15.55	3.75
Contested claims (excluding taxation)	18.32	18.32	0.00

Off-Balance Sheet Arrangements

Apart from the contingent liabilities mentioned above, there are no off-balance sheet arrangements in our Company.

Transactions with Related Parties

From time to time, we enter into transactions with related parties in the ordinary course of our business. For details of our related party transactions, see “*Financial Information*” on page 201 of this Draft Red Herring Prospectus.

Interest Rate Risk

We have ₹ 61,666.12 Lacs indebtedness as on August 31, 2012 and also maintain deposits of cash and cash equivalents with banks and other financial institutions and thus are exposed to market risk as a result of changes in interest rates. Moreover, the interest rates on certain of our indebtedness are subject to periodic resets. For details pertaining to the same, please refer to the chapter titled “*Financial Indebtedness*” beginning on page 269 of this Draft Red Herring Prospectus.

Unusual or infrequent events or transactions

Except as disclosed in this Draft Red Herring Prospectus, there are no events or transactions which may be described as ‘unusual’ or ‘infrequent’.

Significant economic changes that materially affected or are likely to affect income from continuing operations

Except as disclosed in ‘Factors Influencing Our Results of Operations’ above, we do not believe that there are any other significant economic changes that materially affect or are likely to affect income from continuing operations.

Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Our business has been impacted and we expect will continue to be impacted by the trends identified above in – Factors Affecting our Results of Operation – and the uncertainties described in – “*Risk Factors*” on page 11 of this Draft Red Herring Prospectus. To our knowledge, except as we have described in this Draft Red Herring Prospectus, there are no known factors, which we expect to have a material adverse impact on our revenues or income from continuing operations.

Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or price that will cause a material change are known

Except as described in chapters titled “*Risk Factors*” and “*Business Overview*” beginning on pages 11 and 118 of this Draft Red Herring Prospectus, respectively, to the best of our knowledge, there is no future relationship between expenditure and income that will have a material adverse impact on our operations and finances.

The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased prices

The reasons for changes in Revenue during the Fiscal 2012, 2011 and 2010 are as explained above.

Total turnover of each major industry segment in which the Issuer Company operates

The details of turnover during the Fiscal 2012, 2011 and 2010 are stated as above.

Status of any publicly announced new products or business segment

Since March 31, 2012, our Company has not publicly announced any new products or business segment except as disclosed in the chapter “*Business Overview*” beginning on page 118 of this Draft Red Herring Prospectus.

The extent to which business is seasonal

Our business is not typically seasonal in nature.

Any significant dependence on a single or few suppliers or customers

Our Revenue in the past three years has been generated, significantly, from some customers. For details thereof, please refer to the chapter titled “*Business Overview*” beginning on page 118 as well as the chapter titled “*Risk Factors*” beginning on page 11 of this Draft Red Herring Prospectus.

Competitive conditions

Please refer to section “*Competitors*” in chapter titled “*Business Overview*” and “*Risk Factors*” beginning on pages 118 and 11, respectively of this Draft Red Herring Prospectus.

SECTION VIII

LEGAL AND OTHER REGULATORY INFORMATION

OUTSTANDING LITIGATION, MATERIAL DEVELOPMENTS AND OTHER DISCLOSURES

Except as described below, there are no outstanding litigations suits, civil or criminal prosecuting or proceedings against our Company, our Directors, our Promoters and our Entities Promoted by our Promoters before any judicial, quasi-judicial, arbitral or administrative tribunals or any disputes, tax liabilities, non payment of statutory dues, overdues to banks / financial institutions, defaults against banks / financial institutions, defaults in dues towards instrument holders, fixed deposits, 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 imposed and irrespective of whether they are specified under paragraph (i) of Part 1 of Schedule XIII of the Companies Act) against our Company, our Directors, our Promoters and the entities promoted by our Promoters, except the following:

This chapter has been divided into 11 parts:

- I. Contingent Liability
- II. Summary of pending litigation
- III. Litigation involving our Company
- IV. Litigation involving our Subsidiary
- V. Litigation involving our Directors and Promoters
- VI. Litigation involving Entities Promoted by our Promoters
- VII. Potential litigation
- VIII. Litigations filed by / against other entities, which have material implications to our business
- IX. Penalties imposed in past cases for the last 5 years
 - i. Our Company
 - ii. Our Directors and Promoters
 - iii. Entities Promoted by our Promoters
- X. Amounts owed to small scale undertakings
- XI. Material developments since the last balance sheet date

I. CONTINGENT LIABILITY

		(<i>₹ in Lacs</i>)
Particulars		As at March 31, 2012
Letters of Credit outstanding		598.66
Capital Commitments (net of advances)		280.58
Custom duty liability on account of pending Export obligation-Advance Licence and EPCG scheme		440.85
Direct and Indirect Taxation		88.99
Bank Guarantee		11.43
Contested claims (excluding taxation)		18.32

II. SUMMARY OF PENDING LITIGATION

							(<i>₹ in Lacs</i>)
Entity involved in the litigation	Civil cases	Criminal cases	Tax cases	Financial implications*	Potential Litigations	Financial implications*	
Our Company							
Litigations by our Company	01	01	08**	164.27	01	Nil	
Litigations against our	05	02	03	27.89	42	1434.17	

Company						
Total	06	03	11	192.16	43	1434.17
Promoters and / or Directors						
Litigations by Promoters and / or Directors	01	Nil	Nil	0.94	Nil	Nil
Litigations against Promoters and / or Directors	Nil	02	Nil	9.57	Nil	Nil
Total	01	02	Nil	10.51	Nil	Nil
Litigations filed by / against other entities, which may have material implications to our Business						
Litigations filed against other entities, which may have material implications to our business	Nil	Nil	Nil	Nil	Nil	Nil

*to the extent quantifiable.

**all or part of the amount involved in these litigations may be payable by our Company to relevant tax authorities, in case the outcome of this litigation is not in favour of our Company.

*** Not quantifiable

III. LITIGATION INVOLVING OUR COMPANY

Against our Company

Civil Litigation

- (i) ***Motor Accident Claim No. 611 / 2010 filed by Ms. Sheela Subhash Shinde (“Claimant”) against Mr. Pingal Karbhari Kondaji (“Respondent 1) and our Company (“Respondent 2”) (collectively referred to as “Respondents”) before the Court of Motor Accident Tribunal at Nashik***

The Claimant has filed a claim case bearing number 611 of 2010 (“Case”) against Respondents before the Court of the District and Session Judge, Motor Accidents Claims Tribunal at Nashik under Section 166 of the Motor Vehicles Act, 1988 seeking compensation of ₹ 2.00 Lacs for an injury allegedly caused to her in an accident caused by a collision of vehicles owned by the Respondents. Claimant has filed separate claim application as well seeking compensation of ₹ 00.25 Lacs under Section 140 of the Motor Vehicles Act, 1988. The Case is currently pending before the aforementioned tribunal.

- (ii) ***Motor Accident Claim No. 618 / 2010 filed by Mr. Fakirrao Eknath Gaikwad (“Claimant”) against Mr. Pingal Karbhari Kondaji (“Respondent 1) and our Company (“Respondent 2”) (collectively referred to as “Respondents”) before the Court of Motor Accident Tribunal at Nashik***

The Claimant has filed a claim case bearing number 618 of 2010 (“Case”) against Respondents before the Court of the District and Session Judge, Motor Accidents Claims Tribunal at Nashik under Section 166 of the Motor Vehicles Act, 1988 seeking compensation of ₹ 1.00 Lac for an injury allegedly caused to him in an accident caused by a collision of vehicles owned by the Respondents. Claimant has filed separate claim application as well seeking compensation of ₹ 00.25 Lacs under Section 140 of the Motor Vehicles Act, 1988. The case is currently pending before the aforementioned tribunal.

- (iii) ***Motor Accident Claim No. 619 / 2010 filed by Ms. Varsha Somnath Bajekar (“Claimant 1”) and Mr. Somnath Murlidhar Bajekar (“Claimant 2”) (collectively referred to as “Claimants”) against Mr. Pingal Karbhari Kondaji (“Respondent 1) and our Company (“Respondent 2”) (collectively referred to as “Respondents”) before the Court of Motor Accident Tribunal at Nashik***

The Claimants have filed claim case number 619 of 2010 (“**Case**”) against Respondents before the Court of the District and Session Judge, Motor Accidents Claims Tribunal at Nashik under Section 166 of the Motor Vehicles Act, 1988 seeking compensation of ₹ 2.00 Lacs for an injury allegedly caused to them in an accident caused by a collision of vehicles owned by the Respondents. Claimants have filed separate claim application as well seeking compensation of ₹ 00.25 Lac under Section 140 of the Motor Vehicles Act, 1988.

The Case is currently pending before the aforementioned tribunal.

- (iv) ***Motor Accident Claim No. 987 / 2010 filed by Mr. Vaman Karbhari Shinde (“Claimant”) against Mr. Pingal Karbhari Kondaji (“Respondent 1) and our Company (“Respondent 2”) (collectively referred to as “Respondents”) before the Court of Motor Accident Tribunal at Nashik***

The Claimant has filed claim case bearing number 987 of 2010 (“**Case**”) against the Respondents before the Court of the District and Session Judge, Motor Accidents Claims Tribunal at Nashik under Section 166 of the Motor Vehicles Act, 1988 seeking compensation of ₹ 3.00 Lacs for an injury allegedly caused to him in an accident caused by a collision of vehicles owned by the Respondents.

The Case is currently pending before the Court of Motor Accident Tribunal, Nashik.

- (v) ***Summary suit No. 3056 of 2005 (“Suit”) filed by Bombay Engineering works (“Plaintiff”) against Calyx Pharmaceuticals and Chemicals Ltd (“Defendant”) before the High Court of Judicature at Bombay.***

The Plaintiff has filed the Suit against the Defendant for recovering a sum of ₹ 9,57,268.30 together with interest at 18% p.a.

The Suit has been filed *inter alia* on the grounds:

- a) The Defendant placed an order with the Plaintiff for the purchase of fluid bed dryer mode: BF 200 for a total consideration of ₹11,54,268.30. The Defendant company has another sister concern by the name “Calyx Chemicals & Pharmaceuticals Pvt Ltd”(“**Sister Concern**”) which had placed the same order for the same consideration.
- b) The Plaintiff states that as per the terms of the purchase order, the Defendant and the Sister Concern were liable to pay a sum of ₹ 1,00,000 immediately, ₹ 1,00,000 by August 08, 2002 and the balance in October 2002.
- c) The Plaintiff states that *vide* letter dated August 02, 2002, the payment terms were altered and the Defendant and Sister Concern were liable to pay ₹ 200,000 each in advance, ₹5,00,000 each. It was also agreed that the Defendant would issue post dated cheques in favour of the Plaintiff before delivery alongwith a confirmation letter confirming that on the due date the said cheques will be honoured.
- d) The Plaintiff states that during the month of September 2002, the Defendant issued three post dated cheques towards the balance payment due for sum of ₹2,00,000.
- e) The Plaintiff states that the Defendant had taken delivery of the fluid bed dryer and has utilized the same.
- f) The Plaintiff states that towards the discharge of their liability for the purchase price of ₹11,54,268.30, the Defendant has made a payment of ₹ 2,00,000 only. The post dated cheques have been dishonoured by the bankers of the Defendant. The Defendant has failed and neglected to pay the purchase price of the machine to the Plaintiff.

The Plaintiff has filed the suit praying *inter alia*:

- a) A decree against the Defendant for a sum of ₹9,57,268.30/- together with interest at 18% p.a. from the date of filing of the suit till payment or realization.
- b) Costs.
- c) Such other reliefs as the court may think fit.

The above Suit is currently pending before the High Court of Judicature at Bombay.

Criminal Litigation

- i. ***Criminal Case No. 15 of 2010 filed by State at the instance of K.T. More, Drugs Inspector (“Complainant”) against Mr. Balkrishna Dattatraya Deshpande (“Accused1”), Mr. Smitesh Mehta (“Accused 2”) and Calyx Chemicals Pharmaceuticals Limited (“Accused 3”) (collectively “Accused”) before the Judicial Magistrate First Class, Kalyan, Dist. Thane.***

The Complainant has filed the criminal complaint bearing number 15 of 2010 (“**Complaint**”) against the Accused for contravention of the provisions of Section 18 (c), Section 18 (a)(i) read with Section 17 (b), Section 27 (b)(ii) and Section 27 (d) of the Drugs and Cosmetics Act, 1940 and applicable rules formulated thereunder.

The Complainant alleges that the following contraventions of the Drugs and Cosmetics Act, 1940 have been committed by the Accused:

- a) Accused 3 has exported some stock of certain drugs without holding requisite manufacturing and selling license. The offense was detected after the stock of the said drugs was detained by the Complainant’s office at Sahar Air Cargo Complex, Mumbai;
- b) During the Complainant’s visit along with the Drugs Inspector, Thane to the premises, stock of the drug was found without labels stating details like manufacturing date, expiry date and the name of manufacturer and other details; and
- c) Complainant under intimation in Form 17 to Accused 1 has drawn 2 samples for tests and analysis as per provisions of the Drugs and Cosmetics Act, 1940. It was found that these samples did not bear the requisite labels, as per the Drugs and Cosmetics Act, 1940.

The said Complaint has been filed praying that process be issued against the Accused and that they be dealt with as per law.

As on date, the summons have not been served on Accused and the Complaint is currently pending before the Judicial Magistrate First Class, Kalyan, District Thane.

- ii. ***Criminal Appeal bearing number 923 of 2008 dated April 15, 2008 filed by M/s. The Bombay Engineering Works (“Appellant”) against Calyx Pharmaceuticals and Chemicals Private Limited (“Respondent 1”), Calyx Chemicals and Pharmaceuticals Private Limited (“Respondent 2”), Mr. Smitesh Shah, in his capacity as the Director of Respondent 1 and 2 (“Respondent 3”), Mr. Satish Shah (“Respondent 4”), Mr. Michael Guido in his capacity as the Project Manager and Purchase Manager of Respondent 1 and 2 (“Respondent 5”) and the State of Maharashtra (“Respondent 6”) (collectively referred to as “Respondents”) before the High Court of Judicature at Bombay (“High Court”).***

A criminal appeal bearing number 923 of 2008 dated April 15, 2008 (“**Appeal**”) has been filed by the Appellant against the Respondents before the High Court, challenging the judgment and order dated January 30, 2008 (“**Impugned Order**”) passed by the Special Metropolitan Magistrate and Judge of Court of Small Causes, Mumbai (“**Trial Court**”) in Complaint number 3490 / Ss / 2005 (“**Complaint**”). The Appeal and Complaint pertain to alleged dishonour of cheques amounting to ₹ 9.57 Lacs issued by Respondent 2 on behalf of Respondent 1 in favour of the Appellant, wherein Respondents 1 to 5 were parties to the Complaint. The Trial Court had *vide* the Impugned Order acquitted Respondents 1 to 4 from offences punishable under Section 138 of Negotiable Instruments Act (“**N. I. Act**”).

The Appeal has been filed praying *inter alia*:

- a) That the High Court call for the records and proceedings of the Complaint filed before the Trial Court and to quash and set aside the Impugned Order;

- b) That the High Court record a finding, holding the Respondents guilty of offences under the N. I. Act and pass a sentence accordingly; and
- c) for costs.

The Appeal has been filed on the grounds *inter alia* that:

- a) The Trial Court erred in acquitting Respondent 1 to 4 of the offence under the N. I. Act;
- b) The Trial Court ought to have appreciated that the Appellant had proved the issuance and dishonour of cheques and the said fact has not been disputed by the Respondents;
- c) The Trial Court erred in casting the duty upon the Appellant to prove that the cheques were dishonoured on the grounds of insufficient funds;
- d) The Trial Court erred in accepting the defence of the Respondent that the Respondents had stopped payment of the cheques issued to Appellant as a particular machinery delivered by Appellant to Respondent was not properly working;
- e) The Trial Court ought to have appreciated that the Respondents are liable for penal action in respect of dishonour of cheques and in such case the burden is upon the Respondents to prove that there was no enforceable debt or liability;
- f) The Trial Court erred in holding that since the liabilities of Respondent 1 were not taken over by the Respondent 2, the cheques issued by Respondent 2 cannot be covered within the purview of the N. I. Act and that the Trial Court ought to have appreciated that the cheques were issued by Respondent 2 on behalf of Respondent 1 against delivery of machinery to Respondent 1;
- g) The Trial Court erred in holding that at the time of deposit of cheques and subsequent dishonour there was a valid, legal and enforceable liability of the Respondents; and
- h) The Trial Court erred in holding that on the date of presentation of the cheques there was no consideration passed in favour of Respondent 2.

No written submissions have been filed by the Respondents in this Appeal. The Appeal is currently pending before the High Court of Judicature at Bombay.

Tax Litigation

- (i) ***Customs Appeal bearing Number 55 of 2011("Appeal") dated September 24, 2011 filed by the Commissioner of Customs (Exports) CIU ("Appellant") against Shri Jitendra Shah, ex-employee of our Company ("Respondent") before the High Court of Judicature at Bombay.***

The Appellant has filed an Appeal bearing Number 55 of 2011 dated September 24, 2011 before the High Court of Judicature, Bombay, challenging the order No. A/591-595/10/SMB/C-IV dated September 29, 2010 ("**Impugned Order**") passed by CESTAT, Mumbai in Appeal No. C/556/2009, allowing the appeal filed by the Respondent.

CESTAT allowed the appeal of the Respondent holding that the goods Zoledronate is not covered under the definition of the drugs u/s 3(b)(iii) of the Drugs & Chemicals Act as the said Act deals with import of the goods, manufacture and sale only and therefore the goods can be exported.

The Appeal has been filed praying that:

- a) The Court be pleased to decide the substantial question of law or such other question or questions as the Court may formulate in favour of the Appellant in the facts and circumstances of the case.
- b) The Court be pleased to determine any other questions of law or issues which have not been determined or wrongly determined by the Appellate Tribunal in the facts and circumstances of the case.
- c) Pending the hearing and final disposal of this appeal, the Court be pleased to stay the execution, operation and implementation of the Order dated September 29, 2010 passed by the Tribunal at Mumbai.
- d) Ex parte ad-interim relief pending the hearing and final disposal of the case.

- e) Such other and further relief, to which the Appellant may be deemed entitled to, be kindly granted.

The Appeal has been filed on the grounds *inter alia* that:

- a) The Tribunal committed an error in not appreciating the fact about the statement of Mr. Adhia confirming that he himself forged the signature of the technical officer of the Drugs Department which has been confirmed by the Drugs Department.
- b) The Tribunal committed an error in not appreciating that the manufacturer had no licence to manufacture zoledronate for sale in the open market and the only license is for testing and analysis, which means that the said goods cannot be sold in the market.
- c) The provision of Chapter-IX of the Drugs & Chemical Rules deal with labelling and packing of the drugs, Rules 94 and 105 lay down the requirement for labelling and packing of the drugs even for exports. Therefore every exporter has to comply with the requirement of the said rules regarding labelling and export. The said rules have not been complied with by the exporter.
- d) The Respondent has indulged in illegal export of goods by forging the documents.

The High Court of Judicature, Bombay *vide* order dated February 13, 2012 has admitted the Appeal and the same is currently pending for hearing. .

(ii) *Customs Appeal bearing Number 54 of 2011("Appeal") dated September 28, 2011 filed by the Commissioner of Customs (Exports) CIU ("Appellant") against Shri Shailesh Sawant, ex-employee of our Company ("Respondent") before the High Court of Judicature at Bombay.*

The Appellant has filed an Appeal bearing Number 54 of 2011 dated September 28, 2011 before the High Court of Judicature, Bombay, challenging the order No. A/591-595/10/SMB/C-IV dated September 29, 2010 ("**Impugned Order**") passed by CESTAT, Mumbai in Appeal No. C/557/2009, allowing the appeal filed by the Respondent.

CESTAT allowed the appeal of the Respondent holding that the goods Zoledronate is not covered under the definition of the drugs u/s 3(b)(iii) of the Drugs & Chemicals Act as the said Act deals with import of the goods, manufacture and sale only and therefore the goods can be exported.

The Appeal has been filed praying that:

- a) This Court be pleased to decide the substantial question of law raised in para-4 or such other question or questions as this Court may formulate in favour of the Appellant in the facts and circumstances of the case.
- b) This Court be pleased to determine any other questions of law or issues which have not be determined or wrongly determined by the Appellate Tribunal in the facts and circumstances of the case.
- c) Pending the hearing and final disposal of this appeal, this Court be pleased to stay the execution, operation and implementation of the Order dated September 29, 2010 passed by the Tribunal at Mumbai.
- d) Ex parte ad-interim relief pending the hearing and final disposal of the case be granted.
- e) Costs of this appeal be provided.
- f) Such other and further relief, to which the Appellant may be deemed entitled to, be kindly granted.

The Appeal has been filed on the grounds *inter alia* that:

- a) The statement of Mr. Adhia confirming that he himself forged the signature of the technical officer of the Drugs Department, which has been confirmed by the Drugs Department.
- b) The manufacturer had no licence to manufacture zoledronate for sale in the open market and the only license is for testing and analysis, which means that the said goods cannot be sold in the market.

- c) The provision of Chapter-IX of the Drugs & Chemical Rules deal with labelling and packing of the drugs, Rules 94 and 105 lay down the requirement for labelling and packing of the drugs even for exports. Therefore every exporter has to comply with the requirement of the said rules regarding labelling and export. The said rules have not been complied with by the exporter.
- d) The Respondent has indulged in illegal export of goods by forging the documents.

The High Court of Judicature, Bombay *vide* order dated February 13, 2012 has admitted the Appeal and the same is currently pending for hearing. .

(iii) Customs Appeal bearing number 50 of 2011 dated September 28, 2011 (“Appeal”) filed by the Commissioner of Customs (Exports) CIU (“Appellant”) against our Company (“Respondent”) before the High Court of Judicature at Bombay.

The Appellant has filed the Appeal before the High Court of Judicature, Bombay, challenging the order No. A/591-595/10/SMB/C-IV dated September 29, 2010 (“**Impugned Order**”) passed by CESTAT, Mumbai allowing the appeal filed by the Respondent.

CESTAT allowed the appeal of the Respondent holding that the goods Zoledronate is not covered under the definition of the drugs u/s 3(b)(iii) of the Drugs & Chemicals Act as the said Act deals with import of the goods, manufacture and sale only and therefore the goods can be exported.

The Appeal has been filed praying that:

- a) This Court be pleased to decide the substantial question of law raised in para-4 or such other question or questions as this Court may formulate in favour of the Appellant in the facts and circumstances of the case.
- b) This Court be pleased to determine any other questions of law or issues which have not been determined or wrongly determined by the Appellate Tribunal in the facts and circumstances of the case.
- c) Pending the hearing and final disposal of this Appeal, this Court be pleased to stay the execution, operation and implementation of the Order dated September 29, 2010 passed by the Tribunal at Mumbai.
- d) Ex parte ad-interim relief pending the hearing and final disposal of the Appeal.
- e) Costs of this Appeal be provided.
- f) Such further relief to which the Appellant may be deemed entitled to, be kindly granted.

The Appeal has been filed on the grounds *inter alia* that:

- a) The statement of Mr. Adhia confirming that he himself forged the signature of the technical officer of the Drugs Department, which has been confirmed by the Drugs Department.
- b) The manufacturer had no licence to manufacture zoledronate for sale in the open market and the only license is for testing and analysis, which means that the said goods cannot be sold in the market.
- c) The provision of Chapter-IX of the Drugs & Chemical Rules deal with labelling and packing of the drugs, Rules 94 and 105 lay down the requirement for labelling and packing of the drugs even for exports. Therefore every exporter has to comply with the requirement of the said rules regarding labelling and export. The said rules have not been complied with by the exporter.
- d) The Respondent has indulged in illegal export of goods by forging the documents.

The High Court of Judicature, Bombay *vide* order dated February 13, 2012 has admitted the Appeal and the same is currently pending for hearing. .

By Our Company

Civil Litigation

- i. ***Suit bearing No. 3442 of 2004 (“Suit”) filed by our Company (“Plaintiff”) against Bombay Engineering Works (“Defendant 1”), Mr V.S. Joshi, partner (“Defendant 2) and Mr. Mayur Joshi, partner, (Defendant 3) collectively (“Defendants”) before the High Court of Judicature at Bombay.***

The Suit has been filed *inter alia* on the grounds that:

- a) The Plaintiff is engaged in the manufacture of bulk drugs and intermediaries. The Plaintiff states that they have a sister company known as Calyx Pharmaceuticals and Chemicals Pvt Ltd which is also engaged in the manufacture of identical products. In July 2002, the Plaintiff had received confirmation of contract for supply of Erythromycin Ethyl Succinate to M/s Hawras Projects Limited, Jordan.
- b) In order to be able to supply the said goods, it was decided that the said products shall be manufactured by the Plaintiff and the sister company shall be given a sub-contract to manufacture the product and for that purpose, purchase an equipment namely fluid bed dryer which was to be installed in their factories.
- c) The Defendants assured the Plaintiff that they shall supply the equipment as required by the Plaintiff, and upon that representation, the Plaintiff issued its purchase order dated July 27, 2002 for the purchase of fluid dyers for a total sum of ₹11,54,268.30 inclusive of sales tax.
- d) The sister company of the Plaintiff had also placed a similar order. The advance of ₹1,00,000 for the equipment was paid to the Defendant. The Defendant 1 received a sum of ₹ 2,00,000 from the Plaintiff as advance towards both the purchase orders.
- e) The Defendants agreed that they shall be able to supply to the Plaintiff one fluid bed dryer on or about September 01, 2001 and the second one to be delivered after 15 days of the delivery of the first fluid bed dryer.
- f) The Plaintiffs states that inspite of the Defendants being aware of the urgency of the matter and they having promised to supply the fluid bed dryers on or about September 01, 2002, the Defendants 1 could complete the fabrication work only on September 10, 2002.
- g) The Plaintiff states that the Defendant 1 instead of erecting the fluid bed dryers in the factory of Plaintiff demanded that the Plaintiff issued post dated cheques in favour of the Defendant 1 and then only they shall supply the fluid bed dryers.
- h) The Plaintiff states that as the Defendant failed and neglected to rectify the various defects, the Plaintiffs called upon the Defendant 1 to immediately rectify the defects in the machinery. It was also mentioned in the letter that on rectification of mistakes, the Plaintiff shall release its pay order for the sum of ₹6.5 lakhs. It was also mentioned that if the Defendant 1 did not rectify the defects, they would cancel the contract.
- i) The Plaintiff states that as the Defendants could not rectify the equipment, it could not be used for manufacturing the product. The Plaintiff states that as they had to fulfil their commitment made to the customers, they had to place an order with another supplier named Sapphire Machines Private Limited.

The Plaintiff filed the Suit praying *inter alia*:

- a) The Defendant be jointly and severally be decreed and ordered to pay to the Plaintiffs the sum of ₹25,58,753 along with interest at 18% per annum from the date of filing of the Suit till realization.
- b) Cost of Suit.

The Suit is currently pending before the High Court of Judicature at Bombay

Criminal Litigation

- i. ***Revision Application bearing number 50 of 2008 dated March 19, 2008 in Summary Case no. 75 of 2007 filed by M/s Calyx Chemicals and Pharmaceuticals Limited (“Applicant 1”), Mr. S. C. Shah (“Applicant 2”), Mr. M. G. Shah (“Applicant 3”) and Mr. Arun Tambe (“Applicant 4”) against Inspector of Security Guards Board for Greater Bombay and Thane District (“Respondent 1”) and The State of Maharashtra (“Respondent 2”) before the Judicial Magistrate First Class, 1st Court, Thane.***

A revision application bearing number 50 of 2008 dated March 19, 2008 has been filed by the Applicants against the order of the Judicial Magistrate First Class, Thane dated July 20, 2007. Judicial Magistrate First Class, Thane *vide* its order dated July 20, 2007 issued summons against the Applicants for alleged offense under Clause 42 of the Maharashtra Private Security Guards (Regulation of Employment and Welfare) Scheme 2002 and for alleged contravention of Clause 25(2) of the Scheme.

The Applicant has filed the Revision Application, *inter alia*, on the alleged grounds that:

- a) The Magistrate failed to appreciate that unless a list of witness is filed, no process can be issued as per Section 204 of Cr.P.C;
- b) The Magistrate mechanically passed the order of issuance of process merely without recording anything in writing;
- c) The Magistrate ought to have dismissed the complaint for the reason that no prima facie case is made out against the Applicants warranting issuance of process;
- d) The Magistrate ought to have held that the complaint does not disclose commission of any offence by the Applicants; as such, the same is liable to be dismissed in-limine;
- e) The Magistrate failed to appreciate the fact that the provision of MPSG Act are not applicable, since the government of Maharashtra adopted and implemented Private Security Agencies (Regulation) Act, 2005. Being a Central Act, the same shall supersede the State Act; and
- f) In view of Private Security Agencies (Regulation) Act, 2005 and the license issued under, the Applicants are entitled to avail security guards.

The Applicants have *inter alia* prayed that impugned order passed by the Judicial Magistrate First Class, Thane is liable to be quashed and set aside.

The Judicial Magistrate First Class, *vide* its orders dated March 14, 2012 has stayed the matter.

Tax Litigation

- (i) ***Appeal bearing No. 6073/Mum-2011 dated August 23, 2011 filed by our Company ("Appellant") against the Income Tax Officer Range 8 (1)(2) ("Respondent") against the order dated June 29, 2011 before the Income Tax Appellate Tribunal, Mumbai in respect of assessment year 2009-2010.***

The Appellant has filed an Appeal dated August 23, 2011 ("Appeal") before the Income Tax Appellate Tribunal, Mumbai challenging the order dated June 29, 2011 passed by the Commissioner of Income Tax Appeals-16 ("Respondent").

The Appeal has been filed *inter alia* on the ground that:

- a) The Respondent erred in confirming the penalty levied by the assessing officer u/s 221 of the Income Tax Act, 1961.
- b) The Respondent ought to have held:
 - i. The Appellant had not done any intentional act of non-payment of self-assessment tax so as to attract such harsh provision of penal action under the Act.
 - ii. The Appellant had immediately paid the entire self assessment tax once it came to its knowledge about pending tax liability.
 - iii. The Appellant has in past never defaulted any payment of Income Tax.
 - iv. The assessing officer levied penalty u/s 221(1) within 15 days of issue of show cause notice on March 17, 2010 and levying penalty on March 29, 2010 without giving opportunity of hearing.

The Appellant has *inter alia* prayed that:

- a) The penalty u/s 221 of the Act levied by the Assessing officer be deleted.
- b) Without prejudice to the above, to reduce the quantum of penalty.

The Tax liability outstanding as on date is ₹ 36.34 Lacs.

The Appeal is currently pending before the Income Tax Appellate Tribunal, Mumbai.

- (ii) ***Appeal bearing number ITA 2736/m/10 of 2006-07 dated March 31, 2010 filed by our Company (“Appellant”) against the Commissioner of Income Tax, Appeals (VIII) Respondent”) before the Income Tax Appellate Tribunal, Mumbai in respect to the assessment year 2006-2007.***

The Appellant has filed an Appeal dated March 31, 2010 (“**Appeal**”) before the Income Tax Appellate Tribunal, Mumbai challenging the order dated January 18, 2010 passed by the Commissioner of Income Tax Appeals-16 (“**Respondent**”).

The Appeal has been filed *inter alia* on the grounds that:

- a) Respondent erred in confirming the disallowance of ESIC payment made within time allowed under the statute and ignored the submission regarding payment made during the course of hearing;
- b) Respondent erred in disallowing 1/5th of product development expenses confirmed wrong by Assessing Officer as intangible assets; and
- c) Respondent erred in disallowing depreciation on office building by wrongly applying provisions of explanation 4A to the provisions of Section 43(1) of the Income Tax Act, 1961.

The amount of tax liability outstanding as on date is ₹ 43.29 Lacs.

The Appeal is currently pending before the Income Tax Appellate Tribunal, Mumbai.

- (iii) ***Appeal number 34 / Mum-2011 filed by Calyx Chemicals and Pharmaceuticals Limited (“Appellant”) against Deputy Commissioner of Income Tax, Range 8 (1) (“Respondent”) before the Income Tax Appellate Tribunal, Mumbai (“ITAT”) for assessment year 2005-2006 .***

The Appellant has filed an appeal (“**Appeal**”) dated December 24, 2010 before the Income Tax Appellate Tribunal, (“**ITAT**”) Mumbai, against the order dated November 10, 2010 passed by the Commissioner of Income Tax (Appeals) – 16, Mumbai, under Section 143(3) of the Income Tax Act, 1961. The Commissioner of Income Tax (Appeals) – 16 *vide* its order dated November 10, 2010 (i) confirmed the disallowance of ₹ 12.37 Lacs made by the Assessing Officer, on account of depreciation on building purchased from firm; (ii) found that the building belonging to the firm was taken over by the Appellant as a going concern and thereafter revalued at ₹ 124.74 Lacs and accordingly depreciation was claimed on it, therefore confirming the addition made by the Assessing officer; (iii) the additions made by the Assessing Officer is not sustainable on facts and evidence available on record pertaining to the rate of interest rendered to the relatives of the Appellant.

The Appellant has filed this Appeal *inter alia* on the grounds that the Commissioner of Income Tax (Appeals):

- a) erred in confirming the disallowance made by the Assessing Officer of ₹ 12.37 Lacs on account of depreciation of building purchased from the firm;
- b) erred in not giving any decision in respect of disallowance of depreciation of ₹ 14.63 Lacs on addition to Plant and Machinery made by the Assessing Officer.

The Applicant has *inter alia* prayed that:

- a) the Assessing Officer be directed to allow the depreciation on building; and
- b) the Assessing Officer be directed that the sum of ₹ 14.63 Lacs being depreciation on additions to Plant and Machinery installed prior to March 31, 2005, be allowed as deduction.

The amount of tax liability outstanding as on date is ₹ 2.27 Lacs.

The Appeal is currently pending before Income Tax Appellate Tribunal, Mumbai.

- (iv) ***Appeal number 35 / Mum-2011, filed by Calyx Chemicals and Pharmaceuticals Limited (“Appellant”) against Deputy Commissioner of Income Tax, Range 8 (1) (“Respondent”) before the Income Tax Appellate Tribunal, Mumbai (“ITAT”) for assessment year 2007 – 2008.***

The Appellant has filed an appeal (“**Appeal**”) dated December 24, 2010 before the Income Tax Appellate Tribunal, (“**ITAT**”) Mumbai, against the order dated October 29, 2010, passed by the Commissioner of Income Tax (Appeals) – 16, Mumbai, under Section 143(3) of the Income Tax Act, 1961. The Commissioner of Income Tax (Appeals) – 16, Mumbai *vide* its order dated October 29, 2010 (i) confirmed the addition of ₹ 1.86 Lacs to the total income of the Appellant, made by the Assessing Officer; (ii) confirmed the additions made by the Assessing Officer after finding that the provision Section 115 JB was amended by the Finance Act, 2008; empowering the Assessing officer to add an amount of deferred tax and provision thereof; (iii) held that the interest should not be levied on the income computed under provisions of 115 JB of the Act.

The Appellant has filed this Appeal *inter alia* on the grounds that the Commissioner of Income Tax (Appeals):

- a) erred in confirming the disallowance made by the Assessing Officer of ₹ 9.69 Lacs on account of depreciation of building purchased from the firm; and
- b) erred in not giving any decision in respect of addition of ₹ 9.69 Lacs on account of depreciation in the computation of book profit under Section 115 JB.

The Applicant has *inter alia* prayed that:

- a) the Assessing Officer be directed to allow the depreciation on building; and
- b) the additions made by the Assessing Officer on account of depreciation while calculating book profit under Section 115 JB of the Income Tax Act, 1961, be deleted.

The tax liability outstanding as on date is ₹ 17.04 Lacs.

The Appeal is currently pending before Income Tax Appellate Tribunal, Mumbai.

- (v) ***Appeal No. 6072/Mum-2011 dated August 23, 2011 filed by Calyx Chemicals and Pharmaceuticals Limited (“Appellant”) against Deputy Commissioner of Income Tax, Range 8 (1) (“Respondent”) against the order dated June 29, 2011 before the Income Tax Appellate Tribunal, Mumbai for assessment year 2008 - 2009***

The Appellant has filed an appeal (“**Appeal**”) dated August 23, 2011 before the Income Tax Appellate Tribunal, Mumbai, against the order dated June 29, 2011 passed by the Deputy Commissioner of Income Tax, Range 8(1), Mumbai.

The Appellant has filed this Appeal *inter alia* on the grounds:

- a) The Respondent erred in not allowing the Appellant’s claim for deduction u/s 43B of the Income Tax, 1961.
- b) The Respondent ought to have held that if Appellant had wrongly disallowed expenses in the computation of Income u/s 43B of the Act on account of delayed payment of Provident fund, ESIC etc then the same shall be allowable to the Appellant considering the mistake apparent on following the rules of principles of natural justice.

The Appellant has prayed that erroneous/incorrect disallowance made in computation of income u/s 43B of the Act be allowed.

The tax liability outstanding as on date is ₹ 26.34 Lacs

The Appeal is currently pending before the Income Tax Tribunal, Mumbai. .

- (vi) An Appeal dated April 11, 2011 made to the Commissioner of Income Tax (Appeals) by our Company (“**Appellant**”) against the order dated January 25, 2011 for the assessment year 2008-09. According to the order, the assessee is directed to pay the tax liability of ₹19.15 Lacs inclusive of interest. The said order was passed by I.T.O. (TDS)-1(2).

The Appeal is pending before Commissioner of Income Tax, (Appeals).

- (vii) An Appeal dated April 11, 2011 made to the Commissioner of Income Tax (Appeals) by our Company (“**Appellant**”) against the order dated January 25, 2011 for the assessment year 2008-09. According to the order, the assessee is directed to pay the tax liability of ₹19.86 Lacs inclusive of interest. The said order was passed by I.T.O. (TDS)-1(2).

The Appeal is pending before Commissioner of Income Tax, (Appeals).

IV. LITIGATION INVOLVING OUR SUBSIDIARY

Against our Subsidiary

Nil

By our Subsidiary

Nil

V. LITIGATION INVOLVING OUR DIRECTORS AND PROMOTERS

(i) Litigations initiated against Mr. Smitesh Chandravadan Shah

Please refer to the summary of Criminal Case No. 15 of 2010 filed by State at the instance of K.T. More, Drugs Inspector against Mr. Balkrishna Dattatraya Deshpande, Mr. Smitesh Mehta and Calyx Chemicals Pharmaceuticals Limited before the Judicial Magistrate First Class, Kalyan, District Thane summarized as litigation number (ii) in the section titled “*Against our Company - Criminal Litigation*” hereinabove.

Please refer to the summary of Criminal Appeal No. 923 of 2008 filed by M/s. The Bombay Engineering Works against Calyx Pharmaceuticals and Chemicals Private Limited, Calyx Chemicals and Pharmaceuticals Private Limited, Mr. Smitesh Chandravadan Shah, Mr. Satish Shah, Mr. Michael Guido and the State of Maharashtra before the High Court of Judicature at Bombay summarized as litigation number (iii) in the section titled “*Against our Company – Criminal Litigation*” hereinabove.

(ii) Litigations initiated against Mr. Bharat Sukhlal Mehta

Nil

(iii) Litigations initiated against Mr. Rajat Indulal Doshi

Nil

(iv) Litigations initiated against Mr. Jambunathan Srinivasa Iyer

Nil

(v) Litigations initiated against Mr. Bhumitra Vinodchandra Dholakia

Nil

(vi) Litigations initiated against Mr. Abhay Praful Desai

Nil

(vii) **Litigations initiated against Mr. Chakradhar Bharat Chhaya**

Nil

By our Promoters and Directors

(i) **Litigations initiated by Mr. Smitesh Chandravadan Shah**

Civil Litigation

Case No. CC / III / 271 of 2007 filed by Mr. Smitesh Chandravadan Shah (“Disputant 1”) and Ms. Parul Smitesh Shah (“Disputant 2”) (collectively referred to as “Disputants”) against The Eden III Co-operative Housing Society Limited, Hiranandani Gardens, Powai (“Opponent Society”) before the Third Co – operative Court at Mumbai.

The Disputants have filed the case bearing number CC / III / 271 of 2007 (“Case”) against the Opponent Society under the provisions of the Maharashtra Co- operative Societies Act, 1960 challenging the allegedly illegal withdrawal of parking spaces from Disputants and imposition of penalties on Disputants by the Opponent society.

The Disputants have filed the Case praying *inter alia* for the following reliefs:

- a) that the dispute be adjudicated under the provisions of Sections 91 to 96 of the Maharashtra Co-operative Societies Act, 1960 (“Act”);
- b) the Opponent Society be permanently restrained from, in any manner, treating the stilt number 10 within the Opponent Society (asserted by the Disputants as having been purchased by Disputant 1) as car parking space or withdrawing car parking spaces bearing numbers 27 and 28 within the Opponent Society from the Disputants or affecting the rights of the Disputants in car parking spaces bearing numbers 27 and 28 within the Opponent Society or allotting the same to any other person / member;
- c) for declaration that the Opponent Society is disentitled from charging any levy for illegal parking and for refund of amounts recovered from the Disputants by the Opponent Society under the guise of penalty with interest thereon at 21% per annum;
- d) for a permanent injunction restraining the Opponent Society from levying penalty on the Disputants for use and occupation of car parking space bearing number 27 within the Opponent Society; and
- e) interim injunction restraining the Opponent Society from dispossessing the Disputants or any of them from car parking spaces bearing numbers 27 and 28 within the Opponent Society and restraining the Opponent Society from demanding any levy by way of penalty for car parking and / or interest thereon and / or treating the Disputants or any of them as defaulters or contending breach, by the Disputants, of any bye- laws.

The Case has been filed on the following grounds:

- a) The Disputants have, under various agreements for purchase dated January 23, 1997 acquired shares of the Opponent Society on ownership basis. Disputant 1 has acquired ownership of one flat and has been allotted shares bearing distinctive numbers 311 to 315 of the Opponent Society. Disputant 2 has acquired ownership of one flat and has been allotted shares bearing distinctive numbers 316 to 320 of the Opponent Society;
- b) Disputant 1 has also purchased stilt car park bearing number 10 in the Opponent Society. Opponent Society has allotted car parking spaces bearing numbers 27 and 28 to the Disputants upon the Disputants’ enrolment as members of the Opponent Society;

- c) the managing committee of the Opponent Society resolved in a meeting held on September 10, 2006 allotted car parking space bearing number 27 to another member of the Opponent Society;
- d) pursuant thereto, and upon exchange of legal notices between Disputant 1 and Opponent Society, the Opponent Society *vide* letter dated July 21, 2006 informed the Disputants that penalty of ₹ 500 per day would be charged to the Disputants from July 22, 2006 for use and occupation of car parking space bearing number 27. The Opponent Society contends in various correspondences, that the Disputants are seeking the allotment of a third parking space and the same is contested by the Disputants on the grounds that the Disputants are entitled to 2 parking spaces allotted to them and one stilt parking purchased by them; and
- e) the Opponent Society has wrongfully imposed penalties aggregating to ₹ 00 .94 Lacs on the Disputants and has wrongfully withdrawn car parking space bearing number 27 from Disputant 2 and recorded that Disputant 2 has surrendered the same.

The Third Co-operative Court at Mumbai, *vide* its order dated March 19, 2010 allowed an application for amendment of the Plaint and accordingly, the Plaint is amended to state that the managing committee of the Opponent Society has not complied with the provisions of the Act and that its constitution being illegal, its actions are illegal and void.

The Opponent Society has filed its written statement in the Case stating *inter alia* that:

- a) The Disputants being joint members, are together entitled to one parking space only;
- b) The right of members of the Opponent Society, to being allotted parking spaces, is not a right but merely a license and accordingly, can be withdrawn by the Opponent Society without notice; and
- c) The actions of the managing committee of the Opponent Society are within its powers and cannot be struck down.

The Case is currently pending before the Third Co-operative Court at Mumbai.

(ii) Litigations initiated by Mr. Bharat Sukhlal Mehta

Nil

(iii) Litigations initiated by Mr. Rajat Indulal Doshi

Nil

(iv) Litigations initiated by Mr. Jambunathan Srinivasa Iyer

Nil

(v) Litigations initiated by Mr. Bhumitra Vinodchandra Dholakia

Nil

(vi) Litigations initiated by Mr. Abhay Praful Desai

Nil

(vii) Litigations initiated by Mr. Chakradhar Bharat Chhaya.

Nil

VI. LITIGATION INVOLVING ENTITIES PROMOTED BY OUR PROMOTERS

Against Entities Promoted by our Promoters

There are no litigations pending against any of the entities promoted by our Promoters.

By Entities Promoted by our Promoters

There are no litigations pending initiated by any of the entities promoted by our Promoters.

VII. POTENTIAL LITIGATION

Potential Litigation against our Company

Potential Civil Litigation

- (i) Notice bearing number MPCB / ROT / SC / 3064 dated October 18, 2007 (“**Notice**”) has been issued to our Company (“**Noticee**”) by the Regional Officer, Maharashtra Pollution Control Board, Thane (“**Issuing Authority**”), in respect of our manufacturing unit at N / 102, MIDC Tarapur. The Notice alleges that during a visit, by MPCB officials, on July 11, 2007, it is allegedly noticed that the results of the JVS collected were highly exceeding the limits of BOD, COD and S.S. parameters prescribed by MPCB and accordingly JVS charges are pending by Noticee.

The Noticee is directed to show cause why further legal action should not be taken for violation of the provisions of the Water (Prevention and Control of Pollution) Act, 1974 and for non- compliance with consent conditions.

The Noticee has responded to the same *vide* letter dated October 22, 2007 (“**Response**”) wherein the Noticee has stated that as per the inspection report bearing number 51371 dated August 08, 2007, the Noticee is well within limits of JVS. The Noticee prays that no action be initiated in this regard, accordingly.

The Noticee has not received any further communication from MPCB in this regard.

- (ii) Notice bearing number MPCB / ROT / SC / 3063 dated October 18, 2007 (“**Notice**”) has been issued to our Company (“**Noticee**”) by the Regional Officer, Maharashtra Pollution Control Board, Thane (“**Issuing Authority**”), in respect of our manufacturing unit at N- 102 / 91, MIDC, Tarapur. The Notice alleges that during a visit, by MPCB officials, on July 11, 2007, it is allegedly noticed that the results of the JVS collected were highly exceeding the limits of BOD, COD and S.S. parameters prescribed by MPCB and accordingly JVS charges are pending by Noticee.

The Noticee is directed to show cause why further legal action should not be taken for violation of the provisions of the Water (Prevention and Control of Pollution) Act, 1974 and for non- compliance with consent conditions.

The Noticee has responded to the same *vide* letter dated October 22, 2007 (“**Response**”) wherein the Noticee has stated that as per the inspection report bearing number 51371 dated August 08, 2007, the Noticee is well within limits of JVS. The Noticee prays that no action be initiated in this regard, accordingly.

The Noticee has not received any further communication from MPCB in this regard.

- (iii) Notice bearing number MPCB / ROT / SC / 379 dated January 18, 2008 (“**Notice**”) has been issued to our Company (“**Noticee**”) by the Regional Officer, Maharashtra Pollution Control Board, Thane (“**Issuing Authority**”), in respect of our manufacturing unit at N- 102 / 91, MIDC, Tarapur. The Notice alleges that during a visit, by MPCB officials, on December 04, 2007, it is allegedly noticed that the results of the JVS collected were highly exceeding the limits of BOD, COD and S.S. parameters prescribed by MPCB and that accordingly JVS charges are pending by the Noticee.

The Noticee is directed to show cause why further legal action should not be taken for violation of the provisions of the Water (Prevention and Control of Pollution) Act, 1974 and for non- compliance with consent conditions.

The Noticee has responded to the same *vide* letter dated January 31, 2008 (“**Response**”) wherein the Noticee has stated that as per MPCB Consent letter bearing number BO / C.C.- Thane- C- 18 / AC- 629 dated June 20, 2002, the Noticee is well within limits for JVS. Noticee prays that no action be initiated in this regard, accordingly.

The Noticee has not received any further communication from MPCB in this regard.

- (iv) Notice bearing number ROT / SC / 384 dated February 10, 2009 (“**Notice**”) has been issued to Jivraj Chemicals Private Limited (“**Noticee**”) by the Regional Officer, Maharashtra Pollution Control Board, Thane (“**Issuing Authority**”), in respect of their manufacturing unit at N- 90, MIDC, Tarapur. The Notice alleges that during a visit, by MPCB officials, on November 17, 2008, it is allegedly noticed that the results of the JVS collected were highly exceeding the limits of BOD, COD and S.S. parameters prescribed by MPCB and that accordingly JVS charges are pending by the Noticee.

The Noticee is directed to show cause why further legal action should not be taken for violation of the provisions of the Water (Prevention and Control of Pollution) Act, 1974 and for non- compliance with consent conditions.

The Noticee has responded to the same *vide* letter dated February 26, 2009 (“**Response**”) wherein the Noticee has stated that:

- a) The Noticee is a SSI unit and is a member of CETP; and
- b) The Noticee has an effluent treatment plant with collection cum equalization tank, oil separator, neutralization cum aeration tank settler, sludge drying bed, sand filter, and carbon filter for treatment of effluent, and after treatment all the treated effluent is being sent to CETP for further treatment and disposal.

The Noticee further states that the results of JVS dated November 17, 2008 are within CETP limit. The Noticee has further clarified that there are no JVS charges pending as the same have already been paid.

The Noticee has not received any further communication from MPCB in this regard.

- (v) Notice bearing number MPCB / RO (HQ) / HPMC / CO / Thane / B- 1402 (S) dated February 29, 2008 (“**Notice**”) has been issued to our Company (“**Noticee**”) by the Regional Officer (HQ), Maharashtra Pollution Control Board (“**Issuing Authority**”) in respect of our manufacturing unit at N- 102, MIDC, Tarapur. The Notice alleges that the annual hazardous waste returns submitted by the Company for the year ended March 31, 2007 contain discrepancies in the quantity of waste mentioned as per the hazardous waste inventory.

The Noticee is directed to file details of generation and disposal of hazardous wastes (being contaminated filter cloth, distillation residue and spent solvent) for the year 2007.

The Noticee has responded to the same *vide* letter dated March 18, 2008 (“**Response**”) wherein Noticee has stated that as per MPCB Consent letter bearing number MPCB / PSO / RO Thane / Ammend / CC- 159, dated November 24, 2005, the Noticee has submitted details of generation and disposal of certain wastes. The Noticee prays that no action be initiated in this regard, accordingly.

The Noticee has not received any further communication from MPCB in this regard.

- (vi) **Notice** bearing number ROK / TB / JVS SCN / BPS / 2203 dated July 09, 2008 (“**Notice**”) has been issued to our Company (“**Noticee**”) by the Regional Officer, Maharashtra Pollution Control Board, Kalyan (“**Issuing Authority**”), in respect of our manufacturing unit at W – 212 and 213, MIDC Phase – II,

Dombivli. The Notice alleges that during visits, by MPCB officials, on November 11, 2007 and December 13, 2007, it is allegedly noticed that the analysis reports of the JVS collected were not meeting the standards prescribed by MPCB and that accordingly the effluent treatment plant operated and maintained by the Noticee was not achieving the consented standard for effluent discharge.

The Noticee is directed to show cause why further legal action should not be taken for violation of the provisions of the Water (Prevention and Control of Pollution) Act, 1974 and Environment Protection Act, 1986.

The Noticee has responded to the same *vide* letter dated July 24, 2008 (“**Response**”) wherein the Noticee has stated that the Noticee, as a small scale industry, is a member of the DCETP and that the Noticee is neutralizing wastes before release thereof to the CETP. The Noticee prays that no action be initiated in this regard, accordingly.

The Noticee has not received any further communication from MPCB in this regard.

- (vii) Notice bearing number ROK / TB / JVS SCN / BPS / 2467 dated July 26, 2008 (“**Notice**”) has been issued to our Company (“**Noticee**”) by the Regional Officer, Maharashtra Pollution Control Board, Kalyan (“**Issuing Authority**”), in respect of our manufacturing unit at MIDC Phase – II, Dombivli. The Notice alleges that during visit, by MPCB officials, on December 13, 2007, it is allegedly noticed that the Noticee has not paid JVC Collection and analysis charges of ₹ 1,205 to MPCB.

The Noticee is directed to deposit the sum of ₹ 1,205 due failing which, legal action shall be taken.

The Noticee has responded to the same *vide* letter dated August 14, 2008 (“**Response**”) wherein the Noticee has enclosed a demand draft for payment of ₹ 1,205.

The Noticee has not received any further communication from MPCB in this regard.

- (viii) Notice bearing number ROT / SC / 3215 dated September 12, 2008 (“**Notice**”) has been issued to our Company (“**Noticee**”) by the Regional Officer, Maharashtra Pollution Control Board, Thane (“**Issuing Authority**”), in respect of our manufacturing unit at plot No. N / 91 and N / 102, MIDC Tarapur. The Notice alleges that during a visit, by MPCB officials, on July 07, 2008, it is allegedly noticed that the results of the JVS collected were highly exceeding the limits of BOD, COD and S.S. parameters prescribed by MPCB and that accordingly JVS charges are pending by the Noticee.

The Noticee is directed to show cause why further legal action should not be taken for violation of the provisions of the Water (Prevention and Control of Pollution) Act, 1974 and for non- compliance with consent conditions.

The Noticee has responded *vide* letter dated September 26, 2008 where in it was stated *inter alia* that the Noticee is a member of a CETP and is within the limits of waste disposal prescribed by MPCB and that no JVS charges are pending from the Noticee. Accordingly, the Noticee has stated that no action should be taken by MPCB in this regard.

Noticee has not received any further communication from MPCB in this regard.

- (ix) Notice bearing number MPCB / PSO / SCN / TB / B – 5138 dated August 13, 2008 (“**Notice**”) has been issued to Jivraj Chemical Industries Private Limited (“**Noticee**”) by the Principal Scientific Officer, Maharashtra Pollution Control Board (“**Issuing Authority**”) with respect to plot No. N-90, MIDC, Tarapur. The Notice alleges that after examining the analysis report received from the laboratory, it is confirmed that Noticee is not operating the pollution control system effectively and it is further alleged that Noticee is discharging the effluent knowingly into CETP with higher COD (67200ppm) and BOD (25500ppm).

The Noticee is directed to show cause why closure direction shall not be issued and legal action under the provisions of Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981 should not be initiated against the Noticee.

The Noticee has responded to the same *vide* letter dated August 26, 2008 bearing no. JCI / MPCB / 032 / 2008-09 stating *inter alia* that the Noticee is a member of CETP and has further enclosed an analysis report of June, July and August 2008 stating that the treated effluent COD, BOD, levels are well within the limits prescribed by CETP and the COD and BOD levels were never as high as alleged in the Notice.

The Issuing Authority *vide* its letter dated October 01, 2008 has issued an analysis result of the joint vigilance sample collected on August 25, 2008 concluding that the operation and maintenance of the Noticee's ETP is not satisfactory or the ETP is inadequate to treat the effluent.

Noticee has not received any further communication from MPCB in this regard.

- (x) Notice bearing number MPC/ROT/HW-2961 dated August 13, 2008 ("**Notice**") has been issued to M/s Calyx Chemicals and Pharmaceuticals Limited ("**Noticee**") by the Regional Officer,(HQ), Maharashtra Pollution Control Board ("**Issuing Authority**") with respect to plot No. N-102, MIDC, Tarapur. The Noticee is directed to register with the online manifest system and to file the Annual Returns under Hazardous Waste rules.

The Noticee has provided the Acknowledgement receipt No. F4_40000101/2007 which is the acknowledgement for the submission of Form 4 Annual Return of the Noticee through the Online Form 4 submission facility of the MPCB HWMMS website.

Noticee has not received any further communication from MPCB in this regard.

- (xi) Notice bearing number MPCB/ROT/SC/2039 dated August 24, 2010 ("**Notice**") has been issued to M/s Jivraj Chemicals industries ("**Noticee**") by the Sub-Regional Officer, Maharashtra Pollution Control Board, Tarapur-I ("**Issuing Authority**") with respect to plot No. N-90, MIDC, Tarapur. The Notice alleges that during the visit of MPCB officials to the Noticee's industry, the results of JVS collected were found highly exceeding the limits of BOD, COD and SS prescribed by board.

The Noticee is thus directed to show cause as to why further legal action should not be initiated for violation of the provisions of Water (P & CP) Act, 1974 for the non-compliance of the consent conditions.

The Noticee has responded to the same *vide* letter dated September 07, 2010 bearing No. JCI/MPCB/030/2010-11 ("**Response**") wherein the Noticee has stated that the abnormality in JVS analysis report is due to some analytical error in comparison with its counter sample report and the COD trend of treated effluent is always within CETP limits.

The Noticee assures that they would improve the quality of their effluents for environmental protection. The Noticee has therefore requested not to initiate any action against their industry.

Noticee has not received any further communication from MPCB in this regard.

- (xii) Notice bearing number MPCB/ROT/SC/2040 dated August 24, 2010 ("**Notice**") has been issued to M/s Calyx Chemicals industries ("**Noticee**") by the Sub-Regional Officer, Maharashtra Pollution Control Board, Tarapur-I ("**Issuing Authority**") with respect to plot No. N-102/1, MIDC, Tarapur. The Notice alleges that during the visit of MPCB officials to the Noticee's industry, the results of JVS collected were found highly exceeding the limits of BOD, COD and SS prescribed by board

The Noticee is thus directed to show cause as to why further legal action should not be initiated for violation of the provisions of Water (P & CP) Act, 1974 for the non-compliance of the consent conditions.

The Noticee has responded to the same *vide* letter dated September 07, 2010 (“**Response**”) wherein the Noticee has stated that the abnormality in JVS analysis report is due to some analytical error in comparison with its counter sample report and the COD trend of treated effluent is always within CETP limits and it is evident from COD data that they have always maintained COD within CETP limits.

The Noticee assures that they would improve the quality of their effluents for environmental protection. The Noticee has therefore requested not to initiate any action against their industry.

Noticee has not received any further communication from MPCB in this regard.

- (xiii) Notice bearing number MPCB / RO(P&P) / DIR / 3666 dated June 03, 2009 (“**Notice**”) has been issued to M/s Jivraj Chemicals Pvt Ltd (“**Noticee**”) by the Member Secretary, Maharashtra Pollution Control Board, (“**Issuing Authority**”) with respect to plot No. N-90, MIDC, Tarapur. The Notice alleges that the officers of Zonal office of Central Pollution Control Board at Vadodra visited MIDC and observed that the operation and maintainance of their effluent treatment plant is poor and they are discharging untreated effluent into open drain thereby causing pollution to the environment. The Notice alleges that when the officers of the board visited their industrial plant, they confirmed the no-compliance reported by the officials of CPCB.

The Noticee is directed to close down their manufacturing activities.

The Noticee has responded to the same *vide* letter dated June 16, 2009 (“**Response**”) wherein the Noticee has stated that they have already provided effluent treatment plant with the primary and tertiary treatment facility to treat the raw effluent and there is no direct unscientific discharge effluent from their unit.

The Noticee further states that none of the environmental engineers of CPCB Vadodra has visited their factory. The Noticee assures that they are planning to upgrade their existing physic-chemical treatment by providing secondary treatment facility. The Noticee thus requests the authority to withdraw the closure notice.

A further Notice bearing number BO/RO(P&P)/DIR/B-4510 dated July 09, 2009 has been issued to the Noticee stating that the closure direction is withdrawn subject to the following conditions:

- a) The Noticee shall operate and maintain their effluent treatment plant round the clock so as to achieve the standards prescribed by the board and treated effluent shall be sent to CETP for further treatment.
- b) The Noticee shall furnish an irrevocable bank guarantee of ₹25,000 ensuring the compliance of the consent conditions.

The Noticee has responded to the same *vide* letter dated July 21, 2009 bearing No. JCI/MPCB/020/09-10 (“**Response**”) wherein the Noticee has stated that they have submitted the original copy of a fresh bank guarantee of ₹25,000 towards performance of ETP. The Noticee also states that they are operating and maintaining the ETP as per prescribed standards and the treated effluents is being sent to CETP for further treatment and final disposal.

Noticee has not received any further communication from MPCB in this regard.

- (i) Notice bearing number MPCB/ROK/PG/CD/29/333 dated February 17, 2010 (“**Notice**”) has been issued to M/s Calyx Chemicals and Pharmaceuticals Limited (“**Noticee**”) by the Regional Officer, Maharashtra Pollution Control Board, Kalyan (“**Issuing Authority**”) with respect to plot No. W-212, MIDC phase - II, Dombivli. The Notice alleges that when the team of board officials visited their industry on January 16, 2010 to check the compliance of consent conditions, the Sub-Regional officer, Kalyan-I reported that they are discharging acidic effluent.

The Notice further alleges that the JVS analysis report of the effluent sample collected reveals the parameter like COD exceeding the limit prescribed by the board.

The Noticee is thus directed to stop their manufacturing activities.

The Noticee has responded to the same *vide* letter dated February 22, 2010 (“**Response**”) wherein the Noticee has stated that the treated effluent was sent to CETP for further treatment and disposal and there is no direct unscientific discharge of effluent from their unit. Further the Noticee has stated that during the visit of MPCB officials, the units were getting cleaned and therefore the sludge and distillation residue was observed near the drain.

The Noticee has thus requested to withdraw the closure notice.

A further Notice bearing number MPCB/Restart/RO(HQ)/B:1517 dated February 24, 2010 has been issued to M/s Calyx Chemicals and Pharmaceuticals Limited (“**Noticee**”) by the Member Secretary, Maharashtra Pollution Control Board (“**Issuing Authority**”) with respect to plot No. W-212, MIDC phase - II, Dombivli. The Notice states that the Noticee is allowed to restart their manufacturing activities with the following terms:

- a) The Noticee shall provide adequate effluent treatment plant.
- b) The Noticee shall send hazardous waste to CHWTSDf regularly.
- c) The Noticee shall upgrade wet scrubber for efficient working, installation of the setting tank as per the requirement and provide for air compressor for controlling of the pH.
- d) The Noticee shall stop production of the N-acetyl Glutamic acid.
- e) The Noticee shall submit the bank guarantee of ₹25,000 in favour of Regional officer, MPCB board.

The Noticee has responded to the same *vide* letter dated March 06, 2010 (“**Response**”) wherein the Noticee has stated that they have provided the bank guarantee of ₹25,000.

The Noticee has not received any further communication from MPCB in this regard.

- (ii) Notice bearing number ROK/TB/PD/1262 dated September 17, 2011 (“**Notice**”) has been issued to M/s Calyx Chemicals and Pharmaceuticals Limited (“**Noticee**”) by the Regional Officer, Maharashtra Pollution Control Board, Kalyan (“**Issuing Authority**”) with respect to plot No. W-213, MIDC phase - II, Dombivli. The Notice alleges that when the Issuing Authority along with the field officer had visited their plant to check and inspect pollution control arrangement, following non-compliances were observed:

- a) The Noticee were not recycling the treated effluent into process.
- b) The Noticee were not sending all hazardous wastes to CHWTEDf as prescribed in consent granted by the board.
- c) The Noticee have not provided sampling facility to boiler chimney.
- d) The Noticee have not provided acoustic enclosure and adequate chimney to acoustic enclosure.

The Noticee is thus directed to show cause why legal action should not be initiated against the Noticee.

The Noticee has responded to the same *vide* letter dated September 26, 2011 (“**Response**”) wherein the Noticee has stated that they are an SSI unit and member of CETP and they do not reuse the treated effluent in the process.

The Noticee further states that the hazardous waste as per consent category is not generated, only ETP sludge gets generated which is regularly sent to CHWTSDf. The Noticee thus requests the Issuing Authority to excuse them from the same.

The Noticee has not received any further communication from MPCB in this regard.

- (iii) Notice bearing number ROK/TB/ID/1679 dated November 08, 2011 (“**Notice**”) has been issued to M/s Calyx Chemicals and Pharmaceuticals Limited (“**Noticee**”) by the Regional Officer, Maharashtra Pollution

Control Board, Kalyan (“**Issuing Authority**”) with respect to plot No. W-213, MIDC phase - II, Dombivli. The Noticee is given the following directions:

- a) The Noticee shall provide adequate ETP to meet the standard prescribed in the consent granted by the board.
- b) The Noticee shall operate ETP to meet standards prescribed in the consent.
- c) The Noticee shall recycle the treated trade effluent at maximum extent.
- d) The Noticee shall send all quantity of hazardous waste to CHWTSDf.
- e) The Noticee shall provide adequate stack monitoring facilities to boiler chimney.
- f) The Noticee shall provide acoustic enclosure and adequate chimney.
- g) The Noticee shall comply with the above directions immediately.
- h) The Noticee shall submit irrevocable bank guarantee of ₹50,000.

The Noticee has responded to the same *vide* letter dated November 29, 2011 (“**Response**”) wherein the Noticee has stated that they have provided the full fledged ETP for treatment of their effluents. The Noticee further states that they do not reuse the treated effluent in the process and all hazardous wastes are sent to CHWTSDf regularly. The Noticee has submitted the bank guarantee of ₹50,000.

- (iv) The Noticee has not received any further communication from MPCB in this regard. Notice bearing number ROK/SCN-/111202FT0052 dated December 02, 2011 (“**Notice**”) has been issued to M/s Calyx Chemicals and Pharmaceuticals Limited (“**Noticee**”) by the Regional Officer, Maharashtra Pollution Control Board, Kalyan (“**Issuing Authority**”) with respect to plot No. W-212/213, MIDC phase - II, Dombivli. The Notice alleges that the BOD, COD, SS, TDS and chlorides parameters found in the JVS results are in excess of the prescribed standards. The Noticee is thus directed to show cause why legal action should not be initiated against the Noticee.

The Noticee has responded to the same *vide* letter dated December 07, 2011 (“**Response**”) wherein the Noticee has stated the following:

- a) The treated effluent is drained into MIDC drain line connecting to CETP for further treatment.
- b) The manufacturing process involves number of chemicals whereby their traces get washed away into effluent as a result of which the treated effluent quality is abnormal.
- c) They are making all necessary provisions to avoid any damage to surrounding environment.

The Noticee has not received any further communication from MPCB in this regard.

- (xiv) Notice bearing No. MPCB/ROT/PD dated April 17, 2012 (“**Notice**”) has been issued to our Company (“**Noticee**”) by the Regional Officer, Maharashtra Pollution Control Board, Thane (“**Issuing Authority**”), in respect of our manufacturing unit at plot No. N / 91 and N / 102, MIDC Tarapur. The Notice alleges that the parameter BOD is exceeding the prescribed limits and that the Noticee is not operating their ETP properly and is discharging substandard effluent to the CETP. The Noticee has to show cause as to:

- a) Why their unit should not be directed to close down their activity?
- b) Why the competent authorities shall not be directed to disconnect water/electricity supply to their unit?.

The Noticee has responded to the same *vide* letter dated May 21, 2012 (“**Response**”) wherein the Noticee has stated that their ETP is performing in good condition indicating maximum parameter within MPCB norms, BOD is slightly exceeding due to sudden shock load on bio-reactor but the same is manageable. The Noticee assures their commitment towards improving the performance of their ETP and they have increased period of biological treatment with increased activated bio-mass to ensure BOD level always below MPCB limit.

Noticee has not received any further communication from MPCB in this regard.

- (xv) Notice bearing No. MPCB/ROT/1074 dated May16, 2012 (“**Notice**”) has been issued to our Company (“**Noticee**”) by the Regional Officer, Maharashtra Pollution Control Board, Thane (“**Issuing Authority**”), in respect of our manufacturing unit at plot No. N / 90, MIDC Tarapur. The Notice alleges that on scrutiny of the analysis results of treated effluent collected from the final outlet of the ETP, it is noted that the analysis results are exceeding the prescribed standards by more than 100%, which shows that the Noticee is not operating their ETP properly and are discharging sub-standard effluent to the CETP. The Noticee has directed it to voluntarily stop the manufacturing activities and submit bank guarantee of ₹ 2,00,000.

The Noticee has responded to the same *vide* letter dated May 21, 2012 (“**Response**”) wherein the Noticee has stated that they cannot stop their activity as there will be no feed available for newly installed bio-reactor and has informed that they have already submitted the bank guarantee of ₹2,00,000.

Letter dated May 24, 2012 issued by the Noticee stating that they are submitting the original copy of fresh bank guarantee for ₹2.00 lacs towards performance of ETP.

A further Letter dated May 30, 2012 issued by the Noticee informing that they have slowed down the production activities after receiving the voluntary closure notice, keeping ETP under operation with essential production requirements.

Noticee has not received any further communication from MPCB in this regard.

- (xvi) Notice bearing No. MPCB/RO(HQ)/Thane/B:3999 dated June 29, 2012 (“**Notice**”) has been issued to our Company (“**Noticee**”) by the Member Secretary, MPCB (“**Issuing Authority**”), in respect of our manufacturing unit at plot No. N / 90, MIDC Tarapur. The Notice states that the permission to restart the manufacturing activities is granted subject to the following terms which are:

- a) They shall operate and maintain existing ETP round the clock.
- b) They shall upgrade their existing ETP.
- c) They shall operate and maintain full-fledged upgraded Effluent treatment plant.
- d) They shall complete the remaining work of upgradation within 15 days’ time.
- e) They are directed to furnish a fresh operational irrevocable bank guarantee of ₹4.00 lakhs.

The Noticee has responded to the same *vide* letter dated July 06, 2012 (“**Response**”) wherein the Noticee has submitted their compliance stating that they have taken all provisions required to treat industrial waste water and requesting to waive the condition for additional bank guarantee of ₹4.00 lakhs.

Letter dated July 24, 2012 is issued by the Noticee stating that they have submitted

- (xvii) Notice bearing No. MPCB/ROT/ID/B-1120 dated May 23, 2012 (“**Notice**”) has been issued to our Company (“**Noticee**”) by the Regional Officer, Maharashtra Pollution Control Board, Thane (“**Issuing Authority**”), in respect of our manufacturing unit at plot No. N-91/102, MIDC Tarapur. The Notice informs that the interim directions are issued for immediate compliance which are:

- a) Industry shall maintain and operate the ETP efficiently so as to achieve the desired limits at all times.
- b) Industry shall submit bank guarantee of ₹2.00 lacs within a week.

The Noticee has responded to the same *vide* letter dated May 30, 2012 (“**Response**”) wherein the Noticee is intimating that they are submitting original bank guarantee for ₹2.00 lacs towards performance of ETP and that they have increased period of biological treatment with increased activated bio-mass to ensure BOD level always below MPCB limit.

Noticee has not received any further communication from MPCB in this regard.

- (xviii) Notice bearing number BSNL / BH242 dated March 28, 2009 (“**Notice**”) has been issued to our Company (“**Noticee**”) by Bharat Sanchar Nigam Limited (“**BSNL**”) through their legal representatives, demanding payment of outstanding telephone bills. The Notice states *inter alia* that BSNL is providing telephone

services to the Noticee and as the Noticee is a defaulter, the account with BSNL is closed as on March 13, 2008. Accordingly, it is stated therein that an amount of ₹ .75 Lacs is due and recoverable from the Noticee by BSNL, with interest and costs. Further, BSNL states that failure to pay the amount by the Noticee would result in initiation of legal proceedings for recovery of dues.

The Noticee has responded to the said Notice *vide* letter dated April 08, 2009 (“**Response**”) wherein the Noticee has stated, *inter alia* that:

- a) BSNL has neither provided any telephone services to the Noticee nor given official intimation of installation of phone services;
- b) The Noticee was constrained to intimate to BSNL, for cancellation of application for telephone services; and
- c) The Noticee has paid security deposit of ₹ 0.14 Lacs (with interest) to BSNL, which is due to the Noticee as BSNL has failed to provide the services.

Accordingly, the Noticee requests that the notice be withdrawn and that the security deposit with interest be paid.

The Noticee has not received any further communication from BSNL in this regard.

- (xix) Notice bearing number ACA / PUNE / TATA-CUM / 2878 / DLN dated February 27, 2009 (“**Notice**”) has been issued to our Company (“**Noticee**”) by TATA Communications Limited (“**TATA**”), through their legal representatives, demanding recovery of outstanding dues towards lease line services. The Notice states *inter alia* that the Noticee has availed lease line service from TATA and that an amount of ₹ 3.08 Lacs with interest is due and payable by the Noticee to TATA. The Notice states that if the said amount is not paid by the Noticee, TATA shall file a recovery suit for the same.

The Noticee has responded to the Notice *vide* letter dated March 10, 2009 (“**Response**”) stating that the Notice is devoid of facts and that TATA may depute a senior executive to resolve the matter.

The Noticee has not received any further communication from TATA in this regard.

- (xx) ***Notice bearing number B211 / IS / 49 / 2009-10 / DSLNO22450 dated March 01, 2011, issued by Administrative Officer, SRO, Thane (“Issuing Authority”) to our Company (“Noticee”)***

Notice dated March 01, 2011, bearing number B211 / IS / 49 / 2009-10 / DSLNO22450 was issued by the Administrative Officer, SRO, Thane, whereby the Noticee has been asked to submit the Annual Survey of Industries return for the year 2009-2010 under the Collection of Statistics Act, 1953 and of the Collection of Statistics (Central) Rules, 1959, on an urgent basis.

Our Company replied *vide* a letter dated March 21, 2011 enclosing the Annual Survey of Industries return for the year 2009-2010 under the Collection of Statistics Act, 1953 and of the Collection of Statistics (Central) Rules, 1959.

Criminal litigation

Nil

Tax Litigation

- (i) Our Company has addressed a letter dated January 07, 2010 (“**Letter**”) to the Joint Commissioner of Sales Tax, Return Branch, Mazgaon, Mumbai (“**Issuing Authority**”), pursuant to order of the Issuing Authority bearing number RTO / MUM- VAT – C- 304 / 0910 / 359069, dated November 21, 2009 (“**Impugned Order**”) passed under the Maharashtra Value Added Tax Act, 2002 and rules formulated thereunder.

The Impugned Order states that as our Company has not filed returns for the period from April 01, 2009 to September 30, 2009 under Section 20 of the said Act, a penalty of ₹ 5,000 has been imposed. Our Company has, *vide* the Letter, stated that our Company has been filing monthly returns in accordance with trade circular number 26T of 2009. Accordingly, the penalty imposed may be revoked. No further communication has been received from the Issuing Authority in this regard.

- (ii) Audit Observation Letter bearing number F.No. III / II / EA-2000 / 528 / Calyx / Gr.III / Th-II / 06 dated December 18, 2006 (“**Letter**”) has been issued to our Company by the Commissioner of Central Excise, Thane - II (“**Issuing Authority**”) with respect to our manufacturing unit at Plot No. N-102, MIDC Tarapur. The Notice has been issued, pursuant to discrepancies allegedly found during the audit conducted for the period from June 2004 to September 2006 (“**Audit**”).

The Issuing Authority has passed the following directions against our Company:

- a) Irregular CENVAT Credit availed on paint as input: The Issuing Authority has alleged that our Company has availed CENVAT Credit on paints; since our Company is engaged in manufacture of Bulk Drugs, our Company is not entitled to get Cenvat on paints. The Issuing Authority alleges that as per Rule 3 of CENVAT Credit Rules 2004, our Company is allowed to take CENVAT Credit only on such inputs which are used in or in relation to manufacture of finished products and in this case the paint material is not the input material and therefore the Cenvat of ₹ .79 Lacs and ₹ 1,607 cess is not admissible to our Company. Therefore, the Issuing Authority has directed our Company to reverse the CENVAT Credit of ₹ .79 Lacs and ₹ 1,607 along with interest.
- b) Excess CENVAT Credit availed: our Company has been directed to pay / reverse the CENVAT Credit of ₹ 301 and ₹ 4,006 cess along with interest for availing excess CENVAT Credit on various inputs.
- c) Wrong availment of CENVAT Credit on capital goods: our Company has been directed to pay / reverse the CENVAT Credit of ₹ 97.49 Lacs including cess along with interest for availing CENVAT Credit on capital goods and simultaneously claiming depreciation on the same.
- d) Common input services are utilized for clearances of dutiable and exempted products: our Company has been directed to pay an amount of ₹ 3.91 Lacs along with interest for availing service tax credit cess on various services *viz.* construction, maintenance and repairs, security services which were utilized in relation to the sale of dutiable and exempted products.
- e) Irregular CENVAT Credit availed on Bill of entry: our Company had been directed to pay / reverse the CENVAT Credit of ₹ 6.77 Lacs and ₹ 1,541 cess along with interest for wrongly availing CENVAT credit on bill of entries.
- f) CENVAT availed and subsequently reversed (interest payable): Noticee has availed CENVAT Credit for an amount of ₹ 2.48 Lacs and subsequently reversed the same. Noticee is directed to pay interest on the amount so availed and reversed.
- g) Rejected goods cleared at lower prices: our Company has been directed to reverse the CENVAT Credit of ₹ .89 Lacs (inclusive of cess) along with interest for availing CENVAT Credit for rejected goods.
- h) Irregular CENVAT Credit availed on various inputs for the product Erythromycin: while scrutinizing the records and having seen the process of manufacture of our Company's finished products, it was observed that our Company is availing the CENVAT Credit on various inputs which are required for preparation / manufacture of finished products *viz.* Pyrazinamide, Zopiclone and Erythromycin falling under Chapter 20 of Central Excise Tariff Act, 1985. The Issuing Authority further observed that our Company has plant and machinery in the factory premises situated at Plot No. 102, MIDC Tarapur for manufacturing excisable goods / finished products *viz.* Pyrazinamide and Zopiclone only and that our Company does not have any plant and machinery for manufacturing the finished product *viz.* Erythromycin in the said factory. Further that our Company is sending all the input materials (which are required for manufacture of Erythromycin) to the job workers *viz.* Calyx Chemicals and Pharmaceuticals Private Limited W-212, MIDC Phase II, Sonarpada, Dombivli (East) for processing purpose (instead of further process) under annexure-II challans and that out of these inputs, the finished product Erythromycin is manufactured completely in fully packed conditions at Dombivli plant and is brought back to the Tarapur factory. The Issuing Authority further observed that no process incidental or ancillary to

the completion of the product Erythromycin has taken place in our Company's factory premises, as specified under Section 2(f) of Central Excise Act, 1994. Thus, the Cenvatable inputs had been sent to the job workers for manufacturing of Erythromycin products fully packed in condition, subsequently brought back in the factory premises and without applying any further process in the factory premises, the clearances of the said products were effected without following the proper procedure of manufacturing. Therefore, the Issuing Authority has directed our Company to clarify this procedure being followed by our Company without intimating the same to the Central Excise Department.

- i) Reconciliation of sales figures: our Company has been directed to submit a clarification on difference between sales value figures shown in the balance sheet and the sales value figures shown in ERI returns for the period 2004- 2005 and 2005- 2006; and
- j) Non payment of service tax by service providers: While scrutinizing the balance sheet records the Issuing Authority observed that our Company has paid commission charges to local service providers for the 2003- 2004, 2004-2005, 2005-2006, and 2006-2007 therefore, our Company has been directed to submit the list of service providers along with their names and address and the amount paid to them together with a copy of the bill.

Our Company has responded *vide* letter dated February 13, 2007 ("**Response**") paragraph wise stating that the paint procured by our Company was used for the purpose of epoxy flooring in the new bulk drug plant in the same factory premises and that the same was verified by the Issuing Authority at the time of their visit.

With regards to the CENVAT Credit availed by our Company for ₹ 3,000 our Company submitted that the Invoice shows cess as ₹ 3,395 on duty of ₹ .19 Lacs and since the amount has been paid to the party, our Company has taken the credit of the same amount.

With respect to the CENVAT Credit availed by our Company, parawise explanations of each transaction have been provided.

With respect to the wrong availment of CENVAT Credit on capital goods, our Company submitted that our Company has claimed depreciation on the subject capital goods in terms of the relevant provisions of the Income Tax Act, 1961 after reducing cenvat availed on capital goods.

With respect to the common input services utilized for clearances of dutiable and exempted products our Company submitted that they have availed the CENVAT Credit on input services which have not been exclusively used in or in relation to the manufacture of the final products. Consequently, the provisions of Rule 6(3) (b) of CENVAT Credit Rules, 2004 do not apply.

With respect to irregular CENVAT Credit availed on bill of entry our Company submitted that in case of Bill entry No. 888262 dated June 09, 2005 the goods were received in the factory and were used in relation to manufacture of final product. The importer i.e. M/s. Gemini Exports have given a declaration in the bill of entry that they have not availed CENVAT Credit of ₹ 6 Lacs.

With respect to the CENVAT Credit availed and subsequently reversed (interest payable) our Company submitted that except for CENVAT Credit availed for ₹ 6,800 all other CENVAT Credit is availed and reversed in the same month therefore CENVAT Credit has not been utilized at all. With respect to CENVAT Credit availed for ₹ 6,800 Noticee submitted that since the CENVAT Credit balance has not gone below ₹ 6,800 there is no utilization of wrong credit.

With respect to rejected goods cleared at lower rates, Noticee submitted that the final products i.e. the re-processes goods (earlier rejected by the customers) have been cleared by our Company on payment of duty based on the transaction value thereof. our Company further submitted that whether such transaction value is lesser or more than the original transaction value at which the goods were earlier cleared is of no relevance in context of Section 4 of Central Excise Act, 1944 and that re-processed goods cleared on payment of duty are finished goods and not a input or capital goods hence provisions of Rule 3(4) of CENVAT Credit rules, 2004 do not apply.

With respect to irregular CENVAT Credit availed on various inputs for the products Erythromycin, Noticee submitted that the production at Noticee's Tarapur plant started in the year 1999. In the initial period the Company has manufactured products viz. Pyrazinamide, Zopiclone, Pyrazine 2, 3 Dicarboxylic acid etc. and that our Company manufacturing Erythromycin range of products at Tarapur from the year 2001. In the year 2003, the facility in Tarapur was approved by US FDA. In certain regulatory issues, the Company started manufacturing Erythromycin range of products on job-work basis from Calyx Pharmaceuticals and Chemicals Private Limited, Dombivli. For job-work, the inputs were supplied by the Company to job-workers as per the procedure laid down under Rule 4(5) (a) of the CENVAT Credit Rules, 2004. With respect to the manufacturing / processing of goods on job work basis at Calyx Pharmaceuticals and Chemicals Private Limited, Dombivli out of inputs supplied by our Company on which the credit was availed, our Company submitted that it has followed the procedure as laid down by the CENVAT Credit Rules, 2004. our Company further submitted that there is no provision under law nor are there any restriction / prohibition that a manufacturer having facilities at his disposal for manufacturing of a product cannot have such manufacturing being undertaken elsewhere on job-work basis. our Company has further submitted that the department was fully aware of such activities being carried out by our Company and no objection was raised by the Audit officers who earlier conducted extensive audits of the records maintained by our Company including the documents / records maintained in respect of such job work.

Further, our Company *vide* letter dated January 16, 2006 has sought permission of the Commissioner of Central Excise, Thane-II Commissionerate for direct removal of the final products manufactured on job work basis by Calyx Pharmaceuticals and Chemicals Private Limited, Dombivli i.e. the job worker on payment of duty for the premises. The Commissioner of Central Excise, Thane-II Commissionerate *vide* letter dated March 23, 2006 was pleased to grant such permission subject to the conditions prescribed therein.

Our Company provided details of reconciliation of sales figures as per profit and loss accounts as per excise records for the year 2004-05 and 2005-06 and the details of commission paid where service tax is not charged by the service providers for the year 2003-04, 2004-05, 2005-06 (upto October 2006)

- (iii) Our Company thus requests that the various Audit objections raised be closed.
Show Cause cum Demand Notice bearing number F.No.V.Adj.(SCN)30-29 / TH.II. / 07 / 1739 dated June 14, 2007 (the "**Notice**") has been issued to our Company ("**Noticee**") by the Office of the Assistant Commissioner of Central Excise, Boisar-I, Thane-II ("**Issuing Authority**") in respect of our Company's manufacturing unit at plot number 102, MIDC, Tarapur, Boisar, Thane under the provisions of the Sales Tax Act.

The Noticee is availing the benefit of deferred payment scheme as per the substituted 4th proviso of Section 38(4) of the Bombay Sales Tax Act, 1959 for payment of Net Present Value (NVP) of deferred taxes under Package Scheme of Incentives, 1993 ("**Scheme**") *vide* Certificate of Entitlement bearing number DC / THN / R31B / 959 dated June 25, 2002 and addenda bearing number DC / THN / R-31B / 959 / B-7122 issued by the Deputy Commissioner of Sales Tax, Thane Division, Thane. Scrutiny of records of the Noticee by the Issuing Authority indicates that Noticee had collected the sales tax from the customers but did not pay to the State Government. Thus the amount of sales tax which was collected from the customers but not paid to the State Government, accrued them an additional consideration under Rule 6 of the Central Excise Valuation (Determination of Price of Excisable Goods) Rules, 2000 read with Section 4 of the Central Excise Act, 1944. Further more the Noticee had opted for premature repayment of Sales Tax deferred liability for the year 2000-2001, 2001-2002 to 2002-2003 ("**Period**") which was paid by them dated April 15, 2004.

It is alleged that the Noticee had issued a letter dated June 28, 2006 to the State Government intimating that during the abovementioned Period they had collected total sales tax of ₹ 67,68,191 but paid only ₹ 22.48 Lacs as premature payment, due to which Noticee received discount / abatement of ₹ 45.19 Lacs accrued during the Period. Noticee has, *vide* letter dated December 21, 2006, stated that the aforesaid difference in amount (between premature sales tax and amount payable) was reflected in their gross sales account in their Financial Accounts for the year 2004-05.

The Notice has been issued on the grounds that:

- a) The Noticee has contravened the provisions of Rules 4, 6, 8 and 11 of the Central Excise Rules, 2002. The amount of discount which has been shown as income in their financial accounts for the year 2004-05 is additional consideration received from the buyers in course of sale of excisable goods, thus forming part of the assessable value / transaction value and required to be added in the assessable value of goods cleared by them under Section 4(3)(d) of the Central Excise Act, 1944 read with Rule 6 of the Central Excise Valuation (Determination of Price of Excisable Goods) Rules, 2000; and
- b) The Noticee has wilfully not included the additional consideration in its assessable value with intention to evade payment of central excise duty. Thus the Noticee has failed to determine correct transaction value. This has resulted in under valuation of excisable goods cleared during the Period and there by short payment of Central Excise duty amounting to ₹ 7.23 Lacs and education cess of ₹ .14 Lacs.

The Noticee is required to show cause to the Issuing Authority within 30 days from the date of receipt of the Notice, as to why the amount of ₹ 45.19 Lacs received by them as described hereinabove should not be recovered from the Noticee, along with the interest at appropriate rate on the amount and the penalty imposed thereon.

The Noticee has not filed a reply to the said Notice and also no further communication has been received from the Issuing Authority in this regard.

- (iv) Audit Observation Letter bearing number F.No.III / II / EA 2000 / 1118 / CCPL / Gr.V / TH-II / 08-09 dated March 02, 2009 (the “**Letter**”) has been issued to our Company in respect of our Company’s manufacturing unit at plot number N-102, N-90 and N-91, Tarapur, Boisar by the Office of the Commissioner of Central Excise, Thane-II (“**Issuing Authority**”) under Section 11A (2B) of Central Excise Act, 1944. The Notice has been issued pursuant to EA – 2000 audit verification of Noticee’s records conducted by the Issuing Authority for the period from October, 2006 to December, 2008 (“**Audit**”)

During the course of the Audit some observations were noticed by the Authority and the Letter was issued on the following grounds:

- a) Our Company was sending some finished goods for testing purposes outside without preparing central excise invoices and without paying central excise duty as required. It was also observed that our Company was utilizing the finished goods for quality control purpose, but credit pertaining to the said sample was not reversed. Thus Noticee was directed to calculate and pay duty along with interest thereon immediately;
- b) That our Company received rejected finished goods from Ajanta Pharma Limited *vide* invoice number 386 dated March 08, 2008 and our Company has availed credit of ₹ 1 Lac with applicable cess and charges. However while clearing the said goods our Company has paid only ₹ .81 Lacs with applicable education cess under Rule 16 of the Central Excise Rules, 2002, whereas our Company was also required to reverse equal amount of duty. Therefore our Company is directed to pay the differential amount of ₹ .19 Lacs with appropriate interest and applicable cess thereon immediately;
- c) That Noticee’s Registered Office is registered with Service Tax Authorities for providing the services of input service distributor. In one instance our Company has availed and utilised input service credit of ₹ 4,600 with applicable cess in the month of November, 2006. Further it was observed from the invoice issued by the service provider that he has rendered his service at our Company’s Dombivli Plant and not at Boisar Plant, which is inadmissible as per applicable CENVAT Credit Rules. our Company is directed to pay the said credit along with interest thereon immediately;
- d) It is observed from the Balance Sheet of our Company for the year 2006-2007 that our Company has reflected as other income, a sum of ₹ 209.85 Lacs being the process know how

income. It is further observed that our Company has not paid Service Tax for the same. Thus our Company is directed to pay the Service Tax on the same along with appropriate interest thereon immediately; and

- e) That the daily production register maintained by our Company is not authenticated as required under Rule 10(2) of the Central Excise Rules, 2002. Thus our Company is directed to authenticate the same immediately.

Our Company has replied *vide* letter dated March 16, 2009 (“**Response**”) stating that:

- a) as observed by the Issuing Authority during the course of the Audit, our Company has paid the amounts of duty reversed, being ₹ .25 Lacs along with interest of ₹ 3,560 *vide* GAR-7 Challan dated March 07, 2009; and
- b) the same is in accordance with Section 11 A (2B) of the Central Excise Act.

Our Company has also submitted a para wise reply stating that our Company has accepted the observations made regarding amounts of duty reversed and has paid the amounts stated by the Issuing Authority during the Audit, as being due. Furthermore, our Company has stated that the process know how income is not taxable as it is temporary transfer (only permanent transfer of knowhow being taxable under Section 65 (55b) of the Central Excise Act). our Company has stated that the daily production registers maintained are authenticated as on the Response date and that our Company shall comply with applicable provisions in this regard in the future.

Accordingly, it is prayed for the Letter not to be issued to our Company and that no penalty be imposed as the short levy / short payment / wrong availment of credit was not intentional. Furthermore our Company has requested the Authority to close the matter, since our Company has complied with the provisions of Central Excise Law and will continue to comply with the same.

Our Company has not received any further communication from the Issuing Authority in this regard.

- (v) Letter dated June 17, 2009 has been issued to our Company (“**Noticee**”) by the Commissioner of Central Excise, Thane (“**Issuing Authority**”) with respect to the Noticee’s plot situated at W-212, MIDC Phase II, Dombivli regarding the findings of the Audit conducted under EA 2000 for the period September 2007 to March 2009 (“**Audit**”).

The following observations are made in the same, *inter alia*:

- a) While checking the CENVAT Credit documents it was noticed that the Noticee has taken credit a capital goods i.e. stretcher and filter bag which are not admissible to the Noticee and on being pointed out, the Noticee reversed the CENVAT Credit aggregating to ₹ 8,144;
- b) The Noticee has paid an amount of ₹ .37 Lacs *vide* GAR No. NIL dated April 29, 2009 with respect to material received after process from job workers and the Issuing Authority has requested the Divisional Assistant Commissioner to confirm / verify the said payment and report the same to the Audit; and
- c) There was a delay in payment of Excise Duty for the months November 2007, December 2007, August 2008, January 2009 and March 2009 which attracted a total interest of ₹ 8,740 and the same has been paid by the Noticee *vide* GAR dated April 29, 2009. The Issuing Authority has requested the Divisional Assistant Commissioner to confirm the same.

Noticee has, *vide* letter dated April 29, 2009 addressed to the Superintendent, Central Excise (“**Addressee**”) regarding the aforementioned EA 2000 Audit, informed the Addressee that they have reversed ₹ .13 Lacs *vide* F- 01 E – dated April 28, 2009 from RG23APART II / SERVICE TAX and paid interest of ₹ .49 Lacs *vide* cheque No. 927444 dated April 28, 2009 drawn on ‘State Bank of India’.

- (vi) Notice bearing number F.No.ST / DIV-VI / Gr.I / EA-2000 / Calyx / 08-09 /1589 dated August 28, 2008 (“**Notice**”) has been issued to our Company (“**Noticee**”) by the Assistant Commissioner of Service Tax

Division VI (“**Issuing Authority**”) under the Finance Act, 1994 in respect of our manufacturing unit at Plot No. 102, MIDC Tarapur. The Notice states that on scrutiny of the financial records of the Noticee by EA-2000, the Issuing Authority has observed that the Noticee paid commission charges to foreign based commission agents for an amount of ₹ 17.04 Lacs in the year 2004- 2005, and ₹ 20.14 Lacs in the year 2005- 2006. The Notice states that according to provisions of Finance Act, 1994 service tax is payable on commission charges by the Noticee under the category ‘Business Auxiliary Services’ in respect thereof.

The Issuing Authority has, accordingly, called upon the Noticee to pay service tax amounting to ₹ 3.71 Lacs and education cess of ₹ 6,049 immediately and intimate the details of such payment to the office of the Issuing Authority.

The Noticee has responded to the said Notice *vide* letter dated September 03, 2009 (“**Response**”) stating that even if it be assumed that such services rendered by the foreign based commission agent can be considered as ‘taxable service’, the service tax thereon would be payable only under the provisions of Section 66A of the Finance Act, 1994 as amended under ‘reverse charge mechanism’. The Noticee further states that the provisions of Section 66A of the Finance Act, 1994 came into operation with effect from April 18, 2006 and that no service tax on any ‘import of service’ is payable thereunder for such services rendered by foreign based commission agent prior to this date. Accordingly, Noticee has submitted that service tax cannot be levied on such commission in respect of services rendered before April 18, 2009. The amount involved in this matter is ₹ 3.77 Lacs.

Further, another Notice bearing number F.No. V / ST / Dn-VI / Gr-H / EA-2000 / Calyx / 08-09 /154-29 dated September 30, 2009 in respect of our manufacturing unit at N-102 / 91, MIDC Tarapur. The Notice pertains to the Noticee’s letter dated August 25, 2009 wherein the year wise details of commission paid by the Noticee to foreign based commission agents from 2004- 2005 to 2008- 2009 have been provided.

The Issuing Authority has requested the Noticee to state the nature of service received by the Noticee from the service providers situated abroad. Further, the Issuing Authority refers to the Noticee’s letter dated September 03, 2009 wherein the Noticee has stated that as per the provisions of Section 66A, the Noticee is liable to pay service tax for the period commencing from April 18, 2006. However, since no action has been taken by the Noticee to pay such outstanding liability of service tax, the Issuing Authority has directed the Noticee to pay the service tax amount with interest and to produce a copy of the challan evidencing payment.

The Issuing Authority has further directed the Noticee to furnish details of the payment received by the Noticee for the year 2006- 2007, for the period April 01, 2006 to April 18, 2006 and April 19, 2006 to March 31, 2006 along with copies of ledgers indicating the commission paid to foreign service providers for the year 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09.

The Noticee has responded to the same *vide* letter dated September 25, 2009 (“**Response**”) providing details of commission paid to foreign based commission agents from the Fiscal 2005 to Fiscal 2009, as required by the Notice. The Noticee has also stated that it will, in consultation with its advisors in this regard, make necessary service tax payments of amounts due, if any.

Noticee has made a payment of service tax amounting to ₹ 6.86 Lacs for the Fiscal 2007 to 2008-2009.

Further, another Show Cause Notice bearing No. ST / Div-V / Calyx / SCN-13V2009 / 4341 (“**Show Cause Notice**”) has been issued to our Company by Office of the Commissioner of Service Tax, Mumbai.

The Issuing Authority alleges that during an audit scrutiny of the Noticee’s records at the Noticee’s premises at Tarapur, the audit officers had observed that the Noticee has paid ₹ 99.15 Lacs during the years 2004-2005 to 2008-2009 as commission charges to the foreign based commission agents. Noticee has, however, failed to pay service tax on the said commission charges.

As the premises of the Noticee where the audit scrutiny took place came under the jurisdiction of Division – VI, the Officer of Division – VI, *vide* letters dated September 15, 2009 and September 30, 2009 the Issuing Authority had called for the details of the commission charges paid to the foreign based agents and

copies of the ledgers indicating the commission paid to the foreign agents. It is alleged that the Noticee did not furnish the ledgers or the details of the commission paid to the foreign based agents. Hence, the show cause notice is prepared on the basis of the commission filed by the audit for the period from 2004-2005 to 2008-2009.

It is stated that the Noticee is liable to pay service tax under Rule 2(1)(iv)(d) for the Business Auxiliary Services from the year 2004-05 to 2008-09 amounting to ₹ 11.41 Lacs.

The Issuing Authority directs the Noticee to show cause *inter alia* as to:

- a) its actions for the evasion of tax amounting to ₹ 11.41 Lacs;
- b) why the interest on the service tax must not be charged;
- c) why penalty must not be imposed on the Noticee under the provisions of Section 77 of the said Act read with Rule 7 of the Service Tax Rules, 1994, as amended, for failure to file prescribed returns with correct declarations; and
- d) why penalty for suppressing the value of taxable services of Business Auxiliary Service and for contravention of provisions of Sections 68 of the Finance Act should not be imposed and be recovered from the Noticee under the provisions of section 78 of the Finance Act, 1994, as amended, read with Rule 6 of the Service Tax Rules, 1994, as amended.

The Noticee has replied to Show Cause Notice *vide* letter dated December 28, 2011 stating that following:

- a) With respect to the service tax on commission paid to agents in foreign countries on sale of goods for the period from 2004-05 to 2008-09, tax is not payable on import of services prior to April 18, 2006. The Noticee further states that the tax for the period from April 18, 2006 onwards has already been paid;
 - b) With respect to imposition of penalty under Section 76 and 78, the Noticee states that the penalty cannot be imposed under both these sections simultaneously;
 - c) With respect to Section 77, the Noticee states that the penalty has already been paid.
- (vii) Notice bearing number F.No: CEX / R-I / BSR-I / Calyx / CERA / 08-09 / 620 dated September 15, 2009 (“**Notice**”) has been issued to our Company (“**Noticee**”) by the Superintendent of Central Excise, Range I, DN-BSR-I, Thane- II (“**Issuing Authority**”) under the provisions of the Finance Act, 1994 in respect of our manufacturing unit at Plot No. N-102, MIDC Tarapur regarding audit of records by Central Excise Revenue Audit (“**CERA**”). The Issuing Authority has called upon the Noticee to reverse / pay the wrong Service Tax Credit taken and utilized on service tax paid on outward freight charges, custom home agent, clearing and forwarding agent for export of goods, amounting to ₹ 0.16 Lacs for the Fiscals 2006 and 2007 along with interest till the date of the Notice.

The Noticee has responded to the said Notice *vide* letter dated September 18, 2009 (“**Response**”) stating that the said taxable services availed by the Noticee in respect of the export of goods (as stated in the Notice) clearly fall within the scope of definition of “Input Service” contained in Rule 2(1) of CENVAT Credit Rules, 2004. Therefore, the Noticee is entitled to avail and has rightly availed the CENVAT Credit of service tax paid on such services and is not obliged in law to reverse / pay the CENVAT Credit of services so availed. The Noticee has requested the Issuing Authority to close the audit para under due intimation to the Noticee.

- (viii) The Noticee has not received any further communication from the Issuing Authority in this regard
- Notice of Demand (“**Notice**”) along with an intimation under section 200A of IT Act, both dated September 22, 2011 has been issued to our Company (“**Noticee**”) by the Deputy Commissioner of Income Tax, TDS Circle 1(1), Mumbai (“**Issuing Authority**”) for the assessment year 2011-2012. The said notice has been issued demanding a payment of ₹ 11.16 Lacs. Our Company has addressed a letter dated November 07, 2011 to the Deputy Commissioner of Income Tax, CIT(TDS), Circle 1(1), to rectify the intimation u/s 200A and to issue new demand notice.
- (ix) Notice of Demand (“**Notice**”) dated May 14, 2012 has been issued to our Company (“**Noticee**”) by the Deputy Commissioner of Income Tax, TDS Circle 1(1), Mumbai (“**Issuing Authority**”) for the assessment

year 2012-2013. The said notice has been issued demanding a payment of ₹ 60,969. Our Company has addressed a letter dated July 09, 2012 to the Deputy Commissioner of Income Tax, CIT(TDS), Circle 1(1), to rectify the intimation u/s 200A and to remove the demand from their records.

- (x) An intimation under section 200A of IT Act, dated September 22, 2011 has been issued to our Company (“**Noticee**”) by the Deputy Commissioner of Income Tax, Circle 1(1), Mumbai (“**Issuing Authority**”) for the assessment year 2012-2013. The said notice has been issued demanding a payment of ₹ 54.17 Lacs’. Our Company has addressed a letter dated July 07, 2011 to the Deputy Commissioner of Income Tax, CIT(TDS), Circle 1(1), to rectify and remove the demand raised vide their intimation under reply.
- (xi) Notice of Demand (“**Notice**”) dated May 29, 2012 has been issued to our Company (“**Noticee**”) by the Deputy Commissioner of Income Tax, Circle 1(1), Mumbai (“**Issuing Authority**”) for the assessment year 2011-2012. The said notice has been issued demanding a payment of ₹ 5.51lacs’. Our Company has addressed a letter dated July 04, 2012 to the Deputy Commissioner of Income Tax, CIT(TDS), Circle 1(1), to rectify the mistake and to remove the demand from their records.
- (xii) ***Notice bearing number I.T.O 8(1)(2) / S.A.TAX / 2010-11 issued by Income Tax Officer 8(1)(2), Mumbai (“Issuing Authority”) to our Company (“Noticee”) for assessment year 2010 - 2011***

Notice dated January 24, 2011, bearing number I.T.O 8(1)(2) / S.A.TAX / 2010-11 was issued by the Income Tax Officer 8(1)(2), Mumbai, whereby the Noticee has been asked to show cause as to why a penalty not be levied under Section 140A r.w.s. 221(1) of the Income Tax Act, 1961, for non payment of Self Assessment Tax of ₹ 440.28 Lacs.

The Noticee *vide* its reply dated February 07, 2011 replied to the aforesaid Notice, contending that the Noticee has duly paid the Self Assessment Tax before September 30, 2010. Further the Noticee requested to cancel the demand for Self Assessment Tax and drop the penalty proceedings initiated *vide* letter dated January 24, 2011

The Noticee has replied *vide* letter dated February 24, 2012 addressed to the Issuing Authority stating that they have enclosed a copy of the letter dated February 07, 2011 filed with Issuing authority on February 10, 2011 wherein they have enclosed all the tax paid challan.

The matter is currently pending before the Income Tax Officer 8(1)(2), Mumbai.

- (xiii) ***Notice of Demand bearing No. OE-Scru-232/P-120/2011-12 (“Notice”) issued by Joint Commissioner of Income Tax Range 8(1)(2), Mumbai (“Issuing Authority”) to our Company (“Noticee”)for the assessment year 2009-10***

Notice dated November 09, 2011 was issued by Joint Commissioner of Income Tax (OSD Range 8(1), Mumbai for the demand of ₹45,50,690 on completion of scrutiny assessment u/s 143(3) of Income Tax Act, 1961 along with the assessment order.

The Noticee paid ₹39,84,189 subsequently as against the said demand and filed rectification letter for not including ₹5,66,501 in the order u/s 143(3) and to issue a revised demand notice.

- (xiv) ***Notice issued by the Assistant Commissioner of Sales Tax (I-25), Investigation Branch (B), Mumbai (“Issuing Authority”) to our Company (“Noticee”)***

Notice dated January 22, 2011, was issued by the Assistant Commissioner of Sales Tax (I-25), Investigation Branch (B), Mumbai, under Section 64 of the Maharashtra Value Added Tax Act, 2002, whereby the Noticee is required to produce all books of accounts from April 01, 2005 to till date. The Company has submitted its books of accounts on January 22, 2011.

The matter is pending before Assistant Commissioner of Sales Tax (I-25), Investigation Branch (B), Mumbai.

- (xv) ***Letter dated February 01, 2011 has been issued to our Company (“Noticee”) by the General Manager, District Industries Centre, Thane (“Issuing Authority”) with respect to ELP-I, & Annual Returns (monitoring) report to be filed under Package Scheme of Incentives – 1993.***

The Issuing Authority *vide* its letter dated February 01, 2011 informed to the Noticee that it has not submitted the annual (monitoring) report sought for, after the eligibility certificate is granted to the Noticee, thereby presuming that the unit is closed and not functioning. Further the Noticee informed that failure to comply with the requirement (shutting down of the unit) would constitute breach of the conditions of eligibility certificate and the loan agreement / SCI agreement and therefore implementing agency is empowered to recall and recover the amount disbursed by the Noticee by way of incentives.

The Authority demanded that the Noticee should show cause as to why steps be not taken for recovery of the amounts disbursed by the Noticee.

The Noticee in its reply dated March 01, 2011, contended that (i) it has manufactured items mentioned in the entitlement certificate that was granted by the Deputy Commissioner of Sales Tax, Thane and accordingly claimed CQB by filing returns to the concerned sales tax authority upto the end of the operative period (between January 01, 2000 to October 31, 2005); (ii) till date it is manufacturing the same items at the same unit and also paying taxes as applicable, therefore suggesting that the unit is still operative; (iii) it has not received any letter dated September 30, 2010, issued by the Issuing Authority.

The Noticee requested to close the proceedings initiated by the Issuing Authority against it.

Potential Litigation by our Company

Potential Civil Litigation

Nil

Potential Tax Litigation

- (i) An intimation was given by the Income Tax Department to our Company demanding an amount of ₹741.69 Lacs in respect of order dated February 16, 2012 for the assessment year 2011-12. The said amount was paid by our Company. However, the Income Tax Department has not credited the amount of ₹ 442.00 Lacs and ₹ 225.07 Lacs, being advance tax and self assessment tax. Our Company has made a rectification request which is currently pending. Therefore, there is no financial liability on our Company with respect to the same.

Potential Litigation Against Our Promoters and Directors

- (i) **Potential Litigations initiated against Mr. Smitesh Chandravadan Shah**

Nil

- (ii) **Potential Litigations initiated against Mr. Bharat Sukhlal Mehta**

Nil

- (iii) **Potential Litigations initiated against Mr. Rajat Indulal Doshi**

Nil

- (iv) **Potential Litigations initiated against Mr. Jambunathan Srinivasa Iyer**

Nil

- (v) **Potential Litigations initiated against Mr. Bhumitra Vinodchandra Dholakia**

Nil

- (vi) **Potential Litigations initiated against Mr. Abhay Praful Desai**

Nil

- (vii) **Potential Litigations initiated against Mr. Chakradhar Bharat Chhaya.**

Nil

Potential Litigation By our Promoters and Directors

- (i) **Potential Litigations initiated by Mr. Smitesh Chandravadan Shah**

Nil

- (ii) **Potential Litigations initiated by Mr. Bharat Sukhlal Mehta**

Nil

- (iii) **Potential Litigations initiated by Mr. Rajat Indulal Doshi**

Nil

- (iv) **Potential Litigations initiated by Mr. Jambunathan Srinivasa Iyer**

Nil

- (v) **Potential Litigations initiated by Mr. Bhumitra Vinodchandra Dholakia**

Nil

- (vi) **Potential Litigations initiated by Mr. Abhay Praful Desai**

Nil

- (vii) **Potential Litigations initiated by Mr. Chakradhar Bharat Chhaya.**

Nil

Potential Litigation Against Entities Promoted by our Promoters

Nil

Potential Litigation By Entities Promoted by our Promoters

Nil

VIII. LITIGATIONS FILED BY / AGAINST OTHER ENTITIES, WHICH HAVE MATERIAL IMPLICATIONS TO OUR BUSINESS

Nil

IX. PENALTIES IMPOSED IN PAST CASES

i. **Our Company**

Sr. No.	Amount of penalty imposed	Brief particulars regarding the penalty	Remarks (paid / payable and reasons therefor)
1.	₹ 3,000	Penalty was imposed by the Judicial Magistrate, F. C. Miraj, vide order dated January 08, 2010 in case bearing number 9256 / 95 on the former promoters of erstwhile Shree Deep Jyote Industrial Paints Private Limited (Mr. Dharmesh Shah and Mr. Satyen Shah) for contravention of the Standards of Weights and Measures Act, 1976.	Penalty imposed paid on December 01, 2009, payment acknowledged vide receipt dated December 01, 2009 issued by Assistant Inspector, Criminal Court, Miraj.
2.	₹ 5,000	Penalty was imposed by the Controller of Rationing, Mumbai vide order dated December 05, 2009 on our Company for failure to submit end- use certificates under the Maharashtra Solvents, Raffinate and Slop (Order), 2007.	Deposit paid by our Company in this regard was seized towards payment of the penalty.

ii. **Our Subsidiary**

Nil

iii. **Our Directors and Promoters**

Sr. No.	Amount of penalty imposed	Brief particulars regarding the penalty	Remarks (paid / payable and reasons therefor)
1.	₹ 5,000	Penalty was imposed by the Company law Board, Mumbai bench vide order dated September 08, 2011 in Company Application bearing No. 22 to 26/621A/CLB/MB/2011	Penalty was paid by Smitesh Shah vide DD No. 020416

iv. **Entities Promoted by our Promoters**

Nil

X. AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS

Other than in accordance with the mutually accepted terms in our agreements with our suppliers, wherein the credit period has been determined, we believe there are no creditors (including small scale undertakings) to which a sum exceeding ₹ 1.00 Lacs is due for a period of more than 30 days to be paid by us except as under:

Sr. No.	Name of creditor	Amount owed (₹ in Lacs)
1.	Aarey Drugs & Pharmaceuticals Ltd	1.58
2.	Anand Enterprises	4.10
3.	Meera Chemicals Industries	2.28
4.	Remi Chem Industries	1.09
5.	R. R. Enterprise	32.76
6.	TASC Chemical Industries Pvt. Ltd	6.14
7.	Agilent Technologies India Pvt. Ltd.	2.15
8.	F.R. Construction	3.25
9.	Harnam Singh Enterprises	1.13
10.	Jaybee Traders	2.28
11.	Kalikund Steel & Engineering Co.	4.82
12.	Nima Engineering Private Limited	3.39
13.	Powerpac	0.56
14.	Rajyog Fire Services Pvt. Ltd.	6.82
15.	R.K.Insulation	11.39
16.	R.V.Dalvi & Associates	1.30
17.	Samarth Polycoats Pvt .Ltd.	1.20

18.	Sams Techno Mech Pvt. Ltd.	7.98
19.	Vaibhav Coats	1.65
20.	Aarti Engineering	1.15
21.	Arham Engineering & Industrial Corporation	1.18
22.	Arihant Enterprise	1.20
23.	Iyer Rangaswamy	1.03
24.	Jinal Chem Industries	2.34
25.	Lalita Fabrication & Engineering Works	1.02
26.	Malti Enterprise	8.90
27.	Marco Gensets Pvt. Ltd.	2.65
28.	Ramdev Stationers & Printers	2.18
29.	Rinac Insulations Pvt. Ltd.	3.23
30.	Sai Raj Tempo Service	1.82
31.	Shree Ganesh Decorators And Caterers	7.30
32.	S.V.Scientific	1.34
33.	Tejas Enterprise	1.03
TOTAL		132.24

XI. MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET

Except as disclosed in the chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operation*” under heading “*Significant Developments Subsequent to the Last Fiscal*” on page 285, there are no other material developments since the last balance sheet date.

GOVERNMENT AND OTHER STATUTORY APPROVALS

Except for pending approvals mentioned under this heading, our Company has received the necessary material consents, licenses, permissions and approvals from the Government and various Government agencies required for our present business and carrying on our business activities. Further, except as mentioned herein below, our Company has not yet applied for any licenses, consents, permissions and approvals for the proposed activities as contained in the Section titled “Objects of the Issue” beginning on page 88 of this Draft Red Herring Prospectus. It must be distinctly understood that, in granting these approvals, the Government of India 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.

(I) Approvals from FIPB

1. Our Company has made an application dated July 23, 2012 to FIPB seeking its post-facto approval for the Equity Shares allotted to Marble Arch Group Limited on April 03, 2012 and April 09, 2012. Further, our Company has made an additional application dated September 26, 2012 to FIPB, seeking its approval to offer, issue and allot Equity Shares upto 49% of the post issue paid up capital of our Company to foreign investors who may participate in this Issue.

(II) General and corporate approvals

2. Certificate of Incorporation bearing number 38618 of 1986 dated January 14, 1986 has been issued to our Company, in the name of “Shree Deep Jyote Industrial Paints Private Limited” under the Companies Act, 1956 by the Registrar of Companies, Maharashtra, Mumbai.
3. Fresh Certificate of Incorporation Consequent on Change of Name under the Companies Act, 1956 bearing number 11-38618 dated August 04, 1997 has been issued to our Company by the Registrar of Companies, Maharashtra, Mumbai, pursuant to the change of name of our Company from “Shree Deep Jyote Industrial Paints Private Limited” to “Calyx Chemicals and Pharmaceuticals Private Limited”.
4. Fresh Certificate of Incorporation Consequent on Change of Name under the Companies Act, 1956 bearing number 11-38618 dated March 11, 2005 has been issued to our Company by the Deputy Registrar of Companies, Maharashtra, Mumbai pursuant to the change of name of our Company from “Calyx Chemicals and Pharmaceuticals Private Limited” to “Calyx Health Sciences Private Limited”.
5. Fresh Certificate of Incorporation Consequent on Change of Name under the Companies Act, 1956 bearing number 11-38618 dated May 19, 2005 has been issued to our Company by the Deputy Registrar of Companies, Maharashtra, Mumbai pursuant to the change of name of our Company from “Calyx Health Sciences Private Limited” to “Calyx Chemicals and Pharmaceuticals Private Limited”.
6. Fresh Certificate of Incorporation Consequent upon Change of Name on Conversion to Public Limited Company under the Companies Act, 1956 dated September 08, 2006 has been issued to our Company by the Deputy Registrar of Companies, Maharashtra, Mumbai pursuant to the conversion of our Company from a private limited Company into a public limited company. The same is valid until cancellation.
7. Our Company’s Permanent Account Number (“PAN”), AABCC1457B, has been allotted to our Company by the Assistant Commissioner of Income Tax (Computer Operations) as per the provisions of the Income Tax Act, 1961. The same is valid until cancellation.
8. Our Company’s Value Added Tax (“VAT”) Taxpayers Identification Number (“TIN”) being 27560410726V has been allotted to our Company by the Department of Sales Tax, Government of Maharashtra. The same is with effect from April 01, 2006 and is valid until cancellation.

9. Our Company's Central Sales Tax ("CST") TIN being 27560410726C, has been allotted to our Company by the Department of Sales Tax, Government of Maharashtra. The same is with effect from April 01, 2006 and is valid until cancellation.
10. Our Company's Tax Deduction Account Number ("TAN"), MUMC09940A, has been allotted to our Company by Tax Information Network of Income Tax Department as per the provisions of the Income Tax Act, 1961. The same is valid until cancellation.
11. Central Excise Registration Certificate bearing number AABCC1457BXD001 dated May 24, 2007 has been issued to our Company in respect of our Company's manufacturing unit at Plot number A-37 / 38, MIDC Phase – I, Golavli, Dombivli (East), Dombivli Industrial Area, Thane, Maharashtra 421 203 by the Assistant Commissioner of Central Excise, Kalyan – III Division under the Central Excise Act, 1944 and Rule 9 of the Central Excise Rules, 2002 for the purposes of operating as a dealer of excisable goods. The same is valid until cancellation.
12. Central Excise Registration Certificate bearing number AABCC1457BXM001 dated December 18, 2006 has been issued to our Company in respect of our Company's manufacturing unit at Plot number N- 102 and 91, MIDC, Tarapur, Tarapur IA, Thane, Maharashtra 401 506 by the Deputy / Assistant Commissioner of Central Excise, Thane- II under the Central Excise Act, 1944 and Rule 9 of the Central Excise Rules, 2002 for the purposes of manufacturing of excisable goods. The same is valid until cancellation.
13. Central Excise Registration Certificate bearing number AABCC1457BXM002 dated July 20, 2005 has been issued to our Company in respect of our Company's manufacturing unit at Plot number W-216, Dombivli (East), Sonarpada, Manpada, Thane, Maharashtra 421 204 by the Deputy Commissioner of Central Excise, Kalyan under the Central Excise Act, 1944 and Rule 9 of the Central Excise Rules, 2002 for the purposes of manufacturing of excisable goods. The same is valid until cancellation.
14. Central Excise Registration Certificate bearing number AABCC1457BXM003 dated November 28, 2006 has been issued to our Company in respect of our Company's manufacturing unit at Plot number W-212 / 213, MIDC, Phase – II, Sonarpada, Dombivli Industrial Area, Thane, Maharashtra 421 203 by the Assistant Commissioner of Central Excise, Kalyan under the Central Excise Act, 1944 and Rule 9 of the Central Excise Rules, 2002 for the purposes of manufacturing of excisable goods. The same is valid until cancellation.
15. Our Company's Importer- Exporter Code ("IEC") being 0398002223 has been issued on February 27, 2008 to our Company by the Foreign Trade Development Officer, Ministry of Commerce, Government of India for our Company's Registered Office and manufacturing units and other branch offices located at Plot number N91 / 102, MIDC, Boisar, Tarapur, District Thane, Maharashtra 401506, Factory W-212, 213, 215, Sonarpada, MIDC Phase-II, Dombivli (East), District- Thane, Maharashtra-421204, Research and Development Centre, W-217, Sonarpada, MIDC Phase-II, Dombivli (East), District- Thane, Maharashtra-421204 and Research and Development Centre, A-37 / 38, MIDC Phase-I, MIDC Industrial Area, Dombivli (East), Maharashtra-421203. The same is valid until cancellation.
16. Certificate of recognition bearing number ZB/ 0561 dated May 21, 2012 has been issued to our Company by the Zonal Joint Director General of Foreign Trade, Government of India, Ministry of Commerce and Industry in respect of certifying our Company as star export house and allotting status holder number 03 / 15 / 0561 / 20120521 in accordance with the provisions of the Foreign Trade Policy, 2009 – 2014. The same is valid for a period of 5 years, effective from April 01, 2012 till March 31, 2017.
17. Letter bearing number 1818 / SIA / IMO dated April 01, 2010 has been issued to our Company by the Under Secretary to the Government of India, Department of Industrial Policy and Promotion, Secretariat of Industrial Assistance, Government of India in respect of the amendments made to the

Industrial Entrepreneurial Memorandum acknowledgement letter bearing number 1818 / 8IA / IMO / 2006 dated April 10, 2006. Accordingly, amendments as to the address of the Registered Office of our Company have been taken note of by the issuing authority.

18. Letter bearing number 1881 / 8IA / IMO / 2006 dated December 06, 2006 has been issued to our Company by the Under Secretary to the Government of India, Department of Industrial Policy and Promotion, Secretariat of Industrial Assistance, Government of India in respect of the amendments made to the Industrial Entrepreneurial Memorandum acknowledgement letter bearing number 1818 / 8IA / IMO / 2006 dated April 10, 2006. Accordingly, enhancement of manufacturing capacity of our Company's manufacturing unit at N- 102 / N- 91, MIDC, Tarapur, Taluka Palghar, Thane, Maharashtra is recorded.
19. EPCG License bearing number 0330007857 / 3/11 / 00 dated February 10, 2005 has been issued to our Company by the Foreign Trade Development Officer under the Foreign Trade (Development and Regulation) Act, 1992. The duty saved is ₹ 19,34,505 and the export obligation is USD 3,23,428.21. The same is valid for 8 years.
20. Registration Certificate of Establishment bearing number L007360/COMMERCIAL II/ WARD L dated September 03, 2012 has been issued to our Company by the Inspector under the Bombay Shops and Establishment Act, 1948 in respect of registering our Company as a commercial establishment engaged in the business of manufacturing of bulk drugs. The same is valid until December 31, 2012.
21. The following table contains details of our Company's EPCG Licenses / Advance Authorisations:

ADVANCE AUTHORISATIONS:

Sr. No.	Authorization Date and Number	CIF Value of Imports as per license (' in lacs)	FOB value of Export obligation as per license (' in lacs)	Export Period	ITCHS Code and Export Item	Outstanding Export Obligation Quantity as on August 31, 2012 (in kgs)
1.	License Number 0310545595 / 3 / 03 / 00 granted <i>vide</i> authorization dated November 13, 2009. For the manufacturing unit located on plot number W-212, 213 and 215, Sonar Pada, MIDC, Phase-II, Dombivli (East), Thane, and on plot number N-91 / 102, MIDC, Tarapur, Boisar, District-Thane.	192.58	222.75	36 months from the date of the issue of License i.e. November 12, 2012.	ITCHS Code: 29415000 Export Item: Erythromycin Stearate BP-88	12
2.	License Number 0310546112 / 3 / 03 / 00 granted <i>vide</i> authorization dated November 17, 2009. For the manufacturing	192.58	222.75	36 months from the date of the issue of License i.e. November 16, 2012.	ITCHS Code: 29415000 Export Item: Erythromycin Stearate BP-88	1,839

Sr. No.	Authorization Date and Number	CIF Value of Imports as per license (in lacs)	FOB value of Export obligation as per license (in lacs)	Export Period	ITCHS Code and Export Item	Outstanding Export Obligation Quantity as on August 31, 2012 (in kgs)
	unit located on plot number W-212, 213 and 215, Sonar Pada, MIDC, Phase-II, Dombivli (East), Thane, and on plot number N-91 / 102, MIDC, Tarapur, Boisar, District-Thane.					
3.	License Number 0310365692 / 3 / 03 / 00 granted <i>vide</i> authorization dated March 02, 2006. For the manufacturing unit located on plot number N-102, MIDC, Tarapur, Boisar, District – Thane.	840.31	1242	36 months from the date of the issue of License i.e. March 01, 2009.	ITCHS Code: 29146990 Export Item: Coenzyme Q 0 or (Trimethoxy Toluene)	505
4.	License Number 0310459479 / 3 / 03 / 00 granted <i>vide</i> authorization dated January 29, 2008. For the manufacturing unit located on plot number W-212,213 and 215, Sonar Pada, MIDC, Phase-II, Dombivli (East), District – Thane, Maharashtra.	174.34	214.65	36 months from the date of the issue of License i.e. January 28, 2011.	ITCHS Code: 29419011 Export Item: Rifampicin BP	9,804
5.	License Number 0310454120 / 3 / 03 / 00 granted <i>vide</i> authorization dated December 14, 2007. For the manufacturing unit located on plot number W-212, 213 and 215, Sonar Pada, MIDC, Phase-II, Dombivli (East), District – Thane, Maharashtra.	174.78	219.75	36 months from the date of the issue of License i.e. December 13, 2010.	ITCHS Code: 29419011 Export Item: Rifampicin BP	3,000

Sr. No.	Authorization Date and Number	CIF Value of Imports as per license (in lacs)	FOB value of Export obligation as per license (in lacs)	Export Period	ITCHS Code and Export Item	Outstanding Export Obligation Quantity as on August 31, 2012 (in kgs)
6.	License Number 0310489495 / 3 / 03 / 00 granted <i>vide</i> authorization dated October 8, 2008. For the manufacturing unit located on plot number N-91 / 102, MIDC, Tarapur, Boisar, District – Thane.	1,044.09	1,082.81	36 months from the date of the issue of License i.e. October 7, 2011.	ITCHS Code: 29415000 Export Item: Erythromycin Oxime Base	8,607
7.	License Number 0310542677 / 3 / 03 / 00 granted <i>vide</i> authorization dated October 27, 2009. For the manufacturing unit located on plot number N-91 / 102, MIDC, Tarapur, Boisar, District – Thane and plot number W-212,213 and 215, Sonar Pada, MIDC, Phase-II, Dombivli- East, District-Thane, Maharashtra	138.23	159.25	36 months from the date of the issue of License i.e. October 26, 2012.	ITCHS Code: 29415000 Export Item: Erythromycin Ethyl Succinate BP / USP	60
8.	License Number 0310459480 / 3 / 03 / 00 granted <i>vide</i> authorization dated January 29, 2008. For the manufacturing unit located on plot number N-91 / 102, MIDC, Tarapur, Boisar, District – Thane	154.03	178.87	36 months from the date of the issue of License i.e. January 28, 2011.	ITCHS Code: 29420090 Export Item: Losartan Potassium	3,832
9.	License Number 0310466534 / 03 / 00 granted <i>vide</i> authorization dated March 27, 2008. For the manufacturing unit located at plot number N-91 / 102, MIDC	242.64	313.56	36 months from the date of the issue of License i.e. March 26, 2011.	ITCHS Code: 29415000 Export Item: Erythromycin Oxime Base	54

Sr. No.	Authorization Date and Number	CIF Value of Imports as per license (in lacs)	FOB value of Export obligation as per license (in lacs)	Export Period	ITCHS Code and Export Item	Outstanding Export Obligation Quantity as on August 31, 2012 (in kgs)
	Boisar, Tarapur, District- Thane					
10.	License Number 0310591192 / 3 / 03 / 00 granted vide authorization dated September 07, 2010. For the manufacturing unit located at plot number W-212,213 and 215, Sonar Pada, MIDC, Phase-II, Dombivli- East, District-Thane,	178.75	208.55	36 months from the date of the issue of License i.e. September 06, 2013.	ITCHS Code: 29415000 Export Item: Erythromycin Ethyl Succinate BP / USP	105
11.	License Number 0310591094 / 3 / 03 / 00 granted vide authorization dated September 06, 2010. For the manufacturing unit located at plot number W-212,213 and 215, Sonar Pada, MIDC, Phase-II, Dombivli- East, District-Thane,	243.57	286.15	36 months from the date of the issue of License i.e. September 05, 2013.	ITCHS Code: 29415000 Export Item: Erythromycin Stearate BP-88	9,550
12.	License Number 0310589704 / 3 / 03 / 00 granted vide authorization dated August 26, 2010. For the manufacturing unit located at plot number N-102, MIDC Boisar, Tarapur, District- Thane	369.38	436.50	36 months from the date of the issue of License i.e. August 25, 2013.	ITCHS Code: 29242960 Export Item: PYRAZINAMIDE BP / USP	28
13.	License Number 0310570511 / 3 / 03 / 00 granted vide authorization dated April 21, 2010. For the manufacturing unit located at plot number N-102, MIDC	354.91	410.08	36 months from the date of the issue of License i.e. April 20, 2013.	ITCHS Code: 29242960 Export Item: PYRAZINAMIDE BP / USP	60

Sr. No.	Authorization Date and Number	CIF Value of Imports as per license (in lacs)	FOB value of Export obligation as per license (in lacs)	Export Period	ITCHS Code and Export Item	Outstanding Export Obligation Quantity as on August 31, 2012 (in kgs)
	Boisar, Tarapur, District- Thane					
14.	License Number 0310591191 / 3 / 03 / 00 granted vide authorization dated September 07, 2010. For the manufacturing unit located at plot number N-102, MIDC Boisar, Tarapur, District- Thane	369.38	436.50	36 months from the date of the issue of License i.e. September 06, 2013.	ITCHS Code: 29242960 Export Item: PYRAZINAMIDE IP / BP / USP	85
15.	License Number 0310591204 / 3 / 03 / 00 granted vide authorization dated September 07, 2010. For the manufacturing unit located at plot number N-102, MIDC Boisar, Tarapur, District- Thane	369.38	436.50	36 months from the date of the issue of License i.e. September 06, 2013.	ITCHS Code: 29242960 Export Item: PYRAZINAMIDE BP / USP	12,350
16.	License Number 0310591846 / 3 / 03 / 00 granted vide authorization dated September 09, 2010. For the manufacturing unit located at plot number N-102, MIDC Boisar, Tarapur, District- Thane	369.38	436.50	36 months from the date of the issue of License i.e. September 08, 2013.	ITCHS Code: 29242960 Export Item: PYRAZINAMIDE IP / BP / USP	39
17.	License Number 0310570515 / 3 / 03 / 00 granted vide authorization dated April 21, 2010. For the manufacturing unit located at plot number N-102, MIDC Boisar, Tarapur, District- Thane	354.91	410.08	36 months from the date of the issue of License i.e. April 20, 2013.	ITCHS Code: 29242960 Export Item: PYRAZINAMIDE BP / USP	1,914
18.	License Number 0310591827 / 3 /	1,005.69	1,171.20	36 months from the date	ITCHS Code: 29415000	8,422

Sr. No.	Authorization Date and Number	CIF Value of Imports as per license (in lacs)	FOB value of Export obligation as per license (in lacs)	Export Period	ITCHS Code and Export Item		Outstanding Export Obligation Quantity as on August 31, 2012 (in kgs)
	03 / 00 granted vide authorization dated September 09, 2010. For the manufacturing unit located at plot number N-102, MIDC Boisar, Tarapur, District- Thane			of the issue of License i.e. September 08, 2013.	Export Erythomycin Base	Item: Oxime	
19.	License Number 0310591822 / 3 / 03 / 00 granted vide authorization dated September 09, 2010. For the manufacturing unit located at plot number N-102, MIDC Boisar, Tarapur, District- Thane	1,005.70	1,171.20	36 months from the date of the issue of License i.e. September 09, 2013.	ITCHS Code: 29415000 Export Erythomycin Base	Item: Oxime	1,632
20.	License Number 0310591837 / 3 / 03 / 00 granted vide authorization dated September 09, 2010. For the manufacturing unit located at plot number N-102, MIDC Boisar, Tarapur, District- Thane	1005.70	1171.20	36 months from the date of the issue of License i.e. September 08, 2013.	ITCHS Code: 29415000 Export Erythomycin Base	Item: Oxime	1,677
21.	License Number 0310591862 / 3 / 03 / 00 granted vide authorization dated September 09, 2010. For the manufacturing unit located at plot number W-212 / 213, MIDC, Phase-II, Sonarpada Dombivli (E) District- Thane	754.27	892.40	36 months from the date of the issue of License i.e. September 08, 2013.	ITCHS Code: 29415000 Export Erythomycin BP 88	Item:	20,000
22.	License Number 0310591104 / 3 / 03 / 00 granted vide	754.27	892.40	36 months from the date of the issue of License i.e.	ITCHS Code: 29415000 Export Erythomycin BP 88	Item:	17,642

Sr. No.	Authorization Date and Number	CIF Value of Imports as per license (in lacs)	FOB value of Export obligation as per license (in lacs)	Export Period	ITCHS Code and Export Item	Outstanding Export Obligation Quantity as on August 31, 2012 (in kgs)
	authorization dated September 06, 2010. For the manufacturing unit located at plot number W-212 / 213,MIDC, Phase-II, Sonarpada Dombivli (E), District- Thane			September 05 2013.		
23.	License Number 0310591516 / 3 / 03 / 00 granted vide authorization dated September 08, 2010. For the manufacturing unit located at plot number W-212 / 213,MIDC, Phase-II, Sonarpada Dombivli (E), District- Thane	754.27	892.40	36 months from the date of the issue of License i.e. September 07, 2013.	ITCHS Code: 29415000 Export Item: Erythomycin BP 88	18,347
24.	License Number 0310591839 / 3 / 03 / 00 granted vide authorization dated September 09, 2010. For the manufacturing unit located at plot number W-212 / 213,MIDC, Phase-II, Sonarpada Dombivli (E), District- Thane	243.57	286.15	36 months from the date of the issue of License i.e. September 08, 2013.	ITCHS Code: 29415000 Export Item: Erythomycin Stearate BP-88	9,858
25.	License Number 0310591202 / 3 / 03 / 00 granted vide authorization dated September 07, 2010. For the manufacturing unit located at plot number W-212 / 213,MIDC, Phase-II, Sonarpada Dombivli (E) District- Thane	243.57	286.15	36 months from the date of the issue of License i.e. September 06, 2013.	ITCHS Code: 29415000 Export Item: Erythomycin Stearate BP-88	10,000

Sr. No.	Authorization Date and Number	CIF Value of Imports as per license (in lacs)	FOB value of Export obligation as per license (in lacs)	Export Period	ITCHS Code and Export Item	Outstanding Export Obligation Quantity as on August 31, 2012 (in kgs)
26.	License Number 0310557308 / 3 / 03 / 00 granted vide authorization dated January 28, 2010. For the manufacturing unit located at plot number N-102, MIDC Boisar, Tarapur, District- Thane	879.69	1,176	36 months from the date of the issue of License i.e. January 27, 2013.	ITCHS Code: 29419090 Export Item: Lumefantrine	33
27.	License Number 0310432263 / 3 / 03 / 00 granted vide authorization dated June 11, 2007. For the manufacturing unit located at plot number N-102, MIDC Boisar, Tarapur, District- Thane	149.94	231	36 months from the date of the issue of License i.e. June 10, 2010.	ITCHS Code: 29420090 Export Item: Losartan Potassium	1,970
28.	License Number 0310559471 / 3 / 03 / 00 granted vide authorization dated February 10, 2010. For the manufacturing unit located at plot number N-102, MIDC Boisar, Tarapur, District- Thane	3000.53	3459.50	36 months from the date of the issue of License i.e. February 09, 2013.	ITCHS Code: 29329900 Export Item: Artemether	4,391
29.	License Number 0310570535 / 3 / 03 / 00 granted vide authorization dated April 21, 2010. For the manufacturing unit located at plot number N-102, MIDC Boisar, Tarapur, District- Thane	1500.26	1729.75	36 months from the date of the issue of License i.e. April 20, 2013.	ITCHS Code: 29329900 Export Item: Artemether	583
30.	License number 0310691055/ 3 / 03 / 00 granted vide	427.33	564.30	36 months from the date of issue of license i.e.	ITCHS Code: 29242960 Export Item: Pyrazinamide IP / BP /	12,414

Sr. No.	Authorization Date and Number	CIF Value of Imports as per license (in lacs)	FOB value of Export obligation as per license (in lacs)	Export Period	ITCHS Code and Export Item	Outstanding Export Obligation Quantity as on August 31, 2012 (in kgs)
	authorization dated April 17, 2012. For the manufacturing unit located at plot no. N91/102 MIDC, Boisar, Tarapur, Dist Thane, Maharashtra			April 16, 2015	USP	
31.	License number 310691077/ 3 / 03 / 00 granted vide authorization dated April 17, 2012. For the manufacturing unit located at plot no. N91/102 MIDC, Boisar, Tarapur, Dist Thane, Maharashtra	427.33	564.30	36 months from the date of issue of license i.e. April 17, 2015	ITCHS 29242960 Export Item: Pyrazinamide IP / BP / USP	Code: 46,216
32.	License number 310691038/ 3 / 03 / 00 granted vide authorization dated April 17, 2012. For the manufacturing unit located at (a) plot no. N91/102 MIDC, Boisar, Tarapur, Dist Thane, Maharashtra and (b) W-212,213,215, Sonar Pada, MIDC, phase-II, Dombivli(E), dist-Thane, Maharashtra.	311.55	360.00	36 months from the date of issue of license i.e. April 16, 2015	ITCHS 29415000 Export Item: Erythromycin Stearate BP-88	Code: 15,000
33.	License number 310691108/ 3 / 03 / 00 granted vide authorization dated April 17, 2012. For the manufacturing unit located at (a) plot no. N91/102 MIDC, Boisar, Tarapur, Dist Thane, Maharashtra and (b) W-212,213,215, Sonar Pada, MIDC, phase-II, Dombivli(E), dist-Thane, Maharashtra	1370.20	1662.18	36 months from the date of issue of license i.e. April 16, 2015	ITCHS 29415000 Export Item: Erythromycin oxime Base	Code: 25,000
34.	License Number 0310545597 / 3 / 03 / 00 granted vide authorization dated November 13, 2009. For the manufacturing unit located on plot number N-91 / 102, MIDC, Tarapur, Boisar, District – Thane	375.92	437.40	36 months from the date of the issue of License i.e. November 12, 2012.	ITCHS 29242960 Export Item: Pyrazinamide BP / USP	Code: 3,225
35.	License Number 0310691386/ 3 / 03 / 00 granted vide authorization	427.33	564.30	36 months from the date of the issue	ITCHS 29242960	Code: 47,328

Sr. No.	Authorization Date and Number	CIF Value of Imports as per license (in lacs)	FOB value of Export obligation as per license (in lacs)	Export Period	ITCHS Code and Export Item	Outstanding Export Obligation Quantity as on August 31, 2012 (in kgs)
	dated April 19, 2012. For the manufacturing unit located on plot number N-91 / 102, MIDC, Tarapur, Boisar, District- Thane			of License i.e. April 18, 2015.	Export Item: Pyrazinamide BP / USP	
36.	License Number 0310693184/ 3 / 03 / 00 granted <i>vide</i> authorization dated May 02, 2012. For the manufacturing unit located on plot number N-91 / 102, MIDC, Tarapur, Boisar, District- Thane	427.33	564.30	36 months from the date of the issue of License i.e. May 01, 2015.	ITCHS Code: 29242960 Export Item: Pyrazinamide BP / USP	31,348
37.	License Number 0310693137/ 3 / 03 / 00 granted <i>vide</i> authorization dated May 02, 2012. For the manufacturing unit located on N-91 / 102, MIDC, Tarapur, Boisar, District- Thane and W-212, 213 and 215, Sonarpada, MIDC, Phase-II, Dombivli, District- Thane.	279.00	322.50	36 months from the date of the issue of License i.e. May 01, 2015.	ITCHS Code: 29415000 Export Item: Erythromycin Stearate BP-88	8,065
38.	License Number 0310693205/ 3 / 03 / 00 granted <i>vide</i> authorization dated May 02, 2012. For the manufacturing unit located on N-91 / 102, MIDC, Tarapur, Boisar, District- Thane and W-212, 213 and 215, Sonarpada, MIDC, Phase-II, Dombivli, District- Thane.	1062.97	1224.00	36 months from the date of the issue of License i.e. May 01, 2015.	ITCHS Code: 29415000 Export Item: Erythromycin Oxime Base	25,000
39.	License Number 310693355/ 3 / 03 / 00 granted <i>vide</i> authorization dated May 03, 2012. For the manufacturing unit located on N-91 / 102, MIDC, Tarapur, Boisar, District- Thane and W-212, 213 and 215, Sonarpada, MIDC, Phase-II, Dombivli, District- Thane.	1096.16	1329.75	36 months from the date of the issue of License i.e. May 02, 2015.	ITCHS Code: 29415000 Export Item: Erythromycin Oxime Base	4,994
40.	License Number 310695056/ 3 / 03 / 00 granted <i>vide</i> authorization dated May 17, 2012. For the manufacturing unit located on N-91 / 102, MIDC, Tarapur, Boisar, District- Thane.	77.25	13.71	36 months from the date of the issue of License i.e. May 16, 2015.	ITCHS Code: 29239000 Export Item: O-Acetyl-L-Carnitine Hydrochloride	3,025
41.	License Number 310696238/ 3 / 03 / 00	128.52	152.91	36 months from the date	ITCHS Code: 29239000	4,840

Sr. No.	Authorization Date and Number	CIF Value of Imports as per license (in lacs)	FOB value of Export obligation as per license (in lacs)	Export Period	ITCHS Code and Export Item	Outstanding Export Obligation Quantity as on August 31, 2012 (in kgs)
	granted <i>vide</i> authorization dated May 25, 2012. For the manufacturing unit located on N-91 / 102, MIDC, Tarapur, Boisar, District- Thane and W-212, 213 and 215, Sonarpada, MIDC, Phase-II, Dombivli, District- Thane.			of the issue of License i.e. May 24, 2015.	Export Item: O-Acetyl-L-Carnitine Hydrochloride	

Licenses under tax statutes

22. Certificate of Registration bearing number 400072 / 5 / 406P dated May 07, 1999 has been issued to our Company by the Sales Tax Officer, Registration Branch, Mumbai under Section 22 or 22(A) of the Bombay Sales Tax Act, 1959 and Rule 8 of the Bombay Sales Tax Rules, 1959 for registration as manufacturer and reseller. The same is valid from April 09, 1999 until cancellation.
23. Certificate of Enrolment bearing number 1 / 1 / 30 / 18 / 517 dated May 21, 1999 has been issued to our Company by the Profession Tax Officer (1), Enrolment Registration Bureau, Mumbai under Section 5(2) or 5(2A) of the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975. The same is valid until cancelled.

Membership of trade associations

24. Registration-cum-Membership Certificate bearing number 5342 dated April 23, 2009 has been issued to our Company by the Additional Executive Director, Pharmaceuticals Export Promotion Council *vide* letter bearing number PHARMEXCIL / RO / RCMC / 247 / 09-10 dated April 23, 2009, in respect of registering our Company as a large scale manufacturer of bulk drugs and drug intermediates. The same is valid until March 31, 2014.

Membership of other organisations

25. Membership certificate bearing number 1080 / 02 dated June 19, 2012 has been issued to our Company by the Secretary General, Indian Drug Manufacturers' Association for the year 2012-2013. The same is valid until March 31, 2013.

(III) Licenses for Our Company's manufacturing unit at Plot number A-37 / 38, MIDC Phase -I, Golavli, Dombivli (East), Dombivli Industrial Area, Thane, Maharashtra, 421 203.(“ Research and Development Centre”)

1. License to operate a factory bearing number 084479-KALYAN / 24231 / 59-A dated July 22, 2008 has been issued by the Inspector of Industrial Health and Safety, Maharashtra State, Mumbai under the Factories Act, 1948 and the rules formulated thereunder. The same is valid until December 31, 2013.

Other Licenses under the Factories Act, 1948:

2. Certificate of Stability dated March 06, 2008 has been issued by M/s. Bhirud and Associates, Consulting Engineers and Registered Valuers under the Factories Act, 1948 and Rule 3A of the

Maharashtra Factories Rules, 1963 in respect of our Research and Development Centre. The same is valid till March 05, 2013.

Other licenses under Factories Act, 1948:

3. Report of examination of the hoist, lifting machines, chains, ropes and lifting tackles bearing number 1206 / 953 / 0001 dated June 27, 2012 has been issued by Mr. J. N. Chaudhari (Competent Person, Anukul Associates, Thane) under the Factories Act, 1948 and Rules 62 and 64 of the Maharashtra Factory Rules, 1963 certifying that the 2,000 kg capacity goods lift is in satisfactory condition. The same is valid until June 26, 2013.

Environmental licenses:

4. Consent to operate (orange) bearing number MPCB / ROK / O / KN-3924-10 / CC-05 dated January 14, 2011 has been issued by the Regional Officer, Maharashtra Pollution Control Board, Kalyan under Section 26 of the Water (Prevention and Control of Pollution) Act, 1974, Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 for the research and development activities for pharma and intermediates. The same is also Authorisation under Rule 5 of the Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 1989 and Amended Rules, 2000 and 2003. The same is valid until July 31, 2016.

Tax / Excise licenses:

5. Certificate of Registration bearing number TU-IV / 2496 / 2010 dated June 10, 2010 has been issued by the Scientist- G, Ministry of Science and Technology, Department of Scientific and Industrial Research, Government of India in respect of registration of the unit as research institution other than a hospital for the purpose of availing customs or central excise duty exemption in terms of the Government Notification number 24 / 2007-Customs dated March 01, 2007 and Central Excise Duty exemption in terms of Government Notification number 16 / 2007-Central Excise dated March 01, 2007 as amended from time to time. The same is valid until March 31, 2015.

Labour licenses:

6. Certificate of Registration bearing number 12612301630000019880 dated August 01, 2012 has been issued by the Assistant Commissioner of Labour and Registering Licensing Officer, Kalyan under sub-section 2 of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 and rules made thereunder in respect of (i) M/s. Varad Enterprises for employment of 40 contract labourers for house-keeping, cleaning and gardening, (ii) M/s. Sonawane Electricals for employment of 7 contract labours for electrical, utility and maintenance support and (iii) Shree Nidhi Caterers for employment of 4 contract labourers for catering until December 31, 2012.

Exemption licenses:

7. Certificate of Registration bearing number TU-IV / 2496 / 2010 dated June 10, 2010 has been issued by Department of Scientific and Industrial Research, Ministry of Science and Technology, New Delhi for purpose of availing customs duty exemption in terms of Government Notification number 24 / 2007- Customs dated March 01, 2007 and central excise exemption in terms of Government Notification number 16 / 2007-Central Excise dated March 01, 2007. The same is valid until March 31, 2015.

Quality certifications:

8. Certification bearing number IND12.9432U dated September 26, 2006 has been issued by Bureau Veritas Certification (India) Private Limited, certifying that the management system at the said unit is in accordance with the requirements under ISO 9001: 2008 certification for design and development of active pharmaceuticals and their intermediates. The same is valid until September 25, 2015.

9. Certificate of Merit dated September 15, 2012 has been awarded by the Chairman, National Safety Council- Maharashtra Chapter in respect of Maharashtra Safety Awards 2011 for meritorious performance in industrial safety during the year 2011 in paper, sugar and pharmaceuticals industry group.

Membership certificates:

10. Enrolment and membership certificate dated May 06, 2008 has been issued for our Company's Research and Development Centre by the Vice President, Mumbai Waste Management Limited in respect of allotting membership code being MWML-HzW-DOM-2628 for the purposes of utilizing Common Waste Treatment Storage Disposal Facility to dispose hazardous waste safely and securely.

Licenses under the Electricity Act:

11. Letter bearing number SE / KCK I / Tech / HT / No 3570 dated August 20, 2009 has been issued to Atul Impex Private Limited for our Company's Research and Development Centre by the Superintending Engineer, Kalyan Circle-I, Kalyan, Maharashtra State Electricity Distribution Company Limited for the purposes of reduction in contract demand from 625 KVA to 315 KVA and connected load from 1400 KW to 786 KW in respect of the high tension connection.

Other Licenses:

12. Final No Objection Certificate bearing number MIDC / Fire / Renv-NOC / 1250 dated May 25, 2012 has been issued for our Company's Research and Development Centre by the Divisional Fire Officer, MIDC, Addl. Ambarnath under the provisions of Maharashtra Fire Prevention and Life Safety Measures Act, 2006 in respect of the proposed construction on the said premises. The same shall be valid until May 17, 2013.
13. Letter bearing number EE / SPA / 2471 / 2008 dated October 17, 2008 has been issued for our Company's Research and Development Centre by the Executive Engineer, MIDC- Division, Dombivli for the purposes of approval of drainage plans (external) and drainage agreement permission for connecting domestic effluent to MIDC effluent collection drain chamber.
14. Drainage Completion Certificate bearing number EE / SPA / DMB / 1110 / 2010 dated May 06, 2010 has been issued for our Company's Research and Development Centre by the Executive Engineer, MIDC- Division, Dombivli for the purposes of certifying completion of internal and external drainage work up to MIDC Drainage Collection System.

(IV) Licenses for Our Company's unit at Plot number W-217, Sonar Pada, MIDC, Phase –II, Dombivli (East), District – Thane – 421 204, Maharashtra (“ Research and Development Centre”)

Licenses under the Factories Act, 1948:

As this unit is not a manufacturing unit, there is no requirement for licenses under Factories Act, 1948.

Environmental Licenses:

1. Consent to operate (orange) bearing number MPCB / ROK / KCA/ O/ CC-119 dated September 22, 2011 has been issued by the Regional Officer, Maharashtra Pollution Control Board, Kalyan under Section 26 of the Water (Prevention and Control of Pollution) Act, 1974, Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 for the research and development activities. The same is also Authorisation under Rule 5 of the Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 1989 and Amended Rules, 2000 and 2003. The same is valid until June 31, 2021.

Labour Licenses:

2. Letter bearing number B / Cov. / RT-743 (34-1018-34) dated January 04, 2003 has been issued by the Director, Regional Office Maharashtra, Employees State Insurance Corporation under Section 2(12) of the Employees State Insurance Act, 1948, allotting code number 34-1018-34 to the said manufacturing unit for manufacture of bulk drugs. The same is with effect from November 01, 2000 and is valid until cancellation.

Quality certifications:

3. Certificate of Merit dated September 15, 2012 has been awarded by the Chairman, National Safety Council- Maharashtra Chapter in respect of Maharashtra Safety Awards 2011 for meritorious performance in industrial safety during the year 2011 in paper, sugar and pharmaceuticals industry group.

Membership certificates:

4. Certificate of Membership dated March 28, 2012 has been issued by the Dombivli Common Effluent Treatment Plant Association certifying that our Company is bonafide member of Dombivli Common Effluent Treatment Plant. The same is valid upto March 31, 2013.
5. Certificate of Membership has been issued by the Chief Operating Officer, Mumbai Waste Management Limited for the purposes of allotting membership code being MWML-HzW-DOM-641 for utilizing common hazardous waste treatment storage disposal facility to dispose hazardous waste safely and securely. The same is valid until March 31, 2014.

(V) Licenses for Our Company's manufacturing unit at Plot number W-216, Sonar Pada, MIDC, Phase –II, Dombivli (East), District – Thane – 421 204, Maharashtra.

1. License to operate a factory bearing number 083927 / Kalyan / 24231 / 48-A dated April 23, 2011 issued by the Joint Director, Industry Safety and Health, Kalyan under the Factories Act, 1948 and the rules formulated thereunder. The same has been periodically renewed and is presently valid until December 31, 2013.
2. Certificate of Stability dated December 23, 2010 has been issued by Mr. V. R. Yelurwar, (Competent Person, Safeline), Thane under the Factories Act, 1948 and Rule 3A of the Maharashtra Factories Rules, 1963 in respect of manufacture of bulk drug and its intermediates. The same is valid until December 22, 2015.

Environmental Licenses:

3. Consent to operate (orange) bearing number MPCB / ROK / KCA / O / 147 dated December 20, 2011 has been issued by the Regional Officer, Maharashtra Pollution Control Board, Kalyan under Section 26 of the Water (Prevention and Control of Pollution) Act, 1974, Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 for the research and development activities. The same is also Authorisation under Rule 5 of the Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 1989 and Amended Rules, 2003. The same is valid until December 31, 2017.

Quality certifications:

4. Certificate of Merit dated September 15, 2012 has been awarded by the Chairman, National Safety Council- Maharashtra Chapter in respect of Maharashtra Safety Awards 2011 for meritorious performance in industrial safety during the year 2011 in paper, sugar and pharmaceuticals industry group.

5. Certification bearing number IND12.9432U dated September 26, 2006 has been issued by Bureau Veritas Certification (India) Private Limited, certifying that the management system at the said unit is in accordance with the requirements under ISO 9001: 2008 certification for design and development of active pharmaceuticals and their intermediates. The same is valid until September 25, 2015.

Membership certificates:

6. Certificate of Membership has been issued by the Chief Operating Officer, Mumbai Waste Management Limited for the purposes of allotting membership code being MWML-HzW-DOM-2608M for utilizing common hazardous waste treatment storage disposal facility to dispose hazardous waste safely and securely. The same is valid until March 31, 2014.
7. Certificate of Membership dated March 28, 2012 issued by the Dombivli Common Effluent Treatment Plant Association certifying that our Company is bonafide member of Dombivli Common Effluent Treatment Plant. The same is valid upto March 31, 2013.

(VI) Licenses for Our Company's manufacturing unit at Plot number W-215, Sonar Pada, MIDC, Phase –II, Dombivli (East), District – Thane – 421 204, Maharashtra.

1. License to operate a factory bearing number 083927 / Kalyan / 24231 / 48-A dated April 23, 2011 issued by the Joint Director, Industry Safety and Health, Kalyan under the Factories Act, 1948 and the rules formulated thereunder. The same has been periodically renewed and is presently valid until December 31, 2013.
2. Certificate of Stability bearing number C.S. 0313 / 10 dated December 23, 2010 has been issued by Mr. V. R. Yelurwar (Competent Person, Safeline, Thane) under the Factories Act, 1948 and Rule 3A of the Maharashtra Factories Rules, 1963 in respect of manufacturing of bulk drug and intermediates. The same is valid until December 22, 2015.

Industry specific manufacturing licenses:

3. License to sell, stock, or exhibit (or offer) for sale, or distribute by wholesale drugs other than those specified in Schedules C, C(1) and X bearing number 20B / TNZ-2 / 1061 dated June 13, 2006 has been issued by the Assistant Commissioner, Food and Drug Administration, Thane, Maharashtra State under the provisions of the Drugs and Cosmetics Act, 1940 and Rule 61(1) of the Drugs and Cosmetics Rules, 1945. The same was valid from May 10, 2006 until May 09, 2011. This certificate has been renewed *vide* certificate of renewal of (license to sell, stock or exhibit or offer for sale or distribute) drugs dated August 02, 2011 and is presently valid upto May 09, 2016.
4. License to sell, stock, or exhibit (or offer) for sale, or distribute by wholesale drugs specified in Schedules C and C(1) [excluding those specified in Schedule X] bearing number 21B / TNZ-2 / 1061 dated June 13, 2006 has been issued by the Assistant Commissioner, Food and Drug Administration, Thane, Maharashtra State under the provisions of the Drugs and Cosmetics Act, 1940 and Rule 61(2) of the Drugs and Cosmetics Rules, 1945. The same was valid from May 10, 2006 until May 09, 2011. This certificate has been renewed *vide* certificate of renewal of (license to sell, stock or exhibit or offer for sale or distribute) drugs dated August 02, 2011 and is presently valid upto May 09, 2016.

Quality certifications:

5. Certificate of Merit dated September 15, 2012 has been awarded by the Chairman, National Safety Council- Maharashtra Chapter in respect of Maharashtra Safety Awards 2011 for meritorious performance in industrial safety during the year 2011 in paper, sugar and pharmaceuticals industry group.

(VII) Licenses for Our Company's manufacturing unit at Plot number W-212 and 213, Sonar Pada, MIDC, Phase –II, Dombivli (East), District – Thane – 421 204, Maharashtra.

1. License to operate a factory bearing number KALYAN / 24231 / 29 – A dated May 05, 2006 has been issued by the Director of Industrial Health and Safety, Maharashtra State, Mumbai under the Factories Act, 1948 and the rules formulated thereunder. The same has been periodically renewed and is presently valid upto December 31, 2013.
2. Certificate of Stability bearing number C.S. 0314 / 10 dated December 23, 2010 has been issued by Mr. V. R. Yelurwar (Competent Person, Safeline, Thane) under the Factories Act, 1948 and Rule 3A of the Maharashtra Factories Rules, 1963 in respect of manufacturing of bulk drug and intermediates. The same is valid until December 22, 2015.

Other licenses under Factories Act, 1948:

3. Report of examination of the hoist, lifting machines, chains, ropes and lifting tackles bearing number 1207 / 837 / 0001 dated July 13, 2012 has been issued by Mr. J. N. Chaudhari (Competent Person, Anukul Associates, Thane) under the Factories Act, 1948 and Rules 62 and 64 of the Maharashtra Factory Rules, 1963 certifying that the Spur Geared Chain Pulley Block bearing serial number 2614 is in satisfactory condition. The same is valid until July 12, 2013.
4. Report of examination of the hoist, lifting machines, chains, ropes and lifting tackles bearing number 1207 / 837 / 0002 dated July 13, 2012 has been issued by Mr. J. N. Chaudhari (Competent Person, Anukul Associates, Thane) under the Factories Act, 1948 and Rules 62 and 64 of the Maharashtra Factory Rules, 1963 certifying that the Electric Chain Hoist is in satisfactory condition. The same is valid until July 12, 2013.
5. Report of examination of the hoist, lifting machines, chains, ropes and lifting tackles bearing number 1207 / 837 / 0003 dated July 13, 2012 has been issued by Mr. J. N. Chaudhari (Competent Person, Anukul Associates, Thane) under the Factories Act, 1948 and Rules 62 and 64 of the Maharashtra Factory Rules, 1963 certifying that the Electric Chain Hoist is in satisfactory condition. The same is valid until July 12, 2013.
6. Report of examination of the hoist, lifting machines, chains, ropes and lifting tackles bearing number 1207/ 837/ 0004 dated July 13, 2012 has been issued by Mr. J. N. Chaudhari (Competent Person, Anukul Associates, Thane) under the Factories Act, 1948 and Rules 62 and 64 of the Maharashtra Factory Rules, 1963 certifying that the Spur Geared Chain Pulley Block bearing serial number 1662 is in satisfactory condition. The same is valid until July 12, 2013.

Environmental Licenses:

7. Consent to operate (red) bearing number BO/JD PAMS / RO Kalyan / EIC NO KN-3462-10/Amnd / CC-20 dated March 09, 2012 has been issued by the Member Secretary, Maharashtra Pollution Control Board, Kalyan under Section 26 of the Water (Prevention and Control of Pollution) Act, 1974, Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 for the manufacture of various products and by-products. The same is also Authorisation under Rule 5 of the Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 1989 and Amended Rules, 2003. The same is valid until December 31, 2012.

Labour Licenses:

8. Certificate of Registration bearing number ACL / KYN / CLA / RC / 407 / 07 dated June 01, 2006 has been issued by the Registering and Licensing Officer, Kalyan under sub-section 2 of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 and rules made thereunder. The same has been amended *vide* Order dated March 11, 2011 and further amended *vide* Order bearing number 1261230000000023494 dated August 01, 2012 in respect of extending the validity of services of M/s. Varad Enterprises for employment of 40 contract labourers for house-keeping, cleaning and gardening until December 31, 2012.

Quality certificates:

9. Acknowledgment letter dated March 08, 2012 awarded by the Team Leader, Antimicrobial Team, Division of Manufacturing Technologies, Office of New Animal Drug Evaluation, Centre for Veterinary Medicine, Public Health Service, Food and Drug Administration, USA in respect of certifying that the API facility at the premises is acceptable to the Issuing Authority pursuant to the review of the Establishment Inspection Report (EIR) submitted by our Company.
10. Certificate of Merit dated September 15, 2012 has been awarded by the Chairman, National Safety Council- Maharashtra Chapter in respect of Maharashtra Safety Awards 2011 for meritorious performance in industrial safety during the year 2011 in paper, sugar and pharmaceuticals industry group.

Membership certificates:

11. Certificate of Membership has been issued by the Chief Operating Officer, Mumbai Waste Management Limited- Common Hazardous Waste Treatment Storage Disposal Facility for the purposes of allotting membership code being MWML-HzW-DOM-640 for utilizing common hazardous waste treatment storage disposal facility to dispose hazardous waste safely and securely. The same is valid until March 31, 2014.
12. Certificate of Membership dated March 28, 2012 has been issued by the Dombivli Common Effluent Treatment Plant Association certifying that our Company is bonafide member of Dombivli Common Effluent Treatment Plant. The same is valid upto March 31, 2013.

Licenses under the Indian Electricity Act:

13. Letter bearing number KCK / T / LS-HT / 14-2004 dated April 29, 2004 has been issued by the Superintending Engineer (KC), Maharashtra State Electricity Board, Kalyan Circle, Kalyan in respect of releasing the power supply to the extent of 273 KW connected load and for the contract demand of 174 KVA at 22KV high tension.

(VIII) Licenses for Our Company's manufacturing unit at Plot number N-102 and 91, MIDC, Tarapur, Boisar, Taluka- Palghar, District-Thane, Maharashtra.**Licenses under the Factories Act, 1948:**

1. License to operate a factory bearing number 2(m) (i) – 24232 dated October 21, 2009 has been issued by the Director of Industrial Health and Safety, Maharashtra State, Mumbai under the Factories Act, 1948 and the rules formulated thereunder. The same has been renewed periodically and is presently valid until December 31, 2014.
2. Certificate of stability dated January 14, 2008 has been issued by Three- D Prime Structures Private Limited under the Factories Act, 1948 and Rule 3A of the Maharashtra Factories Rules, 1963 in respect of the factory located at plots bearing number N- 102, 91, Tarapur for the purposes of manufacture of pharmaceuticals and chemicals of bulk drugs. The same is valid until January 13, 2013.

Other licenses under Factories Act, 1948:

3. Report of Examination of Hoist, Lift, lifting machine, chains, ropes and lifting tackles dated February 11, 2012 has been issued by Mr. Ramesh Pokardasani, Competent Person, Excel Engineers, Borivli, Mumbai, under Rules 62 and 64 of Maharashtra Factory Rules, 1963 for the hydraulic hoist converted into a goods lift, bearing number LT- 1 used therein. The same is valid until February 10, 2013.

4. Report of Examination of Hoist, Lift, lifting machine, chains, ropes and lifting tackles dated February 11, 2012 has been issued by Mr. Ramesh Pokardasani, Competent Person, Excel Engineers, Borivli, Mumbai, under Rules 62 and 64 of Maharashtra Factory Rules, 1963 for the hydraulic hoist converted into a goods lift, bearing number LT- 2 used therein. The same is valid until February 10, 2013.
5. Report of Examination of Hoist, Lift, lifting machine, chains, ropes and lifting tackles dated February 11, 2012 has been issued by Mr. Ramesh Pokardasani, Competent Person, Excel Engineers, Borivli, Mumbai, under Rules 62 and 64 of Maharashtra Factory Rules, 1963 for the hoist converted into goods lift, bearing number LT- 3 used therein. The same is valid until February 10, 2013.

Environmental Licenses:

6. Consent to operate (red) bearing number BO / JD-PAMS/ EIC NO. TN-2994-11/ R/ CC-194 dated October 25, 2011 has been issued by the Member Secretary, Maharashtra Pollution Control Board, Mumbai under Section 26 of the Water (Prevention and Control of Pollution) Act, 1974, Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 for the manufacture of drugs listed therein. The same is also Authorisation under Rule 5 of the Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008. The same is valid until August 30, 2015.

Industry specific manufacturing licenses:

7. License to manufacture for sale or for distribution of drugs other than those specified in Schedules C, C(1) and X bearing number KD-352 dated December 24, 1998 has been issued by the Joint Commissioner, (Konkan Division), Food and Drug Administration (M.S.) Thane, Maharashtra State under the provisions of the Drugs and Cosmetics Act, 1940 and Rule 70 of the Drugs and Cosmetics Rules, 1945. This certificate has been renewed vide certificate of renewal of license to manufacture for sale of drugs other than those specified in Schedule X bearing number Renewal Lic/ 201201-0105- 2012/ Z-6 dated January 23, 2012 and the same is presently valid from January 01, 2012 until December 31, 2016.
8. License to manufacture for sale or for distribution of drugs specified in Schedules C and C(1) [excluding those specified in Schedule X] bearing number 28-KD-329 dated September 06, 2001 has been issued by the Joint Commissioner, (Konkan Division), Food and Drug Administration (M.S.) Thane, Maharashtra State under the provisions of the Drugs and Cosmetics Act, 1940 and Rule 76 of the Drugs and Cosmetics Rules, 1945. This license has been renewed *vide* Certificate of renewal of license to manufacture for sale of drugs other than those specified in Schedule X bearing number KD/ RC/ 2011/ 6 dated January 06, 2012 and is valid from September 06, 2011 till September 05, 2016..
9. Our Company is a member of the TIMA CETP Co- operative Society Limited and has been issued share certificate bearing number 308 (for 2,000 shares bearing distinctive numbers 338061 to 340060) dated October 31, 1997.
10. Our Company is a member of the Tarapur Environment Protection Society and has been issued share certificate bearing number 0000590 (for 738 shares bearing distinctive numbers 0000121798 to 0000122535) dated June 07, 2007.

Labour Licenses:

11. Letter bearing number MH / PE / APP / 9 / 362 / 538 dated February 01, 1999 has been issued by the Regional Provident Fund Commissioner, Maharashtra and Goa under Section 1(3) of the Employees Provident Funds and Miscellaneous Provision Act, 1952 and the scheme framed thereunder, allotting code number MH / 91362 to the said manufacturing unit. The same is valid from March 01, 1998 until cancellation.

Quality certifications:

12. Certificate of approval bearing number IND91378 dated July 02, 2009 has been issued by Bureau Veritas Certification (India) Private Limited certifying that the requirements under ISO 9001: 2008 certification for marketing and sales of Active Pharmaceuticals ingredients and their intermediates for domestic and export markets are fulfilled by our Company. The same is valid until September 25, 2015.
13. Certificate of approval bearing number IND10.6497 dated July 12, 2010 has been issued by Bureau Veritas Certification (India) Private Limited certifying that the requirements under ISO 14001: 2004 certification for manufacture of Active Pharmaceuticals Ingredients and their intermediates are fulfilled by our Company. The same is valid until July 24, 2013.
14. Good Manufacturing Practices Certificate bearing number GMP Cert. / 2011 / 00166/ 6 dated December 21, 2011 has been issued by the office of the Joint Commissioner, Konkan Division, Food and Drug Administration, Maharashtra State Thane certifying that (i) our Company holds drug manufacturing license bearing number 25-KD-352 granted on December 24, 1998 and license bearing number 28-KD-329 granted on September 06, 2001 under the provisions of the Drugs and Cosmetics Act, 1940 and the rules made thereunder; and that (ii) our Company manufactures drugs by observing good manufacturing practices as per the revised rules of Schedule 'M' to the Drugs and Cosmetics Rules, 1945. The license bearing number 25-KD-352 is valid until December 31, 2016 and license bearing number 28-KD-329 is valid until September 05, 2016.
15. Letter dated May 05, 2010 has been issued by the Compliance Officer, International Compliance Branch, Department of Health and Human Services, Public Health Service, Centre for Drug Evaluation and Research, Food and Drug Administration, USA in respect of certifying that the API facility at the premises is acceptable to the Issuing Authority pursuant to the review of the Establishment Inspection Report (**EIR**) submitted by our Company.
16. Certificate of Suitability bearing number R1-CEP-2001-203-Rev 01 dated March 01, 2012 has been awarded by the Certification of Substances Division, European Directorate for the Quality of Medicines and Health Care, Council of Europe for the product "Zopiclone" ("**Product**") pursuant to the information provided by our Company on the manufacturing method and subsequent processes including purification for this substance on the site of the production mentioned above. The Product has been certified by the issuing Authority as per the current version of the monograph Zopiclone no. 1060 of the European Pharmacopoeia.
17. Certificate of Suitability bearing number R1-CEP-2000-036-Rev 02 dated March 01, 2012 has been awarded by the Certification of Substances Division, European Directorate for the Quality of Medicines and Health Care, Council of Europe for the product "Pyrazinamide" ("**Product**") pursuant to the information provided by our Company on the manufacturing method and subsequent processes including purification for this substance on the site of the production mentioned above. The Product has been certified by the issuing Authority as per the current version of the monograph Pyrazinamide no. 859 of the European Pharmacopoeia.
18. Certificate of Suitability bearing number R0-CEP-2008-108-Rev 01 dated March 01, 2012 has been awarded by the Certification of Substances Division, European Directorate for the Quality of Medicines and Health Care, Council of Europe for the product "Isoniazid" ("**Product**") pursuant to the information provided by our Company on the manufacturing method and subsequent processes including purification for this substance on the site of the production mentioned above. The Product has been certified by the issuing Authority as per the current version of the monograph Isoniazid no. 146 of the European Pharmacopoeia.
19. Acknowledgment letter dated March 08, 2012 awarded by the Team Leader, Antimicrobial Team, Division of Manufacturing Technologies, Office of New Animal Drug Evaluation, Centre for Veterinary Medicine, Public Health Service, Food and Drug Administration, USA in respect of certifying that the API facility at the premises is acceptable to the Issuing Authority pursuant to the review of the Establishment Inspection Report (**EIR**) submitted by our Company.

Licenses under the Indian Electricity Act:

20. Letter bearing number SE / VC / Tech / PC / Con dated January 01, 2005 has been issued by the Electrical Inspector, Inspection Division number 1, Industrial, Electrical and Labour Department, Thane in respect of releasing the power supply to the extent of 1783 KW connected load and for the contract demand of 990 KVA.

Quality Certifications

21. Certification bearing number IND12.9432U dated September 26, 2006 has been issued by Bureau Veritas Certification (India) Private Limited, certifying that the management system at the said unit is in accordance with the requirements under ISO 9001: 2008 certification for manufacture and dispatch of active pharmaceuticals and their intermediates. The same is valid until September 25, 2015.

Other licenses:

22. Certificate for use of boiler bearing number MR / 13954 dated November 21, 2011 issued by the Directorate of Steam Boiler Department, Mumbai under the provision of Section 7 / 8 of the Indian Boilers Act, 1923 and the regulations formulated thereunder. The same is valid from November 15, 2011 to November 14, 2012.
23. Certificate for use of boiler bearing number MR / 13709 dated March 29, 2012 issued by the Directorate of Steam Boiler Department, Mumbai under the provision of Section 7 / 8 of the Indian Boilers Act, 1923 and the regulations formulated thereunder. The same is valid from March 06, 2012 to March 05, 2013.
24. Approval bearing number A / P / WC / MH / 15 / 2166 (P90470) dated March 09, 2004 has been issued by the Joint Chief Controller of Explosives, West Circle, Mumbai under Rule 140 of Petroleum Rules, 2004 in respect of storage of 15KL of Petroleum Class "C" (Furnace Oil / LDO) within the premises.
25. License to Import and Store Petroleum in Installation bearing number P / HQ / MH / 15 / 5585 (P59077) dated August 16, 2005 has been issued by the Chief Controller of Explosives under the provisions of the Petroleum Act, 1934 in respect to the importation of 60 KL of Petroleum Class "A" in bulk within the premises. The same is valid until December 31, 2014.
26. Letter dated December 03, 2003 has been issued by the Compliance Officer, Foreign Inspection Team, HFD-325, Department of Health and Human Services, Public Health Service, Food and Drug Administration, USA stating that the said unit is acceptable as per the standards of the issuing authority.
27. Maharashtra Safety Award-2008 dated September 19, 2009 has been issued by the Chairman and Joint Secretary, National Safety Council, Maharashtra Chapter in respect of achieving lowest accident frequency rate for the year 2008 in paper, sugar and pharmaceuticals industry sector.
28. Maharashtra Safety Award-2007 dated September 20, 2008 has been issued by the Chairman and Secretary, National Safety Council, Maharashtra Chapter in respect of achieving lowest accident frequency rate during the year 2007 in paper, sugar and pharmaceuticals industry sector.
29. Letter dated May 27, 2010 issued by Head of Assessments, Prequalification of Medicines Programme, Quality Assurance and Safety, Medicines, World Health Organization regarding WHO prequalification of Medicines programme Assessment of API Master File pertaining to API "Isoniazide" and allotting APIMF reference number APIMF086.

30. Letter of Acceptance dated August 31, 2011 issued by Head of Assessments, Prequalification of Medicines Programme, Quality Assurance and Safety, Medicines, World Health Organization regarding WHO prequalification of Medicines programme, prequalification of API "Pyrazinamide" and allotting APIMF reference number APIMF078.
31. Letter dated September 28, 2011 issued by Acting Head of inspections, Prequalification of Medicines Programme, Quality Assurance and Safety, Medicines, World Health Organization regarding WHO prequalification of Medicines programme, closing of inspection intimating that the site is considered to be operating in compliance with WHO GMP for Active Pharmaceutical Ingredients "Pyrazinamide", "Isoniazid", "Artemether" and "Lumefantrine" and the same are considered to be manufactured in compliance with WHO GMP for APIs.

(IX) Licenses for Our Company's manufacturing unit at Plot number N- 90, MIDC, Tarapur, Boisar, Taluka- Palghar, District – Thane, Maharashtra.

Licenses under the Factories Act, 1948:

1. License to operate a factory bearing number Vasai 2(m)(i)-24231 dated April 12, 2000 has been issued by the Director of Industrial Health and Safety, Maharashtra State, Mumbai under the Factories Act, 1948 and the rules formulated there under. The same has been periodically renewed and is presently valid until December 31, 2015.
2. Certificate of stability dated January 02, 2009 has been issued by Mr. V.R. Yelurwar under the Factories Act, 1948 and Rule 3A of the Maharashtra Factories Rules, 1963 in respect of the factory located at plots bearing number Plot number N- 90, MIDC, Tarapur for the purposes of manufacture of active pharma ingredients and intermediates. The same is valid until June 01, 2014.

Other Licenses under Factories Act, 1948:

3. Report of examination of hoist, lift, lifting machines, chains, ropes and lifting tackles bearing number EE/ CCPPL/2012/04 dated February 11, 2012 has been issued by Mr. Ramseh N. Pokardasani (Competent Person and Consulting Engineer, Excel Engineers, Mumbai) under the Factories Act, 1948 and Rules 62 and 64 of the Maharashtra Factory Rules, 1963 certifying that the Hoist bearing serial number CH-04 is in satisfactory condition. The same is valid until February 10, 2013.

Licenses under the Indian Electricity Act:

4. Letter bearing number EI / Thane-I / Unit-III / 2008-09 dated August 07, 2009 has been issued to Jivraj Chemicals Private Limited in respect of our Company's manufacturing unit at plot number N- 90, Tarapur by the Assistant Electrical Inspector, Inspection Division Number 1, Industrial, Electrical and Labour Department, Thane under Rule 46 of the Industrial Electricity Rules, 1956 in respect of intimating annual inspection of H.T. installation at the premises.

Quality Certifications

5. Certification bearing number IND12.9432U dated September 26, 2006 has been issued by Bureau Veritas Certification (India) Private Limited, certifying that the management system at the said unit is in accordance with the requirements under ISO 9001: 2008 certification for manufacture and dispatch of active pharmaceuticals and their intermediates. The same is valid until September 25, 2015.

(X) Licenses for Our Company's manufacturing unit at Plot number M-4 and M-15, MIDC, Tarapur, Boisar, Taluka- Palghar, District – Thane, Maharashtra.

Licenses under the Factories Act, 1948:

As the manufacturing unit at this location is under construction, we have applied for a factory license and the same is awaited as on the date of this Draft Red Herring Prospectus. For further details please refer to the Section “*Licenses applied for but not received as on the date of this Draft Red Herring Prospectus*” hereinbelow.

Environmental Licenses:

1. Consent to Establish bearing number MPCB/ROT/C/TR-1 /1414/12 dated January 13, 2012 has been issued by the Regional Officer, Maharashtra Pollution Control Board, Thane under Section 25 of the Water (Prevention and Control of Pollution) Act, 1974, Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 for the manufacturing and repacking of “Pyarzinamide” and “Erthromycin Oxime”. The same is also Authorisation under Rule 5 of the Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008. The same is valid until January 12, 2017.

Industry specific manufacturing licenses:

1. License to sell, stock, or exhibit (or offer) for sale, or distribute by wholesale drugs specified in Schedules C and C(1) excluding those specified in Schedule X bearing number TNZ6 / 1077 dated April 04, 2007 has been issued by the Assistant Commissioner, Zone 6, Food and Drug Administration (Konkan Division), Thane, Maharashtra State under the provisions of the Drugs and Cosmetics Act, 1940 and Rule 61(2) of the Drugs and Cosmetics Rules, 1945. This License has been renewed *vide* certificate of renewal of license (to sell, stock or exhibit or offer for sale, or distribute) bearing number REN-35465-17/04/2012 dated July 07, 2012 and the same is presently valid from April 04, 2012 until April 03, 2017.
2. License to sell, stock, or exhibit (or offer) for sale, or distribute by wholesale drugs otherwise than those specified in Schedules C, C(1) and X bearing number TNZ6 / 1077 dated April 04, 2007 has been issued by the Assistant Commissioner, Zone 6, Food and Drug Administration (Konkan Division), Thane, Maharashtra State under the provisions of the Drugs and Cosmetics Act, 1940 and Rule 61(1) of the Drugs and Cosmetics Rules, 1945. This License has been renewed *vide* certificate of renewal of license (to sell, stock or exhibit or offer for sale, or distribute) bearing number REN-35465-17/04/2012 dated July 07, 2012 and the same is presently valid from April 04, 2012 until April 03, 2017.

Approvals under the Electricity Act:

3. Letter bearing number SE / VC / Tech / PLG/ Con. / 08725 dated June 19, 2012 has been issued by the Superintending Engineer, Vasai Circle, Vasai, Maharashtra State Electricity Distribution Company Limited for the purposes of releasing the power supply to the extent of 150 KW connected load and for the contract demand of 125 KVA at 11 KV high tension.

Other Licenses:

4. Provisional No Objection Certificate bearing number MIDC / Fire / NOC / 1458 dated June 19, 2012 has been issued by the Chief Fire Officer and Fire Advisor, MIDC, Mumbai under the provisions of Maharashtra Fire Prevention and Life Safety Measures Act, 2006 in respect of the proposed construction on the said premises. This No Objection Certificate is valid till June 18, 2013 and during this period Final No Objection Certificate is to be obtained pursuant to inspection by the Issuing Authority. Application to obtain Final No Objection Certificate has been made on July 21, 2012 and the same is awaited as on the date of this Draft Red Herring Prospectus. For further details please refer hereinbelow.

Licenses applied for but not received as on the date of this Draft Red Herring Prospectus:

Sr. No.	Nature of license applied for	Date of application	Authority before whom
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it is pending			
1.	Consent to operate (red) issued to our Company's manufacturing unit at plot bearing number N- 90, Tarapur. The same expired on March 31, 2011.	March 13, 2012	Sub-Regional Officer, Maharashtra Pollution Control Board
2.	License to sell, stock, or exhibit (or offer) for sale, or distribute by wholesale drugs other than those specified in Schedules C, C (1) and X issued to our Company's Research and Development Centre. The same expired on May 22, 2012.	June 05, 2012	Assistant Commissioner, Food and Drug Administration, Thane, Maharashtra State
3.	License to sell, stock, or exhibit (or offer) for sale, or distribute by wholesale drugs specified in Schedules C and C (1) [excluding those specified in Schedule X] issued to our Company's Research and Development Centre. The same expired on May 22, 2012.	June 05, 2012	Assistant Commissioner, Food and Drug Administration, Thane, Maharashtra State
4.	Certificate of Registration issued to M/s. Varad Enterprises, Dombivli for the purposes of employment of 40 contract labourers at Company's manufacturing unit at Plot number W-212, Dombivli. The same expired on December 31, 2011.	August 24, 2012	Registering and Licensing Officer, Kalyan under Contract Labour (Regulation and Abolition) Act, 1970
5.	Provisional No Objection Certificate issued to our Company in respect of the factory located at plot bearing number N-91, Tarapur. The same expired on December 09, 2011. This application is for obtaining final No Objection Certificate.	January 08, 2012	Division Fire Officer, MIDC, Mumbai
6.	Factory License for running of factory for the plot bearing number M-4 and M-15, Tarapur.	December 11, 2011	Director Industrial Safety and Health, Thane
7.	Provisional No Objection Certificate issued to our Company in respect of the factory located at plot bearing number M-4 and M-15, Tarapur. The same will expire on June 18, 2013. This application is for obtaining final No Objection Certificate.	July 21, 2012	Division Fire Officer, MIDC, Mumbai

SECTION IX

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for this Issue

This Issue of Equity Shares has been authorized by the resolution of the Board of Directors at their meeting held on September 03, 2012 and by the shareholders of our Company pursuant to a special resolution passed at the EGM of our Company held on September 25, 2012.

We have received in-principle approvals from the BSE and the NSE for the listing of our Equity Shares pursuant to letters dated [●] and [●], respectively. BSE is the Designated Stock Exchange.

We have also obtained all necessary contractual approvals required for this Issue. For further details, please refer chapter titled “*Government and Statutory Approvals*” beginning on page 336 of this Draft Red Herring Prospectus.

Prohibition by SEBI, RBI or governmental authorities

Our Company, our Directors, our Subsidiaries, our Promoters, Promoter Group or Group Entities and such other companies in which our Directors, our Promoters were or also are directors, promoters or person in control of such other companies, have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or the RBI or any other regulatory or governmental authority. The listing of any securities of our Company has never been refused at anytime by any of the stock exchanges in India.

Neither our Company, our Directors, our Promoters nor the relatives of the Promoters (as defined under the Companies Act), have been identified as wilful defaulters by RBI / government authorities and there are no violations of securities laws committed by any of them in the past and there are no such proceedings pending against them. Entities of our Promoter Group do not appear on the RBI defaulter list, nor are there any violations of securities laws committed by them in the past or pending against them.

Further, none of our Directors were directors of any company when the shares of the said company were suspended from trading by Stock Exchange(s) for more than 3 months during last 5 years or delisted.

As on date of this Draft Red Herring Prospectus, our Directors are not associated with the securities market in manner other than as mentioned below:

Name of Director	Association with SEBI Registered Entity	Action Initiated by SEBI against the SEBI registered entity
Mr. Jambunathan Srinivasa Iyer	Director of Inventure Growth and Securities Limited	Nil. However, a panel consisting of Whole Time Members, SEBI, Mr. Prashant Saran and Dr. K. M. Abraham has passed a consent order dated June 07, 2010, on an application submitted by Inventure Growth and Securities Limited in the matter of G G Automotive Gears Limited in accordance with SEBI Circular dated April 20, 2007 for consent orders.
	Registration no. INE010901730 – registration as trading member with BSE.	
	Registration no. INE230901739 – registration as clearing and trading member with NSE.	
	Registration no. INE260901739 – registration as clearing and	

trading member with MCX
Stock Exchange.

Registration no. IN-
DPCDSL-12-99 –
registration as depository
participant with CDSL

Eligibility for this Issue

Our Company is an “unlisted Issuer” in terms of the SEBI ICDR Regulations; and this Issue is an “Initial Public Offer” in terms of the SEBI ICDR Regulations.

Our Company is eligible for this Issue in accordance with Regulation 26(1) of the SEBI ICDR Regulations, as explained under, with the eligibility criteria calculated in accordance with unconsolidated audited financial statements under Indian GAAP:

- Our Company has net tangible assets of at least ₹ 300 Lacs in each of the preceding 3 full years (of 12 months each) of which not more than 50% is held in monetary assets and is compliant with Regulation 26(1)(a) of the SEBI ICDR Regulations. As at the end of Fiscal 2012 our Monetary Assets as a percentage of Net Tangible Assets is 18.79 %.
- Our Company has a track record of distributable profits in accordance with Section 205 of Companies Act, for at least 3 of the immediately preceding 5 years and is compliant with Regulation 26(1)(b) of the SEBI ICDR Regulations;
- Our Company has a net worth of at least ₹ 100 Lacs in each of the preceding 3 full years (of 12 months each) and is compliant with Regulation 26(1)(c) of the SEBI ICDR Regulations;
- The aggregate of the proposed Issue size and all previous issues made in the same Fiscal in terms of issue size (i.e. offer through the offer document + firm allotment + promoter’s contribution through the offer document) is not expected to exceed 5 times the Pre-Issue net worth of our Company as per the audited balance sheet of the last Fiscal and is compliant with Regulation 26 (1)(d) of the SEBI ICDR Regulations;
- Our Company has not changed its name in the last one year.

Our Company satisfies the aforementioned eligibility criteria for the last 5 years ended Fiscal 2012 as follows:

(₹ in Lacs)						
Particulars	Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2011	Fiscal 2012	
Net Tangible Assets (Refer Note 1)	15,516.59	15,861.61	14,581.54	21,843.13	25,007.34	
Monetary Assets (Refer Note 2)	475.18	747.39	2,430.36	1,929.01	4,698.94	
Monetary Assets as a % of Net Tangible Assets	3.06%	4.71%	16.67%	8.83%	18.79%	
Distributable Profits (standalone) (Refer Note 3)	1,023.55	1,425.35	2,083.70	2,967.26	4,161.83	
Distributable Profits (consolidated) (Refer Note 3)	N.A	N.A	2,188.88	3,068.97	4,177.07	
Net Worth (Refer Note 4)	5,244.56	7,067.63	8,897.55	13,078.46	17,396.85	

Notes:

1. Net tangible assets is defined as total assets as reduced by intangible assets, miscellaneous expenditure not written off, current liabilities and share application money pending allotment.

2. Monetary assets include cash on hand and bank balance and current investments.

3. *The Distributable Profits of the Company is as per Section 205 of the Companies Act, 1956 and has been calculated from the audited financial statements of the respective years without making adjustments for restatement of financial statements.*
4. *Networth has been defined as aggregate of equity share capital and reserves, as reduced by miscellaneous expenditure not written off.*
5. *The Company has not made any public issue of its equity shares till date.*

Further, in accordance with sub-regulation (4) of Regulation 26 of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective allottees i.e persons to whom Equity Shares will be allotted in this Issue shall not be less than 1,000, failing which the entire application money shall be refunded forthwith. In case of delay, if any, in refund of application money, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

In terms of Rule 19(2) (b) (i) of the SCRR, this is an issue for 25% of the post-Issue paid-up equity share capital. The Issue is being made through the Book Building Process wherein not more than 50% of the Issue shall be available for allocation on a proportionate basis to QIB Bidders. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI.

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFTRED HERRING PROSPECTUS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE 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, PL CAPITAL MARKETS PRIVATE LIMITED AND YES BANK LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI ICDR REGULATIONS, IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, PL CAPITAL MARKETS PRIVATE LIMITED AND YES BANK LIMITED HAVE FURNISHED TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI), A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 27, 2012, WHICH READS AS FOLLOWS:

“WE, THE BOOK RUNNING LEAD MANAGERS TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:

- (1) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE ISSUE.**

- (2) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, 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 THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
 - b. ALL THE LEGAL REQUIREMENTS RELATED TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC., FRAMED / ISSUED BY THE BOARD, 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 REGISTRATIONS ARE VALID.
- (4) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. NOTED FOR COMPLIANCE
- (5) WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR 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 PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE BOARD 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 PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.
- (7) WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE 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 PROMOTERS' 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 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 ISSUE SIZE IS MORE THAN ₹ 1,000.00 Lacs, THEREFORE UNDER SECTION 68B OF THE COMPANIES ACT, 1956, THE ALLOTMENT WILL BE MADE ONLY IN DEMAT FORM.**
- (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 EQUITY SHARES OF THE ISSUER, AND**
 - b. **AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD 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 – COMPLIED WITH AND NOTED FOR COMPLIANCE.**
- (14) **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR 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.

- (16) WE ENCLOSE STATEMENT ON PRICE INFORMATION OF PAST ISSUES HANDLED BY THE MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE); AS PER FORMAT SPECIFIED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA THROUGH ITS CIRCULAR.”

Price information of past issues handled by the BRLMs

- (1) Price information of the past issues handled by PL Capital Markets Private Limited

S r. N o.	Iss ue na me	Iss ue siz e (Rs m m)	Iss ue pri ce (Rs)	Listi ng date	Open ing price on listin g date (Rs)	Clos ing pric e on listin g date (Rs)	% Chan ge in price on listin g date (closi ng) vs. issue price	Bench mark index on listing date (closing)	Closi ng price as on 10th calen dar day from listin g day (Rs)	Bench mark index as on 10th calenda r day from listing day (closing)	Closi ng price as on 20th calen dar day from listin g day (Rs)	Bench mark index as on 20th calenda r day from listing day (closing)	Closi ng price as on 30th calen dar day from listin g day (Rs)	Bench mark index as on 30th calenda r day from listing day (closing)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

i. Summary statement of price information of handled by PL Capital Markets Private Limited

Financi al year	Tota l no. of IPO s ⁽¹⁾	Total fund s raise d (Rs mm)	Nos. of IPOs trading at discount on listing date			Nos. of IPOs trading at premium on listing date			Nos. of IPOs trading at discount as on 30th calendar day from listing day			Nos. of IPOs trading at premium as on 30th calendar day from listing day		
			Ove r 50 %	Between 25%- 50%	Les s tha n 25 %	Ove r 50 %	Between 25%- 50%	Les s tha n 25 %	Ove r 50 %	Between 25%- 50%	Les s tha n 25 %	Ove r 50 %	Between 25%- 50%	Les s tha n 25 %
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

- (2) Price information of past issues handled by YES Bank Limited:

S r. N o.	Issue name	Issu e size (Rs mm)	Issu e pri ce (Rs)	Listi ng date	Ope ning price on listin g date (Rs)	Clos ing pric e on listin g date (Rs)	% Cha nge in pric e on listin g date (clos	Bench mark index on listing date (closin g)	Closi ng price as on 10th calen dar day from listin	Bench mark index as on 10th calend ar day from listing day	Closi ng price as on 20th calen dar day from listin	Bench mark index as on 20th calend ar day from listing day	Closi ng price as on 30th calen dar day from listin	Bench mark index as on 30th calend ar day from listing day
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							ing) vs. issue price		g day (Rs)	(closin g)	g day (Rs)	(closin g)	g day (Rs)	(closin g)
1.	A2Z Maintenance and Engineering Services Limited	7,762.5	400.00 ⁽¹⁾	December 23, 2010	390.00	328.90	(17.8%)	19,982.88	327.35	20,561.05	302.85	19,196.34	302.85	19,007.53
2.	C. Mahendra Exports Limited	1,650	110	January 20, 2011	111.00	110.85	0.77%	19,046.54	159.65	18,327.76	167.05	17,592.77	207.50	18,438.31

Source: www.bseindia.com

1. A discount of 5% to the issue price was given to the employees at the time of allotment

Notes:

- Benchmark index is Sensex.
- In case 10th day, 20th day or 30th day is not a trading day, closing price on BSE of next trading day is considered
- 10th listing day has been taken as listing date plus 9 calendar days
- 20th listing day has been taken as listing date plus 19 calendar days
- 30th listing day has been taken as listing date plus 29 calendar days

i. Summary statement of price information of past issues handled by YES Bank Limited

Financial year	Total no. of IPOs ⁽¹⁾	Total funds raised (Rs mm)	Nos. of IPOs trading at discount on listing date			Nos. of IPOs trading at premium on listing date			Nos. of IPOs trading at discount as on 30th calendar day from listing day			Nos. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
FY 2011	2	9,412.5	-	-	1	-	-	1	-	-	1	1	-	-
FY 2012	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FY 2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes:

- Based on the date of listing
- Wherever 30th calendar day from listing day is a holiday, the closing data of the next trading date / day has been considered.

Track Record of Past Issues Handled by the BRLMs

For details regarding the track record of the BRLMs to the Issue as specified in Circular Reference CIR/MIR/SD/1/2012 dated January 10, 2012 issued by SEBI, please refer to the website of the BRLMs as set forth in the table below:

Sr. No	Name of the BRLMs	Website
1.	PL Capital Markets Private Limited	http://www.plindia.com/OfferDoc/TrackRecordofPLCM.pdf
2.	Yes Bank Limited	http://www.yesbank.in/index.jsp?sideNavigationUrl=%2FYES+Bank+Repository%2Fen%2FCorporate+Banking%2FInvestment+Banking%2FMerchant+Banking+-+Track+record+of+public+issues%2F%24+sideNavigation+%24%2FPublic+Issues+-+Equity#ret

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR 68 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY 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 DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to this Issue will be complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies, Maharashtra, in terms of Section 60B of the Companies Act.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies, Maharashtra, in terms of Section 60B of the Companies Act. All legal requirements pertaining to this Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Maharashtra, in terms of Sections 56, 60 and 60B of the Companies Act. DISCLAIMER STATEMENT FROM OUR COMPANY, OUR DIRECTORS, AND THE BOOK RUNNING LEAD MANAGERS

Our Company, our Directors and the Book Running Lead Managers accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisement or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information, including our website, www.calyx-pharma.com, would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Underwriting Agreement to be entered into between our Company and the Underwriters and the Issue Agreement between the BRLMs, and our Company.

All information shall be made available by our Company, our Directors and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

Neither our Company nor any of the BRLMs is liable for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Investors who 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 our Company and will not issue, sell, pledge, or transfer the Equity Shares of our Company to any person who is not eligible under any 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.

The BRLMs and their associates and affiliates may engage in transactions with, and perform services for, our Company, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company and the affiliates or associates, for which they have received, and may in future receive, compensation.

Caution

Investors that bid in this Issue will be required to confirm and will be deemed to have represented to our Company and 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 our Company and will not offer, sell, pledge or transfer Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company and the BRLMs 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, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in equity shares, domestic Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks and regional rural banks, co-operative banks (subject to RBI permission), trusts (registered under Societies Registration Act, 1860, or any other trust law and are authorized under their constitution to hold and invest in equity shares) public financial institutions as specified in Section 4A of the Companies Act, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of ₹ 2,500 Lacs, pension funds with minimum corpus of ₹ 2,500 Lacs, National Investment Fund, and the insurance funds set up and managed by the Department of Posts, India, permitted non-residents including eligible NRIs, FIIs and eligible QFIs as defined under the Indian Laws and other eligible foreign investors (i.e., FVCIs, multilateral and bilateral development financial institutions) provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. This Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares issued 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 this Draft Red Herring Prospectus comes is required to inform himself or herself about and to observe any such restrictions.

Any disputes arising out of this Issue will be subject to the jurisdiction of courts in Mumbai, Maharashtra, 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 this Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, equity shares, represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933 (the “Securities Act”), as amended or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S under the Securities Act). Accordingly, Equity Shares will be offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Bidder where required agrees that such Bidder will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

Until the expiry of 40 days after the commencement of this Issue, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in this Issue) may violate the registration requirements of the Securities Act.

Each purchaser, by its acceptance of the Red Herring Prospectus and of Equity Shares issued pursuant to this Issue, will be deemed to have acknowledged, represented to and agreed with the Company and the Underwriters that it has received a copy of the Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- (1) the purchaser is authorized to consummate the purchase of Equity Shares issued pursuant to this Issue in compliance with all applicable laws and regulations;
- (2) the purchaser acknowledges that Equity Shares issued pursuant to this Issue have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and are subject to restrictions on transfer;
- (3) the purchaser is purchasing Equity Shares issued pursuant to this Issue in an offshore transaction meeting the requirements of Regulation S under the Securities Act;
- (4) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring Equity Shares issued pursuant to this Issue, was located outside the United States and is not a U.S. person at the time the buy order for such Equity Shares was originated and continues to be located outside the United States and not a U.S. person and has not purchased such Equity Shares for the account or benefit of any person in the United States or a U.S. person or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any person in the United States or a U.S. person;
- (5) the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;
- (6) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only in accordance with Regulation S under the Securities Act or any transaction exempt from the registration requirements of the Securities Act, in each case in accordance with any applicable securities laws of any state of the United States or any other jurisdiction;
- (7) the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless the Company determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

- (8) the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and

- (9) the purchaser acknowledges that the Company the Underwriters and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Each person in a Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”) who receives any communication in respect of, or who acquires any Equity Shares under, the offers contemplated in the Red Herring Prospectus will be deemed to have represented, warranted and agreed to and with each Underwriter, and the Company that:

1. it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and
2. in the case of any Equity Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) Equity Shares acquired by it in the placement 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 Underwriters has been given to the offer or resale; or (ii) where Equity Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Equity Shares to it is not treated under the Prospectus Directive as having been made to such persons.

For the purposes of this provision, the expression an “offer of Equity Shares to the public” in relation to any of Equity Shares in any Relevant Member States means the communication in any form and by any means of sufficient information on the terms of the offer and Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for 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.

Disclaimer Clause of the BSE Limited (“BSE”)

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by the BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to filing the same with the RoC.

Disclaimer Clause of the National Stock Exchange of India Limited (“NSE”)

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by the NSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to filing the same with the RoC.

Disclaimer clause of the IPO Grading Agency

[●]

Filing

A copy of this Draft Red Herring Prospectus has been filed with the Corporation Finance Department of SEBI at SEBI Bhavan, Plot No. C4 - A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra - India.

A copy of the Red Herring Prospectus, along with documents required to be filed under Section 60B of the Companies Act, would be delivered for registration to the Registrar of Companies, Maharashtra situated at 100, Everest Building, Marine Drive, Mumbai - 400 002, at least 3 (three) days before the Bid / Issue Opening Date. A

copy of the Prospectus would also be filed with the Corporation Finance Department of SEBI and the RoC at their respective addresses upon closure of this Issue and on finalization of the Issue Price.

Listing

Equity Shares issued through this Draft Red Herring Prospectus are proposed to be listed on the BSE and the NSE. In-principle approval for listing of Equity Shares of our Company from BSE and NSE have been received *vide* their letters dated [●] and [●] respectively. BSE shall be the Designated Stock Exchange with which the basis of allotment will be finalized for the QIB (including Anchor Investor) portion, Non-Institutional portion, Retail portion and Employee portion.

In case the permission for listing of Equity Shares is not granted by any of the above mentioned Stock Exchanges, the Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within 8 days after the day from which the Company become liable to repay it or within 70 days from the Bid / Issue Closing Date, whichever is earlier, then the Company and every Director of the Company who is an officer in default shall, on and from expiry of 15 days, be jointly and severally liable to repay that money with interest, at 15% per annum on the application monies as prescribed under Section 73 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges mentioned above are taken within 12 Working Days of Issue Closure.

Consents

The written consents of our Promoters, our Directors, our Compliance Officer, our Auditors, the legal advisor, the Book Running Lead Managers, the Syndicate Members*, the Registrar to this Issue, the Underwriters*, Escrow Collection Bank(s)*, Refund Bank*, IPO Grading Agency* and the Bankers to our Company** to act in their respective capacities, have been obtained and will be filed along with a copy of the Red Herring Prospectus with the RoC as required under Section 60 and 60B of the Companies Act and such consents have not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus with SEBI.

**The aforesaid will be appointed prior to filing of the Red Herring Prospectus with RoC and their consents as above would be obtained prior to the filing of the Red Herring Prospectus with RoC.*

*** Bank of India, State Bank of Patiala and Indian Bank have not provided us their consent as on date of this Draft Red Herring Prospectus*

Mr. Jatin V. Shah, our Statutory Auditor has given his written consent to the inclusion of his report in the form and context in which it appears in this Draft Red Herring Prospectus and such consent and report has not been withdrawn up to the time of filing of this Draft Red Herring Prospectus with SEBI. He has also given his written consent to the statement of tax benefits accruing to our Company and its members in the form and context in which it appears in this Draft Red Herring Prospectus and has not been withdrawn such consent up to the time of filing of this Draft Red Herring Prospectus with SEBI.

[●], the IPO Grading Agency engaged by us for the purpose of IPO Grading have given their consent as experts, pursuant to their letter dated [●] for the inclusion of their report in the form and content in which it will appear in the Red Herring Prospectus and such consents and reports has not been withdrawn up to the time of filing of this Draft Red Herring Prospectus with SEBI.

Expert Opinion

Except the stock option valuation report dated February 02, 2011 issued by M/s. Contractor, Nayak & Kishnadwala, Chartered Accountants, in respect of options granted under Calyx ESOP 2010, the statement of tax benefits dated September 17, 2012, report of our Statutory Auditor dated July 12, 2012 and the report issued in respect of the IPO grading of this Issue (which shall be annexed to the Red Herring Prospectus) and except as stated elsewhere in this Draft Red Herring Prospectus, our Company has not obtained any expert opinions. M/s. Contractor, Nayak &

Kishnadwala, Chartered Accountants have provided us their consent to include their name in this Draft Red Herring Prospectus *vide* letter dated September 26, 2012.

Expenses of this Issue

The Issue related expenses includes, amongst others, lead management fees, underwriting fees, selling commission, printing and distribution expenses, legal fees, advertisement expenses, registrar and depositories expenses, SCSB's commission / fees, fees and expenses of the SEBI registered rating agency for IPO grading and listing fees. The total expenses of this Issue shall be made out of the proceeds of this Issue and is estimated to be approximately ₹ [●] Lacs. The break-up of the estimated expenses of this Issue is as follows:

(₹ in Lacs)			
Activity	Amount *	% of Issue Expenses*	% of Total Issue Size*
Issue Management Fees, Brokerage and Selling Commission	[●]	[●]	[●]
Fees payable to Registrar to this Issue	[●]	[●]	[●]
Commission payable to SCSBs	[●]	[●]	[●]
Fee payable to Grading Agency for grading this Issue	[●]	[●]	[●]
Printing and Distribution of Issue Stationery	[●]	[●]	[●]
Advertising and Marketing expenses	[●]	[●]	[●]
Other expenses (stamp duty, initial listing fees, depository fees, charges for using the book building software of the exchanges and other related expenses)	[●]	[●]	[●]
Total	[●]	[●]	[●]

* will be incorporated after finalisation of Issue Price

Pursuant to Regulation 26(7) of the SEBI ICDR Regulations, our Company needs to obtain grading for this IPO from at least one credit rating agency. In this regard we have appointed [●]. The total expenses for IPO Grading are estimated to be ₹[●] Lacs, which is [●]% of the Issue size.

Details of Fees Payable

Fees payable to the Book Running Lead Managers

The total fees payable to the Book Running Lead Managers will be as per the engagement letters signed and executed between our Company and each of PLCM and YES Bank respectively; and as stated in the the Issue Agreement dated September 26, 2012 signed and executed between our Company and the Book Running Lead Managers, a copy of which is available for inspection at our Registered Office from 10:00 am. to 4:00 pm. till and during the Bid / Issue period.

Underwriting Commission, Brokerage and Selling Commission

The underwriting commission and selling commission for this Issue is as set out in the Syndicate Agreement to be entered into between our Company and the BRLMs. The underwriting commission shall be paid as set out in the Underwriting Agreement to be entered into between our Company and the BRLMs, based on the Issue Price and amount underwritten in the manner mentioned in the Prospectus. Payment of underwriting commission, brokerage and selling commission would be in accordance with applicable laws.

Fees payable to the Registrar to this Issue

The total fees payable to the Registrar to this Issue for processing of application, data entry, printing of CAN / refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Memorandum of Understanding dated, April 14, 2010 signed and executed between our Company and the Registrar to this Issue, a copy of which is available for inspection at our Registered Office from 10:00 am. to 4:00 pm. during the Bid / Issue period.

The Registrar to this Issue will also be reimbursed with all relevant out-of-pocket expenses such as cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to

this Issue to enable them to make refunds orders or Allotment Advice by registered post / speed post / under certificate of posting

Fees Payable to Others

The total fees payable to the Legal Advisor, Auditor, Credit Rating Agency and Advertiser etc. will be as per the terms of their respective engagement letters.

Previous Public or Rights Issues during Last Five Years

We have not made any previous rights and / or public issues during the last five years and are an “Unlisted Issuer” in terms of the SEBI ICDR Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI ICDR Regulations.

Previous issue of shares otherwise than for cash

We have not issued any Equity Shares for consideration other than for cash except as disclosed in the chapter titled “*Capital Structure*” beginning on page 57 of this Draft Red Herring Prospectus.

Commission or Brokerage on Previous Issues during Last Five Years

Since this is the initial public offer of Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

Listed companies under the same Management

There are no listed companies under the same management as our Company within the meaning of Section 370(1B) of the Companies Act.

Promise versus performance for Our Company

Our Company is an “Unlisted Issuer” in terms of the SEBI ICDR Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI ICDR Regulations. Therefore, data regarding promise versus performance is not applicable to us.

Promise versus Performance – Previous Issues of Group Entities.

None of our Group Companies have made any public issues in the past.

Outstanding Debentures or Bonds

We do not have any outstanding debentures or any bond issue as on the date of this Draft Red Herring Prospectus.

Outstanding Preference Shares

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

Option to Subscribe

Equity Shares being offered through the Red Herring Prospectus can be applied for in dematerialized form only.

Stock Market Data

Our Company is an “Unlisted Issuer” in terms of the SEBI ICDR Regulations, and this being the “Initial Public Offering” in terms of the SEBI ICDR Regulations, no stock market data is available for Equity Shares of our Company.

Mechanism for Redressal of Investor Grievances by our Company

The agreement between the Registrar to this Issue and our Company, provides for retention of records with the Registrar to this Issue for a period of at least 3 years from the last date of dispatch of letters of allotment, demat credit, refund orders to enable the investors to approach the Registrar to this Issue for redressal of their grievances.

All grievances relating to this Issue may be addressed to the Registrar to this Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the Bidding centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the 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 or the collection centre of the SCSB where the Bid - cum - Application Form was submitted by the ASBA Bidders.

The Registrar shall act as a nodal agency for redressing complaints of ASBA and non-ASBA investors including providing guidance to ASBA investors regarding approaching the SCSB concerned.

Disposal of Investor Grievances by our Company

Our Company or the Registrar to this Issue or the SCSB in case of ASBA Bidders shall redress routine investor grievances. We estimate that the average time required by us or the Registrar to this Issue for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

We have appointed Mr. Devanand Parshottam Mojidra as the Compliance Officer who would directly liaise with the Stock Exchanges with respect to implementation / compliance of various laws, rules, regulations and other directives issued by Stock Exchanges and matters related to investor complaints. The investors may contact the Compliance Officer in case of any Pre-Issue / Post-Issue related problems at the following address:

Mr. Devanand Parshottam Mojidra
Company Secretary and Compliance Officer
Calyx Chemicals and Pharmaceuticals Limited
Unit Number 110, Marwah's Complex,
Krishanlal Marwah Marg,
Off Saki Vihar Road,
Andheri (East),
Mumbai- 400 072,
Maharashtra, India.
Tel No: +91 22 28571191;
Fax No: +91- 022- 66466401
E-mail: devanand_mojidara@calyxindia.com
Website: www.calyx-pharma.com

Our Company has not received any investor complaints during the three years preceding the filing of this Draft Red Herring Prospectus with SEBI. Further, no investor complaints are pending as on the date of filing this Draft Red Herring Prospectus with SEBI.

The Shareholders' / Investors' Grievance Committee has been formed by the Board of Directors at the meeting held on March 23, 2010 in compliance with Clause 49 of the Listing Agreement.

The composition of the Shareholders / Investors' Grievance Committee is as follows.

Sr. No.	Name	Designation
1.	Mr. Bhumitra Vinodchandra Dholakia	Chairman
2.	Mr. Abhay Prafulchandra Desai	Member
3.	Mr. Smitesh Chandravadan Shah	Member

For further details, please refer to the chapter titled “*Our Management*” beginning on page 170 of this Draft Red Herring Prospectus.

Investors can contact the Compliance Officer or the Company Secretary or the Registrar to this Issue in case of any Pre-Issue or Post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc.

Changes in the Auditors during the last three Fiscals and reasons thereof

There have been no changes in the Statutory Auditors of our Company during the last 3 Fiscals. However, pursuant to the Order dated December 16, 2010 issued by the Central Government in terms of Section 233B of the Companies Act and subject to approval of Central Government, Mr. D. H. Zaveri has been appointed as Cost Auditor of our Company for the purposes of auditing cost accounting records in respect of bulk drugs products for the period of 2012- 13.

Capitalisation of reserves or profits during the last five years

Save and except as stated in chapter titled ‘*Capital Structure*’, beginning on page 57 of this Draft Red Herring Prospectus our Company has not capitalized its reserves or profits at any time during the last 5 Fiscals.

Revaluation of assets during the last 5 years

Our Company has not revalued its assets for a period of 5 years prior to the date of this Draft Red Herring Prospectus.

Equity Shares being offered are subject to the provisions of the Companies Act, the SCRR, the SCRA, the Memorandum and Articles of Association of our Company, conditions of RBI approval, if any, the terms of the Red Herring Prospectus, the Prospectus, the ASBA Bid-cum-Application Form, the Revision Form, the Allotment Advice and Confirmation of Allocation Note (“CAN”), Listing Agreements with the Stock Exchanges and other terms and conditions as may be incorporated in the Allotment Advice, and other documents / certificates that may be executed in respect of this Issue. Equity Shares shall also be subject to applicable laws, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, Government of India, Stock Exchanges, RBI, FIPB, RoC and / or other authorities, as in force on the date of this Issue and to the extent applicable.

Compliance with SEBI ICDR Regulations

In connection with this Issue, our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of Equity Shareholder

Subject to applicable laws, Equity Shares holders shall have the following rights:

- Right to receive dividend, 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 and other preferential claims being satisfied;
- Right of free transferability 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 agreements executed with the Stock Exchanges, and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association such as 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 429 of this Draft Red Herring Prospectus.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with competent courts / authorities in Mumbai, Maharashtra, India.

Joint Holders

Where 2 or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint – tenants with benefits of survivorship.

SECTION X

ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, the SCRR, the SCRA, the Memorandum and Articles of Association of our Company, conditions of RBI approval, if any, conditions of FIPB, the terms of the Red Herring Prospectus, the Prospectus, the ASBA Bid-cum-Application Form, the Revision Form, the Allotment Advice and Confirmation of Allocation Note (“CAN”), Listing Agreements with the Stock Exchanges and other terms and conditions as may be incorporated in the Allotment Advice, and other documents / certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to applicable laws, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, Government of India, Stock Exchanges, RBI, FIPB, RoC and / or other authorities, as in force on the date of this Issue and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of the Companies Act and the Memorandum and Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares of our Company including in respect of the rights to receive 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, please see the section “*Main Provisions of our Articles of Association*” beginning on page 429 of this Draft Red Herring Prospectus.

Mode of payment of dividend

We shall pay dividend, if declared, to our shareholders as per the provisions of the Companies Act, the Articles of Association of our Company and the Listing Agreements entered into with the Stock Exchanges.

Face Value and Price Band

The face value of each Equity Share is ₹10. The Issue Price is [●]. The Floor Price of Equity Shares is ₹ [●] per Equity Share and the Cap Price is ₹ [●] per Equity Share. At any given point of time there shall be only one denomination of Equity Shares, subject to applicable law. The Price Band and the minimum Bid lot size for this Issue will be decided by our Company, in consultation with the BRLMs, and advertised in an English national newspaper, a Hindi national newspaper and a regional newspaper where the Registered Office of our Company is situated, each with wide circulation, at least 2 Working Days prior to the Bid / Issue Opening Date.

Compliance with SEBI ICDR Regulations

In connection with this Issue, our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholder

Subject to applicable laws, the Equity Shares holders shall have the following rights:

- Right to receive dividend, 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 and other preferential claims being satisfied;
- Right of free transferability 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 agreements executed with the Stock Exchanges, and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association such as 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 429 of this Draft Red Herring Prospectus.

Market Lot and Trading Lot

In compliance with Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialized form. In terms of existing SEBI ICDR Regulations, the trading in the Equity Shares shall only be in dematerialized form for all investors. Since trading of the Equity Shares is in dematerialized mode, the tradable lot is one Equity Share. Allotment of Equity Shares through this Issue will be done only in electronic form, in multiple of one Equity Share, subject to a minimum allotment of [●] Equity Shares. For details of allocation and allotment, please refer to the chapter titled “*Issue Procedure*” beginning on page 385 of this Draft Red Herring Prospectus.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with competent courts / authorities in Mumbai, Maharashtra, India.

Joint Holders

Where 2 or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint – tenants with benefits of survivorship.

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 that are allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which such person would be entitled if such person were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale / transfer / alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Company’s Registered Office or with the Registrar 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:

1. to register himself or herself as the holder of the Equity Shares; or
2. 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 (90) days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in this Issue will be made only in dematerialized mode, there is no need to make a separate nomination with us. Nominations registered with respective depository participant of the

applicant will prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of this Issue 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. If there is a delay beyond 12 days after our Company becomes liable to pay the amount, our Company shall pay interest as prescribed under Section 73 of the Companies Act.

Further, in terms of sub-regulation (4) of Regulation 26 of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will not be less than 1,000. If the number of allottees in the proposed Issue is less than 1,000 allottees, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 15 days after our Company becomes liable to pay the amount, our Company shall pay interest at the rate 15% per annum for the delayed period.

Arrangement for Disposal of Odd Lots

The Equity Shares of our Company will be traded in dematerialized form only and therefore the marketable lot is 1 Equity Share. Hence, there is no possibility of any odd lots.

Restriction on transfer of Equity Shares

Except for lock-in of pre-Issue Equity Shares, our Promoter's minimum contribution and Anchor Investor lock-in in the Issue as detailed in "Capital Structure" beginning on page 57 of this Draft Red Herring Prospectus, and except as provided in our Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of Equity Shares and on their consolidation or splitting except as provided in the Articles of Association. For further details, please refer to "Main Provisions of our Articles of Association" beginning on page 429 of this Draft Red Herring Prospectus.

Option to receive Equity Shares in Dematerialized Form

Investors should note that Allotment of Equity Shares to all successful Bidders will only be in the dematerialized form. Bidders will not have the option of getting Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges

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 and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and 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 Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

ISSUE STRUCTURE

Public Issue of 70,50,000 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] per Equity Share (including share premium of ₹ [●] per Equity Share) aggregating to ₹ [●] Lacs, (hereinafter referred to as the “**Issue**”).

This Issue comprises of a Net Issue of 70,00,000 Equity Shares of ₹ 10 each to the public (hereinafter referred to as the “**Net Issue**”) and Employee Reservation Portion of upto 50,000 Equity Shares of ₹ 10 each (hereinafter referred to as the “**Employee Reservation Portion**”) for subscription by Eligible Employees on a competitive basis.

This Issue, less the Employee Reservation Portion is referred to as the Net Issue.

This Issue will constitute 30.05% of the fully diluted total Post-Issue paid-up Equity Shares capital of our Company. The Net Issue will constitute 29.83% of the Post-Issue paid-up Equity Share capital of our Company. This Issue is being made through the Book Building Process:

Particulars	Employee Reservation Portion	Qualified Institutional Bidders	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares*	Upto 50,000 Equity Shares shall be available for allocation	Upto 35,00,000 Equity Shares	Not less than 10,50,000 Equity Shares shall be available for allocation or Net Issue less allocation to QIB Bidders and Retail Individual Bidders	Not less than 24,50,000 Equity Shares shall be available for allocation or Net Issue less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of the Issue Size available for allocation	Upto 5% of the Post-Issue capital of our Company. The Employee Reservation Portion comprises approximately [●]% of our Company's Post-Issue share capital.	<p>Not more than 50% of the Net Issue shall be available for allocation to QIBs.</p> <p>However, not less than 5% of the Net QIB Portion shall be available for allocation proportionately to Mutual Funds only.</p> <p>Mutual Funds participating in the QIB Portion will also be eligible for allocation in the remaining QIB Portion.</p> <p>The unsubscribed portion in the Mutual Fund reservation will be available to QIBs.***</p> <p>Upto 30% of the QIB Portion may be available for allocation to Anchor Investors and one-third of the Anchor Investor Portion shall be available for allocation</p>	Not less than 15% of the Net Issue shall be available for allocation	Not less than 35% of the Net Issue shall be available for allocation

Particulars	Employee Reservation Portion	Qualified Institutional Bidders	Non-Institutional Bidders	Retail Individual Bidders
		to domestic Mutual Funds.**		
Basis of Allotment, if respective category is oversubscribed	Proportionate	Proportionate as follows: (a) upto 10,50,000 Equity Shares for allocation to Anchor Investor on a discretionary basis, out of which one third shall be available for allocation to domestic Mutual Funds only (b) [●] Equity Shares, constituting 5% of the Net QIB portion, shall be available for allocation on a proportionate basis to Mutual Funds; (c) 35,00,000 Equity Shares shall be available for allocation on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (b) above	Proportionate	Proportionate
Minimum Bid	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares that the Bid Amount exceeds ₹ 2 Lacs and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares that the Bid Amount exceeds ₹ 2 Lacs and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares so as to ensure that the Bid Amount does not exceed ₹ 2 Lacs	Such number of Equity Shares in multiples of [●] not exceeding the size of the Net Issue subject to regulations as applicable to the Bidder	Such number of Equity Shares in multiples of [●] not exceeding the size of the Net Issue, subject to applicable investment limits	Such number of Equity Shares so as to ensure that the Bid Amount does not exceed ₹ 2 Lacs
Mode of Allotment	Compulsorily in dematerialized form	Compulsorily in dematerialized form	Compulsorily in dematerialized form	Compulsorily in dematerialized form
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares.	[●] Equity Shares and in multiples of [●] Equity Shares.	[●] Equity Shares and in multiples of [●] Equity Shares.	[●] Equity Shares and in multiples of [●] Equity Shares.
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share.	[●] Equity Shares and in multiples of one Equity Share.	[●] Equity Shares and in multiples of one Equity Share.	[●] Equity Shares and in multiples of one Equity Share.
Trading Lot	One Equity Share	One Equity Share	One Equity Share	One Equity Share
Who can Apply ****	Eligible Employees being permanent and full-time employees, working in India or abroad, of our Company or subsidiary company whose	Public financial institutions, as specified in Section 4A of the Companies Act: scheduled commercial banks, mutual funds, foreign institutional	Resident Indian individuals, Eligible NRIs, HUF (applying through the Karta), companies, corporate bodies, scientific institutions, societies	Resident Indian individuals, Eligible NRIs, HUF (applying through the Karta), applying for Equity Shares such that the Bid Amount does not

Particulars	Employee Reservation Portion	Qualified Institutional Bidders	Non-Institutional Bidders	Retail Individual Bidders
	financial statements are consolidated with our Company's financial statements as per Accounting Standard 21, or a Director of our Company, whether whole time or part time and does not include Promoters and an immediate relative of the Promoters (i.e., any spouse of that person, or any parent, brother, sister or child of that person or of the spouse) applying for Equity Shares such that the Bid Amount does not exceed ₹ 2.00 Lacs in value.	investors and sub-accounts (other than a sub-account which is a foreign corporate or foreign individual) registered with SEBI, multilateral and bilateral development financial institutions, Venture Capital Funds, Foreign Venture Capital Investors, state industrial development corporations, permitted insurance companies registered with the Insurance Regulatory and Development Authority, provident funds, (subject to applicable laws) with minimum corpus of ₹ 2,500 Lacs and pension funds with minimum corpus of ₹ 2,500 Lacs in accordance with applicable law, National Investment Fund set up by Government of India vide resolution bearing number F.No. 2 / 3 / 2005- DDII dated November 23, 2005 as published in the Gazette of India, insurance funds set up and managed by the army, navy and air force of the Union of India and insurance funds set up and managed by the Department of Posts, India.	trusts, sub accounts of FIs registered with SEBI, which are foreign corporate or foreign individuals and Eligible QFIs.	exceed ₹ 2.00 Lacs in value.
Terms of Payment*****	<p>Full Bid Amount on bidding at the time of submission of the Bid cum Application Form</p> <p>In case of ASBA Bidders, the SCSB shall be entitled to block the entire Bid amount as specified in the ASBA Bid cum Application Form</p>	<p>Full Bid Amount on bidding shall be blocked in an account with SCSBs at the time of submission of the ASBA Bid cum Application Form (including Anchor Investor)^{##}</p>	<p>Full Bid Amount on bidding shall be blocked in an account with SCSBs at the time of submission of the ASBA Bid cum Application Form</p>	<p>Full Bid Amount on bidding shall be payable at the time of submission of Bid cum Application to the Syndicate for non-ASBA Bidders</p> <p>In case of ASBA Bidders, the SCSB shall be entitled to block the entire Bid amount as specified in the ASBA Form</p>

**Subject to valid Bids being received at or above the Issue Price. This Issue is being made under sub-regulation (1) of Regulation 26 of the SEBI ICDR Regulations, and through a Book Building Process wherein not more than 50% of the Net Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs" and such portion the "QIB Portion"). Our Company in consultation with the BRLMs may consider participation by Anchor Investors in the Net Issue for upto 30% of the QIB Portion in accordance with the applicable SEBI ICDR Regulations ("Anchor Investor Portion"), out of which at least one-third will be available for allocation to domestic Mutual Funds only. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the remaining QIB Portion ("Net QIB Portion"). Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. 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. Further not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net 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. Further, upto 50,000 Equity Shares of our Company shall be available for allocation on a proportionate basis to the Eligible Employees, subject to valid Bids being received from them at or above the Issue Price. Under-subscription, if any, in any category would be allowed to be met with spill over from any of the other categories at the discretion of our Company, the BRLMs and the Designated Stock Exchange and in accordance with applicable laws, rules, regulations and guidelines, subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue. In case of under-subscription in the Net Issue, spill-over to the extent of under-subscription shall be permitted from the Employee Reservation Portion.*

***Our Company may allocate 30% of the QIB Portion to Anchor Investors on discretionary basis. The Anchor Investor shall pay the entire Bid Amount at the time of submission of the application forms. In addition, one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. An anchor investor shall make a minimum Bid of such number of Equity Shares so that the Bid Amount is at least ₹ 1,000 Lacs. For further details, please refer to section titled "Issue Procedure" beginning on page 385 of this Draft Red Herring Prospectus.*

**** If the aggregate demand by Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund reservation will first be added to the Net QIB Portion and shall be available to be allocated proportionately to the QIB Bidders, subject to valid Bids being received from them at or above the Issue Price.*

*****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 in the same sequence in which they appear.*

****** In case of ASBA Bidders, submission of ASBA Bid - cum - Application Form to the SCSBs. The SCSBs shall be authorised to block such funds in the bank account of the ASBA Bidder that are specified in the ASBA Bid - cum - Application Form.*

##Bid Amount shall be payable by the Anchor Investors at the time of submission of the Bid cum Application Forms. The balance, if any, shall be paid within two days of the Bid / Issue Closing Date. Anchor Investors shall not participate in the ASBA Process.

ISSUE PROCEDURE

This section applies to all Bidders. Please note that QIBs (other than Anchor Investors) and Non-Institutional Bidders must participate in the Issue only through the ASBA process. Retail Individual Bidders can participate in the Issue and submit their Bids either by submitting a Bid cum Application Form to the Syndicate Member or by submitting an ASBA Bid cum Application Form to a SCSB or a Syndicate Member (at ASBA Bidding Centres only). ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to Bidders other than the ASBA 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 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.

Bidders are advised to make their independent investigations and ensure that their Bids do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus.

Book Building Procedure

The Company is eligible for this Issue in accordance with Regulation 26(1) of the SEBI ICDR Regulations. Further, this Issue is being made through the Book Building Process wherein not more than 50% of this Issue shall be allocated to QIBs on a proportionate basis out of which 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% and 35% of this 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. Our Company may allocate up to 30% of the QIB Portion to the Anchor Investors on a discretionary basis. One third of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds, subject to valid bids being received from domestic Mutual Funds at or above the Anchor Investor Issue Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Under-subscription, if any, in any category, 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.

Bidders (other than Anchor Investors) may participate in this Issue through ASBA by providing the details of their respective bank accounts/ bank account held by a third party (subject to conditions as set forth hereinbelow) in which the corresponding Bid Amounts will be blocked by Self Certified Syndicate Banks. Non- retail investors are mandatorily required to make use of the ASBA facility. All ASBA Bidders can submit their Bids through the Syndicate (at ASBA Bidding Centres). Pursuant to SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, the Syndicate/ sub-syndicate members may procure the ASBA Bid cum Application Form from investors in Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda, and Surat and submit the same to the SCSB. Syndicate/ sub-syndicate members are required to upload the bid and other relevant details of the ASBA Bid cum Application Form in the electronic bidding system provided by the Stock Exchanges and forward the same to the SCSBs. SCSBs shall carry out further action for the ASBA Forms such as signature verification, blocking of funds and forward the same to the Registrar to the Issue.

Investors should note that Allotment of Equity Shares to all successful Bidders will be only in the dematerialised form. The Bid-cum-Application Forms which do not have the details of the Bidders' depository accounts including DP ID, PAN and Client ID shall be treated as incomplete and rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. Equity Shares on Allotment shall be traded only on the dematerialised segment of the Stock Exchanges.

Bidders are required to ensure that the PAN (of the sole/ First Bidder) provided in the Bid cum Application Form is exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held. In case of joint Bids, only the name of the First Bidder should be provided in the Bid cum Application Form and ensure that such First Bidder's name also appears as the first holder of the beneficiary account held in joint names. The signature of

only such first Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders.

Bid-cum-Application Form

Retail Bidders shall use only 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. Non- retail Bidders shall use the specified ASBA Bid cum Application Form, indicating the mode of payment option as being “ASBA” obtained from any member of the Syndicate, for the purpose of making a Bid in terms of the Red Herring Prospectus. Before being issued to Bidders, the Bid-cum-Application Form (except in relation to ASBA Bidders) shall be serially numbered. Bidders (other than ASBA Bidders) are required to submit their Bids through the Syndicate only. 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.

ASBA Bidders including QIBs and Non Institutional Bidders, shall submit the ASBA Bid-cum-Application Form either in physical or electronic form (through the internet banking facility available with the SCSBs or such other electronically enabled mechanism for Bidding) to the SCSB or to a member of the Syndicate (at ASBA Bidding Centres only) authorizing blocking funds that are available in the bank account specified in the ASBA Bid-cum-Application Form used by ASBA Bidders. 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 a 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.

The Bid-cum-Application Form shall contain information about the Bidder and the price and number of Equity Shares that the Bidder wishes to Bid for. Bidders shall have the option to make a maximum of three Bids in the Bid-cum-Application Form and such options shall not be considered multiple Bids.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the Syndicate Member 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.

On filing of the Prospectus with the RoC, the Bid-cum-Application Form or the ASBA Bid cum Application Form, as the case may be, shall be treated as a valid application form. On completion and submission of the Bid-cum-Application Form or the ASBA Bid cum Application Form, as the case may be, to a member of the Syndicate (at ASBA Bidding Locations) or the SCSB, the Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the Bid-cum-Application Form/ ASBA Bid cum Application Form as would be required under the ICDR Regulations and other applicable laws, for filing the Prospectus with the RoC and as would be required by SEBI and / or the RoC after such filing, without prior or subsequent notice of such changes to the Bidder. Upon the filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form.

The prescribed colour of the Bid-cum-Application Form for various categories is as follows:

Category	Colour of Bid – cum - Application Form including ASBA Bid - cum - Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis (ASBA as well as non ASBA Bidders*)	White
Non-Residents including Eligible NRIs, Eligible QFIs, FVCIs, FIIs and registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis, excluding Anchor Investors (ASBA as well as non ASBA Bidders)	Blue
Eligible Employees (ASBA as well as non ASBA Bidders)	Pink
Anchor Investors**	White

** Bid cum Application forms will also be available on the website of the NSE (www.nseindia.com) and the BSE (www.bseindia.com). Same Bid cum Application Form applies to all ASBA Bids irrespective of whether they are submitted to the SCSBs or to the Syndicate (in ASBA Bidding Centres)*

***Bid-cum-Application Forms for Anchor Investors will be made available at office of BRLMs only.*

Who can Bid?

- Indian nationals resident in India, who are competent to contract under the Indian Contract Act, 1872, as amended, in single or joint names (not more than three). Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept Bids belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder 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;
- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in Equity Shares;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non repatriation basis subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this issue;
- Indian financial institutions, commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual under the QIB category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Bidders category.
- Venture capital funds and Alternative Investment Funds registered with SEBI;
- Foreign Venture Capital Investors registered with SEBI;
- Eligible QFIs;
- State Industrial Development Corporations;
- Trusts / societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts / societies and who are authorised under their respective constitutions to hold and invest in Equity Shares;
- Scientific and / or industrial research organisations authorised in India to invest in Equity Shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority;
- Provident Funds with a minimum corpus of ₹ 2,500 Lacs and who are authorised under their constitution to hold and invest in Equity Shares;
- Pension Funds with a minimum corpus of ₹ 2,500 Lacs and who are authorised under their constitution to hold and invest in Equity Shares;
- National Investment Fund set up by a resolution no. F. No. 2 / 3 / 2005- DD II dated November 23, 2005 of the Government of India, published in the Gazette of India;
- Insurance funds set up and managed by army, navy or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, India;
- Multilateral and Bilateral Development Financial Institutions;
- Limited liability partnership under the Limited Liability Partnership Act, 2008;;
- Eligible Employees; and
- All other persons eligible to invest under all applicable laws, rules, regulations and guidelines.

As per the current RBI regulations, OCBs cannot participate in this Issue.

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.

Participation by Associates of BRLMs and Syndicate Members

The BRLMs and the Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLMs and the Syndicate Members are entitled to subscribe Equity Shares in this Issue, including in the QIB Portion (excluding Anchor Investor Portion) and Non-Institutional Portion where the allocation is on a proportionate basis. Such Bidding and subscription may be on their own account or on behalf of their clients. However, the BRLMs, Syndicate Members and persons related to the BRLMs and the Syndicate Members shall not be allowed to subscribe to the Anchor Investor Portion.

Bids by Mutual Funds

As per the SEBI ICDR Regulations, 5% of the QIB Portion (excluding the Anchor Investor Portion), has been specifically reserved for Mutual Funds on a proportionate basis. An eligible Bid by a Mutual Fund in the Mutual Fund Portion shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event demand in the Mutual Fund Portion is greater than 1,75,000 Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by Mutual Funds shall be available for allocation proportionately, after excluding the allocation in the Mutual Fund Portion, in the QIB Portion. With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

One-third of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds on a discretionary basis subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investors Issue Price.

As per the 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 single 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 over 10% of any company's paid-up share capital carrying voting rights.

Bids made by asset management companies or custodians of Mutual Funds shall clearly indicate the name of the concerned scheme for which bid is being made.

Multiple applications

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.

Bids by Non Residents including Eligible NRIs and FIIs on a repatriation basis

There is no reservation for Eligible NRIs or FIIs or Eligible QFIs or FVCIs registered with SEBI. Such Eligible NRIs, FIIs, Eligible QFIs and FVCIs registered with SEBI will be treated on the same basis as other categories for the purpose of allocation.

Bids by Eligible NRIs

Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs intending to make payment through freely convertible foreign exchange and bidding on a repatriation basis could make payments through Indian Rupee drafts purchased abroad or cheques or bank drafts or by debits to their Non-Resident External ("NRE") or Foreign Currency Non-Resident ("FCNR") accounts, maintained with banks authorized by the RBI to deal in foreign exchange. Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour), accompanied by a bank certificate confirming that the payment has been made by debiting to the NRE or FCNR account, as the case

may be. Payment for Bids by non-resident Bidder bidding on a repatriation basis will not be accepted out of Non-Resident Ordinary (“NRO”) accounts.

Bids by FIIs

As per 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. 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 or 5% of our total issued capital in case such sub-account is a foreign corporate or a foreign individual. In accordance with the foreign investment limits applicable to our Company, Such investment must be made out of funds raised or collected or brought from outside through normal banking channels and the investment must not exceed the overall ceiling specified for FIIs. Under the portfolio investment scheme, the aggregate issue of Equity Shares to FIIs and their sub-accounts should not exceed 24% of Post-Issue paid-up equity capital of a company. However, this limit can be increased to the permitted sectoral cap / statutory limit, as applicable to our Company after obtaining approval of its Board of Directors followed by a special resolution to that effect by its shareholders in their general meeting. As of the date of this Draft Red Herring Prospectus, our shareholders have not passed any resolution to authorise increase in the total foreign investment including FII investment to exceed 24% of our total issued capital.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of regulation 15A(1) of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended (the “**SEBI FII Regulations**”), an FII, as defined in the SEBI FII Regulations, may issue, or otherwise deal in offshore derivative instruments (defined under the SEBI FII Regulations as any instrument, by whatever name called, which is issued overseas by an FII against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms. The FII is also required to ensure that no further issue or transfer of any offshore derivative instrument issued by it is made to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII Regulations. Associates and affiliates of the Underwriters, including the BRLMs and the Syndicate Members that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in this Issue. Any such offshore derivative instrument does not constitute any obligation of, claim on or an interest in, our Company.

Bids by Eligible QFIs

Pursuant to a circular dated January 13, 2012, the RBI has permitted Eligible QFIs to invest in equity shares of Indian companies on a repatriation basis subject to certain terms and conditions. Eligible QFIs have been permitted to invest in equity shares of Indian companies which are offered to the public in India in accordance with the SEBI Regulations. The individual and aggregate investment limits for Eligible QFIs in an Indian company are 5% and 10% of the paid up capital of the Indian company, respectively. These limits are in addition to the investment limits prescribed under the portfolio investment scheme for FIIs and NRIs. However, in cases of those sectors which have composite foreign investment caps, Eligible QFI investment limits are required to be considered within such composite foreign investment cap.

QFIs shall be included under the Non-Institutional Bidders category. Further, the SEBI in its circular dated January 13, 2012 has specified, amongst other things, eligible transactions for Eligible QFIs (which includes investment in equity shares in public issues to be listed on recognised stock exchanges and sale of equity shares held by Eligible QFIs in their demat account through SEBI registered brokers), manner of operation of demat accounts by Eligible QFIs, transaction processes and investment restrictions. SEBI has specified that transactions by Eligible QFIs shall be treated at par with those made by Indian non-institutional investors in various respects including, margins, voting rights and public issues.

Eligible QFIs shall open a single non interest bearing Rupee account with an AD category-I bank in India for routing the payment for transactions relating to purchase of equity shares (including investment in equity shares in public issues) subject to the conditions as may be prescribed by the RBI from time to time.

Eligible QFIs who wish to participate in the Offer are required to submit the Bid cum Application Form for the Offer. Eligible QFIs are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour). Eligible QFIs are required to participate in the Offer through the ASBA process.

Eligible QFIs are not permitted to issue off-shore derivative instruments or participatory notes.

Bids by SEBI registered Venture Capital Funds, Alternative Investment Funds and Foreign Venture Capital Investors

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 (the “SEBI VCF Regulations”) as amended, and the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended, *inter alia* prescribe the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 (the “SEBI AIF Regulations”) prescribe, amongst others, the investment restrictions on AIFs.

Accordingly, the holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulations.

All Non-Resident Bidders including Eligible NRIs, Eligible QFIs, FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. There is no reservation for Eligible NRIs, Eligible QFIs, FIIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- (a) equity shares of a company: the least of 10% of the investee company’s subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- (b) the entire group of the investee company: the least of 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of ULIPs); and
- (c) the industry sector in which the investee company operates: 10% of the insurer’s total investment exposure to the industry sector (25% in case of ULIPs).

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 Lacs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof.

Bids by Anchor Investors

Our Company may consider participation by Anchor Investors in the QIB Portion for up to 30% of the QIB Portion in accordance with the SEBI ICDR Regulations. Only QIBs as defined in Regulation 2(1)(zd) of the SEBI ICDR Regulations and not otherwise excluded pursuant to the SEBI ICDR Regulations are eligible to invest. The QIB Portion shall be reduced in proportion to the allocation under the Anchor Investor Portion. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. In accordance with the SEBI ICDR Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

- (a) Anchor Investors Bid-cum-Application Forms will be made available for the Anchor Investor Portion at the office of the BRLMs only;
- (b) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 1,000 Lacs. A Bid cannot be submitted for more than 30% of the QIB Portion. In case of a Mutual Fund registered with SEBI, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 1,000 Lacs;
- (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 1 Working Day before the Bid / Issue Opening Date and shall be completed on the same day;
- (e) Our Company, in consultation with the BRLMs, shall finalize allocation to the Anchor Investors on a discretionary basis, provided the minimum number of Allottees in the Anchor Investor Portion shall not be less than:
 - (i) a maximum number of two Anchor Investors for allocation up to ` 1,000 lacs;
 - (ii) a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 1,000 lacs and up to ₹ 2,500 Lacs subject to minimum allotment of ₹ 500 Lacs per such Anchor Investor; and
 - (iii) a minimum number of five Anchor Investors and maximum number of 25 Anchor Investors for allocation of more than ₹ 2,500 Lacs subject to minimum allotment of ₹ 500 Lacs per such Anchor Investor.
- (f) Allocation to Anchor Investors shall be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, shall be made available in public domain by the BRLMs before the Bid / Issue Opening Date;
- (g) Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date;
- (h) In the event 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 by 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 higher price *i.e.* the Anchor Investor Issue Price and the excess amount shall not be refunded to Anchor Investors;
- (i) Equity Shares Allotted in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment;
- (j) None of the BRLMs or any person related to the BRLMs, Promoters, or Promoter Group shall participate in the Anchor Investor Portion. The parameters for selection of the Anchor Investors shall be clearly identified by the BRLMs and shall be made available as part of the records of the BRLMs for inspection by SEBI; and
- (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 favor of:
 - In case of Resident Anchor Investors: “[●]”
 - In case of Non-Resident Anchor Investors: “[●]”

Additional details, if any, regarding participation in this Issue under the Anchor Investor Portion shall be disclosed in the advertisement for the Price Band which shall be published by our Company in an English national newspaper, a Hindi national newspaper and a regional language newspaper, each with wide circulation at least 2 Working Days prior to the Bid / Issue Opening Date.

Bids by Eligible Employees

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Price payable by the Eligible Employee does not exceed ₹ 2 Lacs per Bid. Bidders under the Employee Reservation Portion may Bid at Cut off Price.

Bidders under Employee Reservation Portion should note that:

- (a) Bids are made only in the prescribed Bid-cum-Application Form or Revision Form (i.e. [●] colour Form);
- (b) 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 Eligible Employee does not exceed ₹ 2 Lacs. The maximum Bid in this category by an Eligible Employee cannot exceed ₹ 2 Lacs per Bid;
- (c) Eligible Employees should mention their employee number at the relevant place in the Bid-cum-Application Form;
- (d) The sole / First Bidder should be an Eligible Employee;
- (e) Only Eligible Employees would be eligible to apply in this Issue under the Employee Reservation Portion;
- (f) Eligible Employees will have to Bid like any other Bidder. Only those Bids, which are received at or above the Issue Price, would be considered for Allotment under this category;
- (g) Eligible Employees who apply or bid for securities of or for a value of not more than ₹ 2 Lacs in any of the bidding option can apply at Cut-off Price. The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] thereafter subject to a maximum Bid Amount of ₹ 2 Lacs per Bid;
- (h) Bid by Eligible Employees can be made also in the Net Issue to the Public and such Bids shall not be treated as multiple Bids;
- (i) If the aggregate demand in this category is less than or equal to 50,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand;
- (j) Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue. In case of under-subscription in the Net Issue, spill over to the extent of under-subscription shall be permitted from the Employee Reservation Portion subject to the Net Issue constituting 25% of the Post-Issue share capital of our Company; and
- (k) If the aggregate demand in this category is greater than 50,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of allocation, refer to para “*Basis of Allotment*” of the chapter titled “*Issue Procedure*” on page 417 of this Red Herring Prospectus.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, Eligible QFIs, insurance companies and provident funds with minimum corpus of ₹ 2,500 Lacs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2,500 Lacs a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and / or bye laws must be lodged with the Bid-cum-Application Form/ ASBA 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 therefor.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- (a). With respect to Bids by VCFs, FVCIs, FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid-cum-Application Form or the ASBA Bid-cum-Application Form, as applicable. Failing this, our Company reserves the right to accept or reject any bid, in whole or in part, in either case without assigning any reasons thereof;
- (b). With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Bid-cum-Application Form/ ASBA 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 reasons thereof; and
- (c). With respect to Bids made by provident funds with minimum corpus of ₹ 2,500 Lacs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2,500 Lacs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund / pension fund must be lodged along with the Bid-cum-Application Form/ ASBA 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 reasons thereof.
- (d). With respect to Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, as amended a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, as amended must be attached to the Bid cum Application Form.

Our Company in their 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/ ASBA Bid cum Application Form, subject to such terms and conditions that our Company and the BRLMs may deem fit.

The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus. The Company and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated above.

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 Share thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed ₹ 2 Lacs. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed ₹ 2 Lacs. If the Bid Amount is over ₹ 2 Lacs due to revision of the Bid or revision of the Price Band or on exercise of the option to be Bid at the Cut-Off Price, the Bid would be considered for allocation under the Non-Institutional Portion. The option to Bid at the Cut-Off Price is given only to the Retail Individual Bidders, indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.
- (b) **For Other Bidders (Non-Institutional Bidders and QIBs):** The Bid must be for a minimum of such number of Equity Shares in multiples of [●] such that the Bid Amount exceeds ₹ 2 Lacs. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB Bidder cannot withdraw its Bid after the Bid / Issue Closing Date and is required to pay the entire Bid amount upon submission of the Bid. QIBs (other than Anchor Investors) and Non- Institutional Bidders are mandatorily required to submit their Bids only through the ASBA process.**

In case of revision in Bids, Non-Institutional Bidders who are individuals have to ensure that the Bid Amount is greater than ₹ 2 Lacs for being considered for allocation in the Non-Institutional Portion. If the Bid Amount reduces to ₹ 2 Lacs 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 Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at the Cut-Off Price.

- (c) **For Bidders in the Anchor Investor Portion:** The Bid must be for a minimum of such number of Equity Shares in multiples of [●] such that the Bid Amount is at least ₹ 1,000 Lacs. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids. A Bid cannot be submitted for more than 30% of the QIB Portion.. Payments made upon any revision of Bids shall be adjusted against the payment made at the time of the original Bid or the previously revised Bid. **Anchor Investors are not allowed to subscribe through the ASBA Process. Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date and are required to pay the 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 the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.**
- c) **For Bidders in the Employee Reservation Portion:** The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. The maximum Bid in this category cannot exceed [●] Equity Shares. Bidders in the Employee Reservation Portion applying for a maximum Bid in any of the bidding options not exceeding ₹ 2 Lacs may bid at Cut-off Price. However, the maximum Bid by an Eligible Employee cannot exceed ₹ 2 Lacs.

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 the Red Herring Prospectus.

Information for the Bidders:

- (a) The Red Herring Prospectus will be filed by our Company with the RoC at least 3 days before the Bid / Issue Opening Date;
- (b) Copies of the Bid-cum-Application Form, the ASBA Bid cum Application Form and the Red Herring Prospectus will be available with the members of the Syndicate. 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 the ASBA Bid cum Application Form can obtain the same from our Registered Office or from any of the members of the Syndicate. ASBA Bid-cum-Application Forms can be obtained by Bidders from the designated branches of the SCSBs Syndicate (at ASBA Bidding Centres) and at the Registered Office of our Company. Electronic Bid cum Application Forms will be available on the websites of the BSE and NSE and electronic ASBA Bid-cum-Application Forms shall be available on the websites of SCSBs. Furthermore, the SCSBs shall ensure that the abridged prospectus is made available on their websites;
- (c) Our Company and the BRLMs shall declare the Bid / Issue Opening Date and the Bid / Issue Closing Date at the time of filing of the Red Herring Prospectus with the RoC and the same shall also be published in 2 widely circulated national newspapers (one each in English and Hindi) and one regional language daily newspaper with wide circulation at Mumbai;
- (d) The members of the Syndicate (in accordance with the terms of the Syndicate Agreement) and the Designated Branches of SCSBs shall accept Bids from the Bidder during the Bid / Issue Period in accordance with the terms of this Red Herring Prospectus, provided that the BRLMs shall accept the Bids from the Anchor Investors only on the Anchor Investor Bidding Date;
- (e) Eligible Bidders who are interested in subscribing for Equity Shares should approach any of the BRLMs or the Syndicate Members or their authorized agent(s) to register their Bids. Bidders (other than Anchor

Investors) who wish to use the ASBA process should approach the Designated Branches of the SCSBs or the Syndicate (only at ASBA Bidding Centres) to register their Bids.

- (f) The Bids should be submitted on the prescribed Bid-cum-Application Form only. Bid cum Application Forms submitted to the members of the Syndicate should bear the stamp of the member of the Syndicate; otherwise they are liable to be rejected. Bid cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch and/or a member of the Syndicate, if not, the same are liable to be rejected. Bid cum Application Forms submitted by Bidders whose beneficiary account is inactive shall be rejected.
- (g) Except for Bids by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of a Bid in joint names, the First Bidder, should mention his/ her PAN allotted under the Income Tax 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. With effect from August 16, 2010, the beneficiary accounts of Bidders for whom PAN details have not been verified will be “suspended for credit” by the Depositories, and no credit of Equity Shares pursuant to the Offer will be made in the accounts of such Bidders.

ASBA Bidders

It may be noted that with effect from May 01, 2011, non – retail Bidders i.e. QIBs and Non Institutional Investors shall mandatorily utilise the ASBA facility to submit their Bids.

- (a) ASBA Bids can be submitted (i) in physical mode, to the Syndicate at ASBA Bidding Centres; or (ii) either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained. ASBA Bids in electronic mode can be submitted only to the SCSBs with whom the ASBA Account is maintained and not to the BRLMs. 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.
- (b) ASBA Bidders bidding through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only at ASBA Bidding Centres. ASBA Bidders should also ensure that Bid cum Application Forms submitted to the members of the Syndicate in the ASBA Bidding Centres will not be accepted if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit ASBA Bid cum Application Form (A list of such branches is available at http://www.sebi.gov.in/cms/sebi_data/attachdocs/1336019046318.html). ASBA Bidders bidding directly through the SCSBs should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained. For ASBA Bids submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Bid Amount specified in the Bid cum Application Form, before entering the ASBA Bid into the electronic bidding system.
- (c) SCSBs shall block the applications amount only against /in a funded deposit account and ensure that clear demarcated funds are available for ASBA Applications.

The Bidders should note that 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 Stock Exchanges by the Syndicate do not match with the DP ID, Client ID and PAN available in the database of Depositories, the Bid cum Application Form is liable to be rejected and the Company and members of the Syndicate shall not be liable for losses, if any.

INSTRUCTIONS FOR COMPLETING THE BID-CUM-APPLICATION FORM

Bids and revisions of Bids must be:

- 1) Made only in the prescribed Bid-cum-Application Form or Revision Form, as applicable;
- 2) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained here, in the Bid-cum-Application Form or in the Revision Form. Incomplete Bid-cum-Application Forms, Revision Forms or ASBA Bid-cum-Application Form, or Revision Forms or in the ASBA Revision Form are liable to be rejected. Bidders should note that the members of the Syndicate and / or the SCSBs (as appropriate) will not be liable for errors in data entry due to incomplete or illegible Bid-cum-Application Forms or Revision Forms;
- 3) Information provided by the Bidders will be uploaded in the online IPO system by the members of the Syndicate and the SCSBs, as the case may be, and the electronic data will be used to make allocation / Allotment. Bidders are advised to ensure that the details are correct and legible;
- 4) For Retail Individual Bidders (including Eligible NRIs and Eligible Employees), the Bid must be for a minimum of [●] Equity Shares and in multiples of [●] thereafter subject to a maximum Bid Amount of ₹ 2 Lacs. In case the Bid Amount is over ₹ 2 Lacs due to revision of the Bid or revision of the Price Band or on exercise of Cut-off option, the Bid would be considered for allocation under the Non-Institutional Bidders portion. The option to Bid at cut-off price is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process;
- 5) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares in multiples of [●] such that the Bid Amount exceeds ₹ 2 Lacs. Anchor Investors must ensure that their Bids must make a minimum Bid of such number of Equity Shares that the Bid Amount is at least ₹ 1,000 Lacs. Bids cannot be made for over the Issue size. Bidders are advised to ensure that a single bid from them should not exceed the investment limits or maximum number of Equity Shares that can be held by them under the applicable laws or regulations. Bids must be submitted through ASBA process only;
- 6) For Anchor Investors, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds or equal to ₹ 1,000 lacs and in multiples of [●] Equity Shares thereafter. Bids by various schemes of a Mutual Fund in the Anchor Investor Category shall be considered together for the purpose of calculation of the minimum Bid Amount of ₹ 1,000 lacs.
- 7) In single name or in case of joint Bids, only the name of the First Bidder (which should also be the first name in which the beneficiary account is held) should be provided in the Bid cum Application Form. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders;
- 8) 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;
- 9) If the ASBA Account holder is different from the ASBA Bidder, the ASBA Bid-cum-Application Form should be signed by the account holder as provided in the ASBA Bid-cum-Application Form.

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. With respect to the ASBA Bidders, the Bid cum Application Form or the Revision Form shall be submitted (i) either in physical form to the Designated Branches or in the electronic form (through the internet banking facility available with the SCSBs or any other electronically enabled mechanism for bidding); or (ii) to the members of the Syndicate at ASBA Bidding Centres.

No separate receipts shall be issued for the money payable on the submission of Bid-cum-Application Form or Revision Form. However, the collection centre of the members of the Syndicate or the SCSB, as the case may be,

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.

GENERAL INSTRUCTIONS

Dos:

- (a) Check if you are eligible to apply as per the terms of the Red Herring Prospectus under applicable laws;
- (b) In the event you intend to Bid in the Employee Reservation Portion, ensure that you are an Eligible Employee;
- (c) Ensure that you have Bid within the Price Band;
- (d) Read all the instructions carefully and complete the Bid-cum-Application Form in the prescribed form;
- (e) Ensure that the details about Depository Participant ID and Client ID are correct, and the depository is activated, as Allotment of Equity Shares will be in the dematerialized form only;
- (f) Ensure that the Bids are submitted at the Bidding centres only on forms bearing the stamp of a member of the Syndicate or the SCSB in case of ASBA Bidders (except in case of electronic ASBA Bid-cum-Application Forms); In case you are a Bidder other than an ASBA Bidder, ensure that your Bid is submitted at the bidding center only on a form bearing the stamp of a member of the Syndicate. In case you are an ASBA Bidder, the Bid should be submitted to a Designated Branch of an SCSB, with which the ASBA Bidder or a person whose bank account will be utilised by the ASBA Bidder for bidding has a bank account and not to the Bankers to the Issue or collecting banks (assuming that such collecting banks are not SCSBs), the Company or the Registrar. With respect to ASBA Bids, ensure that you use the ASBA Bid-cum-Application Form specified for this purpose, and that such 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 Bid-cum-Application Form;
- (g) Ensure that the full Bid Amount is paid for Bids submitted to the members of the Syndicate and funds equivalent to the Bid Amount are blocked by the SCSBs in case of Bids submitted through the ASBA process;
- (h) Ensure that you have funds equal to the Bid Amount in your bank account of the respective Designated Branch of the SCSB before submitting the ASBA Bid-cum-Application Form to the respective Designated Branch of SCSB/ member of the Syndicate (at ASBA Bidding Centres);
- (i) Instruct your respective banks to not release the funds blocked in the bank account under the ASBA process;
- (j) Ensure that you request for and have received a TRS for all your Bid options;
- (k) Submit revised Bids to the same member of the Syndicate or Designated Branch of the SCSB through whom the original Bid was placed and obtain a revised TRS;
- (l) Except for Bids (i) on behalf of the Central or State Government and the officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim, each of the Bidders should mention their PAN allotted under the I.T. Act. Applications in which the PAN is not matching with one entered by the Syndicate or the SCSB in the Bidding terminal and PAN as available with depositories for a given DP ID and client ID is liable to be rejected;
- (m) Ensure that the Demographic Details (as defined below) are updated, true and correct in all respects;

- (n) Ensure that the name(s) given in the Bid-cum-Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. If the Bid-cum-Application Form 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 Bid-cum-Application Form;
- (o) Ensure that the Depository Participant identification number (DP ID), the client identification number (Client ID) and PAN mentioned in the Bid-cum-Application Form / ASBA Bid-cum-Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate Members or Designated Branches of the SCSBs, as the case may be, matches with the DP ID, Client ID and PAN available in the Depository database. The Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid-cum-Application Form / ASBA Bid-cum-Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate Members or the Designated Branches of the SCSBs, as the case may be, do not match with the DP ID, Client ID and PAN available in the database of the depository, then such Bids are liable to be rejected;
- (p) Where the Bid-cum-Application Form / ASBA Bid-cum-Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid-cum-Application Form / ASBA Bid-cum-Application Form;
- (q) In addition, ASBA Bidders should ensure that:
 - a. the ASBA Bid-cum-Application Form is signed by the account holder in case the applicant is not the account holder;
 - b. the correct bank account numbers have been mentioned in the ASBA Bid-cum-Application Form;
 - c. the authorisation box in the ASBA Bid-cum-Application Form has been correctly checked, or an authorisation to the SCSB through the electronic mode has been otherwise provided, for the Designated Branch to block funds equivalent to the Bid Amount mentioned in the ASBA Bid-cum-Application Form in the ASBA Account maintained with a branch of the concerned SCSB; and
 - d. an acknowledgement from the Designated Branch of the concerned SCSB for the submission of the ASBA Bid-cum-Application Form has been obtained.

Don'ts:

- (a) Do not Bid for lower than the minimum Bid size;
- (b) For Bidders other than ASBA Bidders, do not submit a Bid without payment of the entire Bid Amount. In case you are an ASBA Bidder do not Bid on another ASBA Bid-cum-Application Form or Bid-cum-Application Form after you have submitted a Bid to a Designated Branch of an SCSB or a Syndicate Member;
- (c) Do not Bid / revise the Bid to less than the Floor Price or higher than the Cap Price;
- (d) Do not Bid on another Bid-cum-Application Form after you have submitted a Bid to the members of the Syndicate or the Designated Branch of an SCSB;
- (e) Do not pay the Bid Amount in cash, by money order or by postal order or by stockinvest and in relation to ASBA Bidders in any other mode other than blocked amounts in the bank accounts maintained by SCSBs;
- (f) Do not send Bid-cum-Application Forms by post; instead submit the same to a member of the Syndicate or Designated Branch, as applicable;
- (g) Do not Bid at the Cut-off Price (for QIB Bidders, Non-Institutional Bidders and Eligible Employees bidding in excess of ₹ 2 Lacs in the Employee Reservation Portion);
- (h) Do not fill up the Bid-cum-Application Form or ASBA Bid-cum-Application Form such that the Equity Shares Bid for exceed the Issue size and / or investment limit or maximum number of Equity Shares that can be held under applicable laws or regulations or the maximum amount permissible under applicable regulations or under the terms of the Red Herring Prospectus;
- (i) Do not submit more than five ASBA Bid-cum-Application Forms per bank account;
- (j) Do not Bid for amount exceeding ₹ 2 Lacs in case of a Bid by Retail Individual Bidders and Eligible Employees;

- (k) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground; and
- (l) Do not submit incorrect details of DP ID, Client ID and PAN or give details for which demat account is suspended or for which such details cannot be verified by the Registrar.
- (m) Do not Bid if you are not competent to contract under the Indian Contract Act, 1872, as amended;
- (n) Do not submit the Bids without the full Bid Amount;
- (o) Do not submit the Bid cum Application Forms to Escrow Collection Bank(s);

Method and Process of Bidding

- (a) Our Company and the BRLMs shall declare the Bid / Issue Opening Date and Bid / Issue Closing Date at the time of filing the Red Herring Prospectus with the RoC and also publish the same in 2 widely circulated national newspapers (one each in English and Hindi) and one regional language daily newspaper with wide circulation at Mumbai, at least 2 Working Days prior to the Bid / Issue Opening Date. This advertisement, subject to the provisions of Section 66 of the Companies Act shall be in the format prescribed in Schedule XIII of the SEBI ICDR Regulations;
- (b) The Price Band and the minimum Bid lot size for this Issue will be decided by our Company in consultation with the BRLMs, and advertised in an English national newspaper, a Hindi national newspaper and 1 regional language daily newspaper with wide circulation at Mumbai, each with wide circulation, at least 2 Working Days prior to the Bid / Issue Opening Date;
- (c) The BRLMs shall accept Bids from the Anchor Investors on the Anchor Investor Bidding Date, *i.e.* 1 Working Day prior to the Bid / Issue Opening Date. Bidders, except Anchor Investors who are interested in subscribing to Equity Shares should approach any of the members of the Syndicate, their authorized agents or SCSBs to register their Bids, during the Bid / Issue Period. The members of the Syndicate shall accept Bids from the all Bidders and shall have the right to vet the Bids, during the Bid / Issue Period in accordance with the terms of the Syndicate Agreement and the Red Herring Prospectus. Bidders who wish to use the ASBA process should approach the Designated Branches of the SCSBs to register their Bids. QIB and Non Institutional Bidders must necessarily use the ASBA process and Bidders using the ASBA facility to submit their Bids should approach the Syndicate members (at ASBA Bidding Locations) or Designated Branches of the SCSBs to register their Bids.
- (d) ASBA Bidders are required to submit their Bids either in physical or electronic mode to SCSBs or to the Syndicate/ sub-syndicate members (at ASBA Bidding Centres). ASBA Bidders submitting their Bids in electronic form should submit their Bids using the internet enabled bidding and banking facility of the SCSBs for bidding and blocking funds in the accounts of the bank account maintained with the SCSB specified in the ASBA Bid cum Application Form, and accordingly registering such Bids. Every Designated Branch of the SCSBs shall accept Bids from all such investors who wish to place Bids through them and the account in which funds are to be blocked is maintained with them. Such SCSBs shall have the right to vet the Bids, subject to the terms of the SEBI ICDR Regulations and the Red Herring Prospectus.
- (e) The Designated Branches of the SCSBs shall provide to the ASBA Bidders an acknowledgment specifying the application number as proof of acceptance of the ASBA Bid cum Application Form. Such acknowledgment does not in any manner guarantee that the Equity Shares Bid for shall be allocated to the ASBA Bidders. Upon receipt of the ASBA Bid cum Application Form, submitted in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as specified in the ASBA Bid cum Application Form, prior to uploading such Bids with the Stock Exchanges. If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges
- (f) ASBA Bidders may also submit the ASBA Bid cum Application Form to the Syndicate/ sub-syndicate members at ASBA Bidding Centres. Each such Syndicate/ sub-syndicate member shall provide to the ASBA Bidders an acknowledgement as proof of acceptance of the ASBA Bid cum Application Form. The Syndicate/ sub-syndicate members are required to upload the bid and other relevant details of the ASBA Bid cum

Application Form in the electronic bidding system provided by the stock exchanges and forward the same to the SCSBs.;

- (g) The Bid / Issue Period shall be for a minimum of 3 Working Days and not exceeding 10 Working Days (including the days for which this Issue is open in case of revision in Price Band). If the Price Band is revised, the revised Price Band and the Bid / Issue Period will be published in an English national newspaper, a Hindi national newspaper and one regional language daily newspaper with wide circulation at Mumbai, each with wide circulation, together with an indication of such change on the websites of the BRLMs and SCSBs and at the terminals of the Syndicate Members and the Bidding Period may be extended, if required, by an additional three Working Days, subject to the total Bidding Period not exceeding 10 Working Days;
- (h) Each Bid-cum-Application Form will give the Bidder the choice to Bid for up to three optional prices (for details see “**Bids at Different Price Levels**” below, 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/ or ASBA 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 / Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid;
- (i) The Bidder cannot Bid on another Bid cum Application Form after Bid(s) on one Bid cum Application Form have been submitted. Submission of a second Bid cum Application Form 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 of Equity Shares in the Issue. However, the Bidder can revise the Bid through the Revision Form.
- (j) An ASBA Bidder cannot Bid, either in physical or electronic mode, on another ASBA Bid cum Application Form or a non-ASBA Bid cum Application Form after a Bid on 1 ASBA Bid cum Application Form, (i) either in physical or electronic mode, has been submitted to the Designated Branches of SCSBs and uploaded by the ASBA Bidder, (ii) has been submitted to Syndicate/ sub-syndicate members (at ASBA Bidding Locations). Submission of a second ASBA Bid cum Application Form or a non-ASBA Bid cum Application Form to either the same or to another Designated Branch of the SCSB or to the Syndicate/ sub-syndicate members (at ASBA Bidding Locations) in designated cities will be treated as multiple Bids 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 allocation or Allotment of Equity Shares in the Issue. However, the ASBA Bidder can revise the Bid through the ASBA Revision Form, the procedure for which is detailed under the paragraph “*Build up of the Book and Revision of Bids*”.
- (k) Except in relation to the Bids received from the Anchor Investors, the members of the Syndicate or the SCSBs will enter each Bid option into the electronic Bidding system as a separate Bid and generate a Transaction Registration Slip (“**TRS**”), for each price and demand option and shall, on demand, give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid-cum-Application Form;
- (l) With respect to ASBA Bidders who have submitted their physical ASBA Bid cum Application Form to the members of the Syndicate (at the ASBA Bidding Locations), on receipt of the ASBA Bid-cum-Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Bid-cum-Application Form, prior to uploading such Bids with the Stock Exchanges. If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid-cum-Application Form and will enter each Bid option into the electronic bidding system as a separate Bid;
- (m) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Bid cum Application Form, 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 of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful 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.

- (n) The identity of the QIBs, other than Anchor Investors who have been allotted Equity Shares, bidding in the Issue shall not be made public;
- (o) Along with the Bid-cum-Application Form, all Bidders will make payment in the manner described under the paragraph titled “*Payment Instructions*”.

INVESTORS ARE ADVISED NOT TO SUBMIT THE BID CUM APPLICATION FORMS TO THE ESCROW COLLECTION BANKS. BIDS SUBMITTED TO THE ESCROW COLLECTION BANKS SHALL BE REJECTED AND SUCH BIDDERS SHALL NOT BE ENTITLED TO ANY COMPENSATION ON ACCOUNT OF SUCH REJECTION.

Bids at Different Price Levels and Revision of Bids

- (a) The Price Band and the minimum Bid lot size shall be decided by our Company in consultation with the BRLMs and advertised at least 2 Working Days prior to the Bid / Issue Opening Date, in an English national newspaper, a Hindi national newspaper and 1 regional language daily newspaper, each with wide circulation at least 2 Working Days prior to the Bid / Issue Opening Date;
- (b) Our Company in consultation with the BRLMs, reserves the right to revise the Price Band during the Bid / Issue Period in accordance with the ICDR Regulations provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of Equity Shares. The revision in Price Band shall not exceed 20% on either side *i.e.* the floor price can move upward or downward to the extent of 20% of the floor price disclosed at least 2 Working Days prior to the Bid / Issue Opening Date and the Cap Price will be revised accordingly;
- (c) In case of revision in the Price Band, the Bid / Issue Period will be extended for at least 3 additional Working Days after revision of Price Band subject to a maximum of 10 Working Days. Any revision in the Price Band and the revised Bid / Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice in an English national newspaper, a Hindi national newspaper and a Marathi language newspaper, each with wide circulation and also by indicating the change on the websites of the BRLMs, SCSBs and at the terminals of the Syndicate Members;
- (d) Our Company in consultation with the BRLMs can finalize the Issue Price and Anchor Investor Issue Price within the Price Band in accordance with this section, without the prior approval of or intimation to the Bidders;
- (e) The Bidder can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders and Eligible Employees bidding at a Bid Price, for an amount not exceeding ₹ 2 Lacs may Bid at the Cut-Off Price. However, Bidding at Cut-off Price is prohibited for QIB or Non-Institutional Bidders and such Bids from QIBs and Non-Institutional Bidders shall be rejected;
- (f) Retail Individual Bidders and Eligible Employees who Bid at the Cut-off Price agree that they shall purchase Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-off Price shall deposit the Bid Amount based on the Cap Price with the members of the Syndicate. In case of ASBA Bidders bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs (directly or through ASBA Bid cum Application Forms submitted to the Syndicate members) to block an amount based on the Cap Price. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders and Eligible Employees who Bid at Cut-off Price, the Retail Individual Bidders and Eligible Employees who Bid at Cut-off Price shall receive the refund of the excess amounts from the Escrow Account(s) in the manner described under the paragraph “Payment of Refund”.

- (g) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders and Eligible Employees who had Bid at Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the revised Cap Price (such that the total amount *i.e.*, original Bid Amount plus additional payment does not exceed ₹ 2 Lacs for Retail Individual Bidders, if the Bidder wants to continue to Bid at Cut-off Price), with the Syndicate Member to whom the original Bid was submitted, or, in the case of ASBA Bidders, instruct the SCSB or the Syndicate/ sub-syndicate member (such Syndicate/ sub-syndicate member to further instruct the relevant SCSB) to whom the original Bid was submitted to block additional amounts based on the cap of the revised Price Band. In case the total amount (*i.e.*, original Bid Amount plus additional payment) exceeds ₹ 2 Lacs for Retail Individual Bidders bidding at the Cut-off Price the Bid will be considered for allocation under the Non-Institutional Portion in terms of the Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the Cap Price prior to 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 the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price;
- (h) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders, Eligible Employees who have Bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding would be refunded from the Escrow Account(s) or unblocked by the SCSBs;
- (i) Our Company in consultation with the BRLMs shall decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 5,000 to ₹ 7,000. In the event of any revision in the Price Band, whether upward or downward, 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 ₹ 5,000 to ₹ 7,000;
- (j) When a Bidder has revised his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. It is the Bidder's responsibility to request for and obtain the revised TRS, which will act as proof of revision of the previous Bid.
- (k) 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. With respect to the Bids by ASBA Bidders, if revision of the Bids results in an incremental amount, the relevant SCSB or the Syndicate/ sub-syndicate member (such Syndicate/ sub-syndicate member to further instruct the relevant SCSB) to whom the original Bid was submitted shall block the additional Bid Amount. In case of Bids, other than ASBA Bids, the Syndicate shall collect the payment in the form of cheque or demand draft if any, to be paid on account of the upward revision of the Bid. In such cases, the Syndicate will revise the earlier Bids details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the Basis of Allotment.

Bidder's PAN, Depository Account and Bank Account Details

Bidders should note that on the basis of the Sole / First Bidder's Permanent Account Number, Depository Participant's name, DP ID number and Client ID provided by them in the Bid-cum-Application Form/ ASBA Bid cum Application Form and as entered into the electronic bidding system of the Stock Exchanges by the members of the Syndicate and the SCSBs as the case may be, the Registrar to this Issue will obtain from the Depository the demographic details including the Bidder's address, occupation, category, age and bank account details including the nine-digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf and occupation ('Demographic Details'). These Demographic Details would be used for giving refunds (including through physical refund warrants, direct credit, NECS, NEFT and RTGS) or unblocking of ASBA Account. It is mandatory to provide the bank account details in the space provided in the Bid-cum-Application Form/ ASBA Bid cum Application Form and Bid-cum-Application Forms/ ASBA Bid cum Application Forms that do not contain such details are liable to be rejected. Hence, Bidders are advised to immediately update their bank account details, PAN and Demographic Details as appearing on the records of the Depository Participant and ensure that they are true and correct. Failure to do so could result in delays in dispatch / credit of refunds to Bidders at the Bidders sole risk and

none of the BRLMs, the Registrar to this Issue, the Escrow Collection Banks, the SCSBs and our Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their depository account details in 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 PAN, DP ID NUMBER AND CLIENT ID IN THE BID-CUM-APPLICATION FORM / ASBA BID CUM APPLICATION FORM AS THE CASE MAY BE. INVESTORS MUST ENSURE THAT THE PERMANENT ACCOUNT NUMBER, DP ID AND CLIENT ID GIVEN IN THE BID-CUM-APPLICATION FORM / ASBA BID CUM APPLICATION FORM AS THE CASE MAY BE IS EXACTLY THE SAME AS PROVIDED IN THE DEPOSITORY ACCOUNT. IF THE BID-CUM-APPLICATION FORM / ASBA 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 ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID-CUM-APPLICATION FORM / ASBA BID CUM APPLICATION FORM. THE SIGNATURE OF ONLY SUCH FIRST BIDDER WOULD BE REQUIRED IN THE BID CUM APPLICATION FORM AND SUCH FIRST BIDDER WOULD BE DEEMED TO HAVE SIGNED ON BEHALF OF THE JOINT HOLDERS.

Please note that in case the DP ID, Client ID and PAN mentioned in the Bid-cum-Application Form/ ASBA Bid cum Application Form and entered into the electronic Bidding system of the Stock Exchanges by the members of the Syndicate, do not match with the DP ID, Client ID and PAN available in the depositories' database, such Bid-cum-Application Form/ ASBA Bid cum Application Form is liable to be rejected.

Since these Demographic Details will be used for all correspondence including mailing of the refund orders / CANs / Allotment Advice and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, they are advised to update the Demographic Details as provided to their Depository Participants. The Demographic Details given by Bidders in the Bid cum Application Form / ASBA 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/ ASBA Bid cum Application Form, the Bidder would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to this Issue, the required Demographic Details as available on its records.

Refund Orders (where refunds are not being made electronically) / allotment advice / CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders / allotment advice / 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 dispatch of refund orders. Any such delay shall be at the Bidders sole risk and none of our Company, Escrow Collection Banks, the Designated Branch of the SCSBs, the Syndicate Members, the BRLMs or the Registrar to this Issue shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in the Red Herring Prospectus, Bidders may note that refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case no corresponding record is available with the Depositories, which matches the three parameters, namely, Bidders PAN (in case of joint Bids, PAN of first applicant), the DP ID and the Client ID, such Bids are liable to be rejected.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission.

PAYMENT INSTRUCTIONS

Escrow Mechanism for Bidders other than ASBA Bidders

Our Company and the Syndicate shall open Escrow Accounts with one or more Escrow Collection Bank(s) in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and / or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Retail individual Bidders would be deposited in the relevant Escrow Account. Please note that escrow mechanism is applicable only to Bidders applying by way of non ASBA process.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus, the Prospectus and the Escrow Agreement. The Escrow Collection Banks for and on behalf of the Bidders shall maintain the monies in the Escrow Account(s) until the Designated Date. 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 funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Banks and the Registrar to this Issue to facilitate collections from the Bidders.

Terms of Payment for Retail individual Bidders other than ASBA Bidders and Payment into the Escrow Account

Each Retail individual Bidder who does not utilize the ASBA facility shall pay the full Bid Amount at the time of the submission of the Bid-cum-Application Form, and shall, along with the submission of the Bid-cum-Application Form, draw a cheque or demand draft in favor of the relevant Escrow Account of the Escrow Collection Bank(s) (see "Payment in Escrow Account" below), and submit such cheque or demand draft to the member of the Syndicate to whom the Bid is being submitted. Retail individual Bidders may also provide the entire Bid Amount by way of an electronic transfer of funds through the RTGS mechanism. Bid-cum-Application Forms accompanied by cash / stockinvest / money order / postal order shall not be accepted.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold the monies for the benefit of the Retail individual Bidders until the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account. The balance amount after transfer to the Public Issue Account of our Company shall be transferred to the Refund Account on the Designated Date. No later than 12 Working Days from the Bid / Issue Closing Date, the Escrow Collection Bank(s) shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for Allotment, to the Bidders.

Where the Retail individual Bidder has been allotted 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 Working Days from the Bid / Issue Closing Date or 8 Working Days from the day on which our Company becomes liable to repay, whichever is earlier, failing which our Company shall pay interest according to the provisions of the Companies Act for any delay beyond the periods as mentioned above.

Payment into Escrow Account

- (a) All Retail individual Bidders who are not bidding through ASBA facility would be required to pay the entire Bid Amount at the time of the submission of the Bid-cum-Application Form. 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 Account and submit the same to the Syndicate.

- (b) If the payment is not made favouring the Escrow Account along with the Bid-cum-Application Form, the Bid shall be rejected. Bid-cum-Application Forms accompanied by cash, stockinvest, money order or postal order shall not be accepted.
- (c) The payment instruments for payment into the Escrow Account(s) should be drawn in favour of:
- In case of Resident Retail: “Escrow Account- Calyx Public Issue-R”
 - In case of Non-Resident Retail: “Escrow Account- Calyx Public Issue-NR”
 - In case of Eligible Employees: “Escrow Account – Calyx Public Issue – Employee”.
- (d) In the event of Issue Price being higher than the price at which allocation is made to Anchor Investors, the Anchor Investors shall be required to pay such additional amount to the extent of shortfall between the price at which allocation is made to them and the Issue Price within 2 Working Days of the Bid / Issue Closing Date. If the Issue Price is lower than the price at which allocation is made to Anchor Investors, the amount in excess of the Issue Price paid by Anchor Investors shall not be refunded to them (or unblocked in their ASBA Accounts, in case of ASBA Bids).
- (e) Our Company in consultation with the BRLMs, in their absolute discretion, shall decide the list of Anchor Investors to whom the provisional CAN or CAN shall be sent, pursuant to which the details of Equity Shares allocated to them in their respective names shall be notified to such Anchor Investors. The payment instruments for payment into the Escrow Account(s) should be drawn in favour of:
- In case of resident Anchor Investors: “Escrow Account- Calyx Public Issue-Anchor Investor-R ”
 - In case of non-resident Anchor Investors: “Escrow Account- Calyx Public Issue-Anchor Investor-NR ”
- (f) In case of Bids by Eligible Retail individual NRIs applying on 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 Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting an NRE Account or FCNR Account.
- (g) In case of Bids by Eligible Retail individual NRIs applying on non-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 Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (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 a Non-Resident Ordinary (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 FCNR or NRO Account.
- (h) In case of Bids by FIIs or Eligible QFIs or 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 drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the Special Rupee Account.
- (i) The monies deposited in the Escrow Account(s) will be held for the benefit of the Bidders until the Designated Date.
- (j) On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account(s) as per the terms of the Escrow Agreement into the Public Issue Account and the surplus amount shall be transferred to the Refund Account.

- (k) Within 12 Working Days from the Bid / Issue Closing Date, the Registrar to this Issue shall dispatch all refund amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation / Allotment to the Bidders.
- (l) Payments should be made by cheque, or demand draft drawn on any bank (including a cooperative 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 or postal orders will not be accepted.
- (m) 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.
- (n) Bidders are advised to mention the number of the Bid-cum-Application Form on the reverse of the cheque / demand draft to avoid misuse of instruments submitted along with the Bid-cum-Application Form.

Payments made through cheques without the Magnetic Ink Character Recognition ("MICR") code will be rejected.

Payment mechanism for ASBA Bidders

The ASBA Bidders shall specify the bank account number in the ASBA Bid-cum-Application Form and the SCSB shall block an amount equivalent to the Bid Amount in the bank account specified in the Bid cum Application Form, which is to be submitted to the Syndicate member. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal / rejection of the ASBA Bid or receipt of instructions from the Registrar to unblock the Bid Amount. In the event of withdrawal or rejection of the ASBA Bid-cum-Application Form, failure of this Issue or for unsuccessful ASBA Bid-cum-Application Forms, the Registrar shall give instructions to the SCSB to unblock the Bid Amount in the relevant bank account and the SCSBs shall unblock the Bid Amount on receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal / failure of this Issue or until rejection of the ASBA Bid, as the case may be.

An ASBA Bid-cum-Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid-cum-Application Form until the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Bidders from the respective ASBA Accounts, in accordance with the SEBI ICDR Regulations, into the Public Issue Account. The balance amount, if any, against any Bid in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to this Issue.

Pursuant to SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011 ASBA Bidders may also submit the ASBA Bid cum Application Form with the Syndicate members located at the ASBA Bidding Centres. Before accepting the ASBA Bid cum Application Forms, the Syndicate members shall satisfy themselves that the SCSBs whose name has been specified in the ASBA Form has named a branch in that centre to accept ASBA Forms. The Syndicate members shall, after procuring the ASBA Forms from the investors, upload the Bids and other relevant details of such ASBA Forms in the bidding platform and forward the same to the SCSBs. SCSBs shall carry out further action for the ASBA Forms such as signature verification, blocking of funds and forward the ASBA Forms to the Registrar to the Issue.

In case of Bids by FIIs, a special Rupee Account should be mentioned in the Bid cum Application Form, for blocking of funds, along with documentary evidence in support of the remittance.

In case of Bids by Eligible NRIs applying on repatriation basis, a Non-Resident External (NRE) Account or a Foreign Currency Non-Resident (FCNR) Account, maintained with banks authorised to deal in foreign exchange in

India, should be mentioned in the Bid cum Application Form for blocking of funds, along with documentary evidence in support of the remittance.

In case of Bids by Eligible NRIs applying on a non-repatriation basis, a Non-Resident External (NRE) Account or a Foreign Currency Non-Resident (FCNR) Account maintained with banks authorised to deal in foreign exchange in India or a Non-Resident Ordinary (NRO) Account, should be mentioned in the Bid cum Application Form for blocking of funds, along with documentary evidence in support of the remittance.

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 stockinvest instruments 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.

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 payments will be made out in favour of the Bidder whose name appears first in the Bid-cum-Application Form / ASBA Bid cum Application Form or Revision Form, as the case may be. 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. 2 or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same.

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. Bids by QIBs under the Anchor Investor Portion and QIB Portion (excluding Anchor Investor Portion) will not be considered as multiple Bids.

Eligible Employees can Bid under the Employee Reservation and in the Net Issue and such Bids shall not be treated as multiple Bids.

After Bidding on an ASBA Bid-cum-Application Form either in physical or electronic mode, where such ASBA Bid has been submitted to the Designated Branches of SCSBs and uploaded with the Stock Exchanges, an ASBA Bidder cannot Bid, either in physical or electronic mode, on another ASBA Bid-cum-Application Form or a non-ASBA Bid-cum-Application Form. Submission of a second Bid-cum-Application Form, whether an ASBA Bid-cum-Application Form, to either the same or to another Designated Branch of the SCSB, or a Non-ASBA Bid-cum-Application Form, will be treated as multiple Bids 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 allocation or Allotment of Equity Shares in this Issue. However, the ASBA Bidder can revise the Bid through the Revision Form, the procedure for which is detailed in “*-Build up of the Book and Revision of Bids*”.

More than 1 ASBA Bidder may Bid for Equity Shares using the same ASBA Account, provided that the SCSBs shall not accept a total of more than 5 ASBA Bid-cum-Application Forms from such ASBA Bidders with respect to any single ASBA Account.

Our Company, in consultation with the BRLMs, reserves the right to reject, in their absolute discretion, all or any multiple Bids in any or all categories. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple Bids are provided below:

- (a) All Bids will be checked for common PAN as per the records of Depository. For Bidders other than Mutual

Funds and FII sub-accounts, Bids bearing the same PAN will be treated as multiple Bids and will be rejected.

For Bids from Mutual Funds and FII sub-accounts which are submitted under the same PAN, as well as Bids on behalf of the central or state government, an official or receiver appointed by a court and residents of Sikkim for whom submission of PAN is not mandatory, the Bids will be scrutinised for DP ID and Client ID. In case these Bids have the same DP ID and Client ID, these will be treated as multiple Bids and will be rejected.

Duplicate copies of Bid cum Application Forms downloaded and printed from the website of the Stock Exchanges bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

Permanent Account Number or PAN

Except for Bids on behalf of the Central or State Government, exempted persons, residents in Sikkim and the officials appointed by the courts, the Bidders, or in the case of a Bid in joint names, the First Bidder, should mention his / her PAN allotted under the I.T. Act. In accordance with the SEBI ICDR Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. **Any Bid cum Application Form without the PAN is liable to be rejected, except for residents in the state of Sikkim, who may be exempted from specifying their PAN for transactions 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.**

However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants verifying the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Bids, the Registrar will check under the Depository records for the appropriate description under the PAN field i.e. either Sikkim category or exempt category.

With effect from August 16, 2010, the beneficiary accounts of the Bidders for whom PAN details have not been verified will be “suspended for credit” and no credit of Equity Shares pursuant to the Issue will be made in the accounts of such Bidders.

Withdrawal of ASBA Bids

ASBA Bidders can withdraw their Bids during the Bid/Issue Period by submitting a request for the same to the concerned SCSB or the concerned member of the Syndicate, as applicable, who shall do the requisite, including deletion of details of the withdrawn Bid cum Application Form from the electronic bidding system of the Stock Exchanges. Further, the SCSBs shall unblock the funds in the ASBA Account either directly or at the instruction of the member of the Syndicate which had forwarded the Bid cum Application Form to it.

QIBs cannot withdraw their Bids after the Bid/Issue Closing Date. In case an ASBA Bidder (other than a QIB) wishes to withdraw the Bid after the Bid/Issue Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalization of Allotment. 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 approval of the ‘Basis of Allotment’.

Rejection of Bids or Right to Reject Bids

In case of QIB Bidders Bidding in the QIB Portion, the Syndicate, may reject Bids provided that such rejection shall be made at the time of acceptance of the Bid and the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, Retail Individual Bidders and Eligible Employees, our Company has the right to reject Bids based only on technical grounds and / or as specified in the Red Herring Prospectus. However, our Company in consultation with the BRLMs, reserves the right to reject any Bid received from Anchor Investors without assigning any reasons. Consequent refunds shall be made through any of the modes described in the Red Herring Prospectus and will be sent to the Bidder’s address at the Bidder’s risk.

With respect to ASBA Bids, the Designated Branches of the SCSBs shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the Bidder's bank account, the respective Designated Branch of the SCSB ascertains that sufficient funds are not available in the Bidder's bank account maintained with the SCSB. Subsequent to the acceptance of the ASBA Bid by the SCSB, our Company would have a right to reject the ASBA Bids only on technical grounds and / or as specified in the Red Herring Prospectus. Bids submitted by QIBs or Non Institutional Bidders who do not utilise the ASBA facility shall be rejected.

The Bidders may note that in case the DP ID, Client ID and PAN mentioned in the Bid-cum-Application Form and as entered into the electronic Bidding system of the Stock Exchanges by the members of the Syndicate and the SCSBs, as the case may be, do not match with the DP ID, Client ID and PAN available in the depository database, the Bid is liable to be rejected.

Grounds for Technical Rejections

Bidders should note that incomplete Bid-cum-Application Forms / ASBA Bid cum Application Forms and Bid-cum-Application Forms / ASBA Bid cum Application Forms that are not legible will be rejected by the members of the Syndicate or SCSBs. Bidders are advised to note that Bids are liable to be rejected inter alia, on the following technical grounds:

1. Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to ASBA Bids, the amounts mentioned in the ASBA Bid-cum-Application Form does not tally with the amount payable for the value of Equity Shares Bid for;
2. Application on plain paper;
3. Applications by QIBs and Non Institutional Bidders which are not made through the ASBA facility;
4. 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;
5. Bid by persons not competent to contract under the Indian Contract Act, 1872, as amended, including minors;
6. PAN not stated in the Bid-cum-Application Form (except for Bids on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts);
7. GIR number furnished instead of PAN
8. Bids for lower number of Equity Shares than specified for that category of investors;
9. Bids at a price less than the Floor Price;
10. Bids at a price over the Cap Price;
11. Bids at Cut off Price by Non-Institutional Bidders and QIB Bidders;
12. Submission of more than five ASBA Bid-cum-Application Forms per ASBA Account;
13. Bids for number of Equity Shares which are not in multiples of [●];
14. Category not ticked;
15. DP ID and Client ID not mentioned in the Bid cum Application Form
16. Multiple Bids as described in the Red Herring Prospectus;

17. In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents not being submitted;
18. Bids accompanied by cash, stockinvest, money order or postal order;
19. Signature of sole and / or joint Bidders missing. In addition, with respect to ASBA Bids, the Bid-cum-Application form not being signed by the account holders, if the account holder is different from the Bidder;
20. Bid-cum-Application Form does not have the stamp of the BRLMs the Syndicate Members or Designated Branches of the SCSBs (except for electronic ASBA Bids);
21. Bid-cum-Application Form does not have Bidder's depository account details or the details given are incomplete or incorrect;
22. Bid-cum-Application Forms/ ASBA Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid-cum-Application Form / ASBA Bid cum Application Forms, Bid / Issue Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid-cum-Application Forms / ASBA Bid cum Application Forms;
23. In case no corresponding record is available with the Depositories that matches three parameters namely, PAN (in case of joint Bids, PAN of the first applicant), the DP ID and the Client ID;
24. With respect to ASBA Bids, inadequate funds in the bank account to block the Bid Amount specified in the ASBA Bid-cum-Application Form at the time of blocking such Bid Amount in the bank account;
25. Bids for amounts greater than the maximum permissible amounts prescribed by applicable law;
26. Bids by OCBs;
27. Bids by persons in the United States;
28. Bids where clear funds are not available in the Escrow Accounts as per the final certificate from the Escrow Collection Banks;
29. Bids or revision thereof by QIB Bidders and Non-Institutional Bidders uploaded after 4 P.M. on the Bid / Issue Closing Date;
30. Bank account details for the refund not given;
31. Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
32. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
33. In case of ASBA Bid cum Application Forms submitted to the members of the Syndicate, if the SCSB whose name has been included in the ASBA Bid cum Application Form does not have a branch at the relevant ASBA Bidding Locations, as displayed on the websites of SEBI, to accept the ASBA Bid cum Application Forms;
34. Bids that do not comply with the securities laws of their respective jurisdictions;
35. Bids in the Employee Reservation Portion, by investors other than Eligible Employees; and
36. Bids not uploaded on the terminals of the Stock Exchanges;

Electronic Registration of Bids

- (a) The members of the Syndicate and the SCSBs will register the Bids received, except Bids received from Anchor Investors, using the online facilities of the Stock Exchanges. Details of Bids in the Anchor Investor Portion will not be registered on the online facilities of the Stock Exchanges. There will be at least 1 online connectivity in each city, where the Stock Exchanges are located in India and where such Bids are being accepted. A SCSB shall not upload bids received through any ASBA in the electronic bidding system of the Stock Exchanges unless:
- (i) it has received the ASBA Bid-Cum-Application Form in a physical or electronic form; and
 - (ii) it has blocked the application money in the ASBA Account specified in the ASBA Bid-cum-Application Form or has systems to ensure that electronic ASBA Bid-cum-Application Forms are accepted in the system only after blocking of application money in the relevant bank account opened with it. A member of the Syndicate/ sub-syndicate member shall not upload any Bid received through ASBA in the electronic bidding system of the Stock Exchanges unless it has received the ASBA Bid cum Application Form in a physical or electronic form.
- (b) The Stock Exchanges will offer a screen-based facility for registering such Bids for this Issue. This facility will be available on the terminals of the members of the Syndicate and their authorized agents and the SCSBs during the Bid / Issue Period. The Syndicate Members and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of Bids subject to the condition that it will subsequently upload the off-line data file into the on-line facilities for book building on a regular basis.
- (c) On the Bid / Issue Closing Date, the members of the Syndicate and the Designated Branches of the SCSBs shall upload the Bids until such time as may be permitted by the Stock Exchanges. This information will be available with the BRLMs on a regular basis. In order to ensure that the data uploaded is accurate, the Syndicate may be permitted 1 Working Day after the Bid / Issue Closing Date to amend some of the data fields (currently DP ID, Client ID) entered by them in the electronic bidding system. Bidders are cautioned that a high inflow of Bids typically experienced on the last Working Day of the Bidding may lead to some Bids received on the last Working Day not being uploaded due to lack of sufficient uploading time, and such Bids that could not be uploaded will not be considered for allocation. Bids will only be accepted on Working Days, *i.e.*, Monday to Friday (excluding any public holiday).
- (d) The bidding terminals of the Stock Exchanges shall contain an online graphical display of demand and Bid prices updated at periodic intervals not exceeding thirty minutes. Based on the aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges a graphical representation of consolidated demand and price would be made available at the bidding centres and at the websites of each of the Stock Exchanges during the Bid / Issue Period along with category wise details.
- (e) At the time of registering each non-ASBA Bid, the members of the Syndicate shall enter the following details of the Bidders in the electronic system:
- Bid-cum-Application Form number
 - PAN of first Bidder, if more than one Bidder
 - Depository Participant Identity (“**DP ID**”).
 - Client ID
 - Numbers of Equity Shares Bid for
 - Price option.
 - Bid Amount.
 - Cheque number
 - Investor category and sub-category

- (f) At the time of registering each ASBA Bid, the SCSBs shall enter the following details of the Bidder in the electronic system:

- ASBA Bid-cum-Application Form number
- Investor Category and sub-category.
- PAN of first Bidder, if more than one Bidder
- Depository Participant Identity (“**DP ID**”).
- Client ID
- Numbers of Equity Shares Bid for.
- Price per Equity Share.
- Bid Amount.
- Bank Account Details

In case of submission of the Bid by an ASBA Bidder through the electronic mode, the ASBA Bidder shall complete the above-mentioned details, except the ASBA Bid cum Application Form number which shall be system generated.

- (g) With respect to ASBA Bids submitted to the members of Syndicate at the ASBA Bidding Centres, at the time of registering each Bid, the members of Syndicate shall enter the following details on the electronic system:

- ASBA Bid cum Application number;
- PAN (of the first bidder, if more than one Bidder);
- Investor category and sub-category;
- DP ID and Client ID;
- Number of Equity Shares Bid for;
- Price per Equity Share;
- Bank code for the SCSB where the ASBA Account is maintained;
- Name of ASBA Bidding Centre;
- Bid Amount; and
- Bank Account Number.

- (h) Upon request, a system generated TRS, on demand, will be given to the Bidder as a 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 Designated Branches.** The registration of the Bid by the member of the Syndicate or the Designated Branches does not guarantee that Equity Shares shall be allocated / Allotted.

- (i) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

- (j) In case of QIB Bidders, the members of the Syndicate have a right to accept the Bid or reject it. However, such rejection shall 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, Retail Individual Bidders and Eligible Employees, Bids will not be rejected except on technical grounds. The SCSB may reject the Bids made through the ASBA process if the ASBA Account maintained with the SCSB as specified in the ASBA Bid cum Application Form does not have sufficient funds equivalent to the Bid Amount. Furthermore, the SCSBs shall have no right to reject Bids except on technical grounds. Syndicate members may also reject Bids if all information required is not provided and Bid cum Application Form / ASBA Bid cum Application Forms is incomplete in any respect. Subsequent to the acceptance of the Bid by the Designated Branch, the Company will have a right to reject the Bids only on technical grounds listed in the Red Herring Prospectus and the Prospectus.

- (k) The permission given by the Stock Exchanges 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 and / or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with

the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company our Promoters, our management or any scheme or project of our Company nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus; nor does it warrant that Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

- (l) Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation / Allotment. The members of the Syndicate shall be given 1 Working Day after the Bid / Issue Closing Date to verify the information uploaded on the online IPO system during the Bidding Period after which the Registrar to this Issue shall proceed with the Allotment of Equity Shares.
- (m) Details of Bids in the Anchor Investor Portion will not be registered on the on-line facilities of the electronic facilities of the Stock Exchanges.
- (n) It is to be noted that Syndicate Members or the SCSB, as the case may be, shall be responsible for any error in the Bid details uploaded by them. In case of apparent data entry error by either Syndicate Member or collecting bank in entering the application number in their respective schedules other things remaining unchanged, the Bid may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange(s). In the event of mistake in capturing the application number by either the Syndicate Member or collecting bank leading to rejection of Bid, the Registrar may identify based on the Bid form, the entity responsible for the error. Valid records in electronic file will be those for which money is received.

The BRLMs, the Company, and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commission in relation to Bids accepted by SCSBs or Syndicate members, Bids uploaded by SCSBs or Syndicate members, Bids accepted but not uploaded by SCSBs or Syndicate members, 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.

Build up of the book and revision of Bids

- (a) The Bidding process shall be only through an electronically linked transparent bidding facility provided by the Stock Exchanges. Bids received from various Bidders (except Anchor Investors) through the members of the Syndicate and the SCSBs shall be electronically uploaded to the Stock Exchanges' mainframe on a regular basis.
- (b) The book gets built up at various price levels. At the end of each day during Bid / Issue Period, the demand shall be shown graphically on the bidding terminals of the Syndicate and the websites of the Stock Exchanges. This information will be available with the BRLMs at the end of the Bid / Issue Period.
- (c) During the Bid / Issue Period, any Bidder who has registered his or her interest in Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form or ASBA Revision Form, which is a part of the Bid-cum-Application Form/ ASBA Bid cum Application Form.
- (d) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form or ASBA Revision Form, as the case may be. Apart from mentioning the revised options in the Revision Form/ ASBA Revision Form, the Bidder must also mention the details of all the options in his or her Bid-cum-Application Form / ASBA Bid cum Application Forms or earlier Revision Form / ASBA Revision Form. For example, if a Bidder has Bid for three options in the Bid-cum-Application Form / ASBA Bid cum Application Forms and such Bidder is changing only one of the options in the Revision Form, he must still fill the details of the other 2 options that are not being revised, in the Revision Form / ASBA Revision Form. The members of the Syndicate and the Designated Branches of the SCSBs will not accept incomplete or inaccurate Revision Forms.
- (e) The Bidder can make this revision any number of times during the Bid / 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 or the Designated Branch of the SCSB through whom such Bidder had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form / ASBA Revision Form and the revised Bid must be made only in such Revision Form / ASBA Revision Form or copies thereof.

- (f) 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. Retail Individual Bidders Bidding in such categories should note that the revised amount should not exceed ₹ 2 Lacs. 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 the Red Herring Prospectus. With respect to ASBA Bids, if revision of the Bids results in an incremental amount, the relevant SCSB shall block the additional Bid amount or the relevant Syndicate/ sub-syndicate member shall instruct the SCSB to block any incremental amount, on account of the upward revision of the Bid in case of Bids submitted through ASBA to the Syndicate/ sub-syndicate members. In case of Bids other than ASBA Bids, the members of the Syndicate shall collect the payment in the form of cheque or demand draft if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions. In such cases the members of the Syndicate will revise the earlier Bid details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the basis of Allotment.
- (g) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹ 200,000 if the Bidder wants to continue to Bid at Cut-off Price), with the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have Bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account or unblocked by the SCSBs, as the case may be.

- (h) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and will, on demand, receive a revised TRS from the members of the Syndicate or Designated Branches, as applicable. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.
- (i) In the case of ASBA Bids, after the Bid/Issue Closing Date, the SCSBs shall provide to the Registrar to the Issue aggregate information relating to the total number of ASBA Bid cum Application Forms uploaded and the total number of Equity Shares and total amount blocked against the uploaded ASBA Bid cum Application Forms. The Registrar to the Issue shall reconcile the electronic data received from the Stock Exchanges and the information received from the SCSBs.

Price Discovery and Allocation

- (a) After the Bid / Issue Closing Date, the Registrar to the Issue shall aggregate the demand generated under the ASBA process with the Bids received under the non-ASBA process to determine the demand generated at different price levels. Thereafter, the BRLMs shall analyze the demand generated at various price levels and discuss pricing strategy with the Company. Based on the demand generated at various price levels, our Company in consultation with the BRLMs shall finalize the Issue Price.

- (b) Allocation to Anchor Investors shall be at the discretion of our Company in consultation with the BRLMs, subject to compliance with the ICDR Regulations. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. The number of Equity Shares allocated to 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.
- (c) In case of over-subscription in all categories, not more than 50% of the Issue shall be available for allocation on a proportionate basis to QIBs. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation to 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 first be added to the QIB Portion and be allocated proportionately to the QIBs in proportion to their Bids. In the event that the aggregate demand in the QIB Portion has been met, under-subscription, if any, will be met with spill-over from any other category or combination of categories at the discretion of the Company, in consultation with the BRLMs and the Designated Stock Exchange.
- (d) Under-subscription, if any, in any category including reserved category may 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 in the Mutual Fund Portion 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 QIB Bidders. In the event the aggregate demand in the QIB Portion has been met, under subscription, if any, 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.
- (e) Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law.
- (f) The BRLMs in consultation with our Company shall notify the members of the Syndicate of the Issue Price and allocations to Anchor Investors, where the full Bid Amount has not been collected from the Anchor Investors due to the Issue Price being higher than the Anchor Investor Issue Price.
- (g) Our Company reserves the right to cancel this Issue any time after the Bid / Issue Opening Date, but before the Allotment without assigning any reasons whatsoever. If our Company withdraws from this Issue, it shall issue a public notice that shall include reasons for such withdrawal within 2 days of the closure of this Issue. The notice of withdrawal shall be issued in the same newspapers where the Pre-Issue advertisements have appeared and our Company shall also promptly inform the Stock Exchanges. If our Company withdraws this Issue after the Bid / Issue Closing Date and thereafter determines that it will proceed with an initial public offering of Equity Shares, it shall file a fresh draft red herring prospectus with the SEBI.
- (h) If an ASBA Bidder wants to withdraw the ASBA Bid-cum-Application Form during the Bidding Period, the ASBA Bidder shall submit the withdrawal request to the SCSB, through whom the applicant had placed the original bid, which shall perform the necessary actions, including deletion of details of the withdrawn ASBA Bid-Cum-Application Form from the electronic bidding system of the Stock Exchanges and unblocking of funds in the relevant bank account.
- (i) If an ASBA Bidder, excluding QIB Bidder wants to withdraw the ASBA Bid-cum-Application Form after the Bid / Issue Closing Date, the ASBA Bidder shall submit the withdrawal request to the Registrar to this Issue before finalization of basis of Allotment. The Registrar to this Issue shall delete the withdrawn Bid from the Bid file. The instruction for and unblocking of funds in the relevant bank account, in such withdrawals, shall be forwarded by the Registrar to this Issue to the SCSB once the basis of Allotment has been approved by the Designated Stock Exchange.
- (j) QIB Bidders shall not be allowed to withdraw their Bid after the Bid / Issue Closing Date. Anchor Investors can not withdraw their bid after the Anchor Investor Bid / Issue Date.

- (k) The Basis of Allotment shall be put up on the website of the Registrar to this Issue.
- (l) The Allocation under the Employee Reservation Portion shall be on a proportionate basis, in the manner specified under the SEBI ICDR Regulations and the Red Herring Prospectus, subject to valid Bids being received at or above the Issue Price, and is approved by the Designated Stock Exchange.

Signing of Underwriting Agreement and RoC Filing

- (a) Our Company, the BRLMs and the Syndicate Members shall enter into an Underwriting Agreement on or immediately after the finalisation of the Issue Price.
- (b) After signing the Underwriting Agreement, our Company will update and file the updated Red Herring Prospectus with the RoC in terms of Section 56, 60 and 60B of the Companies Act, and other provision of applicable law which then would be termed the 'Prospectus'. The Prospectus will contain details of the Issue Price, Issue size, underwriting arrangements and will be complete in all material respects.

Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a Pre-Issue advertisement, in the form prescribed by the ICDR Regulations, in an English national newspaper, a Hindi national newspaper and one Marathi daily newspaper, each with wide circulation.

Advertisement regarding Issue Price and Prospectus

Our Company will issue a statutory advertisement in an English national newspaper, and a Hindi national newspaper and one Marathi daily newspaper (which is also the regional newspaper), each with wide circulation, 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. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of Allotment Advice

- (a) On approval of the basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the Basis the approved Basis of Allotment, the Company shall pass necessary Board resolution for Allotment of Equity Shares.
- (b) The Registrar to this Issue will then dispatch an allotment advice / CAN to the Bidders who have been Allotted Equity Shares in this Issue. The dispatch of CAN shall be a valid, binding and irrevocable contract for the Bidders.
- (c) Pursuant to the passing of the Board resolution with respect to Allotment of Equity Shares, the Registrar to the Issue will dispatch Allotment Advice to the Bidders who have been Allotted Equity Shares in the Issue.
- (d) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Bidder.
- (e) The Issuance of Allotment Advice is subject to "Notice to Anchor Investors - Allotment Reconciliation and CANs" as set forth below.

Notice to Anchor Investors: Allotment Reconciliation and CANs

After the Anchor Investor Bidding Date, a physical book will be prepared by the Registrar on the basis of the Bid-cum-Application Forms received in the Anchor Investor Portion. Based on the physical book and at the discretion of our Company and the BRLMs, selected Anchor Investors may be sent a CAN, within 2 Working Days of the Anchor Investor Bidding Date, indicating the number of Equity Shares that may be allocated to them. This provisional CAN and the final allocation is subject to (a) the physical application being valid in all respect along with receipt of

stipulated documents, (b) the Issue Price being finalised at a price not higher than the Anchor Investor Issue Price, and (c) Allotment by the Board of Directors. In the event the Issue Price is higher than the Anchor Investor Issue Price, a revised CAN will be sent to Anchor Investors. The price of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. Anchor Investors should note that they shall be required to pay any additional amount, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN, if any, by the Pay-in Date specified in the revised CAN, for any increased price of Equity Shares. The Pay-in Date in the revised CAN shall not be later than 2 Working Days after the Bid / Issue Closing Date. Any revised CAN, if issued, will supersede in entirety the earlier CAN.

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.

Unblocking of ASBA Account

Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to this Issue shall provide the following details to the Controlling Branches of each SCSB, along with instructions to unblock the relevant bank accounts and transfer the requisite money to the Public Issue Account designated for this purpose within the timelines specified in the ASBA facility: (i) the number of Equity Shares to be Allotted against each valid ASBA Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each valid ASBA Bid, (iii) the date by which funds referred to in (ii) above shall be transferred to the Public Issue Account, and (iv) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn and / or unsuccessful ASBA Bids, if any, to enable SCSBs to unblock the respective bank accounts. On the basis of instructions from the Registrar to this Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and shall unblock the excess amount, if any, in the ASBA Account. However, the Bid Amount may be unblocked in the ASBA Account prior to receipt of notification from the Registrar to this Issue by the Controlling Branch of the SCSB in relation to the approval of the basis of Allotment in this Issue by the Designated Stock Exchange in the event of withdrawal or failure of this Issue or rejection of the ASBA Bid, as the case may be.

Designated Date and Allotment of Equity Shares

- Our Company will ensure that (i) Allotment of Equity Shares; (ii) credit to successful Bidder's depository account will be completed within 12 Working Days of the Bid / Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, our Company will ensure the credit to the successful Bidder's depository account is completed within 2 Working Days from the date of Allotment.
- In accordance with the ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.
- Allottees will have the option to re-materialise 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 Equity Shares that may be Allotted to them pursuant to this Issue.

Basis of Allotment

A. For Retail Individual Bidders

- Bids received from Retail Individual Bidders at or above this Issue Price shall be grouped together to determine the total demand under this category. Allotment to all successful Retail Individual Bidders will be made at the Issue Price.

- This Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in this Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 24,50,000 Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.
- If the aggregate demand in this category is greater than 24,50,000 Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of 24,50,000 Equity Shares. For the method of proportionate basis of Allotment, see 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 category. Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Issue size less Allotment to QIBs and Retail Portion shall be available for Allotment to Non-Institutional Bidders who have Bid in this Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 10,50,000 Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.
- If the aggregate demand in this category is greater than 10,50,000 Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of 10,50,000 Equity Shares. For the method of proportionate Basis of Allotment see below.

C. For QIBs in the QIB Portion (excluding the Anchor Investor Portion)

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. Allotment to all successful QIB Bidders will be made at the Issue Price.
- The QIB Portion shall be available for Allotment to QIB Bidders who have Bid in this Issue at a price that is equal to or greater than the Issue Price.
- Allotment shall be undertaken in the following manner:
 - (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion (excluding Anchor Investor Portion) shall be determined as follows:
 - (i) In the event Mutual Fund Bids exceed 5% of the QIB Portion (excluding the Anchor Investor Portion), allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion (excluding the Anchor Investor Portion).
 - (ii) In the event the aggregate demand from Mutual Funds is less than 5% of the QIB Portion (excluding Anchor Investor 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 for Allotment to all QIB Bidders as set out in (b) below;
 - (b) In the second instance Allotment to all QIBs shall be determined as follows:

- (i) In the event of oversubscription in the QIB Portion (excluding the Anchor Investor Portion), all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.
- (ii) Mutual Funds, which have received allocation as per (a) above for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders (excluding the Anchor Investor Portion).
- (iii) Under-subscription below 5% of the QIB Portion (excluding Anchor Investor Portion), if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

The aggregate Allotment (other than spill over in case of under-subscription in other categories) to QIB Bidders shall be not more than 35,00,000 Equity Shares.

D. For Employee Reservation Portion

- Bids received from the Eligible Employees at or above the Issue Price shall be grouped together to determine the total demand under this category. The allocation to all the successful Eligible Employees will be made at the Issue Price.
- If the aggregate demand in this category is less than or equal to 50,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Employees to the extent of their demand. Under subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue.
- If the aggregate demand in this category is greater than 50,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of 50,000 Equity Shares and in multiple of one Equity Share thereafter such that the maximum value of allotment does not exceed ₹ 2 Lacs for each Eligible Employee. For the method of proportionate basis of allocation, refer below.
- Only Eligible Employees can to apply under Employee Reservation Portion.

E. For Anchor Investor Portion

- Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of our Company, in consultation with the BRLMs, subject to compliance with the following requirements:
 - (i) not more than 30% of the QIB Portion will be allocated to Anchor Investors;
 - (ii) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Issue Price;
 - (iii) a maximum number of two Anchor Investors for allocation up to ₹ 1,000 Lacs;
 - (iv) a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 1,000 Lacs and up to ₹ 2,500 Lacs subject to minimum allotment of ₹ 500 Lacs per such Anchor Investor; and
 - (v) a minimum number of five Anchor Investors and maximum number of 25 Anchor Investors for allocation of more than ₹ 2,500 Lacs subject to minimum allotment of ₹ 500 Lacs per such Anchor Investor.
- The number of Equity Shares Allotted to Anchor Investors and the Anchor Investor Issue Price, shall be made available in the public domain by the BRLMs before the Bid / Issue Opening Date by intimating the Stock Exchanges. The method of proportionate basis of Allotment is stated

below.

The BRLMs, the Registrar to this Issue and the Designated Stock Exchange shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the SEBI ICDR Regulations. The drawing of lots (where required) to finalise the Basis of Allotment shall be done in the presence of a public representative on the Governing Board of the Designated Stock Exchange.

Method of Proportionate Basis of Allotment in this Issue

Except in relation to Anchor Investors, in the event of this Issue being over-subscribed, our Company shall finalise the Basis of Allotment in consultation with the Designated Stock Exchange. The Executive Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLMs and the Registrar to this Issue shall be responsible for ensuring that the Basis of Allotment is finalised in a fair and proper manner.

Except in relation to Anchor Investors, the Allotment 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.
- 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 over-subscription ratio.
- c) Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.
- d) In all Bids where the proportionate Allotment is less than [●] Equity Shares per Bidder, the Allotment shall be made as follows:
 - i) The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is as far as possible, equal to the number of Equity Shares calculated in accordance with (b) above; and
 - ii) Each successful Bidder shall be allotted a minimum of [●] Equity Shares.
- e) If the proportionate Allotment to a Bidder is a number that is more than [●] but is not a multiple of one (which is the marketable lot), the decimal would 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 would be rounded off to the lower whole number. Allotment to all in such categories would be arrived at after such rounding off.
- f) If Equity Shares allocated on a proportionate basis to any category are more than Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the allotted shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.
- g) Subject to valid Bids being received, allocation of Equity Shares to Anchor Investors shall be at the sole discretion of our Company, in consultation with the BRLMs.

Equity Shares in Dematerialised Form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Allotment of Equity Shares in this Issue shall be only in a dematerialised form, (*i.e.*, not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, 2 agreements have been signed among our Company, the respective Depositories and the Registrar to this Issue:

- Agreement dated October 19, 2007, between NSDL, our Company and the Registrar to this Issue;
- Agreement dated May 15, 2010, between CDSL, our Company and the Registrar to this Issue.

Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

- (a) A Bidder applying for Equity Shares must have at least one valid beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.
- (b) The Bidder must necessarily fill in the details (including the PAN, Client ID and DP ID) appearing in the Bid-cum-Application Form or Revision Form.
- (c) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.
- (d) Names in the Bid-cum-Application Form / ASBA Bid cum Application Forms or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- (e) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid-cum-Application Form / ASBA Bid cum Application Forms or Revision Form, it is liable to be rejected.
- (f) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid-cum-Application Form vis-à-vis those with his or her Depository Participant.
- (g) Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges where Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
- (h) Trading in Equity Shares would be in dematerialised form only, on the demat segment of the respective Stock Exchanges.
- (i) Non transferable advice or refund orders will be directly sent to the Bidders by the Registrar to the Issue.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to this Issue quoting the full name of the sole or First Bidder, Bid-cum-Application Form / ASBA Bid cum Application Forms number, PAN, Bidders depository account details, number of Equity Shares applied for, date of Bid-cum-Application Form, name and address of the member of the Syndicate or the Designated Branch or the Collection Centre of the SCSBs where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, the bank account number in which an amount equivalent to the Bid Amount was blocked.

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 non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Bids submitted with the Designated Branches, Bidders can contact the relevant Designated Branch of the SCSBs. The SCSB or the Syndicate/ Sub-syndicate Member, as applicable, shall be responsible for any damage or liability resulting from any errors, fraud or willful negligence on the part of any employee of the concerned SCSB or the Syndicate/ sub-syndicate member, as applicable, including its Designated Branches and the branches where the ASBA Accounts are held. Our Company, the BRLMs, the Syndicate Members and the Registrar to this Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying

with its obligations under applicable SEBI ICDR Regulations.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, 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.”*

Payment of Refund

Bidders other than ASBA Bidders must note that on the basis of the Bidders PAN, DP ID and Client ID provided by them in the Bid-cum-Application Form / ASBA Bid cum Application Forms, the Registrar to this Issue will obtain, from the Depositories, the Bidders' bank account details, including the nine digit MICR code. Hence Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Failure to do so could result in delays in dispatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders' sole risk and neither our Company, the Registrar to this Issue, Escrow Collection Bank(s), Bankers to the Issue nor the BRLMs shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

On the Designated Date and no later than 12 Working Days from the Bid/Issue Closing Date, the Escrow Collection Bank(s) shall despatch refund orders for all amounts payable to unsuccessful Bidders (other than ASBA Bidders) and also the excess amount paid on bidding, if any, after adjusting for allocation/Allotment to such Bidders.

In the case of Bids from Eligible NRIs, Eligible QFIs and FIIs, refunds, dividends and other distributions, if any, will normally be payable in Indian Rupees only and net of bank charges and / or commission. Where so desired, such payments in Indian Rupees will be converted into US 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. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Mode of Refunds

For Bidders other than ASBA Bidders

The payment of refund, if any, for Bidders other than ASBA Bidders would be done through any of the following modes:

1. NECS – Payment of refund would be done through NECS for Bidders having an account at any of the centres where such facility has been made available specified by the RBI. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code from the Depositories.
2. Direct Credit – Bidders having bank accounts with the Refund Bank, as per the Demographic Details received from the Depositories shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank for the same would be borne by our Company.
3. RTGS – Bidders having a bank account with a bank branch which is RTGS enabled as per the information available on the website of RBI and whose refund amount exceeds ₹ 2 Lacs, shall be eligible to receive refund through RTGS, provided the Demographic Details downloaded from the Depositories contain the nine digit MICR code of the Bidder's bank which can be mapped with the RBI data to obtain the corresponding Indian

Financial System Code (“**IFSC**”). Charges, if any, levied by the Refund Bank for the same would be borne by our Company. Charges, if any, levied by the Bidder’s bank receiving the credit would be borne by the Bidder.

4. NEFT (National Electronic Fund Transfer) – Payment of refund shall be undertaken through NEFT wherever the Bidders’ bank branch is NEFT enabled and has been assigned the IFSC, which can be linked to an MICR code of that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date prior to the date of payment of refund, duly mapped with an MICR code. Wherever the Bidders have registered their MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Bidders through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency and the past experience of the Registrars to this Issue. In the event NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in this section.
5. For all other Bidders, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched by post. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

Refunds for ASBA Bidders

In case of ASBA Bidders, the Registrar to this Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Bid-cum-Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid / Issue Closing Date.

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 within 15 Working Days or if instructions to SCSBs are not issued for unblocking ASBA Accounts within 15 Working Days of the Bid / Issue Closing Date for any delay beyond 15 Working Days from the Bid / Issue Closing Date.

Disposal of Applications and Application Moneys and Interest in Case of Delay

With respect to Bidders other than ASBA Bidders, our Company shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges prior to 12 Working Days of the Bid / Issue Closing Date. Our Company shall dispatch refunds by post at the sale or First Bidder’s sale risk, except for refunds through the NECs facility or RTGS or Direct Credit.

In case of Bidders who receive refunds through NECS, NEFT, direct credit or RTGS, the refund instructions will be given to the clearing system within 12 Working Days from the Bid / Issue Closing Date. A suitable communication shall be sent to the Bidders receiving refunds through this mode within 12 Working Days of the Bid / Issue Closing Date, giving the 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 listing is completed and trading commences within 12 Working Days of the Bid / Issue Closing Date at all the Stock Exchanges where Equity Shares are proposed to be listed.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the ICDR Regulations, our Company further undertakes that:

- Allotment of Equity Shares shall be made only in dematerialised form, including the credit of Allotted Equity Shares to the beneficiary accounts of the Depository Participants, within 12 Working Days of the Bid / Issue

Closing Date;

- With respect to Bidders other than ASBA Bidders, 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 Working Days from the Bid / Issue Closing Date would be ensured. With respect to the ASBA Bidders instructions for unblocking of the ASBA Bidder's bank account shall be made within 12 Working Days from the Bid / Issue Closing Date; and
- Our Company shall pay interest at 15% per annum for any delay beyond the time period as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and / or demat credits are not made to investors within 15 Working Days from the Bid / Issue Closing Date. If such money is not repaid within 8 Working Days from the day our Company becomes liable to repay, the Company and every Director of the Company who is an officer in default shall, on and from expiry of 8 Working Days, be jointly and severally liable to repay the money with interest as prescribed under sub-section (2) and (2A) of section 73 of the Companies Act.

Our Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar to this 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 centers will be payable by the Bidders.

Letters of Allotment or Refund Orders or instructions to the SCSBs

The Registrar to the Issue shall give instructions for credit to the beneficiary account with depository participants within 12 Working Days from the Bid/Issue Closing Date. Applicants residing at the centres where clearing houses are managed by the RBI, will get refunds through NECS only except where applicant is otherwise eligible to get refunds through direct credit, RTGS and NEFT. The Company shall ensure dispatch of refund orders, if any, by registered post or speed post at the sole or first Bidder's sole risk within 12 Working Days of the Bid/Issue Closing Date. Bidders to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within 15 days from the Bid/Issue Closing Date.

In case of ASBA Bidders, the Registrar to this Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Bid-cum-Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid / Issue Closing Date, which shall be duly completed after the receipt of such instruction from the Registrar.

Interest in case of delay in dispatch of Allotment Letters or Refund Orders / instruction to SCSB by the Registrar to this Issue

Allotment of Equity Shares in this Issue, including the credit of Allotted Equity Shares to the beneficiary accounts of the Depository Participants, shall be made not later than 12 Working Days of the Bid / Issue Closing Date. Our Company further agrees that it shall pay interest at the rate of 15% per annum if the Allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given in the disclosed manner within 15 days from the Bid/Issue Closing Date, whichever is later. 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 a bank appointed by our Company as a Refund Bank 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.

Undertakings by our Company

Our Company undertakes the following:

- That the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;
- That all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where Equity Shares are proposed to be listed within 12 Working Days of the Bid / Issue Closing Date;
- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to this Issue by the Company;
- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 Working Days from the Bid / Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- That the certificates of the securities / refund orders to Eligible NRIs shall be dispatched within specified time;
- That no further issue of Equity Shares shall be made until Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.; and
- That adequate arrangements shall be made to collect all ASBA and to consider them similar to non-ASBA applications while finalizing the basis of allotment.

Our Company shall not have recourse to the Issue Proceeds until the final approval for listing and trading of Equity Shares from all the Stock Exchanges where listing is sought has been received.

Withdrawal of this Issue

Our Company in consultation with the BRLMs, reserves the right not to proceed with this Issue anytime after the Bid / Issue Opening Date but before the Allotment of Equity Shares. In such an event our Company would issue a public notice in the newspapers within 2 days, in which the Pre-Issue advertisements were published, providing reasons for not proceeding with this Issue. The BRLMs, through the Registrar, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within 1 Working Day from the day of receipt of such notification. Our Company shall also promptly inform the Stock Exchanges on which Equity Shares are proposed to be listed.

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

In the event our Company in consultation with the BRLMs, withdraws this Issue after the Bid / Issue Closing Date, a fresh offer document will be filed with SEBI in the event we subsequently decide to proceed with the initial public offering.

Utilisation of Issue Proceeds

The Board of Directors certifies that:

- All monies received in this Issue shall be credited / transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- Details of all monies utilised out of Issue shall be disclosed, and continue to be disclosed until the time any part of this Issue proceeds remains unutilised, under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilised;

- Details of all unutilised monies out of this Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested; and

the utilisation of monies received from reservations shall be disclosed and continue to be disclosed under an appropriate head in the balance sheet of the Company, till the time any part of the Issue Proceeds remains unutilised, indicating the purpose for which such monies have been utilised.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the industrial policy of Government of India, or the Industrial Policy and FEMA. While the Industrial Policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made.

Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Foreign Investment Promotion Board of Government of India (FIPB) and the RBI. As per Circular 2 of 2011 issued by Government of India Ministry of Commerce & Industry Department of Industrial Policy & Promotion ("**DIPP Master Circular of 2011**") 100% foreign direct investment was allowed under the automatic route in pharmaceutical sector. However, pursuant to an amendment to the DIPP Master Circular of 2011 *vide* the Press Note 3 dated November 08, 2011 issued by Government of India Ministry of Commerce & Industry Department of Industrial Policy & Promotion and pursuant to Circular 1 of 2012 dated April 10, 2012 issued by Government of India Ministry of Commerce & Industry Department of Industrial Policy & Promotion ("**DIPP Master Circular of 2012**"), 100% foreign direct investment is now allowed under the Government approval route for brownfield investments in pharmaceutical sector. Therefore, as per the current foreign investment policies, foreign direct investment in the sector in which our Company operates, i.e. the pharmaceutical sector, is allowed upto 100% under the Government approval route for brownfield investments.

Our Company has made an application dated September 26, 2012 to FIPB, seeking its approval to offer, issue and allot Equity Shares upto 49% of the post issue paid up capital of our Company to foreign investors who may participate in this Issue.

RBI, *vide* its circular A.P (DIR Series) Circular No. 53 dated December 17, 2003, permitted FIIs to subscribe to shares of an Indian Company in the public issue without prior approval of RBI, so long as the price of Equity Shares to be issued is not less than the price at which Equity Shares are issued to residents.

Investment by Non-Resident Indians

A variety of special facilities for making investments in India in shares of Indian Companies are available to individuals of Indian nationality or origin residing outside India ("NRIs"). These facilities permit NRIs to make portfolio investments in shares and other securities of Indian companies on a basis not generally available to other foreign investors. Under the portfolio investment scheme, NRIs are permitted to purchase and sell Equity Shares of our Company through a registered broker on the Stock Exchanges. NRIs collectively should not own more than 10% of the Post-Issue paid up capital of our Company. No single NRI may own more than 5% of the Post-Issue paid up capital of our Company. NRI investment in foreign exchange is now fully repatriable whereas investments made in Indian Rupees through rupee accounts remains non repatriable.

Investment by Foreign Institutional Investors

Foreign Institutional Investors ("FIIs") including institutions such as pension funds, investment trusts, asset management companies, nominee companies and incorporated, institutional portfolio managers can invest in all the securities traded on the primary and secondary markets in India. FIIs are required to obtain an initial registration from the SEBI and a general permission from the RBI to engage in transactions regulated under FEMA. FIIs must also comply with the provisions of the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time. The initial registration and the RBI's general permission together enable the registered FII to buy (subject to the ownership restrictions discussed below) and sell freely securities issued by Indian companies, to realise capital gains or investments made through the initial amount invested in India, to subscribe or renounce rights issues for shares, to appoint a domestic custodian for custody of investments held and to repatriate the capital, capital gains, dividends, income received by way of interest and any compensation received towards sale or renunciation of rights issues of shares.

Ownership restrictions of FIIs

Under the portfolio investment scheme, the overall issue of Equity Shares to FIIs on a repatriation basis should not exceed 24% of Post-Issue paid-up capital of our Company. However, the limit of 24% can be raised up to the permitted sectoral cap for that Company after approval of the board of directors and shareholders of our Company. The issue of Equity Shares to a single FII should not exceed 10% of the Post-Issue paid-up capital of our Company. In respect of an FII investing in Equity Shares of a Company on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital of that Company.

Registration of Equity Shares under US Laws

Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, 'U.S. persons' (as defined in Regulation S of the U.S. Securities Act, 1933), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, Equity Shares will be offered and sold only (i) in the United States to 'qualified institutional buyers', as defined in Rule 144A of the Securities Act, and (ii) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

The above information is given for the benefit of the Bidders and neither our Company nor the BRLMs are liable for any changes in the regulations after the date of this Draft Red Herring Prospectus.

SECTION XI

DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

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 relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that the each provision herein below is numbered as per the corresponding article number in the Articles of Association and defined terms herein have the meaning given to them in the Articles of Association.

CAPITAL

Title of Article		Article Number and contents
Details of Capital	03	The Authorized Share Capital of The Company is ₹ 30,00,00,000.00/- (Rupees Thirty Crores only) divided into 3,00,00,000 (Three Crores only) Equity Shares of ₹ 10.00/-(Rupees Ten Only) each each with the rights, privileges and conditions attached thereto as per the relevant provisions contained in that behalf in the Articles of Association of the Company and with the power to increase or reduce the capital of the Company and to divide the shares of the Company for the time being into several classes (being those specified in the Companies Act, 1956) and attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Article of Association of the Company for the time being in force to vary, modify, enlarge or abrogate any such rights, privileges or conditions in such manner as may be permitted by the said Act or provided b the Articles of Association of the Company for the time being in force.

INCREASE AND REDUCTION OF CAPITAL

Title of Article		Article Number and contents
Increase of Capital by the Company, and how carried into effect	04	The Company in General Meeting may from time to time, by resolution increase the capital by creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the Directors shall determine and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company, and with or without a right of voting at General Meetings of the Company in conformity with Section 86 of the Act. Whenever the capital of the Capital has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act.
New capital same as existing capital	05	Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered as part of the original capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
Issue of shares with differential rights	06	Except so far as otherwise provided by the conditions of the issue, the Company may subject to the provisions of Section86, of the Act issue from time to time, such Equity Shares, with or without voting rights, or with differential rights as regards to dividend, voting or otherwise in accordance with such rules and subject to such conditions as may be prescribed.
Issue of shares with differential rights	06	Except so far as otherwise provided by the conditions of the issue, the Company may subject to the provisions of Section86, of the Act issue from time to time, such Equity Shares, with or without voting rights, or with differential rights as regards to dividend, voting or otherwise in accordance with such rules and subject to such conditions as may be prescribed.
Reduction of Capital	07	The Company may (subject to the provisions of Sections 78, 80 and 100 to 105 of the Act) from time to time, by resolution, reduce its capital, in any manner for the time being authorised by law, and, in particular, capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power that the Company would have if it were omitted.
Sub-division	8	Subject to the provisions of Section 94 of the Act, the Company in General Meeting may, from time to

consolidation and cancellation of shares	time, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided or consolidated may determine that, as between the holders of the shares resulting from such sub-division or consolidation, one or more of such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the others or other. Subject as aforesaid, the Company in general Meeting by resolution may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
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MODIFICATION OF RIGHTS

Title of Article		Article Number and contents
Modification of rights	26	Whenever the capital, by reason of the issue of Equity Shares with or without differential rights, Preference Shares or any other securities or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 106 and 107 of the Act, be varied with the consent in writing of holders of not less than three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate General Meeting of the holders of the issued shares of that class and all the provisions hereinafter contained as to General Meeting shall, mutatis mutandis, apply to every such meeting. This article is not to derogate from any power of the company which would have if these articles were omitted.

SHARES AND CERTIFICATES

Title of Article		Article Number and contents
Further issue of shares	16	<p>a The Board may, at any time increase the subscribed capital of the Company by issue or allotment of further shares, whether out of unissued share capital or out of increased share capital, then such further shares shall be offered to the persons who at the date of the offer, are holders of Equity Shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid-up on these shares at that date. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined. After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declined to accept the shares offered, the Board may dispose them of in such manner as they think most beneficial to the Company.</p> <p>b Notwithstanding anything contained in sub-clause (a) hereof, the further shares aforesaid may be offered to any persons (whether or not these persons include the persons referred to in clause (a) hereof) in any manner whatsoever:-</p> <p>(i) If a special resolution to that effect is passed by the Company in General Meeting' or</p> <p>(ii) 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.</p> <p>c Notwithstanding anything contained in sub-clause (a) above, but subject, however, to section 81(3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures issued or loans raised by the Company to convert such debentures or loans into shares, or to subscribe for shares, in the Company.</p>
Directors may allot shares for consideration other than cash.	18	Pursuant to the powers conferred under provisions of the Act and subject to the rules/guidelines framed there under for such issue and these Articles, the Directors may allot and issue shares in the Capital of the Company for any value addition or as payment or part payment for any property or assets of any kind whatsoever (including goodwill of any business) sold or transferred, goods or machinery or know how supplied or for services rendered to the company or the conduct of its business and any shares which may be so allotted may be issued as fully paid up or partly paid up otherwise than in cash.

Title of Article		Article Number and contents	
Issue of shares to employees	19		Subject to the provisions of Section 79A and other applicable provisions of the Act and the Rules made thereunder, the Company may issue Sweat Equity Shares if such issue is authorised by a Special Resolution passed by the Company in the general meeting. The Company may also issue shares to employees including its Directors, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorised by a special Resolution of the Company in general meeting subject to the provisions of the Act and the Rules and applicable guidelines made thereunder, by whatever name called.
Powers to issue shares outside India	20	a	Pursuant to the provisions of Section 81 and other applicable provisions, if any, of the Companies Act, 1956, and subject to such approvals, permissions and sanctions as may be necessary from the Government of India, Reserve Bank Of India and/or any other authorities or institutions as may be relevant (hereinafter collectively referred to as “the Appropriate Authorities”) and subject to such terms and conditions or such modifications thereto as may be prescribed by them in granting such approvals, permissions and sanctions, the Company will be entitled to issue and allot in the international capital markets, Equity Shares and/ or any instruments or securities (including Global Depository Receipts) representing Equity shares, any such instruments or securities being either with or without detachable Warrants attached thereto entitling the Warrant Holder to Equity Shares/ instruments or securities (including Global Depository Receipts) representing Equity Shares, (hereinafter collectively referred to as “the Securities”)to be subscribed to in foreign currency/ currencies by foreign investors (whether individuals and/or bodies corporate and/or institutions and whether shareholders of the Company or not) for an amount, inclusive of such premium as may be determined by the Board. Such issue and allotment to be made on such occasion or occasions, at such value or values, at a discount or at a premium and in such modifications thereto as the Board may determine in consultations with Lead Manager and/ or Underwriters and/ or Legal or other Advisors, or as may be prescribed by the Appropriate Authorities while granting their approvals, permissions and sanctions as aforesaid which the Board be and is hereby authorized to accept at its sole discretion.
		b	Subject to the rights of the holders of any other shares issued under Article 20(a) entitled by the terms of issue to preferential repayment over Equity Shares in the event of winding up of the Company, the holders of Equity Shares shall be entitled to be repaid the amounts of capital paid up or credited as paid up on such Equity Shares and all surplus assets thereafter shall belong to the holders of Equity Shares in proportions to the amount paid up or credited as paid-up on such Equity Shares respectively at the commencement of the winding up.
Shares under Control of Directors	21		Subject to the provisions of these Articles and of the Act, the Shares (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 to such persons in such proportions, on such terms and conditions and at such times as the Directors think fit and subject to the sanction of the Company in General Meeting with full power, to give any person the option to call for or be allotted shares of any class of the company either (subject to the provisions of Sections 78 and 79 of the Act) at a premium or at and for such consideration as the Directors think fit.
Redeemable Preference Shares	24	a	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 liable ,to be redeemed.
Cumulative Convertible Preference Shares	24	b	The Company subject otherwise to the provisions of Section 80A of the Act and the guidelines of the Government of India in that behalf, shall have the power to issue Cumulative convertible Preference Shares or any similar kind of Preference Shares as may be permitted by law.
		c	The resolution authorizing such issue shall prescribed the manner, terms and conditions of redemption.
Power also to Company in General Meeting to issue Shares	17		In addition to and without derogating from the powers for that purpose conferred on the Board under Articles 16 and 21, Company, in General Meeting may, subject to the provisions of Section 81 of the Act, determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such person (whether a Member or not,) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Section 78 and 79 of the Act) at a premium or at par or at a discount, as such General Meeting shall determine and with full power to give any person (whether a Member or not), the option to call for or be allotted shares of any class of the Company either (Subject to compliance with the provisions of Section 78 and 79 of the Act) at a premium or at par or at a discount, such option being exercisable at such times and for

Title of Article		Article Number and contents	
			such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provisions whatsoever for the issue, allotment or disposal of any shares.
Installments of Shares to be duly paid	49		If by the terms of the issue of any shares or otherwise any amount is made payable on allotment or at any fixed time by installment at any fixed times whether on account of the amount of the shares or by way of premium, every such amount on installment shall be payable when due as if it were a call duly made by the directors and of which due notice had been given and shall be paid to the Company by the person who for the time being shall be paid to the Company by the person who for the time being shall be the registered holder of the share; and all the provisions hereof with Installment and the shares in respect of which it is payable, as if such sum had become payable by virtue of a call duly made and notified.
Acceptance of Shares	27		Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles. And every person who thus or otherwise accepts any shares and whose name is on the Register of Members shall, for the purposes of these Articles be a Member.
Deposit and call etc. to be a debt payable immediately	28		The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the company from the allottee thereof, and shall be paid by him accordingly.
Liability of Members	29		Every Member, or his heirs, executors or administrators, shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts, at such time to time, in accordance with the company's regulations, require or fix for the payment thereof.
Share certificate	30	a	Every Member or allottee of shares shall be entitled, without payment, to receive one certificate specifying the name of the person in whose favour it is issued, the shares to which it relates and the amount paid-up thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of the letter of allotment or the fractional coupons of requisite value, save in case of issues against letters of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of 2 Directors, or persons acting on behalf of the Directors under a duly registered power of attorney, and the Secretary or some other person appointed by the Board for the purpose, and the two Directors or their attorneys and the Secretary or some other persons shall sign the shares certificate PROVIDED THAT if the composition of the Board permits of it, at least one of the aforesaid two directors shall be a person other than a managing or a Whole-time Director, Particulars of every share certificate issued shall be entered in the Register of Members against the name of the persons to whom it has been issued, including the date of issue. For any further certificate the Board shall be entitled, but shall not be bound to prescribe a charge not exceeding Rupee two or such sums as prescribed under the Act. The Company shall comply with the provisions of Section 113 of the Act.
Particulars to be written on share certificates and maintenance of Register of Members	30	b	Particulars of every certificate issued shall be entered in the Register of Members maintained in the form set out in the above Article or, in a form as near thereon as circumstances admit, against the name of the person to whom it has been issued, indicating the date of issue, In respect of any shares held jointly by several persons, the Company shall not be bound to issue more than one certificate.
		c	A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography or digital, but not by means of a rubber stamp, PROVIDED THAT the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.
		d	Notwithstanding anything contained herein, the Company shall be entitled to dematerialize its securities, rematerialize its securities held in the depositories and / or to offer its fresh securities in a dematerialized form pursuant to the Depositories Act, 1996 and the rules framed thereunder if any.
		e	Notwithstanding anything contained in sub section (1) of Section 113 of the Act, where the securities are dealt with in a Depository. The Company shall intimate the details thereof to the Depository immediately on allotment of such securities as far as practicable. On receipt of such information the depository shall enter in its records the name of the allottee as the beneficial owner of that security.

Title of Article		Article Number and contents	
		f	Every person subscribing to the securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository if permitted by law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates of Securities.
		g	All securities held by a depository shall be dematerialised and be in fungible form.
		h	Nothing contained in Sections 153 and 187C of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.
		i	Nothing contained in the Act or these Article regarding the necessity of having distinctive numbers for Securities issued by the Company.
Renewal of Share Certificate	31	a	No certificates of any share shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the pages on the reverse for recording transfers have been duly utilized, unless the certificate in lieu of which it is issued is surrendered to 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 No. sub-divided/replaced/on consolidation of shares”.
		c	If a share certificate is lost or destroyed , new certificate in lieu thereof shall be issued only with the prior consent of the Board nd on such terms, if any, as to evidence and indemnity and as to the payment of out-of-pocket expenses incurred by the Company in investigating evidence, as the Board thinks fit.
		d	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 “ 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.
		e	Where a new share certificate has been issued in pursuance of clause (a) and 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(s) of the person(s) 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 indicating in the Register of Members by suitable cross reference in the “ Remarks” column.
		f	All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively machine-numbered and the forms and the blocks, engraving, 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 purpose and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.
		g	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 certificate except the blank forms of share certificates referred to in sub-Article (f).
		h	All books referred to in sub-Article (g) shall be preserved in good order permanently.
Joint holders	32	a	Where two or more persons are registered as the holders of any share, they shall be deemed to hold the same jointly with benefits of survivorship subject to the following and other provisions contained in these Articles.
		b	The Company shall be entitled to decline to register more than four persons as the holders of any share.
		c	The joint holders of any share shall be liable, severally as well as jointly, for and in respect of all calls and other payments which ought to be made in respect of such shares.
		d	On the death of any such joint holder, the survivor or survivors or the nominee appointed by the joint holder shall be only person or persons recognized by the Company as having ant title to the share, but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of the deceased joint holder from any liability on shares held by him jointly with any other person.

Title of Article		Article Number and contents	
	e		Any one of such joint holders may give effectual receipts for any dividends or other moneys payable in respect of such share.
	f		Only the person whose name stands first in the Register of Members as one of the joint holders of any shares shall be entitled to delivery of the certificate relating to such share or to receive notices from the Company, and any notice given to such person shall be deemed proper notice to all joint holders.
	G		Any one of two or more joint holders may vote at any meeting either personally or by proxy in respect of such share s if he were solely entitled thereto, and if more than one of such joint holders be present at any meeting personally or by proxy, the holder whose name stands first or higher (as the case may be) on the Register of Members in respect of such share shall alone be entitled to vote in respect thereof:
			PROVIDED always that a member present at any meeting personally shall be entitled to vote in preference to person by proxy.
Company not bound to recognize any interest in shares other than that of registered holder	33		Except as ordered by a court of competent jurisdiction or as required by law, the Company shall not be bound to recognize any, equitable contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any rights thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof, but the Board shall be at liberty thereto at their sole discretion to register any share in the joint names of any two or more persons or the survivors of them.
Directors recognize beneficial owners of securities	75	a	Notwithstanding anything contained in the Act or these Articles a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Securities on behalf of a Beneficial Owner. Save as otherwise provided hereinabove, the Depository as a registered owner shall not have any voting rights or any other rights in respect of Securities held by it, and the Beneficial Owner shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of its Securities held by a Depository.
		b	Except as ordered by a Court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears as the Beneficial Owner of the Securities in the records of the Depository as the absolute owner thereof and accordingly the Company shall not be bound to recognize any benami, trust or equitable, contingent, future or partial interest in any Security or (except otherwise expressly provided by the Articles) any right in respect of a Security other than an absolute right thereto, in accordance with these Articles on the part of any other person whether or not it shall have express or implied notice thereof.
Funds etc. of Company may not be applied in purchase of shares of the Company	34		The Company shall not give, whether directly or indirectly, and whether by means of a loan, guarantee, the provision of security otherwise, any financial assistance for the purpose of or in connection with the purchase or subscription made or to be made by any person of or for any shares in the company except in conformity with the provisions of Section 77 of the Act.

DEMATERIALISATION OF SHARES

Title of Article		Article Number and contents	
Dematerialisation of securities	02		Definitions
			“Beneficial Owner” shall mean and include ‘ a person or persons’ as defined in clause (a) of sub section (1) of section 2 of the Depositories Act, 1996 or such other Acts as may be applicable
			“Securities and Exchange Board of India”(SEBI) means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992.
			“Bye-laws” means any bye-laws as may be applicable and includes bye-laws made under Section 26 of the Depositories Act, 1996.
			“Depositories Act” shall mean and include the Depositories Act, 1996 and any statutory modifications or re-enactments thereof from time to time.
			“Depository” means a company formed and registered under the Companies Act, 1956 (I of

		1956) and which has been granted a certificate of registration under sub section (1A) of section 12 of the Securities and Exchange Board of India Act, 1992. (15 of 1992).
		“Security” means shares, debentures and/or such other securities as may be specified under the Act or by SEBI or other competent authority, from time to time.
Board power to 23 demat or remat shares		Notwithstanding anything contained in the Act or these Articles, the Board of Directors are empowered without any prior sanction of the members to dematerialise and rematerialise the securities of the Company and issue/allot fresh securities in dematerialized form. The Board of Directors is also empowered to determine the terms and conditions thereof pursuant to the provisions of the Depositories Act, 1996 and Rules framed thereunder.

BUY BACK OF THE SHARES/SECURITIES OF THE COMPANY

Title of Article		Article Number and contents
Funds etc. of Company may not be applied in purchase of shares of the Company	34	The Company shall not give, whether directly or indirectly, and whether by means of a loan, guarantee, the provision of security otherwise, any financial assistance for the purpose of or in connection with the purchase or subscription made or to be made by any person of or for any shares in the company except in conformity with the provisions of Section 77 of the Act.
Purchase of Own Securities	35	The Company shall have power, subject to the provisions of sections 77A, 77AA, 77B and other applicable provisions of the Act, to purchase any of its securities as may be permitted by law on such terms, conditions and in such manner as may be prescribed by law from time to time in respect of such purchase.

UNDERWRITING AND BROKERAGE

Title of Article		Article Number and contents
Commission for Share and Debentures or securities	36	Subject to the provisions of Section 78 of the Act and guidelines issued by SEBI, the company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolute or conditionally) for any shares in or debentures of the Company, but so that the commission shall not exceed in the case of shares, five per cent of the price at which the shares or securities are issued, and in the case of debentures, two and a half per cent of the price at which the debentures are issued or at such rates as may be fixed by the Board within the overall limit prescribed under the Act or Securities and Exchange Board of India Act, 1992. Such commission may be satisfied by payment in cash or by allotment of fully or partly paid shares, securities or debentures or partly in one way and partly in the other.
Brokerage	37	The Company may also, on any issue of shares, securities or debentures, pay such brokerage as may be lawful.

INTEREST OUT OF CAPITAL

Title of Article		Article Number and contents
Interest may be paid out of capital	38	Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building, or the provision of any plant, which cannot be made profitable for a lengthy period. The Company may pay interest on so much of that share capital as is for the time being paid up, for the period, at the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of the cost of construction of the work or building, or the provision of plant.

DEBENTURES

Title of Article		Article Number and contents
Debentures with voting rights not to be issued	125	<p>a Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the Company, every Member shall be entitled to be present, and to speak and vote a such meeting, and on a show of hands every Member present in person shall have one vote irrespective of the number of shares held by a member.</p> <p>b and upon a poll at a meeting or through postal ballot if stipulated under the act or these articles every member entitled to vote and present in person (including a body corporate present as aforesaid) or by attorney or by proxy shall be entitled to vote and shall have the following rights:</p>

Title of Article	Article Number and contents	
	(i)	In respect of every Equity Share his voting right shall be in the same proportion as the capital paid-up on such Equity Share bears to the total paid up equity capital of the Company.
	(ii)	In respect of every fully paid Cumulative Convertible Preference (CCP) share and preference share his voting right shall be as provided in the Act.
	(iii)	In respect of every other shares with or without voting rights or with disproportionate voting rights his voting right shall be as mentioned in the said class of shares.

CALLS

Title of Article	Article Number and contents	
Directors may make calls	39	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 resolution by circulation) make such call as it thinks fit upon the Members in respect of all moneys unpaid on the shares held by them respectively. (whether on account of the nominal value of the shares or by way of premium) and which are not, by the conditions of the allotment, made payable at fixed times and each member shall pay the amount of every call so made on him to the company or where payable to the person or persons and at the times and places appointed by the Board. A call may be made payable by instalments.
Notice of calls	40	Not less than fourteen 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 call shall be paid.
Call to date from Resolution	41	A call shall be deemed to have been made at the time when the resolution authorizing such call was passed at a meeting of the Board.
Call may be revoked or postponed	42	A call may be revoked or postponed at the discretion of the Board.
Directors may extend time	43	The Board may, from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such time as to call or any of the Members for reasons which the Board may consider satisfactory, but no Member shall be entitled to such extension save as a matter of grace and favour.
Calls by installment and installments to be treated as calls	49	If by the terms of the issue of any shares or otherwise any amount is made payable on allotment or at any fixed time by installment at any fixed times whether on account of the amount of the shares or by way of premium, every such amount on installment shall be payable when due as if it were a call duly made by the directors and of which due notice had been given and shall be paid to the Company by the person who for the time being shall be paid to the Company by the person who for the time being shall be the registered holder of the share; and all the provisions hereof with respect to the payment of calls and interest thereon or to the forfeiture of shares for non-payment of calls shall apply to every such amount or Installment and the shares in respect of which it is payable, as if such sum had become payable by virtue of a call duly made and notified.
	50	a The Board may, if it thinks fit, agree to and receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums actually called up; and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made, the Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member one months' notice in writing : PROVIDED THAT moneys paid in advance of calls on any shares may carry interest but shall not confer a right to dividend or to participate in profits.
		b No Member paying any such sum in advance shall be entitled to voting rights in respect of moneys so paid by him until the same would but for such payment become presently payable.
Calls to carry interest	44	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.
Sums deemed to be calls	45	Any sum, which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by

Title of Article		Article Number and contents
		the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expense, forfeiture or of a call duly made and notified
Calls on uniform basis on shares of same class	46	Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.
Proof on trial of suit for money due on shares	47	At the trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder or Register of Beneficial Owner at or subsequently to the date at which the money sought to be recovered is alleged to have become due on the shares in respect of which such money is sought to be recovered; that the resolution making the call is duly recorded in the Minutes Book and that the notice of such call was duly given to the Member or his representatives so sued and it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.
Partial payment not to preclude forfeiture	48	Neither 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 the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

LIEN

Title of Article		Article Number and contents
Company to have lien on shares	51	The Company shall have first and paramount lien upon all the 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 all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares, and no equitable interest in any shares shall be created except upon the footing and upon the condition that Article 33 thereof is to have full effect. Any such lien shall extend to all dividends from time to time declared in respect of such shares. The Directors may at any time declare any shares to be exempt, wholly or partially from the provisions of this Articles.
Enforcing lien by Sale	52	For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as the Directors shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorize one of their number to execute a transfer thereof in favour of purchaser and the purchaser shall be registered as the holder of the shares comprise in any such transfer. No sale shall have been made unless the sum in respect of which the lien exists is present payable and until notice in writing of the intention to sell shall have been served on such member, his executors or administrators or his committee or his representative as the case may be and default shall have been made by him or engagements for fourteen days after such notice. Upon issue of a duplicate certificates, the certificate or certificates originally issued shall cancelled and become null and void and of no effect.
Application of proceeds of sale	53	The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale be paid to the persons entitled to the shares at the date of the sale.

FORFEITURE OF SHARES

Title of Article		Article Number and contents
Money payable on shares if not paid notice to be given to Members	54	If any Member fails to pay any call or installment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter, during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
Form of Notice	55	The notice shall name a day (not being less than fourteen days from the date of the notice) and a

Title of Article		Article Number and contents
		place or places on and at which such call or installment and such interest thereon at such rate as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that in the event of the non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable, will be liable to be forfeited.
Default of payment, shares to be forfeited	56	If the requirements of any such notices as aforesaid re not complied with, every or any share in respect of which such notice has been given may, at any time thereafter, but before payment of calls or installments, interest, expenses and other moneys due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.
Notice of forfeiture to a Member	57	When any share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.
Forfeited share to be properly of the Company and may be sold, etc.	58	Any share so forfeited shall be deemed to be the property of the Company, and may be sold, re-allotted, or otherwise disposed of either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit.
Member still liable to pay calls owing at the time of forfeiture and interest.	59	Any member whose shares have been forfeited shall, notwithstanding the forfeiture be liable to pay and shall forthwith pay to the company, on demand, all calls, installments, interest and expenses owing upon or in respect of such shares at the time of forfeiture together with interest thereon from time to time of the forfeiture until payment, at such rate as the Board may determine, and the Board may enforce the payment thereof, if it thinks fit.
Effect of forfeiture	60	The forfeiture of a share shall involve extinction, of all interest in and of all claims and demands against the Company of the Member in respect of the share and all other rights of the Member incidental to the share, except only such of those rights as by these Articles are expressly saved.
Evidence of forfeiture	61	A declaration in writing that the declarant is a Director or Secretary of the Company and that certain shares in the Company have been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares and such declaration, and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposition thereof shall constitute a good title to such Shares, and the person to whom the shares are sold shall be registered as the holder of such shares and shall not be bound to see to the application of the purchase money, nor shall his title to such shares be affected by any irregularity, or invalidity in the proceedings in reference to such forfeiture, sale or disposition
Power to annul forfeiture	64	The Board may at any time before any shares so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such terms as they think fit.
Cancellation of share certificates in respect of forfeited shares.	63	Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the 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 person or persons entitled thereto.
Evidence of forfeiture	61	A declaration in writing that the declarant is a Director or Secretary of the Company and that certain shares in the Company have been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares and such declaration, and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposition thereof shall constitute a good title to such Shares, and the person to whom the shares are sold shall be registered as the holder of such shares and shall not be bound to see to the application of the purchase money, nor shall his title to such shares be affected by any irregularity, or invalidity in the proceedings in reference to such forfeiture, sale or disposition

Title of Article		Article Number and contents
Validity of sale under Articles 52 and 58	62	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register of members in respect of the shares sold, and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
Surrender of shares	65	The Director may, subject to the provisions of the Act accept a surrender of any share from or by member desirous of surrendering them on such terms as they think fit.
Provisions to apply to debentures	66	The provisions of Articles 39 to 65 shall apply mutatis mutandis to debentures

TRANSFER AND TRANSMISSION OF SHARES AND DEBENTURES

Title of Article		Article Number and contents
Register of Transfers	67	<p>a The Company shall maintain a Register of Transfers and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share or debenture.</p> <p>b The Company shall not be required to maintain Register of Transfers for entering particulars of transfer and transmission of securities in dematerialised form.</p> <p>c Register of Transfer may be maintained in a media as permitted by law including in any form of electronic media.</p>
No transfer to insolvent	72	No transfer shall be made to a person of unsound mind or to an insolvent. No share other than fully paid share shall in any circumstances be transferred to any minor.
Form of transfer	68	<p>a The instrument of transfer shall be in writing and in the usual common form of transfer as prescribed under Companies (Central Government's) General Rules and Forms, 1956 or any statutory amendments thereof. All the provisions of section 108 of the Act shall be duly complied with in respect of all transfers and of the registration thereof. The Company shall not charge any fee for registration of a transfer of shares or debentures.</p> <p>b Notwithstanding anything contained in these Articles, in the case of transfer or transmission of securities where the Company has not issued any certificates and where such securities are being held in an electronic and fungible form by a Depository, the provisions of the Depositories Act, 1996 shall apply.</p>
Instrument of Transfer to be completed and presented to the Company	69	<p>a The Instrument of Transfer duly stamped(if required to be stamped) and executed by the transferor and the transferee shall be delivered to the company in accordance with the provisions of the Act. The Instrument of Transfer shall be accompanied by such evidence as the Board may require to prove the title of transferor and his right to transfer the shares and every registered Instrument of Transfer shall remain in the custody of the Company until destroyed by order of the Board. Any Instrument of Transfer which the Directors may decline to register shall be returned to the person depositing the same.</p> <p>b Every depository shall, on receipt of intimation from a participant, register the transfer of security in the name of the transferee.</p> <p>c Nothing contained in section 108 of the Act or the Articles which are inconsistent with the provisions of Depositories Act, 1996 shall apply to a transfer of shares effected by a transferor or transferee both of whom are entered as beneficial owners in the records of a depository.</p>
Transfer of Partly paid shares	70	Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee conveys to the Company his no objection and undertakes to pay remaining amount as and when call is made by the Company for transfer within two weeks from the deemed delivery of the notice. For this purpose the notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.
Closure of Register of Members or Debenture Holders	73	The Directors shall have power, on giving seven days' previous notice by advertisement as required by Section 154 of the Act, to close the transfer books, Register of Members or Register of Debenture holders of the Company for such period of time not exceeding in the whole 45 days in each year (but not exceeding 30 days at a time) as they may determine.

Title of Article		Article Number and contents
Directors' powers to refuse to register a transfer	74	Subject to the provisions of Section 111A of the Act, the Directors may at their absolute and uncontrolled discretion and without assigning any reason decline to register any transfer of shares to person of whom they do not approve notwithstanding that the proposed transferee is already a member of the Company and may also decline to register any transfer of shares on which the Company has a lien. The Directors may decline to recognize any instrument of transfer unless it is accompanied by the certificate of shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. If the Directors refuse to register a transfer of any shares, they shall within two months after the date on which the transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal. Registration of a transfer shall not be refused on the ground of the transferor being either or jointly with any other person or person, indebted to the Company on any account whatsoever except where the Company has exercised its right of lien on the shares.
Death of one or more joint holders of Shares	32	d On the death of any such joint holder, the survivor or survivors or the nominee appointed by the joint holder shall be only person or persons recognized by the Company as having any title to the share, but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of the deceased joint holder from any liability on shares held by him jointly with any other person.
Title to shares of deceased holder	76	Subject to Provisions of Article 78 hereof, the executors of administrators of a deceased Member or the holder of a Succession Certificate in respect of the shares of a deceased Member (not being one of two or more joint holders) shall be only the persons whom the Company will be bound to recognize as having any title to the shares registered in the name of such Member, and the Company shall not be bound to recognize such executors, administrators or holders shall have first obtained probate or Letters of Administration or Succession Certificate as the case may be, from a duly constituted Court in India; PROVIDED THAT the Directors may, at their absolute discretion dispense with production of Probate, Letters of Administration or Succession Certificate upon such terms as to indemnity or otherwise as they think fit and may enter the name of the person who claims to deceased Member, as a Member. The Company shall not charge any fee for registration of any Power of Attorney, Probate, Letters of Administration or similar document.
Transmission Clause	77	Any person becoming entitled to any share in consequence of the death, lunacy, or insolvency of any Member or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Directors (which they shall be under no obligation to give) and upon producing such evidence that he sustains the character in respect of which he proposes to act under this article or of his title as the Directors may require, and upon giving such indemnity as the Directors may require, either be registered as a Member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as a Member in respect of such shares; PROVIDED THAT if such persons shall elect to have his nominee registered, he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance with these Articles, and until he does so he shall not be freed from any liability in respect of such shares.
Nomination by Shareholder / debenture holder	78	On the death of a shareholder/debenture holder of the Company, the Company shall confer the shares/debentures or interest of the deceased shareholder/debenture holder in accordance with the Rules framed by the Board of Directors or if no such person is nominated as may appear to the Board of Directors, to the heir, legal representative of the Deceased shareholder/ debenture holder Provided that such nominee or heir or legal representative of the debenture holder of the Company in accordance with the provisions herein contained shall be valid and effective against any demand made upon the Company by any other person. Nomination and Transmission of shares and debentures will be governed by the provisions of Section 109A and 109B of the ct as amended from time to time.
Nomination regulation to apply to deposits	79	The Provisions of the Article No. 78 shall apply mutatis mutandis to a deposit of money made with the Company as per Section 58A of the Act.
Refusal to register in case of transmission	80	The Directors shall have the same right to refusal to register a person entitled by transmission to any shares or his nominee as if he were the transferee named in the case of a transfer of shares presented for registration.
Directors to recognize beneficial owners of securities	75	a Notwithstanding anything contained in the Act or these Articles a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Securities on behalf of a Beneficial Owner. Save as otherwise provided hereinabove, the Depository as a registered owner shall not have any voting rights or any other rights in respect of Securities held by it, and the Beneficial Owner shall be entitled to all the

Title of Article		Article Number and contents
		rights and benefits and be subject to all the liabilities in respect of its Securities held by a Depository.
The Company is not liable for disregard of notice prohibiting registration of transfer	81	The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purported 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 same shares, notwithstanding that the Company may have had notice of such equitable right, title of interest or notice prohibiting registration of such transfer, and may have entered such notice or referred to it in any book, or attended or given effect to any notice which may have been given to it of any equitable right, title of 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 Directors shall so think fit.
Rights of successors	82	A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the shares, except that he shall not, before being registered as a Member in respect of the shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company: PROVIDED THAT the Directors shall, at any time, give notice requiring any such person to elect either to be registered himself/ herself or to transfer the shares, and if the notice is not complied within ninety days, the Directors may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the shares until the requirements of the notice have been complied with.

SHARE WARRANT

Title of Article		Article Number and contents
Powers of issue of share warrant	9	The Company may issue share warrant subject to, and in accordance with, the provisions of Sections 114 and 115 of the Act and accordingly the Board may in its discretion, with respect to any share which is fully paid up on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board from time to time, requires as to identify of the person signing the application on receiving the certificate (if any) of the share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.
Deposit of share warrant	10	<p>a The bearer of a share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposits, as if his name was inserted in the register of members as the holder of the share included in the deposited warrant.</p> <p>b Not more than one person shall be recognized as depositor of the share warrant.</p> <p>c The Company shall, on two days' written notice, return the deposited share warrant to the depositor.</p>
Bearer of share warrants to entitle for certain rights etc.	11	<p>a Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of Member at a meeting of the Company, or be entitled to receive any notices from the Company.</p> <p>b The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holders of the Share included in the Warrant and he shall be a member of the Company.</p>
Issue of new share warrants or coupon.	12	The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

Title of Article		Article Number and contents
Shares may be converted into stock	90	The Company in General Meeting may convert any paid-up shares into stock and when any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interest, in the same manner and subject to the same regulations, as and subject to which shares from which the stock arose might have been transferred, if

Title of Article		Article Number and contents
		no such conversion had taken place, or as near thereto as circumstances will admit. The Company may at any time reconvert any stock into paid-up shares of any denomination.
Rights of stock holders	91	The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

BORROWING POWERS

Title of Article		Article Number and contents
Borrowing powers	84	Subject to the provisions of Sections 292 and 293 and other applicable provisions of the Act, the Board of Directors may, from time to time at its discretion, be resolution at a meeting of the Board, accept deposits from Members, either in advance of calls or otherwise, and generally raise or borrow or secure the payment of any sum or sums of money for the purpose of the Company, Provided however, where 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 (not being reserves set apart for any specific purpose), the Board shall not borrow such moneys without the consent of the Company in General Meeting.
Payment or repayment of borrowed money	85	Subject to the provisions of Articles 8, the payment and 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, be resolution passed at a meeting of the Board and in particular, be the issue of bonds, debentures or debenture stock of the Company either unsecured or secured by a mortgage or charge over all or any part of the property of the Company (both present and future) including its uncalled capital for the time being, and debentures, debenture stock, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
Indemnity may be given	86	If the Directors or any one of them, the Managing Director or wholetime time Director or any other persons shall become personally liable for the payment of any sum primarily due from he Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or the Managing Director or Whole Time Director or person so becoming liable as aforesaid from any loss in respect of such liability, and may pay to such Directors or the Managing Director or Whole Time Director or such persons guaranteeing commission t such rate as may be fixed by the Board on the maximum amount guaranteed as may be agreed by him or them with the Board.
Terms of issue of Debentures	87	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 and 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 accorded by a special resolution.
Register of Mortgages etc. to be kept	88	The Board shall cause a proper Register to be kept in accordance with the provisions of Section 143 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company, and shall cause the requirements of Section 118,125,127 to 144 (both inclusive) of the Act in that behalf to be duly complied with, so far as they are required to be complied with by the Board.
Register and index of Debenture Holders	89	<p>a The Company shall, if at any time it issued debentures, keep a Register and Index of Debenture holders in accordance with section 152 of the Act. The Company shall have the power to keep in any State or country outside India a branch Register of Debenture holders resident in that State or country.</p> <p>b The Register and Index of beneficial owners maintained by a depository under section 11 of the Depositories Act, 1996 shall be deemed to be the Register and Index of Debenture-holders for the purposes of the Act and these Articles.</p>

MEETING OF MEMBERS

Title of Article		Article Number and contents
Annual General Meeting	92	The Company shall in each year hold a General Meeting as is Annual General Meeting

Title of Article		Article Number and contents
		in addition to any other meetings in that year.
Documents to be laid at the Annual General Meeting	99	At every Annual General Meeting of the Company there shall be laid on the table the Directors' Report and Audited Statement of Accounts, Auditors' Report (if not already incorporated in the Audited Statement of Accounts) and the Register of Directors' Shareholdings which shall remain open and accessible during the continuance of the meeting to any person having the right to attend the meeting.
Filling of Annual Return and Annual Account	100	The Board shall cause to be prepaid the Annual Return, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with the Section 159,161 and 220 of the Act.
When Annual General Meeting to be held	94	An Annual General Meeting of the Company shall be held within Six months after the expiry of each financial year. PROVIDED THAT not more than fifteen months shall elapse between the date of the one Annual General Meeting and that of the next.
Extension for holding the Annual General Meeting	95	Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 166(1) of the Act to extend the time within which any Annual General Meeting may be held
Extra-Ordinary General Meeting	93	All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.
	101	The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall also do so upon a requisition in writing by a 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.
Meeting called by requisitionists.	104	Any meeting called under the forgoing Articles by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meeting are to be called by the Board.
Directors to call meeting on receipt of requisition and in default requisitionists may call meeting.	103	Upon the receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting, and if they do not proceed within twenty-one date from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than forty-five days from the date of deposit of the requisition, the requisitionists, or such of their number as represent either a majority in value of the paid-up share capital held by all of them or not less than one-tenth of such of the paid-up share capital of the Company as is referred to in Section 169(4) of the Act, whichever is less may themselves call the meeting, but in either case, any meeting so called shall be held within three months from the date of the deposit of the requisition as aforesaid.
Requisition of Members to state the object of Meeting.	102	Any valid requisition so made by Member (s) must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and deposited at the Office: PROVIDED THAT, such requisitions may consist of several documents in like form, each sign by one or more requisitionists.
Notice of General Meeting.	105	a A General Meeting of the Company may be called by giving not less than twenty-one days notice in writing, but a General Meeting may be called after giving shorter notice if consent is accorded thereto:- (I) in the case of an Annual General Meeting, by all the members entitled to vote thereat ; and (ii) In the case of any other Meeting, by members of the Company holding not less than 95 percent, of such part of the paid up share capital of the Company as gives a right to vote at the Meeting.
		Provided that, where any members of the Company are entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those members shall be taken in to account for the purposes of this clause in respect of the former resolution or resolutions and not in respect of the latter,.
		b Notice of every Meeting of the Company shall specify the place and the date and hour of the meeting and shall contain a statement of the business to be transacted there at.
		c Such notice shall be given:- (I) To every member of the Company; in any manner authorised by clauses (1) to (5) of Articles 224 to 232. (ii) To the person entitled to share in consequence of the date or insolvency of a member by sending it through the post or by courier in a prepaid letter addressed to them by name; or by the title of representatives of the deceased, or assignees of the insolvent, or by any like description, at the address, if any, in India supplied for

Title of Article		Article Number and contents
		the purpose by the persons claiming to be so entitled or until such an address has been so supplied by giving the notice in any manner in which it might have been given if the date or insolvency had not occurred; and (iii) To the Auditor of Auditors for the time being of the Company in any manner authorised by Section 53 in the case of any member or members of the Company.
Notice to specify date, time, venue, etc.	96	Every Annual General Meeting shall be called for at a time during business hours, on a day that is not a public holiday, and shall be held at the office of the Company or at some other place within the City, Town or Village in which the office is situated as the Board may determine and the Notices calling the Meeting shall specify it as the Annual General Meeting.
Time for holding subsequent meeting may be decided.	97	The Company may in any one Annual General Meeting fix the time for its subsequent Annual General Meeting
Member, proxy and auditors entitled to attend meeting.	98	Every Member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor.
Business to be transacted at the General Meeting and nature thereof	108	In the case of an Annual General Meeting, if any business other than (I) the consideration of the Accounts, Balance Sheet and Reports of the Board of Directors and Auditors, (ii) the declaration of dividend, (iii) the appointment of Directors in place of those retiring, (iv) the appointment of, and fixing of the remuneration of, the Auditors, is to be transacted, and in the case of any other meeting, in any event, there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such items of business, including in particular the nature of the concern or interest, if any, therein of every Director, and the Manager (if any). Where any such item of Special Business relates to, or affects any other company, the extent of shareholding interest in such other company of every Director and the Manager, if any, of the Company shall also be set out in the statement if the extent of such shareholding interest is not less than 20 percent of the paid-up share capital of that other company. Where any item of business consists of the according of approval to any documents by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.
Meeting not to transact business not mentioned in notice	109	No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices, upon which it was convened
Omission to give notice not to invalidate a resolution passed	106	The accidental omission to give any such notice as aforesaid to any of the Members, or the Non-receipt thereof, shall not invalidate any resolution passed at any such meeting.
Circulation of Members resolution	107	Upon a requisition of members complying with Section 188 of the said Act the Directors shall duly comply with the obligations of the Company under the said Act relating to circulation of members resolutions and statements relating to such resolutions.
Quorum at General Meeting.	111	Five members present in person shall be a quorum for a General Meeting
Quorum if not present, meeting to be dissolved or adjourned	112	If, at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum is not present, the meeting, if 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 and at such other time and place in the city or town in which the Office of the Company is for the time being 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 quorum, and may transact the business for which the meeting was called.
Chairman of General Meeting.	113	The Chairman (if any) of the Board of Directors or in his absence the Vice-Chairman (if any) and in his absence the Managing Director (if any) of the Company shall be entitled to take the Chair at every General Meeting whether Annual or Extraordinary. If at any meeting such Chairman shall not be present within fifteen minutes of the time appointed for holding such meeting, or if such Chairman shall be unable or unwilling to take the Chair then the Directors present shall elect one of their number to be the Chairman of the Meeting and if no Director to be present or if all the Directors present decline to take the Chair, then the Members present shall elect one of their number to be Chairman.

Title of Article		Article Number and contents
Business confined to election of Chairman whilst chair vacant.	114	No business shall be discussed at any General Meeting except the election of a Chairman, whilst the Chair is vacant.
Chairman with consent may adjourn meeting.	115	The Chairman, with the consent of the Members, may adjourn any meeting from time to time and from place to place within the city, town or village in which the Office of the Company is situate, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
Notice of Adjournment.	116	Whenever any meeting is adjourned for thirty days or more, notice of such adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not to be necessary to give any notice of any adjourned meeting or of the business to be transacted at an adjourned meeting.
Questions at General Meeting how decided.	117	Before or on the declaration of the result of the voting on any resolution on a show of hand, 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-tenths 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 (or such other sum prescribed under the Act). The demand for a poll may be withdrawn at any time by the person or persons making the demand. Unless a poll is so demanded a declaration by the Chairman that a resolution has, on show of hands, been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the Minutes Book of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
Chairman's declaration of result of voting on show of hands	117	[...] Unless a poll is so demanded a declaration by the Chairman that a resolution has, on show of hands, been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the Minutes Book of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
Poll to be taken, if demanded	118	If a poll is demanded as aforesaid, the same shall, subject to Article 97 be taken at such time (not later than forty-eight hours from the time when the demand was made) and place in the city or town in which the Office of the Company is for the time being situate and either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment, or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The Demand for a poll may be withdrawn at any time by the person or persons who made the demand.
Cases when poll to be taken without adjournment	120	Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting forthwith.
Chairman's casting vote	122	In the case of an equality of votes, the Chairman shall both on a show of hands and at a poll (if any) have second or a casting vote in addition to the vote or votes to which he may be entitled.
Scrutineers at poll	119	Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a 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 the power at any time before the result of the poll is declared to remove a scrutineer from office and fill vacancies in the office of scrutineer arising from such removal or from any other cause.
Demand for poll not to prevent transaction of other business	121	The demand for a poll except on the questions 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.
Body Corporate deemed to be personally present.	110	A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act.

POSTAL BALLOT

Title of Article	Article Number and contents
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Title of Article		Article Number and contents
Certain resolutions to be passed by postal ballot	123	Notwithstanding anything contained in the preceding Articles, the Board or the Company may in the case of resolutions relating to such business as the Central Government may, by notification, declare to be conducted only by postal ballot shall get such resolution passed by means of postal ballot instead of transacting the business in a General Meeting of the Company. When the company requires to, or decides to, as the case may be, get a resolution passed by means of a postal ballot, the provisions of section 192A of the Act and such other rules and regulations framed there under from time to time shall be complied with.

VOTES OF MEMBERS

Title of Article		Article Number and contents
Members in arrears not to vote	124	No member shall be entitled to vote either personally or through postal ballot or by proxy at any General Meeting or Meeting of a class or shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, and has exercised, any right of lien.
Number of votes to which Member is entitled.	125	<p>a Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the Company, every Member shall be entitled to be present, and to speak and vote a such meeting, and on a show of hands every Member present in person shall have one vote irrespective of the number of shares held by a member.</p> <p>b and upon a poll at a meeting or through postal ballot if stipulated under the act or these articles every member entitled to vote and present in person (including a body corporate present as aforesaid) or by attorney or by proxy shall be entitled to vote and shall have the following rights:</p> <p>32. In respect of every Equity Share his voting right shall be in the same proportion as the capital paid-up on such Equity Share bears to the total paid up equity capital of the Company.</p> <p>33. In respect of every fully paid Cumulative Cumulative Convertible Preference (CCP) share and preference share his voting right shall be as provided in the Act.</p> <p>34. In respect of every other shares with or without voting rights or with disproportionate voting rights his voting right shall be as mentioned in the said class of shares.</p>
Casting of votes by a Member entitled to more than one vote	126	On a poll taken at a meeting of the Company or upon a postal ballot, a Member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.
Vote of Member of unsound mind or who is a minor	127	A Member of unsound mind or in respect of whom an Order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll or through postal ballot, by his committee or other legal guardian; and any such committee or guardian may, on poll, vote by proxy. If any shareholder be a minor, the vote in respect of his share or shares shall be by his guardian, or any of his guardians, if more than one, to be selected in case of dispute by the Chairman of the meeting.
Votes of joint Members	128	If there be joint registered holders of any shares, any one of such persons may vote at any meeting or may appoint another person (whether a Member or not) as his proxy in respect of such shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the meeting and, if more than one of such joint holders be present at any meeting, than one of the said persons so present whose name stands higher on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Provided always that a joint holder present at any meeting personally shall be entitled to vote in Preference to a joint holder present by an attorney duly authorized or by a proxy although the name of such joint holder present by an attorney or by proxy stands first or higher in the Register in respect of such shares, Several executors or administrators of deceased Member in whose name shares stand shall for the purpose of these Articles be deemed joint holders thereof.
Votes in respect of shares of deceased and insolvent Member	131	Any person entitled under the Transmission Clause (Article 77) to transfer any shares may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares: PROVIDED THAT forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote he shall satisfy the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

Title of Article		Article Number and contents
Voting in person or by proxy	130	Subject to the provisions of these Articles, votes may be given either personally or by proxy or through postal ballot. A body corporate being a Member may vote either by proxy or by a representative duly authorised in accordance with Section 187 of the Act and such representative shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual Member.
Votes in case of shares transferred	129	Any person entitled under Article 79 (transmission clause) to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote provided he shall satisfy the Directors of his right to transfer such shares and give such indemnify (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.

PROXIES

Title of Article		Article Number and contents
Members right to appoint proxy	132	Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (where a member or not) as his proxy to attend and vote instead of himself.
Appointment of proxy	133	Every proxy (whether a Member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a body corporate under the common seal of such corporation, or be signed by an officer or any attorney duly authorised by it, and any committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the meetings.
Proxy either for specified meeting or for a period	134	A Member may appoint a proxy either for the purpose of a particular meeting specified in the instrument and any adjournment thereof or a Member may appoint for the purpose of every meeting of the Company, or of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.
Proxy to vote both on show of hands and on a poll	135	A member present by proxy shall be entitled to vote both on a show of hands and on a poll.
Form of proxy	137	Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms set out in Schedule IX of the Act.
Validity of votes given by proxy notwithstanding death of Member	138	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or the revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the share in respect of which the vote is given: PROVIDED THAT no intimation in writing of the death or insanity, revocation or transfer shall have been received at the Office before the meeting.
Time for objection to vote	139	No objection shall be made to the validity of any vote, except at the meeting or poll at which such vote shall be tendered and every vote whether given personally or by proxy, not disallowed at such meeting or poll, shall be deemed valid for all purposes of such meeting or poll whatsoever. Objection as regards to voting by postal ballot should be raised before the scrutinizer submits its report.
Chairman of the Meeting to be the judge of the validity	140	a The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.
		b As regards to the validity of votes through postal ballot the scrutinizer shall be the sole judge and his decision shall be final and binding on the Chairman who declares the result of the postal ballots.
Deposit of instrument of appointment	136	The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy of that power or authority, shall be deposited at the Office not later than forty-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default, the instrument of proxy shall not be treated as valid.
Inspection of proxies	141	Every member entitled to vote at a meeting of the Company according to the provisions of these Articles on any resolution to be moved there at shall be entitled during the period beginning twenty-four hours before the time fixed for the commencement of the meeting and ending with conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of

Title of Article	Article Number and contents
	the Company, provided not less than three days notice in writing of the intention so to inspect is given to the Company.

DIRECTORS

Title of Article	Article Number and contents												
Number of Directors	144 Until other wise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors (excluding Directors appointed under Article 147) shall not be less than three nor more than twelve.												
Debenture Directors	145 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 acceptable to the Company. 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 nor be bound to hold any qualification shares.												
Nominee Directors	146 <table border="1"> <tr> <td>a</td><td>Notwithstanding anything to the contrary contained in these Articles, if any moneys shall be owing by the company to any public financial institutions (hereinafter collectively or individually referred to as "the Corporation"), or if the Corporation holds any shares/debentures in the company as a result of underwriting., or subscription pursuant to such underwriting or conversion of loan/debentures into equity capital of the Company or if any guarantee given by the Corporation in respect of any financial obligation or commitment of the Company remains outstanding, the Company amy be an agreement specifically entered into between itself and the Corporation give the Corporation a right to appoint one or more persons as Director (s) on the Board of Directors of the Company (each such director is hereinafter referred to as "the Nominee Director")</td></tr> <tr> <td>b</td><td>The Corporation may at any time and from time to time remove the Nominee Director appointed by itself and may, in the event of such removal and also in case of death or resignation of the Nominee Director, appoint another in his place and also fill any vacancy which may occur as a result of the Nominee Director ceasing to hold office for any reason whatsoever, such appointment of removal shall be made in writing by the Corporation and shall be delivered to the company at its office.</td></tr> <tr> <td>c</td><td>The Board of Directors of the Company shall have no power to remove the Nominee Director from office.,</td></tr> <tr> <td>d</td><td>Each such Nominee Director shall be entitled to attend all general meetings, Board Meetings and Meetings of Committees of which he is a member, and he and the Corporation appointing him shall also be entitled to receive notices of all such meetings.</td></tr> <tr> <td>e</td><td>The Nominee Directors so appointed as exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation is paid off or on the Corporation ceasing to hold Debentures/Shares in he company or on the satisfaction of the liability of the company arising out of any guarantee furnished by the Corporation.</td></tr> <tr> <td>f</td><td>Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligation as any other Directors of the Company.</td></tr> </table>	a	Notwithstanding anything to the contrary contained in these Articles, if any moneys shall be owing by the company to any public financial institutions (hereinafter collectively or individually referred to as "the Corporation"), or if the Corporation holds any shares/debentures in the company as a result of underwriting., or subscription pursuant to such underwriting or conversion of loan/debentures into equity capital of the Company or if any guarantee given by the Corporation in respect of any financial obligation or commitment of the Company remains outstanding, the Company amy be an agreement specifically entered into between itself and the Corporation give the Corporation a right to appoint one or more persons as Director (s) on the Board of Directors of the Company (each such director is hereinafter referred to as "the Nominee Director")	b	The Corporation may at any time and from time to time remove the Nominee Director appointed by itself and may, in the event of such removal and also in case of death or resignation of the Nominee Director, appoint another in his place and also fill any vacancy which may occur as a result of the Nominee Director ceasing to hold office for any reason whatsoever, such appointment of removal shall be made in writing by the Corporation and shall be delivered to the company at its office.	c	The Board of Directors of the Company shall have no power to remove the Nominee Director from office.,	d	Each such Nominee Director shall be entitled to attend all general meetings, Board Meetings and Meetings of Committees of which he is a member, and he and the Corporation appointing him shall also be entitled to receive notices of all such meetings.	e	The Nominee Directors so appointed as exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation is paid off or on the Corporation ceasing to hold Debentures/Shares in he company or on the satisfaction of the liability of the company arising out of any guarantee furnished by the Corporation.	f	Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligation as any other Directors of the Company.
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Appointment of Alternate Directors	147 <table border="1"> <tr> <td>a</td><td>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 meeting of he Board are ordinarily held.</td></tr> <tr> <td>b</td><td>An alternate Director so appointed shall not hold office as such for a period longer than that permissible to the original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to the State in which meeting of the Board are ordinarily held.</td></tr> <tr> <td>c</td><td>If the term of office of the Original Director is determined before he so returns to the State aforesaid, any provision automatic reappointment of retiring Directors in default of another appointment shall apply to the original Director and not to</td></tr> </table>	a	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 meeting of he Board are ordinarily held.	b	An alternate Director so appointed shall not hold office as such for a period longer than that permissible to the original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to the State in which meeting of the Board are ordinarily held.	c	If the term of office of the Original Director is determined before he so returns to the State aforesaid, any provision automatic reappointment of retiring Directors in default of another appointment shall apply to the original Director and not to						
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Title of Article		Article Number and contents	
			the alternate Director.
Appointment of Directors proportion to retire by rotation	148	a	Not less than two-thirds of the total number of Directors of the company shall: (I) be persons whose period of office is liable to determination by retirement of Directors by rotation; and (ii) save as otherwise expressly provided in the Act, be appointed by the Company in General Meeting.
		b	The remaining Directors of the Company shall also be appointed by the Company in General Meeting except to the extent that the Articles otherwise provide or permit.
Provision regarding Director retiring by rotation	149	a	Subject to provisions of Section 256 of the Act, 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.
		b	The Directors to retire by rotation at every Annual General Meeting shall be those who have longest in office since their last appointment, but as between persons who become Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.
		c	A Director retiring by rotation shall continue as a Director upto and throughout the Meeting at which he retires. All retiring Directors shall be eligible for re-election.
		d	(i) At the Annual General Meeting at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto. (ii) If the Place of a Director retiring by rotation is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next succeeding week which is not a public holiday, at the same time and place. (iii) If at the adjourned meeting also the place of a Director retiring by rotation is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless: (I) at the meeting or at the previous meeting a resolution for their appointment of such Director has been put to vote and lost; (ii) the retiring Director has, by a notice in writing addressed to the company or its Board of Directors, expressed his unwillingness to be so re-appointed . (iii) he is not qualified or is disqualified for appointment. (iv) a resolution, whether special or ordinary is required for his appointment or reappointment by virtue of any provisions of the Act.
Directors' power to fill casual vacancies	151		Subject to the provisions of Sections 262 and 264, the Board shall have power at any time and from time to time to appoint any person not being appointed as director under Section 274 of the Act to be a Director to fill a casual vacancy. Any person so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated by him.
Appointment of Additional Director	150		Subject to the provisions of Section 260 and 264, the Board shall have power at any time and from time to time to appoint any person not being disqualified from being appointed as Director under Section 274 of the Act to be an Additional Director, but so that the total number of Directors shall not any time exceed the maximum fixed under Article 144. Any such Additional Director shall hold office only up to the date of the next Annual General Meeting, but shall be eligible for appointment by the Company at that meeting as a Director.
Provision for appointment of Director other than retiring Director	152	a	Subject to the provisions of the Act and these articles, any person who is not a retiring Director shall be eligible for appointment to the Office of Director at any General or any General Meeting if he or any member intending to propose him, has atleast 14 clear days before the meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for that office as the case may be. The Company shall duly comply with the provisions of Section 257 of the Act for informing its members of the Director concerned.

Title of Article		Article Number and contents	
Consent to act as Director	152	b	Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 257, signifying his candidature for the office of a Director) proposed as candidate for the office of a Director shall sign and file with the company, his consent in writing to act as a Director, if appointed.
Provision for an advocate or CA or professional for time being be Director	153	a	Any advocate or solicitor or Chartered Accountant , Company Secretary or Cost Accountant or any professional who may for the time being be a Director of the Company.
		a	Shall be entitled to charge the Company, professional remuneration for all work done by him for or on behalf of the Company at the rate agreed upon and on such terms and conditions as may be agreed upon:
		b	Shall be entitled to vote on all resolutions on all matters in any way he thinks fit irrespective of the fact that he has advised upon or been concerned with any matters relating to the said resolution prior to the passing thereof or is likely to advise upon or may have to deal with matters relating to any resolution after the same has been passed;
		c	Shall not be liable or responsible for the day to day or routine management and running of the Company and its affairs including setting aside, appropriations or payment of any statutory dues by or on behalf of the Company; and
		d	Shall be indemnified by the Company in respect of fines or penalties that may be imposed upon him as a Director of the Company as a result of any act or omission of the Company and/or any of its Officers in failing to comply with any requirements of the law whether with regard to any payments to be made or otherwise howsoever, and also against all costs, charges and expenses that may be incurred by him in any proceeding against or relating to the said Professional Director in his capacity as a Director.
Qualification of Directors	154		A Director shall not be required to hold any qualification share, but shall be entitled to attend and speak at General Meetings.
Remuneration of Directors	155	a	Subject to the provisions of the Act, a Director, who is neither in the Whole-time employment nor a Managing Director, may be paid remuneration either:- (i) by way of monthly, quarterly or annual payment with the approval of the Central Government, or (ii) by way of commission if the Company by a special resolution authorizes such payment.
		b	The fee payable to a Director for attending a meeting of the Board or Committee thereof shall be decided by the Board, from time to time, within the maximum limit of such fees that may be prescribed under the Act or if not so prescribed, in such manner as the Company in General Meeting may from time to time determine.
Remuneration for extra services to Director's	157		Subject to the provisions of the Act and these articles, if any director be called upon to perform extra services or special exertion or efforts (which expression shall include work done by a Director as a member of any committee formed by the Directors), the Board may arrange with such director for special remuneration for such extra services or special exertions or efforts, either by a fixed sum or otherwise, as may be determined by the Board, and such remuneration may be either in addition to or in substitution for his remuneration above provided.
Travelling expenses incurred by Director not a bonafide resident or by Director going out on Company's business	156		The Board may allow and pay to any Director who is not a bonafide resident of the place where the meetings of the Board or committee or general body are ordinarily held and who shall come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation for traveling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as specified above; and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business, he shall be entitled to be paid and reimbursed any traveling or other expenses incurred in connection with the business of the Company.
Directors may act notwithstanding any vacancy	158		The continuing Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the minimum number fixed by Article 144 hereof, the continuing Directors not being less than two may act for the purpose of increasing the number of Directors to that number, or of summoning a General Meeting, but for no other purpose.
Directors may contract with	162	a	Except with the consent of the Board of Directors of the Company, a Director of the Company or his relative, a firm in which such a Director or relative is a partner, any other partner in such a firm, or a private company of which the

Title of Article		Article Number and contents	
Company			Director is a member or Director, shall not enter into any contract with the Company:- (I) for the sale, purchase or supply of any goods, materials or services; or (ii) for underwriting the subscription of any shares in, or debentures of the company.
	b		Nothing contained in sub-clause (1) shall effect: (I) the purchase of goods and materials from the Company, or the sale of goods and materials to the company, by any Director, relative, firm , partner or private company as aforesaid for cash at prevailing market prices; or (ii) any contract or contracts between the Company on he one side and such Director, relative, firm , partner or private company on the other for sale, purchase or supply of any goods, materials and services in which either the Company or the Director, relative, firm, partner or private company, as the case may be , regularly trades or does business. PROVIDED THAT, such contract or contracts do not relate to goods and materials the value of which, or services the cost of which exceed five thousand rupees (or such other amount prescribed under the Act) in the aggregate in any year comprised in the period of the contract or contracts.
	c		Notwithstanding anything contained in sub-clause (1) and (2) of the Article, a Director, relative, firm, partner or private company as aforesaid may, in circumstances of urgent necessity, enter, without obtaining the consent of the Board, into any contract with the Company for the sale, purchase or supply of any goods or materials or services, even if the value of such goods or cost of such services exceeds five thousand rupees (or such other amount prescribed under the Act) in the aggregate in any year comprised in the period of the contract; but in such a case, the consent of the board shall be obtained at a meeting within three months of the date on which the contract was entered into.
	d		Every consent of the Board required under this Article shall be accorded b a resolution passed at a meeting of the Board and not otherwise, and the consent of the Board required under sub-clause (1) of this Article shall not be deemed to have been given within the meaning of that sub-clause unless the consent is accorded before the contract is entered into or within three months of the date on which it was entered into.
	e		if the consent is not accorded to any contract under this Article, anything done in pursuance of the contract shall be voidable at the option of the Board.
Loans to Directors	163		Subject to the provisions of the Act, the Company may with the approval of the Board of Directors make loans to or give any guarantee or provide any security in connection with the loan made by any other person to Directors including managing director and Whole Time director and other employees.
Register of Contract in which Directors are interested.	166		The Company shall keep a Register in accordance with Section 301(1) and shall within the time specified in Section 301(2) enter therein such of particulars as may be relevant having regard to the application thereto of Section 297 or 299 of the Act as the case may be. The Register aforesaid shall also specify, in relation to each Director of the Company the names of the bodies corporate and firms of which notice has been given by him under section 299. The Register shall be kept at the office of the Company and shall be open to inspection at such office, and extracts may be taken therefrom and copies thereof may be required by any Member of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 163 of the Act shall apply accordingly.
Disclosure of interest by Directors	164	A	Every Director of the Company, who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement, or proposed contract or arrangement , entered into or to be entered into, by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board of Directors in the manner set out in section 299 of the Act.
		B	Nothing in sub-clause (1) of this Article shall apply to any contract or arrangement entered into or to be entered into between the Company and any other company, where any of the Directors of the company or two or more of the Directors together holds or hold not more than two per cent of the paid-up share capital in the other company.
Disclosure by Director of appointment in any	171		Every Director (including a person deemed to be a Director by virtue of the Explanation to sub-section (1)of Section 303 of the Act), Managing Director, Whole Time Director, Manager or Secretary of the Company shall, within twenty days of his appointment to, or as the case may be,

Title of Article		Article Number and contents	
other body corporate			relinquishment of any of the above offices in any other body corporate, disclose to the Company the particulars relating to his office in the other body corporate which are required to be specified under sub-section (1) of Section 303 of the Act.
When office of Directors to become vacant	159		Subject to Section 283 (2) of the Act, the office of a Director shall become vacant if:- A he is found to be of unsound mind by a Court of competent jurisdiction; or B he applies to be adjudicated an insolvent; or C he is adjudged an insolvent; or D he fails to pay any call made on him in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the date fixed for the payment of such call unless the Central Government has, by notification in the Official Gazette, removed the disqualification incurred by such failure; or E he absents himself from three consecutive meetings of the Board of Directors or from all meetings of the Board for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board; or F he becomes disqualified by an order of the Court under Section 203 of the Act; or G he (whether by himself or by any person for his benefit or on his account), or any firm in which he is a partner, or any private company of which he is a Director, accepts a loan, or any guarantee or security for a loan, from the Company in contravention of Section 295 of the Act; or H he acts in contravention of Section 299 of the Act; or I he is convicted by a Court of an offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than six months; or J having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company; or K he resigns his office by a notice in writing addressed to the Company.
Directors may resign on giving notice	160	A	A Director may at any time give a letter in writing to the Company of his desire to resign, and such resignation shall take effect from the date as specified in such letter and if nothing is mentioned, from the date of the meeting of the Board of Directors at which the said resignation is accepted.
Remove Director before expiry of term	161	A	The Company may subject to the provisions of Section 284 and other applicable provisions of the Act and these Articles remove any Director before the expiry of his period of office.
Interested Directors not to participate or vote in Board's proceedings			No Director shall, as a Director, take any part in the discussion of, or vote on any contract or arrangement entered into, or to be entered into, by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangement; not shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote, and if he does vote, his vote shall be void: PROVIDED, however, that nothing herein contained shall apply to :- any contract of indemnity against any loss which the Directors, of any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company. A B any contract or arrangement entered into or to be entered into with a public company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely:- (i) in his being:- (a) a Director of such Company; and (b) the holder of not more than shares of such number or value therein as is requests to qualify him for appointment as a Director thereof, he having been nominated as such Director by the Company, or (ii) In his being a Member holding not more than two per cent of its paid-up share capital.
Directors may be of Companies promoted by the Company	167		A Director may be or become a Director of any company promoted by the company, or in which it may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any benefits received as Director or shareholder of such company except in so far as Section 309(6) or section 314 of the Act may be applicable.
Company may increase or reduce the number of	168		Subject to Section 259 of the Act, the Company may, by ordinary resolution, from time to time , increase or reduce the number of Directors.

Title of Article		Article Number and contents	
Directors			
Register of Director etc, and notification of change to Registrar	170	A	The Company shall keep at its Office a Register containing the particulars of its Directors, Managers, Secretaries and other person mentioned in Section 303 of the Act, and shall otherwise comply with the provisions of the said Section in all respects.
Register of shares or debentures held by Directors	170	B	The Company shall in respect of each of its Directors keep at its Office a Register, as required by Section 307 of the Act, and shall otherwise duly comply with the provisions of the said Section in all respects.

MANAGING DIRECTOR

Title of Article		Article Number and contents	
Board may appoint Managing Director or Managing Directors	173		Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint from time to time any Director or Directors as Managing Director or Managing Directors or Whole Time Directors of the Company for such period and upon such terms and conditions as the Board thinks fit, and subject to the provisions of Article 175, the Board may by resolution vest in such Managing Director or Managing Directors or Wholetime Directors such of the powers hereby vested in the Board generally as it thinks fit and such powers may be made exercisable for such period or periods, and upon such conditions and subject to such restrictions as it may determine. The remuneration of a Managing Director or Wholetime Directors may be by way of monthly payment, fee for each meeting or participation in profits, bonus. Commission, or by any or all these modes, or any other mode not expressly prohibited by the Act.
Certain persons not to be appointed Managing Directors	176		The Company shall not appoint or employ, or continue the appointment or employment of, a person as its Managing or Whole-time Director who-
		a	Is an undischarged insolvent, or has at any time been adjudged an insolvent;
		b	suspends, or has at any time suspended, payment to his creditors, or makes, or has at any time made, a composition with them; or
		c	Is, or has at any time been, convicted by a Court of an offence involving moral turpitude.
Restriction Management	175		The Managing Director shall not exercise the powers to: -
		a	make calls on shareholders in respect of money unpaid on shares in the Company;
		b	issue debentures; and except to the extent mentioned in the resolution passed at the Board Meeting under Section 292 of the Act, shall also not exercise the powers to -
		c	borrow moneys, otherwise than on debentures;
		d	invest the funds of the Company ; and
		e	make loans.
Special position of Managing Director	177		A Managing Director's and/or Wholetime Director's shall not while he/she continues to hold that office be subject to retirement by rotation and he/she shall not be taken into account in determining the rotation of retirement of Directors or the number of Directors to retire but he/she shall, subject to terms of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company, and if he cases to hold the office of Director from any cause shall ipso facto and immediately cease to be a Managing Director or Wholetime Director.

MANAGER

Title of Article		Article Number and contents	
Manager to be appointed if Managing Director or Whole-time Director is not appointed	178		subject to the provisions of the Act, if a Managing Director or Whole Time Director has not been appointed as provided for in the Articles, the Board may appoint a Manager for such term and on such remuneration, which will be subject to the approval of Members, if required and upon such conditions as it may deem fit; and any manager so appointed may be removed by the Board.
Powers of the Manager	179		The Manager shall exercise such power or powers and for such period or periods and upon such conditions and subject to such restrictions as the Board may determine.

WHOLE TIME DIRECTOR

Title of Article		Article Number and contents
Board may appoint Managing Director or Managing Directors	173	Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint from time to time any Director or Directors as Managing Director or Managing Directors or Whole Time Directors of the Company for such period and upon such terms and conditions as the Board thinks fit, and subject to the provisions of Article 175, the Board may by resolution vest in such Managing Director or Managing Directors or Wholetime Directors such of the powers hereby vested in the Board generally as it thinks fit and such powers may be made exercisable for such period or periods, and upon such conditions and subject to such restrictions as it may determine. The remuneration of a Managing Director or Wholetime Directors may be by way of monthly payment, fee for each meeting or participation in profits, bonus. Commission, or by any or all these modes, or any other mode not expressly prohibited by the Act.

PROCEEDINGS OF THE BOARD OF DIRECTORS

Title of Article		Article Number and contents
Meeting of Directors	180	The Directors may meet together as a Board for the dispatch of business from time to time, and shall so meet at least once in every three months and at least four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings as they think fit. The provisions of this articles shall not be deemed to be contraened nearly by reason of the fact that a meeting of the Board which has been called in compliance with the terms herein mentioned could not be held for want of quorum.
Notice of Directors' Meeting	181	a Notice of every meeting of the Board of Directors of the Company shall be given in writing to every Directors of the Company shall be given in writing to every Director for the time being in India and at the usual address in India to every other Director,
		b Notice may be sent by cable or telex or e-mail,
		c Every notice convening a meeting of the Board of Directors shall set out the agenda of the business to be transacted thereat in sufficient detail and no item of business shall be transacted at such meeting, unless the same has been stated in sufficient detail in the said notice convening the meeting; PROVIDED THAT with the permission of the Chairman, any item of business not included in the agenda can be transacted at the meeting.
Quorum at Board meeting	184	Subject to Section 287 of the Act, the quorum for a meeting of the Board shall be one-third of its total strength excluding Directors, if any, whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one, or two directors, whichever is higher: PROVIDED THAT where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of Directors who are not interested , present at the meeting being not less than two, shall be the quorum during such time.
Adjournment of meeting for want of quorum	185	If a meeting of the Board cannot be held for want of quorum, then the meeting shall adjourned to such other day, time and place as the Director or Directors present at the meeting may fix thereof.
When meeting to be convened	186	A director may, at any time, and the Secretary shall, as and when directed by a Director to do so, convene a meeting of the Board by giving a notice in writing to every Director as provided in Article 181.
Chairman	187	The Board may elect a Chairman of their meetings and determine the prior for which he is to hold office. If no such Chairman is elected, or if at any meeting the Chairman is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to preside, the Directors present may choose one of their numbers to be Chairman of such meeting.
Questions at Board Meetings how to be decided	188	Questions arising at meeting of the Board of Directors or a Committee thereof shall be decided by a majority of the votes and in the case of an equality of votes the Chairman shall have a casting vote.
Powers of Board Meeting	189	A meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act or the Articles of the Company are for the time being vested in or exercisable by the Board generally.
Directors may appoint Committee	190	Subject to the restrictions contained in Sections 292 and 292A of the Act, the Board may delegate any of their powers to Committees of the Board consisting of such member or members of its body as it thinks fit: and it may from time to time, revoke and discharge any such Committee of the Board either wholly or in part and either as to persons or purposes.

Title of Article		Article Number and contents	
			Every Committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may, from time to time, be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.
Meeting of Committee how to be governed	191		The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not suspended by any regulation made by the Directors under the last preceding Article
Board may authorize Director, Managing Director, Whole Time Director, Manager, Secretary or any other person.	192		The Board may authorize or empower any Director or Directors, Managing Director, Whole Time Director, Manager or secretary of the Company either by name, or otherwise or any person or persons either singly or jointly to exercise or perform all any of the powers including the power to sub-delegate authorities and duties conferred or imposed on the Directors by law or articles of association subject to such restrictions and conditions, if any, and either generally or in specific cases, as the Board may think proper.
Resolution by circulation	193	a	No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors, or to all the Members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be), and to all other Directors or members of the Committee, t their usual address in India and has been approved by such of the Directors or members of the Committee as are then in India, or by a majority of such of them, as are entitled to vote on the resolution.
		b	A Resolution passed by circular in accordance with the provisions of the Act and the provisions of this Article be valid and effectual as a Resolution duly passed at a meeting of the Board or of a committee duly called and held.
		c	Subject to the Provisions of the Act, a statement signed by a director, Secretary or other person authorised in that behalf by the Board certifying the absence from India of any Directors shall for the purposes of this Articles be prima facie conclusive
Acts of Board of Committee valid notwithstanding informal defect in appointment	194		All acts done by any meeting of the Board, or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in appointment of such Director or persons acting as aforesaid, or that they, or any of them, were disqualified Or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or these Articles, be as valid as if every such person had been duly appointed. And was qualifying to be a Director and had not vacated his office or his appointment had not been terminated: PROVIDED THAT nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.
Board Meeting through video/audio	182		In terms of the Act or other applicable laws, to permit the participation of Directors in meetings of the Board otherwise through physical presence, the Board or its members, may from time to time decide to conduct discussions through audio conferencing, video conferencing or net conferencing and directors shall be allowed to participate from multiple locations through modern communication equipments for ascertaining the views of such Directors as have indicated their willingness to participate by audio conferencing, video conferencing or net conferencing, as the case may be.
Regulations for meeting though video conferencing	183		<p>The rules and regulations for the conduct of the meetings of the Board, including for matters such as quorum, notices for meeting and agenda, as contained in these Articles or in the Act, insofar as applicable, shall apply to discussions through audio conferencing, video conferencing or net conferencing, as the case may be.</p> <p>Upon the discussions being held by audio conferencing, video conferencing or net conferencing, as the case may be, the Chairman or the Secretary shall record the deliberations and get confirmed the views expressed, pursuant to a circular resolution or by a subsequent meeting of the Directors to reflect the decision of all the Directors participating in such discussions.</p> <p>Subject to provisions of Section 285 and 287 of the Act, a Director may participate in and vote at a meeting of the Board by means of a telephone, video conferencing or similar communications equipment which allows all persons participating in the meeting to hear each other and record the deliberations. Where any director participates in a meeting of the Board by any of the means above the Company shall ensure that such director is provided with a copy of all documents referred to during such Board meeting prior to the commencement of this Board Meeting.</p>

Title of Article		Article Number and contents	
Minutes of proceedings of the Board	pf 195	a	The Company shall cause minutes of all proceedings of every meetings of the Board and Committee thereof to be kept by making within thirty days of the conclusion of every such meeting entries thereof in books kept for that purpose with their pages consecutively numbered.
		b	Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
		c	In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid be pasting or otherwise.
		d	The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
		e	All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.
		f	The minutes shall also contain – (i) the names of the Directors present at the meeting : and (ii) in the case of each resolution passed at the meeting, the names of the Directors, if any, dissenting from, or not concurring with the resolution.
		g	Nothing contained in sub-clauses (a) to (f) shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairman of the meeting – (i) is, or could reasonably be regarded as, defamatory of any person; (ii) is irrelevant or immaterial to the proceedings; or (iii) is detrimental to the interests of the Company. The chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this sub-clause.
		h	The Board or Committee of Directors shall have power to maintain or record proceedings of the meetings in digital form or electronic form and to authenticate the same by digits signatures as may be allowed under the Act or Information Technology Act or any other law.
		i	Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.

POWERS OF THE BOARD

Title of Article		Article Number and contents	
Powers of Directors	196		The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act, or by the Memorandum or Articles of the Company, required to be exercised or done by the Company in General Meeting, subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations or provisions, as may be prescribed by the Company in General Meeting: but no regulation made by the Company in General Meeting shall invalid any prior act of the \board which would have been valid if that regulation had not been made : PROVIDED THAT the Board shall not, except with the consent of the Company in General Meeting :-
		a	sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking ;
		b	remit, or give time for the repayment of, any debt due by a Director ;
		c	invest otherwise than in trust securities, the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertaking as is referred to in clause (a), or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time ;
		d	borrow moneys where the moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital

Title of Article	Article Number and contents
	<p>of the Company and its free reserves; that is to say, reserves not set apart for any specific purpose;</p> <p>e contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed fifty thousand rupees, or five per cent of the average net profits as determined in accordance with the provisions of Section 349 and 350 of the Act during the three financial years, immediately preceding, whichever is greater.</p>
Certain powers to be exercised by the Board only at Meetings	<p>197 Without prejudice to the general powers conferred by the preceding Articles and so as not in any way to limit or restrict those powers and without prejudice to the other powers conferred by these Articles, it is hereby declared that the Directors shall have the following powers, that is to say, power</p> <ol style="list-style-type: none"> 1 To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 76 and 208 of the Act. 2 Subject to Sections 292 and 297 of the Act, to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or other acquisition to accept such title s the Directors may believe or may be advised to be reasonably satisfactory; 3 At their discretion and subject to the provisions of the Act, to pay for any property, rights or privileges acquired by, or services rendered to, the Company either wholly or partially, in cash or in Shares, bonds, debentures, or other securities of the Company, and any such shares may be issued either as fully paid-up or with such amount credited as paid-up thereon as may be agreed upon, and any such bonds, debentures, mortgages or other securities may be either specially charged upon all or any part of the property of the Company and its uncalled capital or not so charged ; 4 To erect and construct, on the said land or lands, buildings, houses, warehouses and sheds and to alter, extend and improve the same, to let or lease the property of the Company, in part or in whole for such rent and subject to such conditions, as may be thought advisable; to sell such portions of the land or buildings of the Company as may not be required for the Company; to mortgage the whole or any portions of the property of the company for the purposes of the Company; to sell or any portion of the machinery or stores belonging to the Company. 5 To secure the fulfillment of any contract or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit; 6 To insure and keep insured against loss or damage by fire or otherwise for such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other movable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power. 7 To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit. 8 To accept from any Member, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed; 9 To appoint any person to accept and hold in trust for the Company any property belonging to the Company, in which it is interested, or for any other purposes and to execute and do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trust or trustees. 10 To institute, conduct, defend, compound, or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company, and also to compound, compromise and allow time for payment. 11 To act on behalf of the Company in all matters relating to bankrupts and insolvents; 12 To make and give receipts, releases, and other discharges for moneys payable to the Company and for the claims and demands of the Company; 13 Subject to the provisions of Sections 292,295,372A of the Act, to invest and deal with any moneys of the Company not immediately required for the purposes thereof upon such security (not being shares of this Company), or without security and in such manner as they may think fit, and from time to time to vary or realize such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.

Title of Article	Article Number and contents
	Notwithstanding anything contained in the Act or these Articles, the Company can hold investments in the name of a Depository when such investments are in the form of securities held by the Company as a beneficial owner.
	14 To execute, in the name and on behalf of the Company, in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions covenants and agreements as shall be agreed upon;
	15 To determine from time to time who shall be entitled to sign, on the Company's behalf bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose;
	16 To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company, and to give to any officer or other person employed by the Company a commission on the profits of any particular business or transaction; and to charge such bonus or commission as part of the working expense of the Company;
	17 To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwellings or chawls, or by grants of money, pension, gratuities, allowances, bonus or other payments, or by creating, and from time to time subscribing or contributing to provident and other funds, associations, institutions or trusts and by providing or educational Institutions and recreation, hospitals and dispensaries, medical and other attendance and other assistances as the Board shall think fit; and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise;
	18 Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to a Depreciation Fund, or to an insurance Fund, or as a Reserve Fund or Sinking Fund or any Special Fund to meet contingencies or to repay redeemable preferences shares, debentures or debenture stock, or for special dividends or for equalizing dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purposes referred to in the preceding clause), as the Board may, in their absolute discretion, think conducive to the interest of the Company, and subject to Section 292 of the Act, to invest the several sums so set aside or so much thereof as required to be invested, upon such Investments (other than shares of the company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board, in their absolute discretion, think conducive to the interest of the Company notwithstanding that the matters to which the Board apply or upon which they expend the same, or any part be matters to or upon which the capital moneys of the Company might rightly be applied or expended and to divide the Reserve Fund into such special funds as the Board may think fit, with full power to transfer the whole or any another Reserve Fund or division of a Reserve Fund to portion of a Reserve Fund or division of a Reserve Fund and with full power to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the Company or in the purchase or repayment of debentures or debenture stock, and without being bound to keep the same separate from the other assets, and without being bound to pay interest on the same with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper;
	19 To appoint, and at their discretion remove or suspend such general managers, managers, secretaries, assistants, supervisors, clerks, agents, and servants for permanent temporary or special services as they may from time to time think fit, and to determine their powers and duties and fix their salaries or emoluments or remunerations, and to require security in such instances and to to such amounts as they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit; and the provisions contained in the three next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause;
	20 From time to time and at any time to establish any local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person to be members of such local Board and to fix their remuneration;

Title of Article	Article Number and contents
	<p>21 Subject to the provisions of the Act, from time to time and at any time, to delegate to any such local Board, or any member or members thereof or any managers or agents so appointed any of the powers, authorities, and discretions for the time being vested in the Board, and to authorize the members for the time being of any such local Board, or any of them to fill up any vacancies, therein and to act notwithstanding vacancies and any such appointment or delegation under the preceding and this sub-clause may be made on such terms and subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annual or vary any such delegation;</p>
	<p>22 At any time and from time to time by Power of Attorney under the Seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also, except in their limits authorised by the board, the power to make loans and borrow moneys)</p> <p>And for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favour of the members or any of the members of any local Board, established as aforesaid or in favour of any company, or the share-holders, directors, nominees, or managers of any company or firm or otherwise in favour of any fluctuating body or persons whether nominated directly or indirectly by the Board and any such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such Attorney as the Board may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them;</p>
	<p>23 To apply for, promote and obtain any act, charter, privilege, concession, license, authorisation, if any, Government, State or Municipality, provisional order or licenses of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly to indirectly to prejudice the Company's interests.</p>
	<p>24 Subject to Sections 294 and 297 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company, to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts deeds and things in the name and on behalf of the Company as they may consider expedient;</p>
	<p>25 From time to time to make, vary and repeal bye-laws for the regulations of the the business of the Company, its officers and servants.</p>

MINUTES OF GENERAL MEETINGS

Title of Article	Article Number and contents
Minutes of General Meetings and inspection thereof by Members	<p>142 a The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.</p> <p>b Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.</p> <p>c In no case the minutes of proceedings of a meeting shall be attached to any such books as aforesaid by pasting or otherwise.</p> <p>d The minute of each meeting shall contain a fair and correct summary of the proceedings thereat.</p> <p>e All appointments of officers made at any meeting aforesaid shall be included in the minutes of the meeting.</p> <p>f Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting (a) is or could reasonably be regarded as defamatory as defamatory of any person, or (b) is irrelevant or immaterial to the proceedings, or (c) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or</p>

Title of Article		Article Number and contents	
			non-inclusion of any matter in the minutes on the aforesaid grounds.
		g	Any such minutes shall be evidence of the proceedings recorded therein. Any entry in the Minutes Book as regards to declaration of results through postal ballot on the basis of the report submitted by the scrutinizer shall be valid and binding and will be treated as if the meeting was duly held.
		h	The book containing the minutes of proceedings of General Meetings shall be kept at the Office of the Company and shall be open during business hours, for such periods not being less, in the aggregate, than two hours in each day, as the Directors determine, to the inspection of any Member without charges.
		i	Any Member shall be entitled to be furnished, within seven days after he has made a request in that behalf to the Company, with a copy of any minutes referred above on payment of such charges as may be decided by the Board of Director within the provisions of the Act.
		j	The minutes of the meetings may be maintained in the books in the form of a binder containing loose leaf with a locking device or such other form as may be prescribed by the Central Government.

THE SECRETARY

Title of Article		Article Number and contents	
Appointment of Secretary	221	a	The Managing director or Whole Time Director or the board of Directors may from time to time appoint a Secretary and may from time to time remove or dismiss him from office and appoint another in his place, and fix the remuneration of such Secretary, which may be by way of salary, or commission or participation in profits, or by any or all of these modes and may also from time to time appoint a temporary substitute for the Secretary, who shall be deemed to be the Secretary during the term of his appointment. The Secretary may be one of the Directors of the Company.
		b	The Secretary for the time being shall exercise and perform all powers authorities, discretions, and duties as may from time to time be vested in conferred upon assigned to him by the Directors appointing him, or by these presents.

THE SEAL

Title of Article		Article Number and contents	
The Seal its custody and use	222	a	The Board shall provide a Common Seal for the purposes of the Company, and shall have power, from time to time, to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the seal shall never be used except by the authority of the Board or a Committee of the Board previously given.
		b	The Company shall also be at liberty to have an official Seal in accordance with Section 50 of the Act, for use in any territory, district or place outside India.
	223		Every deed or other instrument, to which the Seal of the Company is required to be affixed, shall, unless the same is executed by a duly constituted attorney, be signed by two Directors or one Director and Secretary or some other person appointed by the Board for the purpose: PROVIDED THAT in respect of the Share Certificate, the Seal shall be affixed in accordance with Article 31(a).

DIVIDENDS

Title of Article		Article Number and contents	
Division of profits and dividends in proportion to amount paid-up.	198	a	The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles and subject to the provisions of theses Articles, shall be divisible among the Members in proportion to the amount of capital paid-up or credited as paid –up on the shares held by them respectively.
		b	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portions or portions of the period in respect of which the dividend is paid, but if any shares is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.
The Company in General Meeting may declare a	199		The Company in General \meeting may declare dividends to be paid to 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.

Title of Article		Article Number and contents	
dividend			
Dividend at Extraordinary General Meeting.	200	The Board may declare dividend in relation to any year by an Extraordinary General Meeting in addition to what has already been declared in the last Annual General Meeting.	
Dividends only to be paid out of profits	201	a	No dividend shall be declared or paid by the Company for any financial year except out of its profits or any other undistributed profits except as provided in SECTION 205 OF THE Act.
		b	Where, owing to inadequacy or absence of profits in any year, the /company proposes to declare dividend out of the accumulated profits earned by it in previous years and transferred to reserves, such declaration of dividend shall not be made except in accordance with such rules as may be made in that behalf by the Government and under the Act.
Interim dividend	202	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 at interest not to earn dividend	203	Where capital is paid in advance of calls, such capital may carry interest but shall not in respect thereof confer a right to dividend or participate in profits.	
Retention of dividends until completion of transfer under Articles 62 and 63	204	The Board may retain the dividends payable upon shares in respect of which any person is, under Articles 76 and 77 entitled to become a Member, or which any person under those Articles is entitled to transfer, until such person shall become a Member in respect of such shares or shall duly transferred the same.	
No Member to receive dividend whilst indebted to the Company and Company's right of re-imbursement thereout	206	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.	
Transfer of shares must be registered	207	a	A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer. Provided that where any instrument of transfer of shares has been delivered to the Company for registration and the transfer of such shares has not been registered by the Company, it shall:- transfer the dividend in relation to such shares to the special account referred to in Section 205A of the Act unless the Company is authorised by the registered holder of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer, and
		b	keep in abeyance in relation to such shares any offer of rights shares under clause (a) of sub-section (1) of Section 81 of the Act and any issue of fully paid-up bonus shares in pursuance of sub-section (3) of Section 205 of the Act.
Dividend etc.to joint holders	205	Any one of several persons who are registered as the joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends or bonus or other moneys payable in respect of such shares.	
Dividends how remitted	208	a	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 or courier to the registered address of the Member or person entitled or in case of joint holders to that one of them first named in the Register. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
		b	The Company shall not be liable or 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 endorsement of any cheque or warrant or the forged endorsement of any pay slip or receipt or the fraudulent recovery of the dividend by any other means.
Payment of dividend, interests or other monies through electronic transfer	209	Notwithstanding anything contained in Article 212, the Company may pay dividend, interest or other monies payable to the member's by electronic transfer of funds to the bank account of the member's entitled to the dividend, interest or other monies or according to the order of such member.	
No interest on dividends	210	No unpaid dividend shall bear interest as against the Company subject to the provisions of Act.	
Dividend and call together	211	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 be made payable at the same time	

Title of Article		Article Number and contents	
			as the dividend, and the dividend may, if so resolved by the Company in general Meeting, be set off against the Calls.
Unclaimed dividend	212	a	Subject to Article 57, no unclaimed or unpaid dividend shall be forfeited by the Board and all unclaimed dividends shall be dealt with in accordance with the provisions of Section 205A of the Act.
		a	Any money transferred to the unpaid dividend account of the Company, which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company to 'Investor Education and Protection Fund" established under Section 205C of the Act.
Special provisions in reference to dividends.	213		Subject to the provisions of Section 205 of the and if and in so far as may not be prohibited by that Section or any other provision of the Act, any General Meeting sanctioning or declaring a dividend in terms of these Articles may direct payment of such dividend wholly or in part, by the distribution of (a) partly or fully paid-up shares, (b) debenture-stock (c) any specific assets or property of the Company, or in any one or more of such direction and where any difficulty arises in regard to the distribution they may settle the same as they think expedient, and in particular may issue fractional certificates and may fix the value for distribution of such specific assets or any part thereof and may determine that cash payment shall be made to any members upon the footing of the value so fixed, or that fractions of value less than Rupee one may be disregarded, in order to adjust the rights of the parties and may vest any such shares, debentures debenture-stock or specific assets in trustees upon such trust for the persons entitled to the dividends as may seem expedient to the Directors, where required the Directors shall comply with Section 75 of the Act and the Directors may appoint any person to sign any contract thereby required on behalf of the persons entitled to dividend and such appointment shall be effective.

CAPITALISATION

Title of Article		Article Number and contents	
Capitalisation	214	a	Any General Meeting of the Company may resolve that any amounts standing to the credit of the Share Premium Account or the Capital Redemption Reserve Account or Capital Reserve Account or any moneys, investments or other assets forming part of the undivided profits including profits or surplus moneys arising from the realization and (where permitted by the law) from the appreciation in value of any capital assets of the Company standing to the credit of the General Reserve or any other Reserve or Reserve Fund or any other Fund of the Company and available for dividend be capitalized:- <ul style="list-style-type: none"> (i) by the issue and distribution, as fully paid-up shares and to the extent permitted by the Act, debentures, debenture stock, bonds or other obligations of the Company; or (ii) by crediting shares of the Company, which may have been issued and are not fully paid-up, with the whole or any part of the sum remaining unpaid thereon: PROVIDED THAT any amounts standing to the credit of the Share Premium Account or the Capital Redemption Reserve Account shall be applied only in crediting the payment of capital on shares to be issued to Members as fully paid bonus shares.
		b	Such issue and distribution under sub-clause (1) (a) of this Article and payment to the credit of unpaid share capital under sub-clause (1)(b) of this Article shall be made to among and in favour of the Members or any class of them or any of them entitled thereto and in accordance with their respective rights and interests and in proportion to the amount of capital paid-up on the shares held by them respectively in respect of which such distribution or payment shall be made, on the footing that such Members become entitled thereto as capital.
		c	The Directors shall give effect to any such resolution and shall apply such profits, General Reserve, other Reserve or any other Fund or account as aforesaid as may be required for the purpose of making payment in full of the shares, debentures, debenture stock, bonds or other obligations of the Company so distributed under sub-clause (1) (a) of this Article or (as the case may be) for the purpose of paying, in whole or in part, the amount remaining unpaid on the shares which may have been issued and are not fully paid-up under sub-clause (1)(b) above: PROVIDED THAT no such distribution or payment shall be made unless recommended by the Directors, and, if so recommended, such distribution and payment shall be accepted by such Members as aforesaid in full satisfaction of their interest in the said capitalised fund.
		d	For the purpose of giving effect to any such resolution, the Directors may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as they think expedient, and, in particular, they may issue fractional certificates and may fix the value for distribution of

Title of Article	Article Number and contents
	any specific asset and may determine that any cash payment be made to any Members on the footing of the value so fixed and may vest any such cash, shares, debentures, debenture stock, bonds or other obligations in trustees upon such trusts for the persons entitled thereto as may seem expedient to the Directors, and generally may make arrangement for the acceptance, allotment and sale of such shares, debentures, debenture stock, bonds or other obligations and fractional certificates or otherwise as they may think fit.
	e When deemed requisite, a proper contract shall be filed in accordance with the Act and the Board may appoint any person to sign such contract on behalf of the Members entitled as aforesaid and such appointment shall be effective.
	f Subject to the provisions of the Act and these Articles, in cases where some of the shares of the Company are fully paid and others are partly paid, such capitalization may be effected by the distribution of further shares in respect of the fully paid shares and by crediting the partly paid shares with the whole or part of the unpaid liability thereon, but so that as between the holders of the fully paid shares and the partly paid shares, the sums so applied in the payment of such further shares and in the extinguishments or diminution of the liability on the partly paid shares shall be applied pro rata in proportion to the amount then already paid or credited as paid on the existing fully paid and partly paid shares respectively.

ACCOUNTS

Title of Article	Article Number and Contents
Directors to keep true accounts	<p>215 a The Company shall keep at the Office or at such other place in India as the Board thinks fit proper Books of Accounts in accordance with Section 209 of the Act with respect to-</p> <ul style="list-style-type: none"> (i) all sums of money received and expended by the Company and the matters in respect of which the receipts and expenditure take place; (ii) all sales and purchases of goods by the Company; (iii) the assets and liabilities of the Company. <p>b Where the Board decides to keep all or any of the Books of Account at any place other than the Office of the Company, the Company shall within seven days of the decision or such time as may be permissible under the Act, file with the Registrar a Notice in writing giving the full address of that other place.</p> <p>c The Company shall preserve in good order the Books of Account relating to a period of not less than eight years preceding the current year together with the vouchers relevant to any entry in such Books of Account.</p> <p>d Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper Books or Account relating to the transactions effected at the branch office are kept at the branch office and proper summarized returns, made up-to-date at intervals of not more than three months, are sent by the branch office to the Company at its Office or other place in India, at which the Company's Books of Account are kept as aforesaid.</p>
Books of accounts open to the inspection of the Directors	218 Books of accounts maintained and kept at the Office or Branch Office or any place shall be open to the inspection of the Directors during business hours upon the intimation in writing to the Company
Statement of Accounts to be furnished to General Meeting	216 The Directors shall, from time to time, in accordance with Sections 210, 211, 212, 215, 216 and 217 of the Act cause to be prepared and to be laid before the Company in General Meeting, such Balance Sheets, Profit and Loss Accounts and Reports as are required by these Section.
Copies shall be sent to each Member	217 Subject to the provisions of section 219 of the Act, a copy of every Profit and Loss Account and Balance Sheet (including the Auditors' Report and every other document required by law to be annexed or attached to the Balance Sheet) or a Statement containing the salient features of such documents in the prescribed form under the Act shall at least twenty-one days before the meeting at which the same are to be laid before the members, be sent to the members of the Company, to every trustee for the holders of any debentures issued by the Company.

AUDIT

Title of Article	Article Number and Contents
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Appointment of Auditors	219	The Auditors of the Company shall be appointed, their remuneration shall be fixed, their rights, duties and liabilities shall be regulated, and their qualifications and disqualifications shall be in accordance with the provisions of Section 224 to 233 of Act.
Accounts when audited and approved to be conclusive except as to errors discovered	220	Every account of the Company when audited and adopted by a General Meeting shall be conclusive except as regards any error discovered therein after the adoption thereof. When any such error is discovered the account shall forthwith be corrected and henceforth shall be conclusive.

DOCUMENTS AND NOTICES

Title of Article		Article Number and Contents
Manner of service of documents or notices on Members by Company	224	A document or notice may be served or given by the Company on or to any Member either personally or by sending it by post or by courier to him to his registered address or (if he has no registered address in India) to the address, if any, in India supplied by him to the Company for serving documents or notices on him. Duplicate copies of documents and notices shall at the Members cost be sent if so required by foreign Shareholder/Member by registered air-mail or by cable confirmed by air-mail to members whose primary residence is outside India.
When notices or documents served on Members	225	Where a document or notice is sent by post or by courier, service of document or notice shall be deemed to be effected by properly addressing, prepaying and posting or handing over a letter containing the document or notice: PROVIDED THAT where a Member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by a registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the documents or notice shall be effected in the manner intimated by the Member, and such service shall be deemed to have been effected in the case of a notice of a meeting, at the expiration of forty-eight hours after the letter containing the document or notice is posted or couriered and in any other case, at the time at which the letter would be delivered in the ordinary course of post or by courier.
Notices or documents served by Advertisement	226	A document or notice advertised in a news-paper circulating in the neighborhood of the Office shall be deemed to be duly served or sent on the day on which the advertisement appears to every Member who has no registered address in India and has not supplied to the Company an address within India for serving of documents on or the sending of notices to him.
Notices or documents served on personal representatives etc.	228	A document or notice may be served or given by the Company on or to the persons entitled to a share in consequence of the death or insolvency of a Member by sending it through the post or by courier in prepaid letter addressed to them by name or by the title of representative of the deceased, or assignee of the insolvent or by any like description, at the address (if any) in India supplied for the purpose by the persons claiming to be entitled, or until such an address has been so supplied by serving the document or notice in any manner in which the same might have been given if the death or insolvency had not occurred.
To whom documents or notices must be served or given	229	Documents or notices of every General Meeting shall be served or given in same manner hereinbefore authorised on or to (a) every Member, (b) every person entitled to a share in consequence of the death or insolvency of a Member, and (c) the Auditor or Auditors for the time being of the Company.
Members bound by documents or notices served on or given to previous holders	230	Every person who, by operation of law, transfer or other means whatsoever, shall become entitled to any share, shall be bound by every document or notice in respect of such share, which previously to his name and address being entered on the Register of Members, shall have been duly served on or given to the person from whom he derives his title to such shares.
Service of document or notice by Member	232	All documents or notices to be served or given by Members on or to the Company or any officer thereof shall be served or given by sending it to the Company or Officer at the Office by post under a certificate of posting or by registered post, or by leaving it at the office. Where the securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.
Documents or notice by Company and signature	231	Any documents or notice to be served or given by the Company may be signed by a Managing Director or Executive Director or Director or Secretary or some person duly

thereto	authorised by the Board of Directors for such purpose and the signature thereto may be written, printed or lithographed or reproduced in any other form.
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REGISTERS

Title of Article		Article Number and Contents
Register and Index of Members	13	<p>a The Company shall cause to be kept a Register and Index of Members in accordance with sections 150 and 151 of the Act and the Depositories Act, 1996. The details of shares held in physical and dematerialised forms may be maintained in a media as permitted by law including in any form a electronic media</p> <p>b Notwithstanding anything contained in the Act or these Articles, where Securities are held by a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs or any such other means.</p>
Branch Register of Members and Security holders	15	The Company shall be entitled to keep in any state or country outside India a branch Register (foreign register) of Members and security holders resident in that state or country

WINDING UP

Title of Article		Article Number and Contents
Distribution of assets	235	If upon the winding up of the Company, the surplus assets shall be more than sufficient to repay the whole of the paid up capital the excess shall be distributed amongst the members in proportion to the capital paid or which ought to have been paid on he shares at the commencement of the winding up held by them respectively, other than the amounts paid in advance of calls. If the surplus assets shall be insufficient to repay the whole of the paid-up – capital, such surplus assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid or which ought to have been paid-up at the commencement of the winding up on the shares held by them respectively other than the amounts paid by them in advance of calls. But this Article is without prejudice to the rights of the holders of any shares issued upon special terms and conditions and shall not be construed so as to or be deemed to confer upon them any right greater than those conferred by the terms and conditions of issues.
Distribution in specie or kind	236	<p>If the Company shall be wound-up whether voluntarily or otherwise, the following provisions shall take effect.</p> <p>a The liquidator may, with the sanction of a Special Resolution divide among the contributories in specie or kind any part of the assets of in trustees upon such trust for the benefit of the contributories or any of them , as the Liquidator with the like sanction shall think fit.</p> <p>b If thought fit any such division may be otherwise than in accordance with the legal rights of the contributories (except where unalterable fixed by the Memorandum of Association) and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined on, any contributory who would be prejudiced thereby shall have the right to dissent and shall have ancillary rights as if such determination where a Special Resolution passed pursuant to Section 494 or 507 of the said Act.</p>
Liquidator may sell undertaking for shares in another company	237	Any such Liquidator may irrespective of the powers conferred upon him by the said Act, and as an additional power conferring a general or special authority, sell the undertaking of he company or the whole or any part of its assets for share fully or partly paid up, or the obligations of or other interest in any other company, and may by the contract of the sale, agree for the allotment to the members directly of the proceeds of sale in proportion to their respective interest in the company , and in case the shares of this Company shall be of different classes, may arrange for the allotment in respect of preference shares of the Company, or obligations of the purchasing company, or of shares of the purchasing company with preference or priority over or with a large amount paid up than the shares allotted in respect of ordinary shares of this Company, and may further by the contract; limit a time at the expiration of which shares obligations or other interests not accepted or required to be sold, shall be deemed to have been refused and be at the disposal of the Liquidator.
Sale under section 494 and 507 of he	238	Upon any sale under the last preceding Article, or under the powers given by sections 494 and 507 of he said Act, no member shall be entitled to require the Liquidator either to obtain from

Title of Article		Article Number and Contents	
Companies Act, 1956			carrying into effect the sale or the resolution authorising the sale, or to purchase such member's interest in this Company, but in case any member shall be unwilling to accept the share, obligations or interest to which under such sale he would be entitled, he may, within seven days of the passing of the resolution authorizing the sale, by notice in writing to the Liquidator, require him to sell such shares, obligations or interest and thereupon the same shall be sold in such manner as the Liquidator may think fit, and the proceeds shall be paid over to the members requiring such sale.

AUTHENTICATION OF DOCUMENTS

Title of Article		Article Number and Contents	
Indemnity	239	a	Subject to the provisions of the Act every Director of the Company or the Managing Director, Whole Time Director, Manager, secretary and other officer or employee of the Company and the Trustee (if any) for the time being acting in relation to any of the affairs of the Company and every one of them shall be indemnified by the Company against, and it shall be the duty of the Directors to pay out of the funds of the Company, all reasonable costs, losses and expenses (including traveling expenses) which any such Director, Managing Director, Manager, Secretary or other officers or employee and the Trustees (if any) for the time being acting in relation to any of the affairs of the Company, may incur or become liable to by reason of any contract entered into or any act, deed or thing done or omitted to be done by him as such Director, officer, employee or Trustee or in any way in the discharge of his duties except such as they may incur or sustain by or through their own negligence or default or misfeasance or breach of duty or breach of trust.
		b	Every Officer or duly authorised Agent for the time being of the Company shall be indemnified out of the assets of the Company against all liability incurred by him in defending any proceedings arising out of his position as an Officer or as such Agent of the Company, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court.
Directors and other not responsible for acts of others.	240		Subject to the provisions of the Act no Director, Managing Director, or other officer of the Company shall be liable for the acts, omissions, neglects or defaults of any other Director or officers or for joining in any omission or other act for conformity, or for any loss or expenses suffered by the company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, company or corporation, to whom any monies, securities or effect shall be entrusted or deposited for any loss occasioned by any error of judgement or oversight on his part or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty, willful neglect, omission or default.

INDEMNITY AND RESPONSIBILITY

Title of Article		Article Number and Contents	
Authentication of documents and proceedings	234		Save as otherwise expressly provided in the Act or these Articles documents or proceedings requiring authentication by Company may be signed by a Managing Director, Executive Director, Manager or Secretary or an authorized officer of the Company and need not be under its seal.

SECRECY CLAUSE

Title of Article		Article Number and Contents	
Secrecy Clause	241	a	Every Director, Manager, Auditor, Treasurer, Trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company, shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except

			when required so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
No Member to enter the premises of the Company without permission	241	b	No Member shall be entitled to visit or inspect any work of the Company without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading , or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.

SECTION XII

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 contracts entered into more than two years before the date of this Draft 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 Draft Red Herring Prospectus have been delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at Unit Number 110, Marwah's Complex, Krishanlal Marwah Marg, off Saki Vihar Road, Andheri (East), Mumbai- 400 072, Maharashtra, India from 10.00 a.m. to 4.00 p.m. on working days from the date of this Draft Red Herring Prospectus until the Bid / Issue Closing Date of this Issue.

Material Contracts

1. Issue Agreement dated September 26, 2012 between our Company and the BRLMs.
2. Memorandum of Understanding dated April 14, 2010 between our Company and Link Intime India Private Limited as Registrar.
3. Escrow agreement dated [●] between us, the BRLMs, Escrow Collection Banks, and the Registrar to the Issue
4. Syndicate agreement dated [●] between us, the BRLMs and the Syndicate Members.
5. Underwriting agreement dated [●] between us, the BRLMs and the Syndicate Members.

Material Documents

1. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time including Certificates of Incorporation.
2. Copy of the Order of the High Court of Judicature at Bombay dated April 19, 2006 in Company Petition number 100 of 2006 connected with Company Application number 132 of 2006, wherein the scheme of amalgamation of Calyx Pharmaceuticals and Chemicals Private Limited with Calyx Chemicals and Pharmaceuticals Private Limited was approved along with the scheme of amalgamation.
3. Resolution of the Board dated September 03, 2012 and EGM resolution dated September 25, 2012 authorising this Issue.
4. Certificate dated September 17, 2012 issued by our Statutory Auditor, Mr. Jatin V. Shah, Chartered Accountant, regarding sources and deployment of funds.
5. Reports of our Statutory Auditor, Mr. Jatin V. Shah, Chartered Accountant dated July 12, 2012 regarding restated financials of the Company for the years ended March 31 2008, 2009, 2010, 2011 and 2012.
6. Copies of the annual reports of our Company for the years ended March 31 2008, 2009, 2010, 2011 and 2012.
7. Copy of the Statement of Tax Benefits report dated September 17, 2012 issued by our Statutory Auditor, Mr. Jatin V. Shah, Chartered Accountant.
8. Consents of Auditors, Bankers to our Company (those consents received as on the date of this Draft Red Herring Prospectus), BRLMs, Legal Advisor to this Issue, Directors, Company Secretary and Compliance

Officer, Registrar to this Issue, M/s. Contractor, Nayak & Kishnadwala as referred to, in their respective capacities.

9. In-principle listing approvals dated [●] and [●] from BSE and NSE.
10. Tripartite agreement October 19, 2007 between the NSDL, our Company and the Registrar dated.
11. Tripartite agreement dated May 15, 2010 between the CDSL, our Company and the Registrar.
12. Due diligence Certificate dated September 27, 2012 to SEBI from the BRLMs.
13. Consent of [●], the IPO Grading Agency for inclusion of their report dated [●] in the form and context in which they appear in the Red Herring Prospectus and the Prospectus.
14. Agreement dated April 01, 2010, as amended *vide* Supplemental and Ammendatory Agreement dated May 24, 2012, entered into with Mr. Smitesh Chadraavan Shah for his appointment as Chairman and Managing Director.
15. Certificate dated September 17, 2012 issued by Mr. Jatin V. Shah, Chartered Accountant, Statutory Auditor certifying details of the loans proposed to be pre-paid from the Net Proceeds of the Issue.
16. Application dated July 23, 2012 made to FIPB seeking its seeking post-facto approval for the Equity Shares allotted to Marble Arch Group Limited on April 03, 2012 and April 09, 2012.
17. Additional Application dated September 26, 2012 made to FIPB seeking approval to offer, issue and allot Equity Shares upto 49% of the total post Issue paid up capital of our Company to foreign investors, who may participate in this Issue.
18. Share Subscription Agreement dated October 08, 2010 entered into by and between Lytton Grove Corporation and our Company.
19. Share Subscription Agreement dated March 26, 2012 entered into by and between Marble Arch Group Limited and our Company.
20. SEBI Observation letter bearing number [●] dated [●].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

SECTION XIII

DECLARATION

We, the Directors of our Company, hereby declare, that all the relevant provisions of the Companies Act, 1956, SEBI (ICDR) Regulations, 2009 and guidelines issued by the Government of India, as the case may be, have been complied with and that no statement made in this Draft 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 guidelines issued thereunder, as the case may be. We further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY ALL THE DIRECTORS OF CALYX CHEMICALS AND PHARMACEUTICALS LIMITED
PRESENT IN MUMBAI, MAHARASHTRA ON THIS DATE**

Smitesh Chandravadan Shah
Chairman and Managing Director

Sd/-

Bharat Sukhlal Mehta
Non- Executive Director

Sd/-

Rajat Indulal Doshi
Non- Executive Director

Sd/-

Jambunathan Srinivasa Iyer
Independent Director

Sd/-

Bhumitra Vinodchandra Dholakia
Independent Director

Sd/-

Abhay Praful Desai
Independent Director

Sd/-

Chakradhar Bharat Chhaya
Independent Director

Sd/-

SIGNED BY THE CHIEF FINANCIAL OFFICER
Deepak Maroo

Sd/-

SIGNED BY THE COMPANY SECRETARY AND COMPLIANCE OFFICER
Devanand Parshottam Mojidra

Sd/-

Place: Mumbai

Date: September 27, 2012