DRAFT RED HERRING PROSPECTUS
Dated September 29, 2010
Please read Section 60B of the Companies Act, 1956
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
Book Building Issue

UNIJULES® LIFE SCIENCES LTD.
"From Farm to Pharma"

UNIJULES LIFE SCIENCES LIMITED

Our Company was incorporated as a public limited company under the Companies Act, 1956 in the name of Unijules Life Sciences Limited at Mumbai vide Certificate of Incorporation dated January 16, 2006 bearing Corporate Indentity Number (CIN) U52311MH2006PLC158928. Our Company was granted the Certificate of Commencement of Business by the Registrar of Companies, Maharashtra, Mumbai ("RoC") on January 20, 2006.

Registered Office: Shop No. 41, Manisha Plaza, Sonapur Lane, Off L.B.S Marg, Kurla (West), Mumbai 400 072, India. **Telephone**: + 91 22 2503 5173 **Facsimile:** +91 22 2503 4067
Corporate Office: Universal Square, 1505-1 Shantinagar, Nagpur 440 002, India. **Telephone**: + 91 712 276 8512 **Facsimile:** +91 712 276 3212
Contact Person: Ms. Shilpa Pawankar, Company Secretary and Compliance Officer; **E-mail:** compliance@unijules.com; **Website:** www.unijules.com

PROMOTER OF OUR COMPANY : MR. FAIZ VALI

PUBLIC ISSUE OF 88,00,000* EQUITY SHARES OF RS. 10 EACH FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE) AGGREGATING UPTO RS. [●] LAKHS (THE "ISSUE") BY UNIJULES LIFE SCIENCES LIMITED ("OUR COMPANY" OR THE "ISSUER"). THE ISSUE WILL CONSTITUTE 38.83% OF THE POST ISSUE PAID-UP EQUITY CAPITAL OF OUR COMPANY.

**Our Company is considering a Pre-IPO Placement of upto 18,00,000 Equity Shares and aggregating upto Rs. 3,000 Lakhs, with certain investors ("Pre-IPO Placement"). The Pre – IPO Placement is at the discretion of our Company. If undertaken, our Company shall complete the Pre-IPO Placement 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 the Equity Shares proposed to be allotted in the Pre-IPO Placement, if any, subject to the Issue being atleast 25% of the 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 one (1) year from the date of the Allotment pursuant to the Issue.*

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

In case of revision in the Price Band, the Bid/Issue Period shall be extended for at least three (3) additional Working Days after such revision, subject to the Bid/Issue Period not exceeding ten (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 National Stock Exchange of India Limited (the "NSE") and the Bombay Stock Exchange Limited (the "BSE"), by issuing a press release and also by indicating the change on the website of the Book Running Lead Manager ("BRLM") and at the terminals of the Syndicates.

The Issue is being made through a 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")***, out of which 5% (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remaining QIB portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above 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. Our Company may allocate upto 30% of the QIB Portion, to Anchor Investors, on a discretionary basis (the ***"Anchor Investor Portion"***) out of which one-third shall be reserved for domestic Mutual Funds, subject to valid bids being received from domestic Mutual Funds at or above the Anchor Investor Issue Price. All 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. Specific attention of investors is invited to section titled "Issue Procedure" beginning on page 392 of the Draft Red Herring Prospectus.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of the Company. The face value of the Equity Shares is Rs.10 each and the Floor Price is [●] times of the face value and the Cap Price is [●] times of the face value. The Issue Price (as determined and justified by our Company and the BRLM as stated under the section titled "Basis of Issue Price" beginning on page 98 of the 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 this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the Draft Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page 16 of the Draft Red Herring Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for, and confirms that the Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue; that the information contained in the 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 the 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.

IPO GRADING

This Issue has been graded by [●] and has been assigned the "IPO Grade [●]" indicating [●] fundamentals. The rationale furnished by the grading agency for its grading, will be updated at the time of filing of the Red Herring Prospectus with the RoC and Designated Stock Exchange. For details regarding the grading of the Issue, please refer to the section titled "General Information" beginning on page 64 of the Draft Red Herring Prospectus.

LISTING

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

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
ANANDRATHI	LINK INTIME INDIA PVT LTD (Formerly INTIME SPECTRUM REGISTRY LTD)
ANAND RATHI ADVISORS LIMITED 11th Floor, Times Tower, Kamala Mills, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, Maharashtra, India. **Telephone:** +91 22 4047 7000; **Facsimile:** +91 22 4047 7070 **Email:** ulsl.ipo@rathi.com **Investor grievance email:** grievance.ecm@rathi.com **Contact Person:** Mr. Gaurav Lohiya/ Ms. Varshaa P Kamra **Website:** www.rathi.com **SEBI registration number:** MB / INM000010478	**LINK INTIME INDIA PRIVATE LIMITED** C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078, Maharashtra, India. **Telephone:** +91 22 2596 0320; **Facsimile:** +91 22 2596 0329 **Email:** ulsl.ipo@linkintime.co.in **Investor grievance email:** ulsl.ipo@linkintime.co.in **Contact Person:** Mr. Sachin Achar **Website:** www.linkintime.co.in **SEBI registration number:** INR000004058

BID / ISSUE PROGRAMME	
BID/ISSUE OPENS ON : [●]**	**BID/ISSUE CLOSES ON*** : [●]**

***Our Company may consider participation by Anchor Investors. The Anchor Investor Bid/Issue Period shall be one (1) Working day prior to the Bid/Issue Opening Date.*
****Our Company in consultation with the BRLM may consider closing the bidding by QIB Bidders one (1) Working Day prior to the Bid/Issue Closing Date subject to the Bid/Issue Period being for a minimum of three (3) Working Days.*

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise requires, the terms and abbreviations stated hereunder shall have the meanings as assigned therewith.

Company Related Terms

Term	Description
"ULSL", "Unijules Life Sciences Limited", "Unijules" or "our Company"	Unijules Life Sciences Limited, a public limited company incorporated under the provisions of the Companies Act, 1956.
"We" or "us" and "our"	Unless the context otherwise require, refers to Unijules Life Sciences Limited.
AOA/Articles/ Articles of Association	Articles of Association of our Company
Board of Directors / Board/ Directors	The Board of Directors of our Company
Bankers to our Company	Axis Bank Limited, Shamrao Vithal Co-op Bank Limited and State Bank of India.
Corporate Office of our Company	Universal Square, 1505-1 Shantinagar, Nagpur 440 002, India.
Equity Shares	Equity Shares of our Company of face value of Rs. 10 each unless otherwise specified in the context thereof
Group Companies	Universal Medicaments Private Limited, Unijules Herbals Limited and Unijules Parenterals Limited
MOA/ Memorandum/ Memorandum of Association	Memorandum of Association of our Company
Peer Review Auditor	J.S. Uberoi & Co., Chartered Accountants
Promoter	Mr. Faiz Vali
Promoter Group	Persons and entities covered under Regulation 2(1)(zb) of the SEBI (ICDR) Regulations
Registered Office of our Company	Shop No. 41, Manisha Plaza, Sonapur Lane, Off L.B.S Marg, Kurla (West), Mumbai 400 072, India.
Subsidiaries of our Company	ZIM Laboratories Limited and RevAyur Beauty Care India Private Limited
Statutory Auditor	Ali Hatim S. Husain, Chartered Accountant

Issue Related Terms

Term	Description
Allotment/Allot/Allotted/Allotment of Equity Shares	Unless the context otherwise requires, means the allotment of Equity Shares pursuant to this Issue to successful Bidders
Allottee	A successful Bidder to whom the Equity Shares are being / have been Allotted
Anchor Investor (s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion, with a minimum Bid of Rs. 1,000 Lakhs

Term	Description
Anchor Investor Bid/Issue Period	The day, one (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 Price/Anchor Investor Issue Price	The final price at which Equity Shares will be issued and Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company in consultation with the BRLM
Anchor Investor Portion	Upto 30% of the QIB Portion 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
Application 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	Account maintained with a SCSB which will be blocked by such SCSB to the extent of the appropriate Bid Amount in relation to a Bid by an ASBA Bidder
ASBA Bidder(s)	Prospective investors in this Issue who intend to Bid/apply through the ASBA process
ASBA Bid-cum-Application Form	The form, whether physical or electronic, used by an ASBA Bidder to submit a Bid through a SCSB which contains an authorization to block the Bid Amount in an ASBA Account and would be considered as an application for Allotment to ASBA Bidders in terms of the Red Herring Prospectus and the Prospectus. Pursuant to SEBI circular number CIR/CFD/DIL/7/2010 dated July 13, 2010, ASBA Bid-cum-Application Forms are available for download from the websites of the Stock Exchanges.
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 Forms or any previous ASBA Revision Form(s). Pursuant to SEBI circular number CIR/CFD/DIL/7/2010 dated July 13, 2010, ASBA Revision Forms are available for download from the websites of the Stock Exchanges.
Banker(s) to the Issue / Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account will be opened and in this case being [●].
Basis of Allotment	The basis on which Equity Shares will be Allotted to Bidders under the Issue and which is described under "Issue Procedure" beginning on page 392 of the Draft Red Herring Prospectus.
Bid(s)	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 the 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 the Equity Shares.
Bid Amount	The highest value of the optional Bids indicated in the Bid-cum-ApplicationBid-cum-Application Form and payable by a Bidder on submission of a Bid in the Issue. In case of ASBA Bidders, the highest value of the optional Bids indicated in the

Term	Description
	ASBA Bid-cum-ApplicationBid-cum-Application Form.
Bid/Issue Closing Date	Except in relation to Anchor Investor, the date after which the members of the Syndicate shall not accept any Bids for the Issue, which shall be the date notified in an English national newspaper, a Hindi national newspaper and a regional newspaper with wide circulation where the Registered Office of our Company is situated. Our Company may consider closing the Bidding by QIB Bidders one (1) Working Day prior to the Bid/Issue Closing Date, which shall also be notified in the said advertisement in an English national newspaper, a Hindi national newspaper and a regional newspaper with wide circulation where the Registered Office of our Company is situated.
Bid/Issue Opening Date	Except in relation to Anchor Investor, the date on which the Syndicate and the SCSBs shall start accepting Bids for the Issue, which shall be notified in a English national daily newspaper, a Hindi national daily newspaper and a regional newspaper, where the Registered Office of our Company is situated, each with wide circulation.
Bid-cum-Application 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 Draft Red Herring Prospectus and the Prospectus including the ASBA Bid-cum-Application Form (if applicable).
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid-cum-Application Form including an ASBA Bidder who Bids through ASBA Bid-cum-Application Form.
Bidding Centre	A centre for acceptance of Bid-cum-Acceptance Form
Bidding Period or Bid/Issue 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.
Book Building Process/Method	The Book Building route as provided under Schedule XI of the SEBI (ICDR) Regulations, in terms of which this Issue is being made.
BRLM/Book Running Lead Manager/ARAL	Book Running Lead Manager to the Issue, in this case being Anand Rathi Advisors Limited
Business Day	Any day on which commercial banks in Mumbai are open for business
CAN/Confirmation of Allocation Note	The note or advice or intimation of Allocation of Equity Shares sent to the successful Bidders who have been Allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process, including any revisions thereof. In relation to Anchor Investors, the note or advice or intimation of allocation of Equity Shares sent to the successful Anchor Investors who have been allocated Equity Shares after discovery of the Anchor Investor Issue Price, including any revisions thereof.
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 Branch / Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate under this Issue by the ASBA Bidders with the BRLM, the Registrar to the Issue and the Stock Exchanges, a list of which is available on http://www.sebi.gov.in
Cut-off Price / Cut-off	Any price within the Price Band finalised by our Company in consultation with the BRLM. A Bid submitted at Cut-Off Price is a valid price at all levels within the Price Band. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price, for a Bid Amount not exceeding Rs. 1,00,000. No other category of Bidders are entitled to Bid at the Cut-off Price
Depository	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996.
Depositories	NSDL and CDSL
Depository	A depository participant as defined under the Depositories Act.

Term	Description
Participant	
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Bid-cum-Application Form used by ASBA Bidders and a list of which is available on http://www.sebi.gov.in
Designated Date	The date on which funds are transferred from the Escrow Account to the Issue Account or the Refund Account, as appropriate, 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 RoC, following which the Board of Directors shall Allot Equity Shares to successful Bidders.
Designated Stock Exchange	National Stock Exchange of India Limited
Draft Red Herring Prospectus	The draft red herring prospectus dated September 29, 2010 issued in accordance with Section 60B of the Companies Act and SEBI (ICDR) Regulations, filed with SEBI and which does not contain complete particulars of the price at which the Equity Shares would be issued and the size of the Issue.
Eligible NRIs	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein.
Equity Shares	Equity shares of our Company of Rs. 10 each, fully paid-up, unless otherwise specified in the context thereof.
Escrow Account(s)	Account opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidder (*except ASBA Bidder*) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into by our Company, the Registrar to the Issue, BRLM, the Syndicate Members and the Escrow Collection Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected to the Bidders on the terms and conditions thereof
FII/Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First / Sole Bidder	The Bidder whose name appears first in the Bid-cum-Application Form or Revision Form or the ASBA Bid-cum-Application Form or ASBA Revision Form.
Floor Price	The lower end of the Price Band, at or above which the Issue Price will be finalized and below which no Bids will be accepted.
IPO Grading Agency	[●], the grading agency appointed by our Company for grading the Issue.
Issue / Issue Size	Public issue of 88,00,000 Equity Shares at the Issue Price by our Company.
Issue Agreement	The agreement dated September 27, 2010 entered into among our Company and the BRLM, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Price	The final price at which the Equity Shares will be issued and allotted in terms of the Red Herring Prospectus. The Issue Price will be decided by our Company in consultation with the BRLM on the Pricing Date.
Issue Proceeds	The gross proceeds of the Issue that would be available to our Company after the final listing and trading approvals are received.
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Fund Portion	5% of the Net QIB Portion or 1,54,000 Equity Shares available for allocation to Mutual Funds, out of the Net QIB Portion.
Net Proceeds	The Issue Proceeds less the Issue related expenses. For further information about use of the Issue Proceeds and the Issue expenses, please refer to section titled "Objects of the Issue" beginning on page 86 of the Draft Red Herring Prospectus.
Net QIB Portion	The portion of the QIB Portion, less the number of the Equity Shares Allotted to the Anchor Investors (if any)
Non-Institutional	All Bidders including sub-accounts of FIIs registered with SEBI, which are foreign

Term	Description
Bidders	corporate or foreign individuals, that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an cumulative amount more than Rs.1,00,000
Non-Institutional Portion	The portion of the Issue being not less than 13,20,000 Equity Shares available for allocation to Non-Institutional Bidders
Pay-in-Date	Except with respect to ASBA Bidders, the Bid/Issue Closing Date or the last date specified in the CAN sent to Bidders, as applicable and which shall with respect to Anchor Investors, shall be a date not later than two days after the Bid/Issue Closing Date.
Pay-in-Period	With respect to Anchor Investors, it shall be the Anchor Investor Bid/Issue Period and If the price fixed as a result of Book Building is higher than the price at which the allocation is made to Anchor Investor, the Anchor Investor shall bring in the additional amount. For Bidder other than Anchor Investors, the period commencing on the Bid/IssueOpening Date and continuing till the Bid/Issue Closing Date
Payment through electronic transfer of funds	Payment through ECS / NECS, Direct Credit, RTGS or NEFT, as applicable.
Pre-IPO Placement	A Pre-IPO Placement of upto 18,00,000 Equity Shares and aggregating upto Rs. 3,000 Lakhs with certain investors is being considered by our Company and will be completed prior to the filing of Red Herring Prospectus with the RoC, if any.
Price Band	Price band of a minimum price (Floor Price) of Rs. [●] and the maximum price (Cap Price) of Rs. [●] and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue will be decided by our Company in consultation with the BRLM and advertised at least two (2) Working Days prior to the Bid/ Issue Opening Date, in an English daily national newspaper, a Hindi daily national newspaper and a regional newspaper each, where the Registered Office of our Company is situated, with wide circulation.
Pricing Date	The date on which our Company in consultation with the BRLM finalizes the Issue Price.
Prospectus	The prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act, containing, *inter alia*, the Issue Price that is determined at the end of the Book Building process, the size of the Issue and certain other information.
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account and the SCSBs from the bank accounts of the ASBA Bidders on the Designated Date.
QIB Portion	Consists of 44,00,000 Equity Shares aggregating Rs.[●] Lakhs being not more than 50% of the Issue, available for allocation to QIBs including the Anchor Investor Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only.
Red Herring Prospectus	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 the Equity Shares are offered and the size of the Issue. The Red Herring Prospectus will be filed with the RoC at least three (3) Working Days before the Bid/Issue Opening Date and will become a Prospectus upon filing with the RoC after the Pricing Date.
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 Bank (s) / Refund Banker (s)	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 in accordance with the procedure contained in the section titled "Issue Procedure" beginning on page 392 of the Draft Red Herring Prospectus, in this case being [●].
Refunds through electronic transfer of funds	Refunds through electronic transfer of funds means refunds through ECS / NECS, Direct Credit, NEFT, RTGS or the ASBA process, as applicable

Term	Description
Registrar / Registrar to the Issue	Registrar to this Issue, in this case being Link Intime India Private Limited having its office at C-13, Pannalal Silk Mills Compound, L.B.S Road, Bhandup (West), Mumbai 400 078, Maharashtra, India.
Resident Retail Individual Bidder / Resident Retail Individual Investor	A Retail Individual Bidder who is a "person resident in India" (as defined in FEMA).
Retail Individual Bidder(s)	Individual Bidders who have Bid for Equity Shares for an amount not more than Rs. 1,00,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and eligible NRIs and does not include NRIs other than Eligible NRIs).
Retail Portion	The portion of the Issue being not less than 30,80,000 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 Forms or any previous Revision Form(s).
Sub Syndicate Member	A SEBI Registered member of BSE and /or NSE appointed by the BRLM and/or Syndicate Member to act as a Sub Syndicate Member in the Issue.
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended.
Self Certified Syndicate Bank or SCSBs	Self Certified Syndicate Bank is a Banker to an Issue registered with SEBI which offers the facility of making a Applications Supported by Blocked Amount and recognized as such by SEBI, a list of which is available on http://www.sebi.gov.in
Stock Exchanges	The NSE and the BSE
Syndicate / members of the Syndicate	The BRLM, the Syndicate Members and the Sub Syndicate Member.
Syndicate Members	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 [●].
Syndicate Agreement	The agreement to be entered into between the BRLM, the Syndicate Members and our Company in relation to the collection of Bids (excluding Bids by ASBA Bidders) in this Issue.
Transaction Registration Slip/ TRS	The slip or document issued by member of 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 BRLM and the Syndicate Members.
Underwriting Agreement	The agreement among the Underwriters and our Company to be entered into on or after the Pricing Date.
Working Day(s)	All days other than a Sunday or a public holiday (except during the 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.

Conventional and General Terms

Term	Description
Companies Act	The Companies Act, 1956, as amended
Depositories Act	The Depositories Act, 1996, as amended
FEMA	Foreign Exchange Management Act, 1999, as amended and the rules and regulations issued thereunder, as amended.
FII / Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
Financial Year/ Fiscal/ F.Y.	The period of twelve (12) months ended on March 31 of that particular year.
FVCI	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign

Term	Description
	Venture Capital Investor) Regulations, 2000.
Indian GAAP	Generally Accepted Accounting Principles in India
I. T. Act	The Income Tax Act, 1961, as amended.
I. T. Rules	The Income Tax Rules, 1962, as amended, except as stated otherwise.
Non Resident	All eligible Bidders that are persons resident outside India, as defined under FEMA, including Eligible NRIs and FIIs.
NRI/ Non-Resident Indian	A person resident outside India, as defined under FEMA and who is a citizen of India or a person of Indian origin, each such term as defined under the FEMA (Deposit) Regulations, 2000, as amended.
Overseas Corporate Body / OCB	OCB/Overseas Corporate Body – Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Person(s)	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, 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.
Qualified Institutional Buyers or QIBs	A Mutual Fund, Venture Capital Fund and Foreign Venture Capital investor registered with the Board, a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with the Board; a public financial institution as defined in section 4A of the Companies Act, 1956; a scheduled commercial bank; a multilateral and bilateral development financial institution; a state industrial development corporation; an insurance company registered with the Insurance Regulatory and Development Authority; a provident fund with minimum corpus of twenty five crore rupees; a pension fund with minimum corpus of twenty five crore rupees; National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India and insurance funds set up and managed by army, navy or air force of the Union of India.
RBI Act	The Reserve Bank of India Act, 1934, as amended
SCRA	Securities Contracts (Regulation) Act, 1956, read with rules and regulations thereunder and amendments thereto.
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended.
SEBI Takeover Regulations/ Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997, as amended.
SEBI Insider Trading Regulations	The SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Rules and Regulations	SEBI (ICDR) Regulations, SEBI (Underwriters) Regulations, 1993, as amended, the SEBI (Merchant Bankers) Regulations, 1992, as amended, and any and all other relevant rules, regulations, guidelines, which SEBI may issue from time to time, including instructions and clarifications issued by SEBI from time to time.
VCFs	Venture Capital Fund(s) as defined in and registered with SEBI under the SEBI (Venture Capital Funds) Regulations, 1996.
VCF Regulations	Securities Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended from time to time.

Technical and Industry Terms

Term	Description
AHU	Air Handling Unit
ANDA	Abbreviated New Drug Application
APIs	Active Pharmaceuticals Ingredients
AL	Artamether Lumefemtrin
AYUSH	Ayurveda, Yoga, Unani, Siddha, Homeopathy
BAMS	Bachelor of Ayurvedic Medicine and Surgery
BFS	Blow-fill-seal
CAGR	Compounded Annual Growth Rate
CAPEX	Capital Expenditure
CDSCO	Central Drugs Standard Control Organization
CHW-TSDF	Common Hazardous Waste Treatment Storage Disposal Facility
cGMP	Current Good Manufacturing Practices
CME	Continuing Medical Education
CPHI	Convention on Pharmaceutical Ingredients
CRAMS	Contract Research and Manufactutring Services
CSR	Corporate Social Responsibility
DC	Direct Compressive
DCGI	Drug Controller General of India
DIN	Director Indentification Number
DEPB	Duty Entitlement Pass Book
DMF	Drug Master File
DoP	Department of Pharmaceuticals
DPCO	Drug Price Control Order
DPRP	Drug and Pharmaceuticals Research Programme
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting of the shareholders.
EHS	Environment, Health & Safety
ERP	Enterprise Resource Planning
ESIC	Employee State Insurance Corporation
ETP	Effluent Treatment Plant
FDA	Food and Drug Adminstration
FDF	Finished Dosage Form
FIFO	First in First out
FMCG	Fast Moving Consumer Goods
FMHG	Fast Moving Heath Goods
FT-IR	Fourier Transform Infra Red equipment
GIR Number	General Index Registry Number
GLC	Gas Liquid Chromatography
GP	General Practice
GMP	Good manufacturing practices
GoI/Government	Government of India
HDPE	High-Density Polyethylene
HEPA	High Efficiency Particulate Air
HIV	Human Immuno Deficiency Virus
HPLC	High Performance Liquid Chromotography
HPMC	Hydroxy Propyl Methyl Cellulose
HPTLC	High Performance Thin Layer Chromatography
IBR	Indian Boilers Regulation
IP	Intellectual Property

Term	Description
IPA	lsopropyl alcohol
IMaCS	ICRA Management Consulting Services Limited
IPR	Intellectual Property Rights
ISO	International Organisation for Standardisation
LAF	Laminar airflow
LC/MS-MS	Liquid Chromaography-mass spectrometry
LDPE	Low-Density Polyethylene
LoD	Load of Drying
LVP	Large Volume Parenterals
MCI	Ministry of Commerce and Industry
M.I.D.C	Maharashtra Industrial Development Corporation
MoH	Ministry of Health
MoST	Ministry of Science and Technology
MPCB	Maharashtra Pollution Control Board
NDDs	New Drug Delivery System
NEDL	National Essential Drugs List
NPPA	National Pharmaceutical Pricing Authority
OPPI	Organisation of Pharmaceuticals Producers of India
PCB	Pollution Control Board
PFCE	Private Final Consumption Expenditure
PFIs	Pre Formulated Ingredients
PSU	Public Sector Undertaking
PVP	Polyvinylpyrrolidone
QA	Quality Analysis
QC	Quality Control
R & D	Research & Development
SAARC	South Asean Association for Regional Co-operation
SEO	Search Engine Optimization
SMEs	Small and Medium Enterprises
SSI	Small Scale Industry
SVP	Small Volume Parenterals
TRIPs	Trade Related Agreement on Intellectual Property Rights
TRM	Traditional Medicine
UAE	United Arab Emirates
UKMHRA	United Kingdom Medicines and Healthcare products Regulatory Agency
U.S GAAP	Generally Accepted Accounting Principles in the United States of America
US FDA	United States Food and Drug Administration
USP	Unique Selling Proposition
UV	Ultra Violet
WFI	Water for Injection
WIPO	World Intellectual Property Organisation
WHO	World Health Organisation
WHO cGMP	World Health Organisation Current Good Manufacturing Practices
WOS	Wholly owned Subsidiary

Abbreviations

Term	Description
A/c	Account
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
ASBA	Application Supported by Blocked Amount

BOD	Board of Directors
BSE	Bombay Stock Exchange Limited
CB	Controlling Branch
CCTV	Closed Circuit Television
CDSL	Central Depository Services (India) Limited
CFO	Chief Financials Officer
Cft	Cubic feet
CIN	Corporate Identity Number
CST	Central Sales Tax Act, 1956
CWIP	Capital Work in Progress
DB	Designated Branch
Dept.	Department
DP	Depository Participant
DP ID	Depository Participant's Identification Number
EBIDTA	Earnings before Interest, Depreciation,Tax and Amortisation
EEFC	Exchange Earners Foreign Currency
EPBAX	Electronic Private Branch Automatic Exchange
EPS	Earnings Per Share
ESOP	Employee Stock Option Plan
ESOS	Employee Stock Option Scheme
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FIPB	Foreign Investment Promotion Board
FIs	Financial Institutions
F.Y.	Financial Year
GDP	Gross Domestic Product
Hr	Hour
HUF	Hindu Undivided Family
IEC	Importer Exporter Code
IPO	Initial Public Offering
IT	Information Technology
Kg	Kilogram
KL	Kilogram per litre
m3	Cubic meter
M.I.D.C	Maharashtra Industrial Development Corporation
MoA	Memorandum of Association
MoU	Memorandum of Understanding
MVAT Act	Maharashtra Value Added Tax Act, 2002
NA	Not Applicable
NAV	Net Asset Value
NRE Account	Non-Resident (External) Account
NECS	National Electronic Clearing System
NEFT	National Electronic Fund Transfer
NoC	No Objection Certificate
No(s)	Number(s)
NR	Non-Resident
NRI	Non Resident Indian
NRO Account	Non-Resident (Ordinary) Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
NTA	Net Tangible Assets
OTC	Over the counter
OTCEI	Over the Counter Exchange of India

P.A., p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
P/E Ratio	Price Earnings Ratio
QIB	Qualified Instutional Buyer
QS	Quality Standard
Qty	Quantity
RBI	Reserve Bank of India
Rft	Running feet
RoC	Registrar of Companies
RONW	Return on Net Worth
Rs./Rupees/INR	Indian Rupees, the currency of the Republic of India
RTGS	Real Time Gross Settlement
SBI	State Bank of India
SCSB	Self Certified Syndicate Bank
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended
Sq. Mtrs.	Square Meters
Sq. Ft. / sq. ft / Sft	Square Feet
STC	Service Tax Code
SVC	Shamrao Vithal Co-operative Bank Limited
TIN	Taxpayers Identification Number
TRS	Transaction Registration Slip
UHL	Unijules Herbal Limited
UMPL	Universal Medicaments Private Limited
UPL	Unijules Parenterals Limited
USD/U.S.$/ US Dollar	United States Dollars currency of the United States of America
VAT	Value Added Tax
WHO	World Health Organisation
WTO	World Trade Organisation
YoY	Year on Year
ZIM	ZIM Laboratories Limited

Notwithstanding the foregoing,

a. In the section titled "Main Provisions of the Articles of Association" beginning on page 431 of the Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section; and

b. In the section titled "Financial Statements" beginning on page 212 of the Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section.

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION & MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references to "India" in the Draft Red Herring Prospectus are to the Republic of India, together with its territories and all references to the "US", the "USA", the "United States" or the "U.S." are to the United States of America, together with its territories and possessions.

Financial Data

Unless stated otherwise, the financial data in the Draft Red Herring Prospectus is derived from our restated consolidated financial information for the financial years ended March 31, 2010, 2009, 2008 and 2007 prepared in accordance with Indian GAAP and included in the Draft Red Herring Prospectus as stated in the report of the Peer Review Auditor, J.S. Uberoi & Co., Chartered Accountants under section titled "Financial Statements" beginning on page 212 of the Draft Red Herring Prospectus. Our financial year commences on April 1 and ends on March 31 of the next year, so all references to a particular financial year except for the year 2007 are to the twelve-month (12) period ended March 31 of that year. In the Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums 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 restated financial information included in the Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by Persons not familiar with Indian accounting practices on the financial disclosures presented in the Draft Red Herring Prospectus should accordingly be limited. We have not attempted to explain those 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 our financial data.

Any percentage amounts, as set forth in the sections titled "Risk Factors", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 16, 134 and 319 respectively of the Draft Red Herring Prospectus, unless otherwise indicated, have been calculated on the basis of our consolidated restated financial information prepared in accordance with Indian GAAP.

For definitions, please refer to the section titled "Definitions and Abbreviations" beginning on page 1 of the Draft Red Herring Prospectus. In the section entitled "Main Provisions of the Articles of Association" beginning on page 431 of the Draft Red Herring Prospectus, defined terms have the meaning given to such terms in the Articles.

Use of Market data

Market and industry data used in the Draft Red Herring Prospectus have been obtained or derived from industry publications and sources. These publications generally state that the information contained in those publications have been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made based on such information. Although we believe that industry data used in the Draft Red Herring Prospectus is reliable, it has not been independently verified.

Additionally, the extent to which the market and industry data presented in the Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different industry sources.

Currency of Presentation

All references to "Rupees" or "Rs." or "INR" are to Indian Rupees, the official currency of the Republic of India. All references to "US Dollar", "US$", "USD" are to US Dollar, the official currency of the United States of America. All references to "JPY" are to Japanese Yen, the official currency of the State of Japan. Throughout the Draft Red Herring Prospectus all figures have been expressed in Lakhs except as mentioned in the Industry section of the Draft Red Herring Prospectus. The word "Lakhs" or "Lakh" or "Lakhs" means "One hundred thousand".

Any percentage amounts, as set forth in "Risk Factors", "Business", "Management's Discussion and Analysis of Financial Conditions and Results of Operation" in the Draft Red Herring Prospectus, unless otherwise indicated, have been calculated based on our restated standalone and consolidated financial statement prepared in accordance with Indian GAAP.

FORWARD LOOKING STATEMENTS

All statements contained in the Draft Red Herring Prospectus that are not statements of historical fact constitute "forward-looking statements". All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in the Draft Red Herring Prospectus regarding matters that are not historical facts. These forward looking statements and any other projections contained in the Draft Red Herring Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

We have included statements in the 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.

Actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries in India in which we have our businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in our industry. 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, national and international economies;
- Changes in laws and regulations relating to the pharmaceutical industry;
- Increased competition in the areas in which we operate;
- Our ability to compete with and adapt to the technological advances;
- Our ability to successfully implement our growth strategy and expansion plans, and to successfully carry out the business plans for which funds are being raised through this Issue;
- Changes in political and social conditions in India; and
- Changes in the value of the Rupee and other currencies.

For a further discussion of factors that could cause our actual results to differ from our expectations, see the sections "Risk Factors", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 16, 134 and 319, respectively, of the 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.

Forward looking statements speak only as of the date of the Draft Red Herring Prospectus. Neither our Company, our Directors and officers, the Underwriters, nor any of our respective affiliates or associates has 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 BRLM will ensure that investors in India are informed of material developments until the final listing and commencement of trading of the Equity Shares allotted pursuant to the Issue on the Stock Exchanges.

SECTION II: RISK FACTORS

RISK FACTORS

The risks and uncertainties described below, together with the other information contained in the Draft Red Herring Prospectus, should be carefully considered before making an investment decision in our Equity Shares. These risks are not the only ones relevant to our Company and our business, but also include risk relevant to the industry and geographic regions in which we operate. Additional risks, not presently known to us or that we currently deem immaterial may also impair our business and operations. To obtain a complete understanding of our Company and prior to making an investment decision, prospective investors should read this section in conjunction with the sections titled "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 134 and 319, respectively, as well as the other financial and statistical information contained in the Draft Red Herring Prospectus. If any of the risks described below actually occur, our business prospects, financial condition and results of operations could be materially affected, the trading price of our Equity Shares could decline, and investors could lose all or part of their investment.

Prospective investors should pay particular attention to the fact that we are incorporated under the laws of India and are subject to a legal and regulatory environment that differs in certain respects from that of other countries.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section.

Internal Risk Factors

1. ***A petition has been filed before the Company Law Board and some complaints have also been filed with ROC and SEBI in relation to the forfeiture and allotment of certain equity shares of our subsidiary, ZIM Laboratories Limited (ZIM).***

   Our subsidiary, ZIM had acquired the steel business of M/s. Nagpur Fabricators in the year 1999. The consideration for the acquisition of the steel business of M/s. Nagpur Fabricators was disbursed by way of issue and allotment of 16,90,590 equity shares of Rs.10 each at par to the partners of M/s. Nagpur Fabricators. Subsequently, it was discovered that the book debts and other assets acquired by ZIM pursuant to the acquisition of the business of M/s. Nagpur Fabricators were fictitious or turned into bad debts resulting in the failure of the consideration paid for these equity shares. These 16,90,590 equity shares were then forfeited by ZIM and subsequently allotted to other entities in the year 2006 and 2007, including our Company. Further, in the year 2008, preferential allotment of certain equity shares was made to certain other entities, including our Company. In the year 2009, certain partners of M/s. Nagpur Fabricators filed a petition under Section 397, 398, 399, 402, 403 and 111 before the Company Law Board, Mumbai in relation to the forfeiture and allotment of equity shares made by ZIM to other entities, including our Company. Certain complaints have also been filed with the ROC, Mumbai and SEBI in relation to the forfeiture and allotment of shares made by ZIM. For further details on the above proceedings, please refer to section titled "Outstanding Litigation and Material Developments" beginning on page 357 of the Draft Red Herring Prospectus.

2. ***Our Company along with Mr. Anwar Siraj Daud has filed a Consent Application with SEBI for the settlement of violations under SEBI Takeover Regulations in respect of the acquisition of equity shares of our subsidiary, ZIM Laboratories Limited ("ZIM").***

   Our Company alongwith Mr. Anwar Siraj Daud and other entities acquired a total of 44,91,960 equity shares of Rs.10 representing 74.87% of the fully paid-up equity capital of ZIM in various tranches in the year 2007 and 2008. The disclosure and open offer requirements on the acquisition of these shares under the SEBI Takeover Regulations were not complied with by the acquiring entities, including our Company, leading to a violation of various provisions of the SEBI Takeover Regulations.

On realizing that our Company and the other entities had un-intentionally violated certain provisions of the SEBI Takeover Regulations, a consent application has been filed by our Company and Mr. Anwar Siraj Daud with SEBI. The consent application is pending with SEBI for consideration. In the event of acceptance of our consent application, our Company may be liable to pay the settlement charges which may have impact on the financials of our Company. For further details on the above proceedings, please refer to section titled "Outstanding Litigation and Material Developments" beginning on page 357 of the Draft Red Herring Prospectus.

3. ***Our Company, Promoter, Director, Subsidiary and Group Companies are involved in various litigations, the outcome of which could adversely affect our business and financial operations.***

Summary of litigation are given below:

No.	Case No. / Petition No./Year and Parties Involved	Brief particulars of Litigation	Amount Involved (Rs. In Lakhs)	Present Status
Cases against the Company				
1.	CLB Petition filed by Mr. Dhananjay Dayma and Mrs. Shyama K. Dayma filed a Petition before the Company Law Board, Western Region	Petition filed under Section 397, 398, 399, 402, 403 and 111 of the Companies Act	Not Ascertainable	Petition not yet been registered nor has our Company received any notice from the CLB for hearing of the matter
2.	**Suit No.397/08** Three-N-Products Private Limited has filed a suit against our Company before the Additional District Judge, Tis Hajari Courts, Delhi	Infringement of registered trademark "AYUR"	Not Ascertainable	The matter shall come up for hearing on November 27, 2010
3.	**Bom-749601** Three-N-Products Private Limited has filed an opposition with the Trademarks Registry, Mumbai	Opposing the application for registration of the trademark "REVAYUR" in Class 3	Not Ascertainable	Company has submitted its reply and the matter is pending before the trademarks registry.
4.	**BIR No.1/2010** Aushadi Kamkar Sangh has filed a reference against our Company before the Industrial Court, Nagpur	Dispute between Under Section 73(A) of Bombay Industrial Relations Act, 1946 for non-consideration of charter of demands submitted by a union for certain employees of our Company.	Not Ascertainable	The matter is pending before the Industrial Court, Nagpur.
5.	***WCA (F) 15/08*** Indu Ravinder Ratnagiri has filed an application before the Commissioner of Workmen's Compensation, First Labour Court, Nagpur against our Company.	Claim for compensation, for the death of her husband Ravinder Ratnagiri in harness on June 4, 2007.	Rs. 3.26 lakhs along with 12% interest from the date of death till realisation in full	The Company has filed the written statement and the matter shall come up for hearing in due course
Revenue Proceedings against the Company				

No.	Case No. / Petition No./Year and Parties Involved	Brief particulars of Litigation	Amount Involved (Rs. In Lakhs)	Present Status
6.	The Assistant Commissioner of Income Tax, Mumbai has issued a notice dated August 24, 2010	Further information required in connection with the return of income submitted by our Company on September 30, 2009 for the A.Y.2009-2010	N.A.	-
Cases filed by our Company				
Nil				
Consent Application filed with SEBI				
7.	Consent application filed with SEBI by our Company	Disclosure and Open Offer requirements in respect of acquisition of shares of ZIM under the SEBI Takeover Regulations were not complied with.	-	Pending with SEBI
Petition before the Company Law Board				
8.	Our Company has filed a Petition under Section 141 of the Companies Act dated September 21, 2010 before the Company Law Board, Western Region Bench, Mumbai	For condonation of delay of 119 days in filing Form 8 with the RoC for creation of charge on March 31, 2010 in favour of State Bank of India.	-	The Petition is pending before the Company Law Board, Mumbai
Cases filed against our Promoter and Directors				
9.	Mr. Dhananjay Dayma and Mrs. Shyama K. Dayma filed a Petition before the Company Law Board, Western Region	Petition filed under Section 397, 398, 399, 402, 403 and 111 of the Companies Act naming our Directors Mr. Faiz Vali and Mr. Anwar Siraj Daud as parties.	Not Ascertainable	Petition not yet been registered nor has our Company received any notice from the CLB for hearing of the matter.
Cases filed by our Directors				
10.	**Consumer Compliant 226/2010** Anwar Siraj Daud has filed a Consumer Compliant against Emirates Airlines and others before the District Consumer Dispute Redressal Forum, Nagpur	For inconvenience caused to him due to the deficiency in services and mental harassment caused during his travel from Dubai to Moscow.	Rs. 10.77 lakhs	The matter shall come up for hearing in due course.
11.	**Civil Suit 325/2009** Anwar Siraj Daud and Ms. Tasneem Daud has filed a against Ms. Krishna Dayma and Mr. Dhananjay Dayma before the Small Causes Court, Nagpur	For an order for vacant possession of the premises situated at Nazul Plot No.20, Corportion House No.73/A/M, Ward No.5, Mouza Dhantoli, Nagpur	N.A.	The matter shall come up for hearing in due course
Cases filed by and against our Group Companies				
12.	UMPL has submitted a Notice of Opposition	Opposing the registration of trademark	N.A.	The notice is pending for

No.	Case No. / Petition No./Year and Parties Involved	Brief particulars of Litigation	Amount Involved (Rs. In Lakhs)	Present Status
	bearing opposition no. 205191 under form TM-5 before the Trade Marks Registry under the provisions of the Trade Marks Act, 1999	"FEBROMAL" in Class 5 filed by Rhugved Pharamaceuticals Limited as UMPL owns a similar trademark "FEBRONAL".		consideration with the Trade Marks Registry
13.	Order dated May 20, 2009 passed by the Employees Provident Fund Organization, Nagpur against UMPL	For failure to pay pension fund contributions of Rs.2,04,714 for the period March 2005 to February 2006	Rs.2.05 lakhs	The matter is pending before the Appellate Tribunal and shall come up for hearing in the normal course
14.	An FIR had been lodged with the Police Station at Kalmeshwar, Nagpur by the Deputy Commissioner (Nagpur Division), Food and Drug (MS) on April 9, 2010 against ZIM.	For certain unauthorized exports.	-	The matter is currently under investigation
Complaint filed against our Subsidiary, ZIM Laboratories Limited with RoC and SEBI				
15.	Mr. Dhananjay Dayma and Ms. Shyama K. Dayma, have filed various complaints before the SEBI and ROC	Making allegations in relation to forfeiture and allotment of certain equity shares of ZIM.	-	ZIM has replied to the complaints made with these authorities.
Cases filed by and against our Subsidiary, ZIM Laboratories Limited				
16.	Mr. Dhananjay Dayma and Mrs. Shyama K. Dayma filed a Petition before the Company Law Board, Western Region	Petition filed under Section 397, 398, 399, 402, 403 and 111 of the Companies Act	-	Petition not yet been registered nor has ZIM received any notice from the CLB for hearing of the matter
17.	**Special Civil Suit 633/2003** Mr. Sanjay Agrawal has filed a Special Civil Suit against ZIM Laboratories Limited before the Court of Civil Judge, Senior Division, Nagpur	For recovery charges for transportation of goods to various destinations.	Rs.0.78 lakhs	The matter shall come up for hearing on October 16, 2010
18.	**Civil Suit 103/2009** ZIM Laboratories Limited has filed a suit against Zilla Parishad and the District Health Officer before the Court of Civil Judge, Senior Division, Nagpur	For recovery of amount along with interest @ 24% p.a. and other expenses from the defendants towards supply of certain medicines.	Rs.0.06 lakhs along with interest @ 24% p.a. and other expenses	The matter shall come up for hearing on October 6, 2010
19.	Certain employees of ZIM have filed two complaints (*1367 of 1997*) and (*564 of 2005*) with the Industrial Court at Nagpur	Alleging unfair trade practices including not allowing them to resume work.	N.A.	The matter shall come up for hearing on October 6, 2010

No.	Case No. / Petition No./Year and Parties Involved	Brief particulars of Litigation	Amount Involved (Rs. In Lakhs)	Present Status
Revenue proceedings against ZIM				
20.	The Assistant Commissioner, Customs & Central Excise, Division II, Nagpur passed an order dated July 29, 2010 against ZIM Laboratories Limited	For availing excess CENVAT credit of service tax on the total amount of services provided by M/s RFCL Limited instead of on the amount of service tax paid.	Demand of 0.07 lakhs along with penalty of Rs.0.07	ZIM is considering preferring an appeal against this order
21	The Assistant Commissioner, Customs & Central Excise, Division II, Nagpur passed an order dated July 29, 2010 against ZIM Laboratories Limited	Show Cause Notice for availing CENVAT credit.	Demand of Rs.1.04 lakhs along with penalty of Rs.1.04 lakhs	ZIM is considering to file an appeal against the order passed pursuant to the SCN.
22.	A.Y. 1991 ZIM Laboratories Limited has preferred an appeal before the Joint Commissioner of Sales Tax Appeals, Nagpur against the order dated July 1, 2009 passed by the Deputy Commisioner of Sales Tax, Nagpur	DCST has assessed tax dues amounting to Rs.61,497 and has charged interest of Rs.2,26,924 and has further imposed a penalty of Rs.1,500. ZIM has preferred and appeal. ZIM has further been granted a stay against the disputed dues by an order dated September 25, 2009 passed by the DCST.	Rs.2.27 lakhs	The matter is currently pending before the JCST, Nagpur
23.	ZIM Laboratories Limited has preferred an appeal before the Joint Commissioner of Sales Tax Appeals, Nagpur against the order dated July 1, 2009 passed by the Deputy Commissioner of Sales Tax, Nagpur	DCST has assessed tax dues amounting to Rs.1,38,049 and has charged interest Rs.4,76,271 and has further imposed a penalty of Rs.6,500. ZIM has preferred and appeal. ZIM has further been granted a stay against the disputed dues of Rs.5,00,820 by an order dated September 25, 2009 passed by the DCST.	Rs.5.01 lakhs	The matter is currently pending before the JCST, Nagpur
24.	ZIM Laboratories Limited has preferred an appeal before the Joint Commissioner of Sales Tax Appeals, Nagpur against the order dated July 1, 2009 passed by the Deputy Commisioner of Sales Tax, Nagpur	DCST has assessed tax dues amounting to Rs.8,845 and has charged interest Rs.30,833. ZIM has preferred the present appeal disputing the interest charged by the DCST amounting to Rs.30,833.	Rs.0.31 lakhs	The matter is currently pending before the JCST, Nagpur
25.	The Superintendent (Group	Non-payment of service	Rs. 23.98 lakhs	The matter is

No.	Case No. / Petition No./Year and Parties Involved	Brief particulars of Litigation	Amount Involved (Rs. In Lakhs)	Present Status
	A), Service Tax Cell, Nagpur has issued a notice dated July 7, 2010	tax of Rs.23.98 Lakhs on the services received prior to July 7, 2009 towards export from the foreign commission agent.		currently pending

For details of the above litigation, please refer to the section titled "Outstanding Litigation and Material Developments" beginning on page 357 of the Draft Red Herring Prospectus.

4. ***Our Company sells its beauty care products under the brand name 'RevAyur Unijules' for which a suit has been filed against our Company for infringement of trademark 'RevAyur Unijules'. In the event, any unfavourable final order or judgement is passed, it may restrict our Company's ability to sell the products under the brand name "RevAyur".***

Three-N-Products Private Limited ("***TPPL***") has filed a suit (*Suit No.397/08*) against our Company before the Additional District Judge, Tis Hajari Courts, Delhi for infringement of its registered trademark "AYUR" and for other reliefs. The Court by its interim order dated August 29, 2008 ("***Order***") had restrained our Company, its directors, dealers, distributors, selling agents and all other persons acting on behalf of our Company from infringing the registered trademark "Ayur" and from manufacturing and selling cosmetic goods and articles under the trademark "RevAyur". Our Company has also submitted that the prefix "REV" is derived from the word "REVIVE" and "AYUR" from "Ayurveda", thus forming a new word "RevAyur". The combination of "REV" and "AYUR" is made to denote the rejuvenation and revival of the looks of the user after using our Company's products. TPPL also filed a Contempt Application alleging violation of the Order by our Company. However, the Court by its order dated December 19, 2008 disposed off the contempt application and modified the ex-parte injuction Order to the extent that our Company has been allowed to use the trademark "RevAyur" by using the prefix "Unijules" in fonts which may be 5-6 times smaller than the said trademark. The suit is pending before the Additional District Judge, Tis Hajari Courts, Delhi. In the event of any unfavourable final order or judgement is passed against our Company, it may restrict our Company's ability to sell its products under the said brand name which may adversely affect our business and financial conditions.

5. ***There may be potential conflict of interest vis-à-vis our Promoter with regard to the business interests of our Company and our Subsidiary.***

While our Company is engaged in manufacturing allopathic, herbal and ayuvedic FDF formulations, and our Subsidiary, ZIM Laboratories Limited is engaged in manufacture of only allopathic and nutraceutical FDF formulations, however the main objects of the Memorandum of Association ("***MoA***") of our Subsidiary enable them to engage in, the same line of business as that of our Company. Though unlikely, there may be potential conflict of interest in addressing business opportunities and strategies in circumstances where the interest of our Company may be similar to that of our Subsidiary. Such business opportunities may create conflict of interest for our Promoter. For further details of our Subsidiary and our Group Company, please refer to the section titled "History and Certain Corporate Matters" and "Our Group Companies" beginning on pages 178 and 314 respectively of the Draft Red Herring Prospectus.

6. ***Acceptability of our herbal formulations in the U.S. and European markets may be affected due to factors such as insufficient clinical data.***

Acceptability of our herbal formulations in the U.S. and European markets may be affected due to factors such as insufficient clinical data. There is a lack of literature on herbal medicines, scientific data in support of the medicinal activity claimed and their safety and efficacy assumed though WHO guidelines direct that it may not be necessary to carry out detailed toxicological evaluation of herbs and herbal preparation originating from traditional system medicine. There are several concerns in the clinical researches of herbal medicines one of which is whether different products, extracts, or even different lots of the same extract are comparable and equivalent. While herbal medicines are generally considered with no known side effects as against the allopathic drugs, there may be possibilities of side effects from herbal medicines when interacted with other drugs. This may lead reduced acceptability of our herbal formulations in the U.S. and European markets which may adversely affect our business operations and financials.

7. Prescription of herbal medicines is preferred by doctors holding BAMS degree as against the preference of prescribing allopathic medicine by doctors holding MBBS degree or such other degrees.

Prescription of herbal medicines is generally preferred by doctors holding BAMS degree as against the preference of prescribing allopathic medicine by doctors holding MBBS degree or such other degrees despite that the herbal medicines are generally considered having no known side effects as compared to the allopathic medicines. This may lead to reduction in the sales volume of our herbal formulations in future which may affect the business, financial condition and results of operations of our Company.

8. If we do not successfully commercialise our products developed by our R&D department such as products developed for Sickle Cell Anaemia, or if our commercialisation is delayed, our business, financial condition and results of operations may be adversely affected.

Our future results of operations depend, to a significant degree, upon our ability to successfully commercialise additional products in our key therapeutic areas. Our R&D department has developed a herbal drug formulation for treatment of Sickle Cell Anaemia which is one of the types of blood disorder. Our R&D has committed substantial efforts, funds and other resources towards research and development of this product and also developing our further product pipeline. If we are unable to develop and manufacture new products or if the commercialisation of these new products is delayed, our business, financial condition and results of operations may be adversely affected.

9. Our Company has filed three (3) patent applications with WIPO. Failure to obtain the product and process patent registrations for which it has filed applications, may adversely affect the financials and business operations of our Company.

Our Company endeavors the filing of patents for its unique products and processes for allopathic and herbal formulations. In the year 2006, 2007 and 2010, we have filed three (3) patent applications with WIPO for registration of (i) 'PELLETS OF HERBAL EXTRACTS AND THE PROCESS OF PREPARING PELLETS'; (ii) 'HERBAL GASTROINTENSTINAL CONTROLLED DRUG DELIVERY DOSAGE FORMS INCLUDING PELLETS AND PROCESS FOR THEIR PREPARATION'; and (iii) 'RAPID DISSOLVABLE ORAL FILM FOR DELIVERING HERBAL EXTRACTS WITH OR WITHOUT OTHER PHARMACEUTICAL AGENTS', respectively. Further, our Company has also a National Phase Application in Malaysia for registration of 'PELLETS OF HERBAL EXTRACTS AND THE PROCESS OF PREPARING PELLETS'. Further, our Company has filed separate patent applications for the above inventions with the Patent Office, Mumbai. Our Company's continued success depends, in part, on its ability to obtain patent registrations 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 products or processes that are similar to those that our Company is developing or are seeking to protect. Failure to obtain the product and process patent registrations, may adversely affect the financials and business operations of our Company.

10. We have recently launched our brand 'RevAyur Unijules'. We might not be able to successfully implement our business strategy in the event of failure to market the brand 'RevAyur Unijules' which may affect the business operations of our Company.

We have introduced our brand 'RevAyur' in the year 2008 for selling our herbal formulations and beauty care products in the form of ointments, gels & creams, premixes, capsules and tablets, oils & balm. We believe that it is essential for our Company to focus on increasing the brand visibility of its brand 'RevAyur Unijules' as well as increasing the sales, marketing and distribution network to successfully commercialize and increase the market share of these products. Further, our business strategy also includes aggressive marketing of the herbal formulations and beauty care products under the brand name 'RevAyur Unijules'. Our Company may encounter operational, administrative and strategic difficulties during the marketing of this brand, which may cause it to react slower than our competitors. We may incur significant advertising and promotion costs in respect of marketing our brand 'RevAyur Unijules' and launching our products under the said brand. If we are unable to successfully implement our business strategy in an effective and timely manner, we may face an adverse effect on our business prospects, competitiveness, market position, brand name, financial condition and results of operations.

11. ***We participate in tenders which are highly competitive and failure to meet any of the conditions or increased competitive pressure for selection during the tendering process may adversely affect our business.***

Our institutional customer base includes government, semi-government, hospitals & nursing homes, aided agencies and the defence sector which represents a significant portion of our Company's income. Our Company procures orders from these institutions by tender process. Our Company submits financial bids to procure orders from such Government institutions. We cannot assure you that our financial bids, when submitted or if already submitted, would be accepted. Further, there might be delays in the bid selection process owing to variety of reasons which may be outside our control and our bids, once selected may not be finalized within the expected time frame which may affect our financial condition.

12. ***We source certain narcotic drugs directly from the Government and Government approved vendors.***

Any material change in the laws and regulatory environment in relation to such narcotic drugs within and outside the country will significantly impact the business of our Company. There is no assurance or guarantee that the Government or Statutory authority will not ban such narcotic drug that is used by our Company in their formulations which may adversely affect the business operations and financials of our Company.

13. ***Success of our herbal formulations depends upon availability of essential herbals required to manufacture such formulations. Deforestation may lead to limited or no availability of these essential herbals which may adversely affect the business and financials of our Company.***

Aavla, Bheda, Hirda, Brahmi etc. are the major herbs used by our Company in preparation of our herbal formulations. Success of our herbal formulations depends upon availability of essential herbals required to manufacture such formulations. The availability of these essential medicinal herbs is dependent upon sources such as natural forests. Deforestation may lead to limited or no availability of these essential herbals which may adversely affect the business and financials of our Company.

14. ***We are susceptible to product liability claims which may have a material adverse effect on our business and financial condition.***

We face the risk of loss resulting from product liability claims resulting from defects in our products or lack of quality control, negligence in storage, handling and transportation of our products to its ultimate destination. In foreign jurisdictions, even in the semi-regulated markets, the quantum of damages, especially punitive, awarded in cases of product liability could be extremely high.

Moreover, defending claims against our Company will divert the management’s time and attention, may adversely affect our reputation and future sale of our products. The consequential liabilities and costs could have a material adverse effect on our business, financial condition and results of operations. In the event, we are not able to recover the product liability claim from the insurance company, it may have a material adverse effect on our business, financial condition and results of operations.

15. ***If we are unable to protect our intellectual property and proprietary information, or if we infringe the intellectual property rights of others leading to claims against us may affect our business, financial condition and results of operations.***

As at August 31, 2010, we owned and held three (3) registered trademarks and twenty nine (29) trademarks for which our Company has filed applications. We may not be able to safeguard our IPRs from infringement or passing off actions by third parties, both in the domestic and international markets. It is also possible that infringement or passing off actions do not come to our knowledge since our operations are spread over several regions. Further, we may inadvertently manufacture or sell products that infringe intellectual property rights of others and so are vulnerable to unexpected liability or claims.

A significant market strategy of our Company is based on developing and introducing new FDF products and thereby increasing the product portfolio of our Company's offerings. Our Company also files and seeks to obtain patents for NDDS under development. Patents are therefore likely to become increasingly significant to our Company in the future. Our Company's continued success depends, in part, on its ability to protect its intellectual property, including trade secrets and other proprietary information, obtain patents 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 our products or processes that compete with those that our Company is developing or are seeking to protect.

Moreover, there has been substantial patent litigation in the pharmaceutical industry concerning the manufacture, use and sale of various products. In the normal course of business, our Company may be subject to lawsuits, and the ultimate outcome of such litigation could adversely affect its business, financial condition and cash flow. Any lawsuit initiated against our Company with respect to any alleged patent infringement or other alleged violations of law or regulation, could materially affect our Company's business regardless of the outcome of such litigations. Moreover, there can be no assurance that our Company's products or processes will not be found to infringe valid third-party intellectual property rights. The uncertainties inherent in patent litigation generally, and within the pharmaceutical industry in particular, make it difficult to predict the outcome of any such litigation. Our insurance cover may also not extend to these claims, if any or sufficiently cover them. For more information relating to our intellectual property, please refer to the section titled "Our Business" beginning on page 134 of the Draft Red Herring Prospectus. The consequential liabilities and costs could have a material adverse effect on our business, financial condition and results of operations.

16. ***Our business is dependent on approvals from Indian health regulatory authorities, foreign governmental authorities and health regulatory bodies and any failure or delay in obtaining or renewal of necessary licences or approvals, or any revocation of such licences or approvals may affect our ability to produce and sell our products which may adversely affect our business, financial condition and results of operations.***

We require product registrations, marketing authorisations and other approvals issued by Indian and foreign governmental authorities and health regulatory bodies. Governmental authorities in India, as well as other countries, regulate the research, development, manufacture, testing of products to ensure the health and safety of human life. There can be delays in obtaining required clearances from regulatory authorities after applications are filed by our Company. Our products, as well as the facilities where we manufacture them, require extensive examination, government reviews and approvals before they can be produced in these facilities and made available for sale in the Indian and overseas markets. Whether or not a product is approved in India, laws of certain countries require registration of products with their regulatory authorities before they are distributed in their country. We cannot assure that we will be able to obtain such registrations from overseas regulatory authorities or in a timely manner. Any failure or delay in obtaining regulatory approvals or conditions that are required to be met in order to obtain such approvals, could harm the marketing of our products in such countries or geographies and affect our business prospects and financial condition. Further, failure to renew or maintain the required registrations or approvals may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

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

For further information, please refer to the section titled "Government and other Approvals" beginning on page 366 of the Draft Red Herring Prospectus.

17. ***Our Company has recently acquired land from our Promoter, Mr. Faiz Vali on which our Company is setting up the new manufacturing facility for herbal products.***

Our new manufacturing facility proposed to be set-up by our Company for herbal products is currently under site development. Our Company pursuant to Sale Deed dated December 17, 2009 has acquired Plot No. P-338 admeasuring 1 Hectare for an aggregate consideration of Rs.335 Lakhs from our Promoter, Mr. Faiz Vali.

18. ***Our Company has made an application for converting the status of its land at Plot no. P-338 from agricultural land into non-agricultural land. Any delay in receipt of the approval or non-receipt of the approval could result in the delay setting up its new herbal facility affecting the business operations of our Company.***

Our Company has made an application for conversion of land situated at Plot No. P-338, Kalmeshwar, Nagpur admeasuring 1 hectare from agricultural land into non-agricultural land. There is no certainty that our Company will be able to obtain the change in status of land and that the requisite approvals or permissions shall be issued by the relevant government authorities. Any delay in receipt of the approval or non-receipt of the approval could result in the delay setting up its new herbal facility affecting the business operations of our Company.

19. ***Our Company has recently appointed a Company Secretary as required under Section 383A of the Companies Act.***

Our Company was incorporated in the year 2006. Our Company's paid up share capital in the F.Y. 2006-2007 was more than Rs.200 Lakhs (now amended to Rs.500 Lakhs in 2009). Our Company was required to appoint a full time Company Secretary in terms of Section 383A of the Companies Act for the period commencing from January 2006 till January 2010. While our Company has made reasonable efforts by publishing advertisements in the local English newspaper namely 'Hitavada' on June 10, 2007, May 14, 2008 and July 29, 2009, the regulatory authorities may penalise our Company in the event they disagree with our submission of taking reasonable efforts to appoint a full time Company Secretary.

20. ***Our Company's performance is highly dependent upon the regulatory policies of different jurisdictions, particularly the United States and the EU.***

Governments throughout the world heavily regulate the sale and marketing of pharmaceutical products. Depending on, among other factors, general economic conditions and government policies with respect to healthcare costs, private and public spending patterns on pharmaceuticals could change. Policy decisions by regulators that have the effect of making it more difficult for pharmaceutical companies from developing countries such as India to sell and market products into their markets or provide services to other pharmaceutical companies would have a material adverse effect on our Company's businesses. Such policies could include import limitations, limitations on outsourcing to developing countries and limitations on the importation of APIs.

Most countries also place restrictions on the manner and scope of permissible marketing to physicians and to other healthcare professionals. The effect of such regulations may be to limit the amount of income that a company is able to derive from a particular product. In addition, if our Company fails to comply fully with such regulations, civil or criminal actions may ensue. Moreover, in addition to normal price competition in the marketplace, the prices of our Company's pharmaceutical products are or may be restricted by price controls imposed by governments and healthcare providers in several countries. Price controls across countries operate differently and can cause variations in prices between markets, and currency fluctuations can further aggravate these differences. The existence of price controls can limit the income our Company earns from certain of its products. These developments, in turn, could have a material adverse effect on our Company's sales and profitability.

In addition, the World Health Organization ("***WHO***") is considering measures to implement a global strategy for dealing with counterfeit drugs. The WHO has tasked the International Medical Products Anti-Counterfeiting Taskforce ("***IMPACT***"), which is an independent group comprising drug maker lobbies, Interpol, the World Trade Organization, the World Intellectual Property Organization, the European Commission, ASEAN nations and the US pharmaceutical industry, to find ways to prevent the trade of counterfeit drugs. If the WHO implements a resolution with an overbroad definition of counterfeit drugs, it could create entry barriers for our Company's FDF products in the countries where our Company exports its FDF products. Such entry barriers could have a material adverse effect on our Company's business operations and financial results.

21. If our Company fails to comply with government and other regulations applicable to its activities in a timely manner, it may delay or prevent our Company from developing, manufacturing or marketing its products.

If our Company fails to comply with applicable regulations with respect to its operations and products in various jurisdictions in a timely manner, there may be a delay in the submission or approval of potential new products for marketing approval. In addition, the submission of an application to a regulatory authority does not guarantee that a license to market such product will be granted. Each authority may impose its own requirements and/or delay or refuse to grant approval, even when a product has already been approved in another country. In addition, governmental authorities, heavily regulate the manufacture of our Company's products. If our Company fails to comply fully with such regulations, our Company may lose regulatory approval to export and sell its products in those jurisdictions. Any such event would limit our Company's supply of raw materials and possible product shortages may ensure, which may have a material adverse effect on our Company's business, financial condition and results of operation.

Regulatory agencies may at any time re-assess the safety and efficacy of pharmaceutical products based on new scientific knowledge or other factors. Such reassessments, if applicable to our Company's products, could result in the amendment or withdrawal of existing approvals to market our FDF products, which in turn could result in a loss of revenues and/or profits, exposure to product liability claims, a loss of goodwill and write-offs of related inventory, all of which could have a material adverse effect on our Company's financial conditions and results of operations.

22. If our Company's R&D efforts do not succeed, we may not be able to introduce new products.

In order to remain competitive, our Company must successfully commercialize additional FDF products, as well as continue to improve the efficiency and cost competitiveness of its manufacturing processes to attract joint venture and out-licensing partners. To accomplish these objectives and to support its current market position and expansion in semi-regulated markets and entry into regulated markets, our Company commits substantial efforts, funds and other resources to R&D. In line with other pharmaceutical companies, we expect that its R&D costs will continue to increase in the future. It is not certain whether these R&D efforts will translate into increased efficiency in our Company's manufacturing processes, the development of additional products for marketing and sale 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 Company's income and financial condition.

Furthermore, in order to develop a commercially viable product, our Company must demonstrate, through clinical data, that the products are safe and effective for use in humans. Our Company's products currently under development, if and when fully developed and tested, may not perform as it expects. Moreover, necessary regulatory approvals may not be obtained in a timely manner, if at all, and our Company may not be able to successfully and profitably produce and market such products.

23. ***Our business is primarily dependant on the availability/supply and cost of raw materials which we source from domestic suppliers. Any significant increase in the prices of these raw materials or decrease in the availability of the raw materials, could adversely affect our results of operations.***

We depend on certain raw materials for our business which represent a significant portion of our expenses. Any significant increase in the prices of these raw materials or decrease in the availability of the raw materials, for any reason, could adversely affect our results of operations and consequently, our sales and profitability. Our failure to procure the raw materials in the necessary quantities at favorable prices, on schedule, of a specified quality and specification may adversely affect our production, loss of reputation and customer base which could adversely affect our business, financial condition and results of operation.

24. ***The capacity of the current facilities is not fully utilized and this could impair our ability to fully absorb fixed costs.***

The capacity of our manufacturing facilities has not been fully utilised, over the last three (3) financial years. Failure to utilize our existing capacities could impair our ability to fully absorb our fixed costs. For further details, please refer to section titled "Our Business - Installed capacity at our manufacturing facilities", on page 142 of the Draft Red Herring Prospectus.

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

In addition to normal price competition in the marketplace, the prices of our pharmaceutical products are or may be restricted by price controls imposed by governments and healthcare providers in several countries including India. The existence of price controls can limit the revenues we earn from our products. For example, in India, prices of certain pharmaceutical products are determined by the Drug Prices Control Order ("***DPCO***"), promulgated by the Indian government and administered by the National Pharmaceutical Pricing Authority ("***NPPA***"). The NPPA set out the list of the products that are required to be sold by pharmaceutical companies at or below the price prescribed by the NPPA. If the price of one or more products are administered or determined by the DPCO/NPPA, it may have a material adverse impact on our profitability in case we are not able to control costs and consequently the price of such products.

26. ***Growth in our Company's income and profits are closely tied to success in securing registrations for FDF products for marketing and selling them in the semi-regulated markets in a timely manner for new products. Failure in obtaining such registrations may adversely affect the business, financial condition and results of operations of our Company.***

Our Company's ability to achieve further sales growth and profitability in the semi-regulated markets is dependent on its success in securing registrations for FDF products for marketing and selling its products in the semi-regulated markets. While, our regulatory affairs team has developed capabilities and processes to file product registrations in semi-regulated markets and as on August 31, 2010, and has filed over 25 applications worldwide, we cannot assure you that any such required product registrations will be given by the regulatory authorities when needed or at all. Any failure or delay in obtaining such FDF product registrations that are required to be obtained could harm the marketing of our products in such countries or geographies and affect our business prospects and financial condition.

27. Our Company's income and profits may decline as a result of intense competition from other pharmaceutical companies manufacturing allopathic formulations.

Net selling prices of our FDF products may decline where other competitors receive approvals and enter the market for a given product and thereby intensifying competition. Our Company's ability to sustain its sales and profitability over time is dependent on both the number of new companies that begin to sell competing products and the timing of our Company's approval for its new products. Our Company's overall profitability depends on, among other things, its ability to continuously introduce new products in a timely manner. In addition, as a result of operating in a highly competitive industry, our Company's competitors are increasingly consolidating, and the strength of the combined companies could affect our Company's competitive position in all of its business areas. Furthermore, if one of our Company's competitors acquires any of our Company's customers or suppliers, we may lose business from the customer or lose a supplier of a critical raw material.

28. The pharmaceutical industry in general is characterized by a rapidly changing market landscape.

The market landscape of the pharmaceutical industry in general is constantly evolving, primarily due to factors such as but not limited to technological advances, regulations of both governments and bilateral treaties and arrangements and consolidation of resources by industry players. These factors are susceptible to sudden change which may affect the industry in a positive or negative manner. Any successful pharmaceutical or formulations company must be adequately prepared to react quickly and successfully when such changes occur. Any delay by our Company in reaction to these changes, whether in terms of modification of our Company's strategy or diversion of its production or management resources, would have a material adverse effect on its business, results of operation and financial condition.

29. Our Company permits some of its partners to use its name as 'manufacturer' in certain semi-regulated markets. Any litigation or regulatory proceedings against some of these partners may adversely affect our Company's business and goodwill in such markets.

Our Company permits some of its partners in certain countries such as Bangladesh, CIS countries, Malaysia, Nigeria and Vietnam to whom it supplies its FDF products to use our Company’s name as manufacturers for the products marketed by such third parties. In the event of these partners being involved in litigation or regulatory proceedings may have an adverse effect on our Company's business and goodwill in such markets and thereby adversely affecting our business, results of operation and financial condition.

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

There is a lack of scientific and clinical data about effectiveness of herbal products on human body. Our Company plans to market its herbal products in an aggressive manner and intends to utilize the funds from the proceeds of the Issue. For further information, please refer to the section titled "Objects of the Issue" beginning page 86 of the Draft Red Herring Prospectus.

We cannot assure you that our marketing and publicity plans will result in the increase in sales of our products, leading to an increase in the turnover and profitability of our Company. Any failure of marketing and publicity plans in generating sales may adversely affect the business, financial condition and results of operations.

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

One of our business strategies is to establish our presence and sales and distribution activities in the regulated markets i.e. U.S.A and European countries. The success of such expansion is dependent upon our obtaining the approval of the USFDA and other regulatory authorities for the products which we intend to sell. Any change in foreign governments or in foreign governmental policies, regulations, practices or focus that results in a slowdown or inability to obtain government approvals or product registrations could adversely affect this strategy, which in turn could adversely affect our business, financial condition and results of operations.

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

32. The manufacture and storage of pharmaceutical and chemical products is subject to environmental regulation and risk.

Our Company's operations are subject to various environmental laws and regulations relating to environmental protection in various locations in India and internationally. For example, the discharge or emission of chemicals, dust or other pollutants into the air, soil or water that exceed permitted levels and cause damage may give rise to liabilities to the government and third parties, and may result in expenses to remedy any such discharge or emissions. 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 Company's financial condition and results of operations. Environmental laws and regulations in India have become increasingly stringent, and it is possible that they will become significantly more stringent in the future. 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, financial condition or results of operation.

Pharmaceutical companies handle dangerous materials including explosive, toxic and combustible materials. If improperly handled or subjected to less than optimal conditions, these materials could harm employees and other persons, cause damage to property and harm the environment. This in turn could subject our Company to significant penalties or litigation which may have an adverse effect on our Company's financial condition and results of operations.

33. Our inability to develop and promote our brands may impede our growth rate and our profitability.

We believe that brand building is an essential component of business growth particularly in the industry in which we operate. Our brands enable our customer to distinguish our products from competitors' and other players in the unorganized sector. While, we believe we have established our brands 'RevAyur Unijules', 'KARNIM', 'MINITONE' 'RHEUMAX' and 'UROSCAN' in certain regions, we intend to expand our operations which would require additional investment towards brand promotion. Our inability to successfully develop, promote and market our brands may adversely affect our business and results of operations.

34. Our Company has made application for registration of various trademarks. Failure of our Company to obtain registration of these trademarks may limits our ability to defend our trademarks in infringement or passing off proceedings.

We have filed various trademark applications pertaining to our products under various classes under the Trademarks Act 1999 which are pending registration. There can be no assurance that our trade mark applications will be accepted and these trademarks will be registered. Further our applicatons for the registration of certain trademarks may be opposed by third parties, and we may have to incur significant cost in defending these oppositions. Failure to obtain registrations or if any injunctive or other adverse order is passed against us in respect of any of our trademarks for which we have applied for registration, we may not be able to avail the legal protection and legal remedies (in case of infringement) or prohibit un-authorised use of such trademark by third parties by means of statutory protection, available as proprietor of registered trademarks.

35. ***Although our Company has multiple manufacturing plants, they are all located in Nagpur. Any delay in production at, or shutdown of, these facilities may in turn adversely affect our business, financial condition and results of operations.***

Although our Company has multiple manufacturing plants, they are all located in Nagpur and all of our Company's manufactured products are produced from these facilities located at Nagpur. If our Company experiences delays in production or shutdowns at any or all of these facilities due to any reason, including disruptions caused by disputes with its workforce or due to its employees forming a trade union, our Company's operations will be significantly affected, which in turn would have a material adverse effect on its business, financial condition and results of operations.

36. ***Our indebtedness and the conditions and restrictions imposed by our financing arrangements could adversely affect our ability to conduct our business and operations.***

We have entered into agreements for short term and long term borrowings with certain banks and financial institutions. These agreements include restrictive covenants which mandate certain restrictions in terms of our business operations such as change in capital structure, declaring dividends, further expansion of business, taking up new business activity or setting up/ investing in subsidiary except in the ordinary course of business and which require our Company to obtain prior approval of the lenders for any of the above activities. Although we have received approvals for this Issue, we are unable to assure you that our lenders will provide us with these approvals in the future. For details of these restrictive covenants, please refer to section titled, "Financial Indebtedness" beginning on page 340 of the Draft Red Herring Prospectus.

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

Our production and distribution process requires us to anticipate the demand for our products based on the feedback received from our own marketing personnel as well as our distributors. There is no guarantee that our estimate of market demand in India or in foreign countries will be accurate. In the event that we overestimate the demand for our products, we would have expended resources in manufacturing excess products and incurred costs such as taxes, insurance costs, distribution expenses, storage and warehousing and other allied expenditure. Our products have a fixed expiry period and in the event of excess production, we might have to bear the cost of expiry of these goods. Similarly, in the event we underestimate the market demand, we will lose out an opportunity of high sales that our competitors may capitalise on and thereby increase their respective market share. Any incorrect assessment of the demand for our products may adversely affect our business, financial condition and results of operations.

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

The pharmaceutical industry is characterised by frequent advancements in technology fuelled by high expenses incurred on research and development. To meet our customer's needs as well as keep pace with our competitors, we regularly update existing technology and acquire or develop new technology for our pharmaceutical manufacturing activities. In addition, rapid and frequent advancements in technology and market demand changes can often render existing technologies and equipment obsolete, requiring substantial new capital expenditures and/or write-downs of assets. Our competitors may have filed patent applications, or hold patents, relating to products or processes which compete with those we are developing. We have filed three (3) patent applications with the WIPO. We may not be able to obtain valuable intellectual property rights as we may not have the resources to continually improve our technology by investing in research and development. Our failure to anticipate or to respond adequately to advancements in technology, changes in market demand or client requirements could adversely affect our business and financial results.

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

We are exposed to the risk of spurious products or similar products not manufactured by us being sold under our name and brand. This practice by third parties may harm our corporate reputation and that of our brand. In the event that the spurious products are manufactured using the "Unijules" brand, we may have to establish that the spurious products are not manufactured and/or marketed by us so that we are able to defend any claim that may be made against us. In order to do so, we mark our products with specific batch numbers and manufacturing and expiry dates, which are maintained in our internal database at our manufacturing facilities. We cannot assure you that by dubious activities/processes our products will not be replicated by the manufacturer of the spurious products, and therefore, may suffer financial losses as well as loss to our reputation, which may in turn result in a material adverse effect on our business, financial condition and results of operations.

40. ***Any recall by us of our products due to any defect in our products may result in our manufacturing licence being withdrawn and we could become liable to cutomers, suffer may adversely publicity and incur substantial costs which could affect our business, financial condition and results of operations. This could in turn affect the value of our brand, and our sales could diminish if we are associated with negative publicity.***

Defects, if any, in our products could require us to undertake product recalls or could result in withdrawal of our license for manufacturing, storing and selling the products. This could require us to expend considerable resources in rectifying the problems and could also adversely affect our reputation and the demand for our products. Any recall of our products may have a material adverse effect on our business, financial condition and results of operations. Although, we attempt to maintain quality standards, we cannot assure that all our products would be of uniform quality, which in turn could adversely affect the value of our brand, and our sales could diminish.

Further, our business is dependent on trust our customers have in the quality of our products. Any negative publicity regarding our company, brand, or products, including those arising from a drop in quality of merchandise from our vendors, mishaps resulting from the use of our products, or any other unforeseen events could affect our reputation and our results from operations.

41. ***We are dependent upon the experience and skill of our management team and key employees particularly for R&D which is a key component of our business. Failure to attract and retain qualified personnel, our results of operations may be adversely affected.***

We are dependent on our management team and key employees particularly for R&D for the smooth running of our business. We may not be able to continuously attract qualified personnel or retain such personnel on acceptable terms, given the rising demand for such personnel and compensation levels among pharmaceutical and healthcare companies, universities and research institutions. If we are unable to attract and retain qualified personnel, our results of operations may be adversely affected.

42. ***We do not own the registered office and certain other premises from which we operate. If we are unable to renew these licenses, it may temporarily affect our administrative functions.***

Our Company does not own the premises on which our registered office in Mumbai is located. Our Company also operates from certain rented and leased premises. Whilst the terms of the license agreement may permit us to renew the contract, there is however no guarantee that the respective owners will agree to re-negotiate the license agreement on terms acceptable to us. If we lose the license at our registered office, we may have to relocate to an alternate location. Moreover, the alternative premises may come at a high cost and subsequent license may not be for long term, which may temporarily affect our administrative functions. For further detailson the registered office of our Company, please refer to section titled "Our Business" beginning on page 134 of the Draft Red Herring Prospectus.

43. ***We may be unable to produce or supply sufficient quantities of our products, which could result in a breach of contractual arrangements with other clients and distributors, which may have a material adverse effect on our business, financial condition and results of operations.***

We have entered into certain long-terms arrangements with government organisations and institutions for supply of certain products. The terms of the arrangement requires our Company to provide certain quantities of products within a stipulated period of time of the issue of the supply order. Any interruption in the supply by third party suppliers of raw materials as well as any disruptions in production at our facilities could result in our failure to supply our products to these government entities leading to a breach in the contractual obligations and resulting in operational losses.

We have also entered into contracts with certain clients and distributors to supply quantities of our products, which are fixed in advance. If, for any reason, we do not meet the minimum prescribed supply requirements, such client or distributor may terminate the agreement or claim damages on account of losses suffered owing to our failure to meet our obligations. The termination of these contracts as well as such liabilities and costs could have a material adverse effect on our business, financial condition and results of operations.

44. ***Any increase in the price of raw materials, fuel costs, labour or other inputs may affect our profitability and results of operations if we are not able to pass on the costs on our customers.***

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

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

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

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

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

47. Our inability to maintain our relationships with our sales agents may affect our sales operations.

We conduct our sales through various channels, including through super stockists, stockists and chemist. If our sales agents terminate or do not renew their agreements with us, our sales network may be reduced, which may affect our sales operations. Our inability to maintain effective relationships may also affect our sales operations and results of operations.

48. We may be subject to strikes and work stoppages. In the event of any strikes and work stoppages may materially and adversely impact our operations and financial condition.

As at July 31, 2010, our Company had 630 full time employees. In addition, we had hired 130 contract labour. While, we believe that we maintain good relationships with our employees and contract labour, there can be no assurance that we will not experience future disruptions to our operations due to disputes or other problems with our work force, which may materially and adversely affect our business and results of operations.

49. Our success depends on our distribution and marketing arrangements with our distributors, stockists, and customers including our institutional customers. If any of these arrangements are terminated for any reason, our business, financial condition and results of operations may be adversely affected.

Our Company supplements its territorial coverage of its products in various countries in the semi-regulated markets through licensing and sales/distribution agreements with third parties. Our products are distributed in the SAARC countries, Middle East, Africa, South East Asia, Maghreb, and Eastern Europe. Therefore, in addition to the marketing activities undertaken by our Company, it also depends on third parties for marketing and distributing of the certain products in these markets where they operate. These arrangements are contractual in nature and terminate at the end of the supply term or may be terminated by either party providing the other with notice of termination. While due caution is exercised by our Company at the time of entering into these agreements, it may not be able to renew or re-negotiate these third party arrangements at the end of the term, or on breach or if there are significant changes in the commercial environment in the market which may have a material adverse effect on our Company's business and results of operations.

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

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

For more information about the licences required in our business and the licenses and approvals applied for, please refer to the sections titled "Key Regulations and Policies" and "Government and Other Approvals" beginning on pages 167 and 366, respectively, of the Draft Red Herring Prospectus.

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

Manufacturers of allopathic formulations often encounter difficulties in production of FDF products. 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 current Good Manufacturing Practice ("***cGMP***") requirements. Because of the many steps involved in the production of these FDF products, any interruption in one of the steps in the manufacturing process could cause delays in the entire production cycle. In addition, any material labour 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 unforseen expenses. Furthermore, if our Company's suppliers fail to deliver necessary manufacturing equipment, raw materials our Company may be unable to meet the production deadlines. Any such developments could have a material adverse effect on our Company's business, financial condition and results of operations.

52. ***We have high working capital requirements. If we experience insufficient cash flows to allow us to make required payments on our debt or fund working capital requirements, there may be an adverse effect on our results of operations.***

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

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

It is customary in the industry in which we operate to provide bank guarantees or performance bonds in favour of government authorities and government hospitals to secure tenders. If we are unable to provide sufficient collateral to secure the working capital facilities obtained by our Company, we may not be able to obtain the working capital facilities which may affect our business and growth prospects.

53. ***A change in accounting or tax policies applicable to our Company could result in an adverse effect on our Company's income and reported results of operations.***

New or revised accounting or tax policies promulgated from time to time by relevant Indian authorities may significantly affect our Company's reported results of operations. Any current or future Government revisions to tax policies, in particular with respect to tax incentives, could have a material adverse effect on our Company's income and results of operations.

54. ***Our expansion plans require significant expenditure and if we are unable to obtain the necessary funds for expansion, our business may be adversely affected.***

We will need significant additional working capital and long-term capital to finance our future business plans. Due to various factors, including certain extraneous factors such as changes in tariff regulations, interest rates, insurance and other costs or borrowing and lending restrictions, if any, we may not be able to finance our expansion plans, or secure other financing when needed, on acceptable commercial terms. Any such situation would adversely affect our business and growth prospects.

55. Disruptions of information technology systems could adversely affect our Company's business.

Our Company is dependent upon increasingly complex and interdependent information technology systems, including internet-based systems, to support business processes as well as internal and external communications. We have installed ERP at all our manufacturing facilities. Integration of the ERP system is under implementation which shall be functional by F.Y.2011-2012. Our Company also has an inventory tracking system which tracks the stock position and order position and link all the manufacturing positions. Any significant breakdown or interruption of these systems, whether due to computer viruses or other causes, may result in the loss of key information and/or disruption of production and business processes, which could materially and adversely affect our Company's business.

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

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

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

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

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

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

58. Our transition to IFRS reporting could have a material adverse effect on our reported results of

operations or financial condition.

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

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

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

59. ***Delays associated with the collection of receivables from our clients may adversely affect our business and results of our operations.***

There may be delays associated with the collection of receivables from our clients and distributors. As of the year ended March 31, 2010 on a standalone basis, Rs.847.92 Lakhs, or 12.21%, respectively, of our accounts receivable were outstanding for a period of more than six (6) months. Our operations involve significant working capital requirements and delayed collection of receivables could adversely affect our liquidity and results of operations.

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

The major portion of our issued share capital is currently beneficially owned by our Promoter. Immediately following the completion of this Issue, and assuming no other changes in shareholding, our Promoter will beneficially own 31.37% of our post-Issue share capital of our Company. He can exercise significant influence over our business policies and affairs and all matters requiring a shareholders' vote, including the composition of our Board of Directors; the approval of mergers, strategic acquisitions or joint ventures or the sale of our assets or undertakings; lending and investment policies, capital expenditures and dividend policies. This concentration of ownership may delay, defer or even prevent a change in control of our Company and may make some of these transactions more difficult or impossible without the support of this shareholder. The interests of this shareholder may conflict with your interests; if he takes actions that are not in your best interests, it may harm the value of your investment.

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

operations.

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

62. Our operations are subject to environmental, workers' health and safety and employee laws and regulations. If we are unable to comply with such laws and regulations, it may have a material adverse affect on our operations.

Our operations are subject to environmental laws and regulations relating to environmental protection, such as the Water (Prevention and Control of Pollution) Act 1974, Air (Prevention and Control of Pollution) Act, 1981 and the Environment Protection Act, 1986. For example, the discharge or emission of chemicals, dust or other pollutants into the air, soil or water that exceed permitted levels and cause damage to the environment or the health and safety of humans. We cannot assure you that we will be able to comply with such environmental laws and regulations completely without having an effect on the manufacturing processes and turnover at reasonable costs. In case any of our facilities are ordered to be closed by the regulators for any reason, including non-compliance of their requirements or if we need to deploy additional environmental protection equipment, either of which could adversely affect our business and financial condition.

We are also subject to laws and regulations governing relationships with employees with respect to minimum wages and maximum working hours, overtime, working conditions, hiring and terminating of employees, contract labour, work permits, health and safety.

63. Our Company may experience fluctuations in quarterly income, operating results and cash flows which may affect the trading price of the Equity Shares.

Our Company's quarterly income, operating results and cash flows may fluctuate substantially from quarter to quarter in the future. Such fluctuations may result in volatility in the price of the Equity Shares. Quarterly income, operating results and cash flows may fluctuate as a result of a variety of factors, including but not limited to changes in demand for products; the impact of seasons (weather severity, length and timing) on the price and availability of raw materials; timing of regulatory approvals and of launches of new products, changes in pricing policies or those of competitors; the magnitude and timing of research and development investments; changes in the level of inventories maintained by customers; the geographical mix of sales and currency exchange rate fluctuations; adverse market events leading to impairment of assets and timing of retailers' promotional programs.

64. Our business is subject to a number of tax regimes and changes in tax related legislation could adversely affect our financial condition.

We currently have operations and staff spread across many states of India and abroad. Consequently, we are subject to the jurisdiction of a number of tax authorities and regimes. The revenues recorded and income earned in these various jurisdictions are taxed on differing bases, including net income actually earned, net income deemed earned and revenue-based tax withholding. The final determination of our tax liabilities involves the interpretation of local tax laws and related authorities in each jurisdiction as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred.

Taxes and other levies imposed by the central or state governments in India and by foreign authorities that may affect our revenues include customs duties, excise duties, value added tax, income tax, service tax and other taxes, duties or surcharges introduced from time to time. The central and state tax regime in India is extensive and subject to change from time to time. New tax regulations such as the proposed goods and services tax, may be introduced which may increase our overall costs.

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

We are entitled to certain income tax exemptions, under the Income Tax Act, 1961, on our business profits derived from export of our pharmaceutical & beauty care products manufactured at our manufacturing facilities. For further information on the tax benefits available to us, please refer to the section titled "Statement of Tax Benefits" beginning on page 101 of the Draft Red Herring Prospectus. Loss of this tax benefit in the future may result in a decrease in our margins, which could in turn result in a material adverse effect on our business, financial condition and results of operations.

66. We have entered into certain related party transactions and may continue to do so.

We have entered into related party transactions with our Promoter, Group Companies, Directors and related entities. While, we believe that all our related party transactions have been conducted on an arm's length basis, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. For further details of related party transactions, please refer to section titled "Standalone Related Party Transactions- Annexure XXIII" and "Consolidated Related Party Transactions- Annexure XXIV" beginning on page 256 and 307 under the section "Financial Statements" of the Draft Red Herring Prospectus.

67. Our Company has availed unsecured loans from other entities which are payable on demand. Any short notice for repayment may have a temporary impact on financials of our Company.

Our Company had availed unsecured loans aggregating to approximately Rs.13.78 Lakhs as on August 31, 2010. These loans, being demand loans may be called at any time by these entities. In the event that these loans are required to be re-paid on a short notice, our Company may have to arrange for additional funds which may have an impact on financials of our Company.

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

Our Company has obtained insurance coverage in respect of certain risks. Our significant insurance policies consist of, among others, transit policy, fire policy for buildings, stock, furniture & fixtures and plant & machinery. While we believe that the insurance coverage we maintain would reasonably be adequate to cover all normal risks associated with the operation of our business, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, nor that we have taken out sufficient insurance to cover all material losses. Furthermore, there can be no assurance that we will be able to maintain adequate insurance coverage in the future at acceptable costs. To the extent that we suffer loss or damage for which we do not obtain or maintain insurance or exceeds our insurance coverage, the loss would have to be borne by us and our results of operations and financial performance could be adversely affected.

69. We have experienced net negative cash flow. Any negative cash flows in the future may adversely affect our results of operations and financial condition.

Our Company has experienced net negative cash flow as set out below:

(Rs. In Lakhs)

Cash Flow	F.Y. 2010	F.Y.2009	F.Y.2008	F.Y.2007	F.Y.2006
Standalone Financials					
Operating Activities	(1,380.49)	(2,048.29)	(725.93)	121.95	(763.35)
Investing Activities	(1,050.75)	(227.58)	(646.88)	(1,854.99)	(156.66)
Financing Activities	2,469.90	1,706.93	1,922.25	1,875.54	921.06
Consolidated Financials					
Operating Activities	(1,407.67)	(2,031.91)	(1,346.39)	(524.12)	-
Investing Activities	(1,929.89)	(588.39)	(1,829.77)	(1,857.54)	-
Financing Activities	3,439.38	1,071.00	4,685.93	2,699.35	-

If we experience any negative cash flow in the future, this may adversely affect our results of operations and financial condition. For further details, please refer to section titled "Financial Statements" beginning on page 212 of the Draft Red Herring Prospectus.

70. One of our Group Companies has incurred losses in the last three (3) financial years.

Our Group Company has incurred losses during the last three (3) financial years as per the standalone financial statements. It may continue to incur losses in future periods, which could have an adverse effect on our results of operations. The details of our Group Company which have incurred losses in last three (3) financial years are set out below:

Rs. in Lakhs

Name of the Group Company	F.Y. 2009	F.Y. 2008	F.Y. 2007
	Profit After Tax		
Universal Medicaments Private Limited	(8.44)	45.33	379.10

None of our Subsidiaries or Group Companies have had negative networth in the last three (3) financial years (*as per their respective standalone financial statements*). For further details on our subsidiaries and group companies, please refer to section titled "History and Certain Corporate Matters" and "Our Group Companies" beginning on pages 178 and 314 respectively of the Draft Red Herring Prospectus.

71. Contingent liabilities, if crystallized, may adversely affect the financial condition of our Company since there is no provision made in the books of accounts of our Company.

Our Company does not have any contingent liability as on March 31, 2010 on a standalone basis. However, on a consolidated basis, the contingent liability of our Company as on March 31, 2010 is set out below:

(Rs. in Lakhs)

Particulars	As on March 31, 2010
Bills Discounted with Banks	-
Guarantee Given By bank	253.77
Letter of Credit Issued by Bank	159.00

Claims against our Company not acknowledge as debts in respect of:

(Rs. in Lakhs)

Particulars	As on March 31, 2010
Fringe Benefit tax not provided for an disputed items	-
Sales Tax matter, pending decision on appeal made by the company	8.79
Estimated amount of contract remaining to be executed on capital account and not provide for	61.31
Income Tax Matter under Appeal	-

Particulars	As on March 31, 2010
ESIC Demand	-

If any of these contingent liabilities materialise, fully or partly, the financial condition of our Company could be materially and adversely affected. For more information regarding our contingent liabilities, please refer to the section titled "Financial Statements" beginning on page 212 of the Draft Red Herring Prospectus.

72. Our Company has been assigned leasehold rights over certain M.I.D.C properties.

Our Company has been assigned leasehold rights by certain lessors over M.I.D.C properties where some of our manufacturing facilities are located. Consent for such assignment of leasehold rights in the favour of our Company may have been required from the M.I.D.C, as per the terms and conditions for operating facilities in the M.I.D.C area. In the event of failure to obtain such consent, if required, may construed as a breach of the terms of the lease.

73. Our Company has entered into lease agreements with M.I.D.C for its units situated at Nagpur on certain terms and conditions. In the event of any breach of the terms and conditions by our Company, M.I.D.C may terminate the lease and recover possession of the plot leased or part thereof.

The land on which our Company's existing manufacturing facilities are located at Kalmeshwar, Hingna and our proposed manufacturing facility at Umred, Nagpur has been/ is being set up has been granted by M.I.D.C on certain terms and conditions. The right of our Company to occupy and enjoy these premises is conditional upon adherence of the stipulated terms and conditions of M.I.D.C. In the event of any breach of these terms and conditions by our Company, M.I.D.C. may terminate the lease and recover possession of the entire plot leased or any part thereof.

Risks in relation to the Objects of the issue

74. Under-utilisation of our proposed expanded capacities may adversely impact our financial performance.

We propose to expand our production capacities based on our estimates of market demand and profitability. In the event of non-materialisation of our estimates and expected order flow for our products, due to factors including adverse economic scenario, change in demand or for any other reason, our capacities may not be fully utilised thereby adversely impacting our financial performance.

75. The project for which the funds are being raised has not been appraised by any Bank/Financial Institution. Further, there will not be any monitoring of the project by any Bank/Financial Institution.

Our funding requirements, the funding plans and the deployment of the proceeds of the Issue are based on our management estimates and have not been appraised by any bank or financial institution. The deployment of funds in the project is entirely at our own discretion and the same will not be monitored by any external agency. We may have to revise our management estimates from time to time and consequently our funding requirements may also change. The estimates contained in the Draft Red Herring Prospectus may exceed the value that would have been determined by third party appraisals, which may require us to reschedule the deployment of funds proposed by us and may have a bearing on our expected revenues and earnings.

76. Our Company has not placed orders for most of the plant and machinery. In case of any escalation in prices of these machineries, our total project cost may increase which in turn will adversely affect our Company's financials.

Our Company has received quotations from various suppliers for the plant and machinery. However, our Company is yet to place order for 100% of its total plant & machinery requirements. For details of the quotations received, please refer section titled "Objects of the Issue" beginning on page 86 of the Draft Red Herring Prospectus.

77. ***As a part of our Objects of the Issue, we propose to set-up a USFDA/UKMHRA/WHO cGMP compliant manufacturing facility at Umred, Nagpur. In the event we are unable to obtain or procure the approval from the USFDA/UKMHRA, we will not be able to enter and sell our products in the highly lucrative regulated markets.***

As a part of our growth strategy, we propose to set-up a USFDA/UKMHRA/WHO cGMP compliant manufacturing facility at Umred, M.I.D.C, Nagpur. This facility, when developed and approved by the USFDA/UKMHRA will enable our Company to enter and sell our products in highly lucrative regulated markets. The process of obtaining the required approval for the facility from USFDA/UKMHRA generally takes around two (2) years after the facility has been set-up as per the standards acceptable to the USFDA/UKMHRA. For any reason if we are not able to obtain the required approvals from USFDA/UKMHRA for the proposed facility, our Company may not be able to enter and sell our products in highly lucrative regulated markets which may adversely affect our business strategy and financials. Further, we may take a longer period to recover the costs incurred towards setting up this facility as per the USFDA/UKMHRA standards by selling the products manufactured in this facility in the semi-regulated markets, subject to WHO cGMP approval.

78. ***Our Company may face risks of delays/non-receipt of the requisite regulatory/statutory approvals or licenses for any of the Objects arising out of the Issue. Any delay in receipt or non-receipt of licenses or approvals could result in cost and time overrun.***

We would be applying for various licenses, approvals at various stages of implementation for our Objects. Any delay in receipt or non-receipt of licenses or approvals that may be required for the Object could result in cost and time overrun, and accordingly adversely affecting our operations and profitability. For details, please refer to the section titled "Government & Other Approvals" beginning on page 366 of the Draft Red Herring Prospectus.

79. ***We have not identified alternate sources of financing the "Objects of the Issue". If we fail to mobilize the resources as per our plans, our growth plans may be affected.***

We have partly funded our proposed project at Umred, M.I.D.C, Nagpur for an amount of Rs.62.60 Lakhs through internal accruals. We have not identified any alternate source of funding the balance requirement for this project and entire requirement for other projects. Therefore, any failure or delay on our part to mobilize the required resources or any shortfall in the issue proceeds may delay the implementation schedule of our expansion projects and could adversely affect our growth plans.

80. ***The completion of our proposed Umred facility is dependent on performance of external agencies and any shortfall in the performance of these external agencies may adversely affect our expansion plans.***

The completion of our proposed Umred facility is dependent on performance of external agencies, which are responsible for construction of buildings, installation and commissioning of plant and machinery and supply and testing of equipment. We cannot assure you that the performance of external agencies will meet the required specifications or performance parameters. If the performance of these agencies is inadequate in terms of the requirements, this may result in incremental cost and time overruns, which in turn may adversely affect our expansion plans.

81. ***We have not entered into any definitive agreements to use the net proceeds of the Issue and may invest or spend such net proceeds in ways with which you may not agree.***

We intend to use the Net Proceeds of the Issue for setting up manufacturing facilities and general corporate purposes. For further information, please refer to the section titled "Objects of the Issue" beginning on page 86 of the Draft Red Herring Prospectus. We have not entered into any definitive agreements to utilise the net proceeds of the Issue. In addition, our capital expenditure plans are subject to a number of variables, including possible cost overruns and changes in management's views of the desirability of current plans, among others. As a result, our planned use of the proceeds of the Issue may change in ways with which you may not agree.

External Risk Factors

82. Global downturn and market conditions could cause our business to suffer. A slowdown in economic growth in India could cause our business to suffer

The developed economies of the world viz. U.S., Europe, Japan and others are in midst of a downturn affecting their economic condition and markets General business and consumer sentiment has been adversely affected due to the global slowdown and there can be no assurance whether the developed economies or the emerging market economies will see good economic growth in the near future. Consequently, this has also affected the global stock and commodity markets. Our performance and growth is directly related to the performance of the Indian economy. The performance of the Indian economy is dependent among other things on the interest rate, political and regulatory actions, liberalization policies, commodity and energy prices etc. A change in any of the factors would affect the growth prospects of the Indian economy, which may in turn adversely impact our results of operations, and consequently the price of our Equity Shares.

83. The Indian economy has sustained varying levels of inflation in the recent past which lead to increased costs which shall have an adverse effect on our profitability and financial condition.

India has experienced very high levels of inflation during the period between 2008 and 2009, with inflation peaking at 12.91% in August 2008. The inflation rate based on WPI (Wholesale Price Index) was 9.9% in March 2010. In the event of a high rate of inflation, our costs, such as salaries, price of transportation, wages, raw materials or any other of our expenses may increase. Further, we will not be able to adjust our costs or pass our costs which have been fixed during periods of lower inflation to our customers. Accordingly, high rates of inflation in India could increase our costs, could have an adverse effect on our profitability and, if significant, on our financial condition.

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

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

One of the standard conditions in contracts typically awarded by governments or government-backed entities is that the government or entity, as a client, has the right to terminate the contract after issuing a notice. In the event that a contract is so terminated, our results of operations may be adversely affected.

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

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

86. Exchange rate fluctuations may adversely affect our business.

Though, our Company may hedge a portion of the net foreign exchange position through forward exchange contracts and derivatives, it still may be affected by fluctuations in exchange rates between the Indian rupee and other currencies. Most of our exports and some of our imports are made in in foreign currencies. Any significant fluctuation in exchange rates may adversely affect our business, financial condition and results of operations.

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

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

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

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

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

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

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

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

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

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

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

The Indian market and the Indian economy are influenced by economic and market conditions in other countries. Financial turmoil in Asia, Russia and elsewhere in the world in the past has affected the Indian economy. Recently, financial turmoil in the United States has affected the Indian economy. Since mid-2007, and particularly during the second half of 2008 and the first quarter of 2009, the global banking and financial services industry and the securities markets generally were materially and adversely affected by significant declines in the values of nearly all asset classes, including mortgages, real estate assets, leveraged bank loans and equities, and by a serious lack of liquidity. Business activity across a wide range of industries and regions was greatly reduced and local governments and many companies were in serious difficulty due to the lack of consumer spending and the lack of liquidity in the credit markets. Unemployment increased significantly in many countries. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, our future financial performance and the price of our shares.

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

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

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

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

Changes in interest rates could significantly affect our financial condition and results of operations. If the interest rates for our existing or future borrowings increase significantly, our cost of servicing such debt will increase. This may adversely impact our results of operations, planned capital expenditures and cash flows.

Risk Factors to an Investment in our Equity Shares:

94. Conditions in the Indian securities market may affect the price or liquidity of the Equity Shares.

The Indian securities markets are smaller than securities markets in more developed economies. Indian stock exchanges in the past have experienced substantial fluctuations in the prices of listed securities. These stock exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected.

95. After this Issue, the Equity Shares may experience price and volume fluctuations or an active trading market for the Equity Shares may not develop.

The price of the Equity Shares may fluctuate after this Issue as a result of several factors, including volatility in the Indian and global securities markets, the results of our Company's operations, the performance of our Company's competitors, developments in the pharmaceutical sector and changing perceptions in the market about investments in the pharmaceutical sector, adverse media reports on our Company or the pharmaceutical sector, changes in the estimates of our Company's performance or recommendations by financial analysts, significant developments in India's economic liberalisation and deregulation policies, and significant developments in India's fiscal regulations. In addition, no assurance can be given that an active trading market for the Equity Shares will develop or as to the liquidity or sustainability of any such market, the ability of holders of the Equity Shares. If an active market for the Equity Shares fails to develop or be sustained, the trading price of the Equity Shares could fall.

96. Investors will not be able to sell the Equity Shares on an Indian stock exchange until the Issue receives trading approvals.

The Equity Shares will be listed on BSE and NSE. Pursuant to Indian Regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Investors' book entry, or "demat", accounts with depository participants in India are expected to be credited within two (2) Working Days of the date on which the Basis of Allotment is approved by the Designated Stock Exchange. Thereafter, upon receipt of final approval from the Designated Stock Exchange, trading in the Equity Shares is expected to commence within two (2) Working Days of the date on which the Basis of Allotment is approved by the Designated Stock Exchange. Our Company cannot assure that the Equity Shares will be credited to investor's demat accounts, or that trading in the Equity Shares will commence, within the time periods specified above. Any delay in obtaining the approvals would restrict your ability to dispose of the Equity Shares. Any failure or delay in obtaining the approval would restrict your ability to dispose of the Equity Shares. In accordance with section 73 of the Companies Act, in the event that the permission of listing the Equity Shares is denied by the Stock Exchanges, we are required to refund all monies collected to investors.

97. There is no guarantee that the Equity Shares will be listed on the BSE and NSE in a timely manner.

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

98. Future issues or sales of our Equity Shares may significantly affect the trading price of the Equity Shares.

Future issue of Equity Shares /convertible instruments by us or the disposal of Equity Shares by any of the major shareholders or the perception that such issues or sales may occur may significantly affect trading price of the Equity Shares. Other than the lock-in of pre-issue capital as prescribed under SEBI (ICDR) Regulations, none of our shareholders are subject to any lock-up arrangements restricting their ability to issue Equity Shares or the Shareholders' ability to dispose of their Equity Shares, and there can be no assurance that any shareholder will not dispose of, encumber, or pledge, its shares. For details of lock in of pre-issue Equity Share capital, please refer to the section titled "Capital Structure" beginning on page 74 of the Draft Red Herring Prospectus.

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

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

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

Any future issuance of our Equity Shares by our Company could dilute your shareholding. Any such future issuance of our Equity Shares or sales of our Equity Shares by any of our significant shareholders may also adversely affect the trading price of our Equity Shares, and could impact our ability to raise capital through an offering of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares. Upon completion of the Issue, the entire post-Issue paid-up capital held by our Promoter will be locked-in for a period of one (1) year and 20% of our post-Issue paid-up capital held by our Promoter will be locked-in for a period of three (3) years from the date of allotment of Equity Shares in the Issue. For further information relating to such Equity Shares that will be locked-in, please refer to the sub-section titled "Notes to the Capital Structure" under the section titled "Capital Structure" beginning on page 74 of the Draft Red Herring Prospectus.

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

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

102. There are restrictions on daily movements in the price of our Equity Shares, which may adversely

affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.

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

Notes to Risk Factors

1. This is a public Issue of 88,00,000 Equity Shares of face value of Rs. 10 each for cash at a price of Rs.[●] per Equity Share aggregating Rs.[●] Lakhs. The Issue will constitute 38.83% of the fully diluted post issue paid up capital of our Company.

2. Our Company is considering a Pre-IPO Placement of upto 18,00,000 Equity Shares aggregating to upto Rs.3,000 Lakhs to certain investors prior to the Issue. The issue of such Equity Shares pursuant to the Pre-IPO Placement, if any, will be completed prior to filing the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is successfully completed, the number of Equity Shares issued for such purpose will be reduced from the Issue, subject to the Issue being at least 25% of the post-Issue paid-up equity share capital of our Company.

3. The standalone net worth of our Company was Rs.6,194.77 Lakhs as of March 31, 2010. The book value of each Equity Share was Rs.44.68 as of March 31, 2010 as per our restated standalone financial statements. For details, please refer to section titled "Financial Statements" beginning on page 212 of the Draft Red Herring Prospectus.

4. The average cost of acquisition of the Equity Shares by our Promoter, Mr. Faiz Vali is Rs.5.00 per Equity Share. The average cost of acquisition of Equity Shares by our Promoter has been calculated by taking the average of the amount paid by him to acquire the Equity Shares issued by our Company. For details, please refer to section titled "Capital Structure" beginning on page 74 of the Draft Red Herring Prospectus.

5. For details on related party transactions, please refer the section titled "Standalone Related Party Transactions- Annexure XXIII" and "Consolidated Related Party Transactions- Annexure XXIV" beginning on page 256 and 307 under the section "Financial Statements" of the Draft Red Herring Prospectus.

6. For details on business interests and related transactions, please refer to the section titled "Financial Statements" beginning on page 212 of the Draft Red Herring Prospectus.

7. Our Company has not issued any Equity Shares for consideration other than cash except as provided in the "Capital Structure" beginning on page 74 of the Draft Red Herring Prospectus.

8. During the past six (6) months, there are no transactions in our Equity Shares, which have been purchased/ (sold) by our Promoter, his 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.

9. For information on changes in our Company's name, registered office and objects clause of the Memorandum of Association of our Company, please refer to the section titled "History and Certain Corporate Matters" beginning on page 178 of the Draft Red Herring Prospectus.

10. Except as disclosed in the sections titled "Capital Structure", "Our Promoter" and "Our Group Companies" and "Our Management" beginning on pages 74, 208, 314 and 188 respectively, of the Draft Red Herring Prospectus, none of the Promoter, Directors or key managerial personnel have any interest in our Company.

11. This Issue is being made under Regulation 26(1) of the SEBI (ICDR) Regulations through a Book Building Process wherein not more than 50% of the Issue to the Public shall be available for allocation on a proportionate basis to QIBs, out of which 5% (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remaining QIB portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above Issue Price. Upto 30% of the QIB Portion shall be available for allocation to Anchor Investors at the Anchor Investor Issue Price on a discretionary basis and one-third of the Anchor Investor Portion shall be available for allocation to domestic Mutual Funds. Under-subscription, if any, in the Mutual Funds portion will be met by a spill over from the QIB portion and be allotted proportionately to the QIB Bidders. Further not less than 15% of the 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 to the Public 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.

12. Under-subscription in the Issue, 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 BRLM.

13. Investors may note that in case of over-subscription in the Issue, allotment to Qualified Institutional Bidders, Non-Institutional Bidders and Retail Individual Bidders shall be on a proportionate basis. For details, please refer to the section titled "Terms of the Issue" beginning on page 384 of the Draft Red Herring Prospectus.

14. Investors may contact the BRLM or our Company for any clarification, complaints or information relating to the Issue, which shall be made available by the BRLM 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 of the BRLM and the Compliance Officer, please refer to section titled "General Information" beginning on page 64 of the Draft Red Herring Prospectus.

15. Investors are advised to refer to the section "Basis of Issue Price" beginning on page 98 of the Draft Red Herring Prospectus.

16. Trading in Equity Shares for all investors shall be in dematerialized form only.

17. There has been no financing arrangement whereby our Promoter Group, 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 business of the financing entity during the period of six (6) months immediately preceding the date of filing of the Draft Red Herring Prospectus with SEBI.

SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY

Industry Overview

All information contained in the enclosed content has been obtained by ICRA Management Consulting Services Limited (IMaCS) from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and IMaCS in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. All information contained herein must be construed solely as statements of opinion, and IMaCS shall not be liable for any losses incurred by users from any use of this publication or its contents. Unless otherwise indicated, the figures and amounts in US$ herein below have been reproduced and derived from the relevant industry sources. For the purpose of this section, certain numerical information is presented in "millions" and "billions" units.

The Global pharmaceuticals industry

Overview

The global pharmaceutical market reached US$ 837 billion in 2009, up 7% from the 2008 sales of about US$ 781 billion. According to an IMS Health forecast, world-wide pharmaceuticals sales growth of 4% to 6% percent is expected in 2010. It is likely to reach US$ 1.1 trillion by 2014 at a 5% to 8% compound annual growth rate (CAGR).

In the twelve month period to May 2008, retail sales through pharmacies increased about 2% in North America, the largest market. In the other markets Europe had a 4% growth; Japan (5%); Brazil, Mexico and Argentina (9%); and Australia and New Zealand (13%).

In terms of new innovation versus established product categories, a Pfizer report indicates that sales of established pharmaceutical products, which accounted for 40% of the total market in 2008, are expected to have a CAGR of 9.7% by 2013 with a 51% market share. The innovative products that accounted for 60% of the total market in 2008 are expected to have a flat growth and account for 49% of the market by 2013.

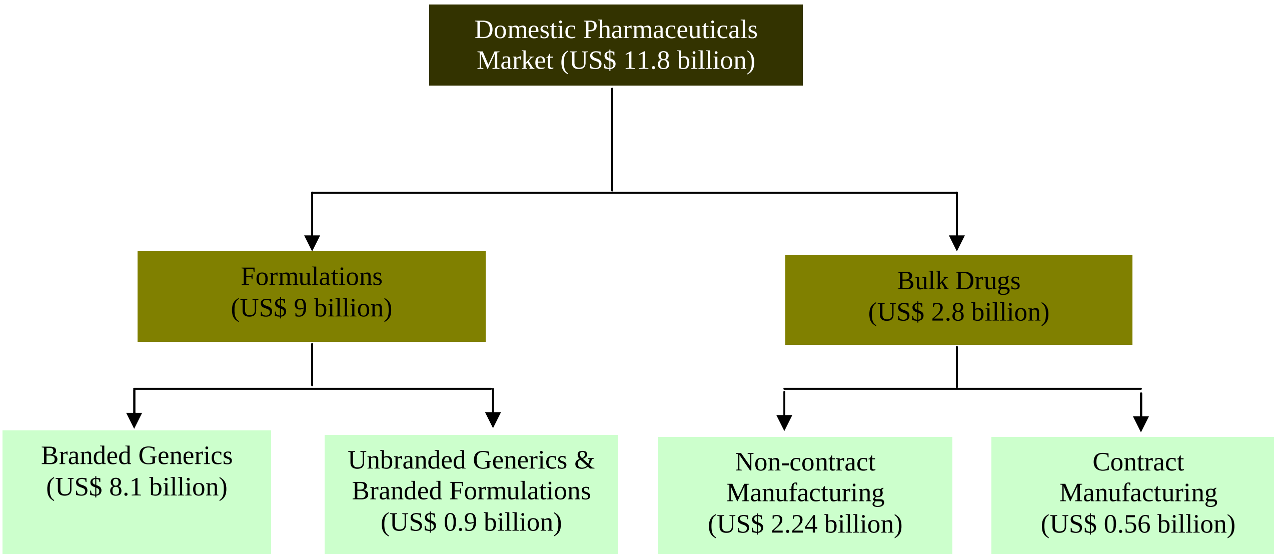
The Indian pharmaceuticals industry

Overview

The Indian pharmaceuticals industry is significantly developed in terms of infrastructure, technology and product range. It meets most of the country's pharmaceuticals requirements. Approximately 80% of domestic industry production consists of formulations, with the remainder consisting of bulk drugs.

Overall, the country now ranks among the top four worldwide accounting for 8% to 10% of world's production by volume and 1.5% to 2% by value. India exports pharmaceutical products to more than 200 countries around the globe including the highly regulated markets of US, Europe, Japan and Australia as well as the unregulated markets of Africa and the Middle-East. According to the Department of Pharmaceuticals, the domestic market was valued at about Rs. 554.5 billion (US$ 11.8 billion) in 2008-09. Imports were about Rs. 85.5 billion (US$ 1.8 billion).

Indian pharmaceuticals - market segmentation



The Indian formulations market is dominated by branded generic generics with an estimated market of US$ 9 billion in 2009. It is expected to grow to US$ 23.5 billion by 2015. While branded generics are expected to contribute 85% of the market, unbranded-generics and patented molecules are expected to contribute the remaining.

Generic Formulations

The Indian formulations market is estimated to be valued at US$ 9 billion, accounting for about 22% of the global market and about 50% of drugs and pharmaceuticals exports. It is estimated that the branded generics account for nearly 90% to 95% of India's drug market in volume terms and consist of second-and-third generation drugs no longer subject to patent protection in the developed world. The formulations market is expected to grow at 16% to 17% CAGR in the next four to five years.

Injectables - critical care and anaesthetics

The global market for injectables is expected to touch US$ 245 billion by 2012 and grow at a rate of 11%, annually in the next three to five years. In 2008, it was valued at about $150 billion, of which generic injectables comprised US$ 30 billion. At the end of 2008, the domestic injectables market was valued at about Rs. 56 billion (US$ 1.24 billion).

Injectable delivery systems are mainly available in the following forms:
- Prefilled syringes, which have a growing significance for accuracy and safety of drug delivery.
- Small volume parenternals (SVP), which are glass ampoules and vials of less than 100 ml.
- Large volume parenternals (LVP), which are glass vials and bottles of 100 ml and above.
- PVC or non-PVC bags, essentially, collapsible bags.

Traditional medicines and AYUSH products

India has a number of recognised indigenous systems of medicine such as Ayurveda, Yoga, Unani, Siddha, Homeopathy (the four together, termed AYUSH) and Naturopathy. In 2009, the AYUSH market was estimated at US$ 1.7 billion. The Indian herbal products-cum-traditional medicine industry is estimated at US$ 0.6 billion with a growth rate of 12% in 2009. The CAGR growth for herbal products is estimated at about 5% between 2009 and 2014. There are about 1,000 single drugs and about 3,000 compound formulations registered under

AYUSH. India possesses over 40,000 species and 16 eco-climatic zones, which provides ample ground developing the industry. The herbal industry uses about 8,000 medicinal plants. The combined AYUSH market consisting of medicines, over-the-counter products and wellness facilities is expected to double to US$ 3.5 billion by 2014.

Nutraceuticals

Nutraceuticals are substances that are food or a part of a food and provide medical or health benefits, including the prevention and treatment of disease. They are a combination of nutrition and pharmaceutical products that are taken in fixed dosage forms such as capsules and tablets, and cover a wide range of products including dietary supplements and botanicals.

Nutraceuticals are gaining acceptance for their ability to address several diseases. Vitamins, Minerals and Nutrients constitute about 85% of the market while antioxidants and anti-agents account for 10%. The other segments such as herbal extracts occupy 5% of the market, globally.

The Indian market for nutritional supplements is currently growing at 21%, annually. The primary reason is the increasingly sedentary lifestyle and intake of fast food coupled with a preference for preventive therapies and increase in pharmacy retail. Despite rapid growth, the Indian nutraceuticals market is less than 1% of the global market.

According to a study by the Federation of India Chambers of Commerce and Industry (FICCI), the growth drivers for nutraceutical products include changing lifestyles and increasing awareness about nutritional supplements. Currently, the domestic market for nutraceuticals is around Rs. 44 billion (US$ 0.93 billion), which is just 0.9% of the total global business.

As a segment, functional foods capture a large share as compared to functional beverages and mineral supplements. The sector is expected to diversify into fortified foods, ayurvedic nutraceuticals and cosmeceuticals in future. India’s nutritional supplement market is expected to more than double in the next four years at over Rs. 95 billion (US$ 2 billion).

Personal Care Industry

The domestic personal care market is valued at US$ 4.5 billion. Skin care accounts for about 16% of this market and is expected to grow at 15-16% in the medium term. Medicated skin care accounts for 21% of the total skin care market. Currently, the skin care market is small as compared to the other personal care segments. However, increasing disposable incomes and growing interest in personal grooming are fuelling growth in the skin care market. The other constituents of the personal care market are hair care (18%), oral care (27%), personal was (39%) and foot care (0.2%).

The global personal care market is valued at about US$ 300 billion. A key trend in this market is a growing preference for natural beauty and personal care products. This market is globally valued at about US$ 23 billion and expected to grow to about US$ 39 billion in the next five years.

The Ayurvedic natural cosmetics business of India is valued at about US$ 870 million and growing at the rate of 15-20%, annually. Global cosmetics companies are expected to increase their presence in the fast growing Indian natural cosmetics market of India. Meanwhile, Indian firms have an advantage with their expertise in the field and access to latest technology and design. The growing middle class is more willing to pay more for traditional ayurvedic products for proven remedies. In general natural cosmetics are considered less harmful than chemical-based products.

SUMMARY OF BUSINESS

Business Overview

We are primarily into the business of manufacturing and marketing of allopathic and herbal pharmaceutical branded and non-branded formulations for human and veterinary consumption. Our Company specializes in the manufacturing of allopathic and herbal forms of capsules, tablets, injectables, liquids, semisolids and powders. We offer a range of products comprising of Finished Dosage Form (FDF) products, herbal medicinal products and herbal beauty care products in the ethical, over the counter (OTC) and institutional sales for the domestic and international markets. Our institutional customer base includes government, semi-government, hospitals & nursing homes, aided agencies and the defence sector.

Our FDF facilities span multiple technology platforms and provide a product range across various therapeutic segments such as critical care, contrast media, anti-infectives, gastrointestinals, anti-allergics, nutraceuticals and cough preparations. With a team having over twenty (20) years of hands on experience in application of technology processes we have developed complex formulations with distinct advantages such as improved palletablity and dosage convenience to the end consumer.

Our Company has also mastered the art of preparing pellets of herbal extracts and its process and we have in the year 2006 and 2007 applied for two (2) patents in 'PELLETS OF HERBAL EXTRACTS AND THE 'PROCESS OF PREPARING PELLETS' and 'HERBAL GASTROINTENSTINAL CONTROLLED DRUG DELIVERY DOSAGE FORMS INCLUDING PELLETS AND PROCESS FOR THEIR PREPARATION' respectively. Administering drugs in pellet form is a unique and Novel Drug Delivery System (NDDS) which is currently being applied by our Company for its herbal products under 'HERBULES Technology'. Further, our Company has also a National Phase Application in Malaysia for registration of 'PELLETS OF HERBAL EXTRACTS AND THE PROCESS OF PREPARING PELLETS'. Further in the year 2010, we have filed a patent application with WIPO for registration of 'RAPID DISSOLVABLE ORAL FILM FOR DELIVERING HERBAL EXTRACTS WITH OR WITHOUT OTHER PHARMACEUTICAL AGENTS'. Further, our Company has filed separate patent applications for the above inventions with the Patent Office, Mumbai.

Our vast knowledge of the Ayurvedic system of medicine alongwith experience in modern manufacturing practices has resulted in innovative herbal healthcare formulations and natural beauty care products with distinct advantages in terms of safety, consistency and efficacy. These are marketed by us under the brand 'RevAyur Unijules' for the domestic markets and brand 'RevAyur PARIS' for the international markets catering to the growing demand for natural beauty care products.

Our strong Research & Development capabilities has enabled us in developing innovative products under the (i) NDDS for controlled release formulations, taste masking, trans-dermal and oral-dissolve; (ii) Pre-Formulated Ingredients (PFI); (iii) Contrast Media & Diagnostics; (iv) Speciality Extracts and (v) Health & Beauty Care. Our Company also specialises in immediate release stabilized multi-component formulations, sustained/enteric/dual release formulations, stability & bio availability enhanced premixes, granulates & formulations, dispersible/mouth dissolving and effervescence tablets, herbal single and multi-components pre-mixes, granules and multi-particulates, non-peril seeds and other pre-processed excepients.

We presently operate from four (4) manufacturing facilities located in Nagpur in the State of Maharashtra, India. These facilities have been approved by FDA and are ISO 9001-2000 certified. Our manufacturing facility at B-35, M.I.D.C, Kalmeshwar, Nagpur is a WHO cGMP certified. Our fifth (5^{th}) facility, an integrated herbal extracts and formulation unit, is currently under site development at Kalmeshwar, Nagpur and is expected to be operational by F.Y. 2012. In addition to the above facilities, we propose to set-up our sixth (6^{th}) manufacturing facility which shall be a USFDA/UKMHRA/WHO cGMP compliant facility to be funded from the proceeds of the Issue. For further details, please refer to section titled "Objects of the Issue" beginning on page 86 of the Draft Red Herring Prospectus.

Our domestic business is driven by our own sales and marketing network. As of July 31, 2010, we had field strength of approximately 140 representatives covering various territories across India. We also have a network of approximately 10 super stockists, 170 stockists catering to over 30,000 chemists for our ethical division and pan-India presence for 'RevAyur Unijules' beauty care range through the Big Bazaar chain and modern trade stores like Health & Glow. We are following a differential distribution model for marketing of our products in the international market. In certain countries, we partner with local distributors who import and distribute our products, under our supervision and carry out marketing activities. In rest of the countries where we operate, distributors and marketing partners are responsible for marketing our products.

Our Company is the first to receive the coveted "***AYUSH Products Certification***" issued by the AYUSH Department, Ministry of Health and Family Welfare, Government of India for the manufacture & supply of our herbal products *viz.* Karnim Plus Capsules/ Herbajules Diamelon Plus Capsules, Unex Capsules/ Herbajules Tricare Capsules & Valiliv Capsules. Our Company can use the certification mark "AYUSH Premium Mark" on the packaging of the above products. We believe that this certification will enhance our brand recognition and penetration leading to an increase in market share of these products.

On a Standalone basis, our total income has grown at CAGR of 74.64% from Rs.3,773.76 Lakhs in F.Y. 2007 to Rs.20,100.17 Lakhs in F.Y.2010. Our PAT has grown at CAGR of 373.72% from Rs.12.98 Lakhs in F.Y. 2007 to Rs.1,379.89 Lakhs in F.Y.2010.

On a Consolidated basis, our total income has grown at CAGR of 73.81% from Rs.5,662.64 Lakhs in F.Y. 2007 to Rs.29,734.99 Lakhs in F.Y.2010. Our PAT has grown at CAGR of 74.07% from Rs.384.23 Lakhs in F.Y. 2007 to Rs.1,703.33 Lakhs in F.Y.2010.

Our Competitive Strengths

We believe that the following are our primary competitive strengths:

1. Strong culture for research and innovation.

We are a research driven company with our R&D efforts focused on developing new formulations, both in the allopathic and herbal segment. Our Company has set up a Research & Development centre at Shantinagar, Nagpur. Our R&D facility comprises of research and analytical laboratories at Shantinagar, Nagpur with a team of 20 R&D personnel as on July 31, 2010, with expertise in the development of new dosage forms, NDDS and specialized formulations. As of July 31, 2010, we employed 4 scientists and specialists for our R&D activities. We have the R&D capability and experience to develop, manufacture and register products across various formulations, dosage forms and delivery systems to increase the effectiveness of drugs and make our products better suited to market requirements. Our regulatory affairs team has also developed capabilities and processes to file product registrations in semi-regulated markets and as on July 31, 2010, and has filed over 25 applications worldwide.

2. Expertise in complex allopathic and herbal formulations.

We believe our expertise in developing complex and difficult to develop products such as converting suspensions in syrup form and complex and difficult to develop delivery systems, such as coating of herbal extracts on pellets provides us with a competitive advantage. We believe we were one of first companies' in India to have developed a pellet technology system for 'PELLETS OF HERBAL EXTRACTS AND THE PROCESS OF PREPARING PELLETS' which provides us with a early mover advantage. In the year 2006, 2007 and 2010, we have filed three (3) patent applications with WIPO for registration of (i) 'PELLETS OF HERBAL EXTRACTS AND THE PROCESS OF PREPARING PELLETS'; (ii) 'HERBAL GASTROINTENSTINAL CONTROLLED DRUG DELIVERY DOSAGE FORMS INCLUDING PELLETS AND PROCESS FOR THEIR PREPARATION'; and (iii) 'RAPID DISSOLVABLE ORAL FILM FOR DELIVERING HERBAL EXTRACTS WITH OR WITHOUT OTHER PHARMACEUTICAL AGENTS', respectively. Further, our Company has also a National Phase Application in Malaysia for registration of 'PELLETS OF

HERBAL EXTRACTS AND THE PROCESS OF PREPARING PELLETS'. Further, our Company has filed separate patent applications for the above inventions with the Patent Office, Mumbai. Some of our products are complex formulations developed by using knowledge and expertise gained across the allopathic and herbal segments of the pharmaceuticals industry.

3. ***Diversified business model.***

Our Company is a pharmaceutical company primarily into the business of manufacturing and marketing of branded and non-branded allopathic and herbal formulations for human and veterinary consumption. Our Company also has presence in the beauty care segment based on herbals which is a natural extension of our herbal formulations business. Our Company has presence and derives income from various verticals of pharmaceutical industry. Our diversified business model reduces our cost of operations and apart from enabling us to exchange experience and knowledge gained in operating these business verticals also enable us to control input costs and thereby increase our margins.

4. ***Exchange of experience and knowledge between different systems of medicines and business verticals.***

Since, the end objective of all systems of medicines is the cure of diseases and we as a Company are into the development of medicines in three (3) known systems of medicines *viz.* allopathy, herbal and ayurveda, this diversity of knowledge and sharing information between different systems of medicine gives us an edge over pure allopathy or herbal based pharmaceutical companies. For example using modern manufacturing techniques developed through allopathic WHO cGMP practices has enabled us to manufacture herbal products without microbial contamination. Our huge knowledge base and experience in traditional Ayurveda enables us to ensure that our herbal products keep their effectiveness while being more palletable. Also, this knowledge base of herbal plants enables us to identify starter compounds for further development into new therapeutic drugs reducing the chances of failures considerably.

We continuously endeavor to enhance the effectiveness of FDFs after understanding the difficulties or side effects faced by the consumer. The feedback from the consumer and doctors is then used by our R&D to undertake processes whereby a value-add can be provided to the existing product in order to reduce the known difficulties or side effects. For example, readily available pain killers like "ibuprofen" and "paracetamol" which are in suspension form leave a very bitter after taste in the mouth. We have created a FDF namely "Polygesic" which is a clear liquid with no after taste.

5. ***Experienced and qualified management and executives.***

Our team includes senior executives, a majority of whom have over 14 years experience in the pharmaceutical industry. We believe our management and executive team has a long-term vision and provides stability and continuity to our business. We also believe that the understanding and expertise of our management and executive team in R&D, regulatory affairs, manufacturing, finance, sales and marketing will enable our business to grow in a focused and constructive manner. As of July 31, 2010, approximately 31 of our employees were post-graduates and 128 held graduate degrees.

Key Business Strategies

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

1. ***Establish our presence in the regulated markets and expand our offerings in the semi-regulated markets.***

We presently operate from four (4) manufacturing facilities located in Nagpur in the State of Maharashtra, India which cater to the semi-regulated markets. Further, our fifth (5th) facility, an integrated herbal extracts and formulation unit, is currently under site development at Kalmeshwar, Nagpur and is expected to be operational by F.Y. 2012. To establish our presence in the regulated markets, we intend to set up a USFDA compliant facility at M.I.D.C, Umred, Nagpur which shall enable us to sell and market our products in regulated markets, subject to receipt of necessary approvals. We believe that demand for our FDF products currently sold in the semi-regulated markets will continue to grow in line with changes in healthcare standards, insurance coverage and government spending on healthcare and our expansion plans will enable us to create presence in the regulated markets. Increased sales in regulated markets would allow us to achieve economies of scale. We plan to expand our presence in these markets by increasing our portfolio of product registrations & filings and by increasing our customer and distributor base through marketing arrangements with local pharmaceutical companies in the regulated markets.

2. Exploiting the advantage of marketing beauty care products by leveraging our status as an allopathic and herbal FDF player.

Beauty care products based on herbals is a natural extension of our herbal formulations business since we have the knowledge and expertise of herbals and Ayurveda. We therefore ventured into the beauty care segment under our own brand 'RevAyur Unijules' with a bouquet of innovative beauty care products such as body washes with active herbal extract in the form of beads suspended in the gel which release on application. We have launched products such as skin lightening creams, under eye gels, face wash, lotions, foot cream, body care cream, moisturisers and lip-balms. We have also launched some of these products under our brand 'RevAyur PARIS' in the international markets catering to the growing demand of beauty care products which synergize modern science and herbal benefits.

3. Aggressively marketing our products under the umbrella brand 'RevAyur Unijules'.

We believe that our herbal pellet products, marketed under the brand 'RevAyur Unijules' have large markets both domestic and international. We plan to focus our sales and marketing efforts to market and distribute our products in domestic market by making them available through various distribution channels, enhance our marketing efforts by deploying a field force to support distribution efforts thereby increasing the visibility and market share of our products. We also intend to aggressively advertise and promote our brand 'RevAyur Unijules' and products through television, radio, web promotion and SMS marketing, hoardings at prominent places, advertisements in magazines and local newspapers, health magazines. Apart from marketing our services through traditional means, we also intend to market our products over the internet by various methods such as Search Engine Optimization (SEO), social media websites, online brand management, banner promotions on various popular websites, mass mailing (e-mails), POP displays etc. We also intend to participate in exhibitions at international level like Apteka Moscow 2010, Arab Business Summit, CPHI – World wide, etc. Our products under the 'RevAyur Unijules' brand are presently available at Big Bazaar outlets and other retail stores, but we intend to make them available on a pan-India basis. We recently launched our beauty care products in the skin care segment in Paris, France and intend to widen our exports to other geographies including other parts of Europe, USA and Asia in the near future. For further details, please refer to section titled "Objects of the Issue" beginning on page 86 of the Draft Red Herring Prospectus.

4. Creating technology platforms, novel drug dosage forms and NDDS.

Our products span multiple technology platforms which are made available across various delivery systems, such as controlled release formulations, taste masking, trans-dermal and oral-dissolve, Pre-Formulated Ingredients (PFI), Contrast Media & Diagnostics and speciality extracts. Our Company's R&D capabilities in the NDDS space have been established by applying for patenting of the 'Pellets of Herbal Extracts' and the 'Process of preparing the Pellets'. We are presently carrying out R&D activities to create new dosage forms and NDDS in both the FDF and herbal space. We believe creation of novel drug dosage forms and systems to be one of our major growth drivers in the near future. We intend to focus on the growing markets worldwide for NDDS due to changing life styles and rise in the population of the aged.

5. Backward integration in herbal manufacturing.

Backward integration by preservation and processing of natural products is important to the growth of our herbal medicinal and herbal beauty care businesses. Natural products include plants and their parts, herbal extracts, medicinal products, cosmetic, dietary formulation, nutraceuticals, cosmoceuticals etc. which need to be scientifically preserved and processed using ultra modern machinery and equipment. This will ensure the right quality of the source material for our products and also timely supply of the required quantity. We have already tied-up with certain academic institutions which amongst other include Dr. D.Y. Patil College of Ayurved and Research Institute & Hospital, Ashvin Rural Ayurved Mahavidyalaya and Hospital, Laxminarayan Institute of Technology and Nagarjuna Medicinal Plants Garden to undertake clinical research or finance research on plants and other natural resources for potential use as medicines. Herbal products have known to be safe and almost devoid of side-effects, but their development into viable remedies need elaborate efforts and research. Our Company intends to increase its R&D efforts in the herbal medicinal and herbal beauty care segments so as to have new and innovative products to meet customer needs and demands.

6. Expanding our distribution network, sales and marketing efforts.

We intend to make our products available pan-India and to achieve this objective we intend to increase our domestic network of distributors, super stockist, stockists and chemists. To augment our efforts in the distribution of our products, we further intend to deploy additional field force consisting of marketing representatives who shall meet doctors to inform and educate them about our products. We further intend to market and distribute our products in the domestic markets by making them available to target consumers with various distribution channels and further our marketing efforts by deploying a field force to support our distribution efforts. In order to achieve this objective we intend to establish and expand our sales, marketing and distribution network from the existing team of personnel (*including medical representative and beauty advisors*) from 227 to over 500 by December 2011. We also intend to partner with local marketing companies with the desired know-how and launch our products with technology inputs and regulatory support provided by us and marketing know-how and resources provided by the local company. We also believe it is essential for our Company to focus on increasing the brand visibility for our existing and new FDFs as well as increasing the sales, marketing and distribution network to successfully commercialize and compete with other brands to increase the market share of our products. This will enhance our market recognition in terms of quality and reputation of its products in the medical community.

THE ISSUE

A.	**Issue**[1]	88,00,000 Equity Shares
B.	**The Issue to the Public**	88,00,000 Equity Shares
C.	**QIB Portion** [2]	Upto 44,00,000 Equity Shares
	Out of which:	
	Mutual Fund Portion (5% of the Net QIB Portion)	1,54,000 Equity Shares
	Balance for all QIBs including Mutual Funds	42,46,000 Equity Shares
D.	**Non-Institutional Portion** [3]	Not less than 13,20,000 Equity Shares available for allocation.
E.	**Retail Portion** [4]	Not less than 30,80,000 Equity Shares available for allocation.
Equity Shares outstanding prior to the Issue*		1,38,63,650 Equity Shares of Rs. 10 each.
Equity Shares outstanding after the Issue		2,26,63,650 Equity Shares
Objects of the Issue		Please refer to the section titled "Objects of the Issue" on page 86 of the Draft Red Herring Prospectus.

(1) ** Pre-IPO Placement of upto 18,00,000 Equity Shares aggregating to upto Rs. 3,000 Lakhs to certain investors prior to the Issue. The issue of such Equity Shares pursuant to the Pre-IPO Placement, if any, will be completed prior to filing the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is successfully completed, the number of Equity Shares issued for such purpose will be reduced from the Issue, subject to the Issue being at least 25% of the post-Issue paid-up equity share capital of our Company.*

(2) *Our Company may consider participation by Anchor Investors for upto 13,20,000 Equity Shares in accordance with applicable SEBI (ICDR) Regulations.*

One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. For further details, please refer to section titled "Issue Procedure" beginning on page 392 of the Draft Red Herring Prospectus.

(3) *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 BRLM and the Designated Stock Exchange.*

(4) *Investors may note that in case of over-subscription in the Issue, allotment to Qualified Institutional Bidders, Non-Institutional Bidders and Retail Individual Bidders shall be on a proportionate basis. For details, please refer to the section titled "Issue Procedure" beginning on page 392 of the Draft Red Herring Prospectus.*

SUMMARY OF FINANCIAL INFORMATION

STANDALONE SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007	As on March 31, 2006
Fixed Assets					
Gross block	3,242.99	2,573.13	2,141.98	1,161.26	42.15
Less: Depreciation	261.67	149.48	59.67	8.70	-
Net Block	2,981.32	2,423.65	2,082.31	1,152.56	42.15
Capital Work -in-Progress	380.89	-	-	518.41	109.22
Total - Fixed Assets (A)	**3,362.21**	**2,423.65**	**2,082.31**	**1,670.97**	**151.37**
Investments (B)	306.16	306.16	511.76	327.19	0.50
Current assets, loans and advances:					
Inventories	3,049.22	1,914.28	1,745.05	204.19	-
Receivables	6,946.67	5,245.16	4,480.13	1,312.96	-
Cash and bank balances	162.70	124.04	692.98	143.54	1.05
Loans and advances	2,795.45	1,392.17	832.09	674.20	778.62
Total (C)	**12,954.04**	**8,675.65**	**7,750.25**	**2,334.89**	**779.67**
Total assets (A + B + C)	**16,622.41**	**11,405.46**	**10,344.32**	**4,333.05**	**931.54**
Liabilities and provisions					
Secured loans	7,369.84	4,875.29	3,390.40	1,449.63	915.56
Unsecured loans	13.78	3.37	247.40	81.32	-
Deferred Tax Liability	203.03	159.41	148.15	80.96	-
Current liabilities	2,052.36	1,686.19	3,958.47	1,256.61	15.27
Provisions	788.63	544.89	422.36	142.70	-
Total Liabilities (D)	**10,427.64**	**7,269.15**	**8,166.78**	**3,011.22**	**930.83**
Net worth (A+B+C-D)	**6,194.77**	**4,136.31**	**2,177.54**	**1,321.83**	**0.71**
Represented by					
Share capital					
-Equity Share Capital	1,386.37	669.75	556.28	445.00	5.00
Total(E)	**1,386.37**	**669.75**	**556.28**	**445.00**	**5.00**
Share Application Money	-	47.40	-	863.85	0.50
Reserves and surplus	4,808.40	3,419.16	1,621.26	12.98	-
Total(F)	**4,808.40**	**3,466.56**	**1,621.26**	**876.83**	**0.50**
Less: Miscellaneous Expenditure (To the extent not written off) **(G)**	-	-	-	-	4.79
Net Worth (E+F-G)	**6,194.77**	**4,136.31**	**2,177.54**	**1,321.83**	**0.71**

STANDALONE SUMMARY STATEMENT OF PROFIT AND LOSS, AS RESTATED

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007	As on March 31, 2006*
Income					
Sales of Products Manufactured by the Company	17,849.10	13,105.97	7,610.74	520.36	-
Sales of Products Traded by the Company	2,011.62	3,337.62	3,983.46	3,218.32	-
Less Excise Duty	62.69	67.07	90.34	29.72	-
Net Sales	19,798.03	16,376.52	11,503.86	3,708.96	-
Other Income	39.72	97.96	60.70	10.46	-
Increase/(Decrease) in Inventories	262.42	(258.17)	567.17	54.34	-
Total (A)	**20,100.17**	**16,216.31**	**12,131.73**	**3,773.76**	-
Expenditure					
Materials consumed	15,555.75	12,634.74	9,595.35	3,248.24	-
Employees Remuneration And Benefit	489.22	335.85	279.96	97.00	-
Manufacturing expenses	228.67	216.00	111.20	22.04	-
Administrative, Selling and Distribution expenses	877.17	951.48	616.27	109.77	-
Total (B)	**17,150.81**	**14,138.07**	**10,602.78**	**3,477.05**	-
Profit Before Interest, Depreciation and Tax	**2,949.36**	**2,078.24**	**1,528.95**	**296.71**	-
Depreciation	112.19	91.84	50.97	8.70	-
Profit Before Interest and Tax	**2,837.17**	**1,986.40**	**1,477.98**	**288.01**	-
Financial Expenses	713.66	601.33	320.76	43.21	-
Profit after Interest and Before Tax	**2,123.51**	**1,385.07**	**1,157.22**	**244.81**	-
Preliminary Expenses and Def. Exp. W/o	-	-	-	59.55	-
Profit before Taxation	**2,123.51**	**1,385.07**	**1,157.22**	**185.26**	-
Provision for Taxation	700.00	475.59	361.99	90.03	-
Provision for Deferred Tax	43.62	11.27	67.19	80.95	-
Provision for FBT	-	6.86	8.48	1.30	-
Add/Less Tax adjustment Prior Year	-	-	-	-	-
Total	**743.62**	**493.72**	**437.66**	**172.28**	-
Profit After Tax but Before Extra ordinary Items	**1,379.89**	**891.35**	**719.56**	**12.98**	-
Extraordinary items	-	-	-	-	-
Net Profit after adjustments	**1,379.89**	**891.35**	**719.56**	**12.98**	-
Net Profit Transferred to Balance Sheet	**1,379.89**	**891.35**	**719.56**	**12.98**	-

**The Company was incorporated on January 16, 2006 and commenced Commercial operations on November 1, 2006.*

STANDALONE CASH FLOW STATEMENT, AS RESTATED

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007	As on March 31, 2006
A. Cash Flow from Operating Activities					
Profit before tax, as restated	2,123.51	1,385.07	1,157.22	185.26	-
Adjustments for:					
Depreciation	112.19	91.84	50.97	8.70	-
Miscellaneous expenditure written off				4.79	-
Financial Exp	713.66	601.33	320.76	43.21	-
Operating Income before working capital changes	**2,949.36**	**2,078.24**	**1,528.95**	**241.96**	
Adjustments for:					
Decrease/(Increase) in Trade and Other Receivables	(1,701.51)	(765.03)	(3,167.17)	(1,312.96)	-
Decrease/(Increase) in Inventories	(1,134.94)	(169.23)	(1,540.86)	(204.19)	-
Decrease/(Increase) in Loans and Advances	(1,403.28)	(560.08)	(157.89)	104.43	(778.62)
Increase/(decrease) in Trade Payables and Provisions	609.88	(2149.74)	2,981.52	1,384.04	15.27
Cash Generated from Operations	(680.49)	(1,565.84)	(355.46)	213.28	(763.35)
Direct Taxes (Net)	(700.00)	(482.45)	(370.47)	(91.33)	-
Net Cash Flow from Operating Activities	**(1,380.49)**	**(2,048.29)**	**(725.93)**	**121.95**	**(763.35)**
B. Cash Flow from Investing Activities					
Purchase of Fixed Assets and CWIP	(1,050.75)	(433.18)	(462.31)	(1,528.30)	(151.37)
Investments Made	-	205.60	(184.57)	(326.69)	(0.50)
Miscellaneous Expenditure	-	-	-	-	(4.79)
Net Cash used from Investing Activities	**(1,050.75)**	**(227.58)**	**(646.88)**	**(1,854.99)**	**(156.66)**
C. Cash Flow from Financing Activities					
Share Capital	46.87	113.47	111.28	440.00	5.00
Share Premium	679.13	906.53	888.73	-	-
Share Application Money	(47.40)	47.40	(863.85)	863.35	0.50
Total	**678.60**	**1,067.40**	**136.16**	**1,303.35**	**5.50**
Change in the Borrowings					
Loans Receipt (Net)	2,504.96	1,240.86	2,106.85	615.39	915.56
Interest Paid	(713.66)	(601.33)	(320.76)	(43.21)	-
Net Cash Flow from Financing Activities	**2,469.90**	**1,706.93**	**1,922.25**	**1,875.54**	**921.06**
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**38.66**	**(568.94)**	**549.44**	**142.49**	**1.05**
Cash and Cash Equivalents at Beginning of the Year	**124.04**	**692.98**	**143.54**	**1.05**	
Cash and Cash Equivalents at End of the Year	**162.70**	**124.04**	**692.98**	**143.54**	**1.05**

CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007
Fixed Assets				
Gross block	6,092.95	4,661.10	3,760.54	1,236.68
Less: Depreciation	774.51	565.13	364.83	13.30
Net Block	**5,318.44**	**4,095.97**	**3,395.71**	**1,223.38**
Capital Work-in-Progress	518.19	24.27	57.28	518.41
Total – Fixed Assets (A)	**5,836.63**	**4,120.24**	**3,452.99**	**1,741.79**
Investments (B)	**10.20**	**10.20**	**6.71**	**93.40**
Current assets, loans and advances:				
Inventories	4,198.17	2,821.21	2,573.27	272.42
Receivables	11,105.59	8,219.00	6,272.37	2,019.96
Cash and bank balances	379.98	278.16	1,827.46	317.69
Loans and advances	3,678.99	2,171.11	1,383.08	826.50
Total (C)	**19,362.73**	**13,489.48**	**12,056.18**	**3,436.57**
Total assets (A + B + C)	**25,209.56**	**17,619.92**	**15,515.88**	**5,271.76**
Liabilities and provisions				
Secured loans	10,623.86	7,096.77	6,099.40	1,521.12
Unsecured loans	65.14	54.74	147.21	138.03
Deferred Tax Liability	389.69	291.51	332.95	88.00
Current liabilities	4,764.30	3,602.82	5,571.24	1,834.97
Provisions	1,065.23	979.89	486.02	199.96
Total Liabilities (D)	**16908.22**	**12025.73**	**12,636.82**	**3,782.08**
Minority Interest (E)	1,199.48	876.33	346.25	-
Net worth (A+B+C-D-E)	**7,101.86**	**4,717.86**	**2,532.81**	**1,489.68**
Represented by				
Share capital				
-Equity Share Capital	1,386.37	669.75	556.28	445.00
-Preference Share Capital	-	-	-	-
Total (F)	**1,386.37**	**669.75**	**556.28**	**445.00**
Share Application Money	-	47.40	72.00	863.85
Reserves and surplus	5,715.49	4,000.71	1,904.53	180.83
Total (G)	**5,715.49**	**4,048.11**	**1,976.53**	**1,044.68**
Miscellaneous Expenditure (H)	-	-		
Net Worth (F+G-H)	**7,101.86**	**4,717.86**	**2,532.81**	**1,489.68**

CONSOLIDATED SUMMARY STATEMENT OF PROFIT AND LOSS, AS RESTATED

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007
Income				
Sales of Products Manufactured by the Company	26,844.38	20,459.54	11,584.09	1,286.15
Sales of Products Traded by the Company	2,858.28	3,594.79	4,776.92	4,103.36
Less Excise Duty	254.64	203.31	385.96	77.33
Net Sales	29,448.02	23,851.02	15,975.05	5,312.18
Other Income	94.87	511.62	289.50	335.45
Increase/(Decrease) in Inventories	192.10	(259.20)	728.18	15.01
Total (A)	**29,734.99**	**24,103.44**	**16,992.73**	**5,662.64**
Expenditure				
Materials consumed	21,347.41	16,725.06	12,407.76	4,124.87
Employees Remuneration And Benefit	1,128.06	806.07	648.40	197.94
Manufacturing expenses	681.65	503.53	347.65	79.20
Administrative, selling and distribution expenses	2,106.79	2,231.00	1,490.43	500.71
Total (B)	**25,263.91**	**20,265.66**	**14,894.24**	**4,902.72**
Profit Before Interest, Depreciation and Tax	**4,471.08**	**3,837.78**	**2,098.49**	**759.92**
Depreciation	213.50	210.50	107.04	22.35
Profit Before Interest and Tax	**4,257.58**	**3,627.28**	**1,991.45**	**737.57**
Financial Expenses	1,101.93	881.31	608.66	65.25
Profit after Interest and Before Tax	**3,155.65**	**2,745.97**	**1,382.79**	**672.32**
Preliminary Expenses and Def. Exp. W/o	-	-	-	59.55
Profit before Taxation	**3,155.65**	**2,745.97**	**1,382.79**	**612.77**
Provision for Taxation	1,030.00	916.66	419.86	138.03
Provision for Deferred Tax	98.18	(32.95)	143.17	88.00
Provision for FBT	-	8.36	9.99	2.70
Add/Less Tax adjustment of Prior Year	0.98	5.92	11.14	(0.19)
Profit After Tax But Before Extraordinary item	**2,026.49**	**1,847.98**	**798.63**	**384.23**
Extraordinary items (Expenses) / Income	-	6.91	-	-
Net Profit after adjustments	**2,026.49**	**1,854.89**	**798.63**	**384.23**
Less: - Minority Interest	323.16	480.02	18.16	-
Net Profit Transferred to Balance Sheet	**1,703.33**	**1,374.87**	**780.47**	**384.23**

CONSOLIDATED CASH FLOW STATEMENT, AS RESTATED

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007
Cash Flow from Operating Activities				
Profit Before tax, as restated	2,734.31	2,305.81	1,221.46	524.77
Adjustments for				
Depreciation	213.50	210.50	107.04	22.35
Financial Expenses	1,101.93	881.31	608.66	65.25
Operating Income before working capital changes	**4,049.74**	**3,397.62**	**1,937.16**	**612.37**
Adjustments for:				
Decrease/(Increase) in Trade & Other Receivables	(2,886.59)	(1,946.63)	(4,252.41)	(2,019.96)
Decrease/(Increase) in Inventories	(1,376.96)	(247.94)	(2,300.85)	(272.42)
Decrease/(Increase) in Loans & Advances	(1,507.88)	(788.03)	(556.58)	(826.50)
Increase/(decrease) in Trade Payables & Provisions	1,345.00	(1,515.99)	4,267.28	2,122.93
Cash Generated from Operations	(376.69)	(1,00.97)	(905.40)	(383.58)
Direct Taxes (Net)	(1,030.98)	(930.94)	(440.99)	(140.54)
Net Cash Flow from Operating Activities (A)	**(1,407.67)**	**(2,031.91)**	**(1,346.39)**	**(524.12)**
Cash Flow from Investing Activities				
Purchase of Fixed Assets & CWIP	(1,929.89)	(877.75)	(2,062.92)	(1,764.14)
Investments Made	-	(3.49)	86.69	(93.40)
Capital Reserve on Purchase of Shares	-	292.85	146.46	-
Net Cash used from Investing Activities (B)	**(1,929.89)**	**(588.39)**	**(1,829.77)**	**(1,857.54)**
Cash Flow from Financing Activities				
- Share Capital	46.87	113.47	111.28	445.00
- Share Premium	679.13	906.53	888.72	-
- Share Application Money	(47.40)	(24.60)	(791.85)	863.85
Total	**678.60**	**995.40**	**208.15**	**1,308.85**
Change in the Borrowings				
- Loans Receipt (Net)	3,537.49	904.90	4,587.46	1,659.15
- Interest Paid	(1,101.93)	(881.31)	(608.66)	(65.25)
Adjustment in goodwill / Capital Reserve / Minority Interest	325.22	52.01	498.98	(203.40)
Total	**2,760.78**	**75.60**	**4,477.78**	**1,390.50**
Net Cash Flow from Financing Activities (C)	**3,439.38**	**1,071.00**	**4,685.93**	**2,699.35**
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	**101.82**	**(1,549.30)**	**1,509.77**	**317.69**
Cash & Cash Equivalents at Beginning of the Year	**278.16**	**1,827.46**	**317.69**	**-**
Cash & Cash Equivalents at End of the Year	**379.98**	**278.16**	**1,827.46**	**317.69**

GENERAL INFORMATION

Our Company was incorporated as a public limited company under the Companies Act, 1956 in the name of Unijules Life Sciences Limited at Mumbai vide Certificate of Incorporation dated January 16, 2006 bearing Corporate Indentity Number (CIN) U52311MH2006PLC158928. Our Company was granted the Certificate of Commencement of Business by the Registrar of Companies, Maharashtra, Mumbai ("RoC") on January 20, 2006.

Registered Office of our Company

Shop No. 41, Manisha Plaza, Sonapur Lane
Off LBS Marg, Kurla (West)
Mumbai 400 072, India.
Telephone: + 91 22 2503 5173
Facsimile: +91 22 2503 4067
E-mail: compliance@unijules.com
Website: www.unijules.com
Corporate Identity Number: U52311MH2006PLC158928

Corporate office of our Company

Universal Square
1505-1, Shantinagar
Nagpur 440 002, India.
Telephone: + 91 712 276 8512
Facsimile: +91 712 276 3212

Registrar of Companies

Our Company is registered at the Registrar of Companies, Maharashtra, Mumbai, located at 100, Everest Building, Marine Drive, Mumbai 400 002, India.

Board of Directors

Our Company's board comprises of the following Directors:

Name, Nature of Designation and DIN	Age	Address
Mr. Faiz Vali Chairman & Managing Director DIN: 01809196	43 years	Universal Pharmacy, Plot No.545, Shantinagar, Nayapura, Nagpur 440 002, India
Mr. Ishwarlal Ambaram Trivedi Whole Time Director DIN: 00363680	62 years	Flat No. 201, Gayatri Palace, Near Molikachit Mandir, Lakadapul, Nagpur 440 002, India
Mr. Dharampal Keshawdas Bellani Whole Time Director DIN: 01824596	54 years	Block No.371-B, Gurunanak Nagar Chowk, Jaripatka, Nagpur 440 014, India
Mr. Anwar Siraj Daud Non-Independent & Non-Executive Director DIN: 00023529	50 years	Opposite Husamia High School, Shantinagar, Nagpur 440 002, India
Mr. Naresh Janardan Gaikwad Independent & Non-Executive Director DIN: 02185462	55 years	A2-104, MHADA Colony, Amravati Road, Nagpur 440 002, India
Mr. Vaibhav Deshpande	28 years	F. No. 2, 224, Gulmohor Society,

Name, Nature of Designation and DIN	Age	Address
Independent & Non-Executive Director DIN: 02725850		Nandanwan, Main Road, Nagpur 440 009, India
Mr. Manoj Kumar Sahoo Independent & Non-Executive Director DIN: 02544764	30 years	Flat No.202, Jai Umiya Regency, Amba Nagar, Besa Road, Manewada, Nagpur 440 027, India
Dr. Veerendra Kumar Parashar Independent & Non-Executive Director DIN: 02456416	69 years	13-P, Bharat Nagar, Nagpur 440 033, India
Mr. Minhaj Majid Khan Independent & Non-Executive Director DIN: 02383033	31 years	509, Sadoday Plaza, Near Ram Mandir, C A Road, Nagpur 440 032, India

For details regarding our Board of Directors, please refer to the section titled "Our Management" beginning on page 188 of the Draft Red Herring Prospectus.

Company Secretary and Compliance Officer

Ms. Shilpa Pawankar
Unijules Life Sciences Limited
Universal Square, 1505-1 Shantinagar
Nagpur 440 002, India.
Telephone: + 91 712 276 8512
Facsimile: +91 712 276 3212
E-mail: compliance@unijules.com

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

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, Bid Amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the ASBA Form was submitted by the ASBA Bidders.

For all Issue related queries and for redressal of complaints, investors may also write to the BRLM. All complaints, queries or comments received by SEBI shall be forwarded to the BRLM, who shall respond to the same.

Book Running Lead Manager
Anand Rathi Advisors Limited
11th Floor, Times Tower, Kamala Mills
Senapati Bapat Marg, Lower Parel
Mumbai 400 013, India
Telephone: +91 22 4047 7000
Facsimile: +91 22 4047 7070
Email: ulsl.ipo@rathi.com
Investor grievance email: grievance.ecm@rathi.com
Contact Person: Mr. Gaurav Lohiya/ Ms. Varshaa P Kamra
Website: www.rathi.com
SEBI Registration number: MB / INM000010478

Legal Counsel to the Issue
Rajani Associates
Advocates & Solicitors
204-207 Krishna Chambers,
59, New Marine Lines,
Mumbai 400020, India.
Telephone: +91 22 4096 1000
Facsimile: +91 22 4096 1010
Email: info@rajaniassociates.net

Registrar to the Issue
Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (West)
Mumbai 400 078, India.
Telephone: +91 22 2596 0320
Facsimile: +91 22 2596 0329
Email: ulsl.ipo@linkintime.co.in
Contact Person: Mr. Sachin Achar
Website: www.linkintime.co.in
SEBI Registration number: INR000004058

Statutory Auditors
Ali Hatim S. Husain, Chartered Accountant
B-315, 3rd Floor
Ashirwad Complex
Ramdaspeth, Nagpur 440 010, India
Telephone: +91 712 242 0204
Facsimile: +91 712 242 0204
Email: alihatimh@gmail.com
Contact Person: Mr. Ali Hatim S. Husain
Membership No.: 113999

Peer Review Auditors*
J.S. Uberoi & Co., Chartered Accountants
2, "Sat Pratap", Bezonbagh, Kamptee Road
Nagpur 440 004, India
Telephone: +91 712 263 0560
Facsimile: +91 712 263 0560
Email: amarjeet@jsuberoi.com
Contact Person: Mr. Amarjeet Singh Sandhu
Website: www.jsuberoi.com
Firm Registration No.: 111107W
Membership No.: 108665

**J.S. Uberoi & Co., Chartered Accountants holds a valid Peer Review Certificate dated December 30, 2008 issued by ICAI.*

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

Bankers to the Issue and Escrow Collection Banks

The Bankers to the Issue will be appointed prior to filing the Red Herring Prospectus with ROC.

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSB for the ASBA Process are available on http://www.sebi.gov.in. For details on designated branches of SCSBs collecting the ASBA Bid-cum-Application Form, please refer the above mentioned SEBI website.

Refund Bankers

The Refund Bankers will be appointed prior to filing the Red Herring Prospectus with RoC.

Bankers to our Company
Axis Bank Limited
"Atlanta", Ground Floor
209, Nariman Point
Mumbai 400 021, India
Telephone: +91 22 2283 4308
Facsimile: +91 22 6639 0935
Email: ravikumar.chakravarthy@axisbank.com
Contact Person: Mr. Ravi Kumar

Shamrao Vithal Co-op Bank Limited
Yamuna Sadan, Saki Vihar Road
Sakinaka, Andheri (East)
Mumbai 400 072, India
Telephone: +91 22 2852 2508
Facsimile: +91 22 2852 0708
Email: hattiangadyag@svcbank.com
Contact Person: Mr. Prasad Hattiangady

State Bank of India
SBI Itwari Branch
Nagpur 440 002, India
Telephone: +91 0712 277 8977
Facsimile: +91 0712 276 2855
Email: milind.umalkar@sbi.co.in
Contact Person: Mr. Milind Umalkar

Statement of inter se allocation of Responsibilities for the Issue

Anand Rathi Advisors Limited is the sole BRLM to the Issue and all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them.

Credit Rating

As the Issue comprises only of Equity Shares, credit rating is not required.

IPO Grading Agency

[●]

IPO Grading

This Issue has been graded by [●], a SEBI registered credit rating agency, and has been assigned the "IPO Grade [●]" indicating [●] by its letter dated [●], which is valid for a period of [●] months. The IPO grading is assigned on a five (5) point scale from 1 to 5 wherein an "IPO Grade 5" indicates strong fundamentals and "IPO Grade 1" indicates poor fundamentals. The rationale furnished by the grading agency for its grading will be updated at the time of filing of the Red Herring Prospectus with the RoC/ Designated Stock Exchange.

A copy of the report provided by [●], furnishing the rationale for its grading will be annexed to the Red Herring Prospectus and will be made available for inspection at our Registered and Corporate Office from 10.00 a.m. to 4.00 p.m. on Working Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date. For details of summary of rationale for the grading assigned by the IPO Grading Agency, please refer the section titled "Other Regulatory and Statutory Disclosures" beginning on page 373 of the Draft Red Herring Prospectus.

IPO Grading concept is relatively new and the investors should carefully consider all of the information provided in the Draft Red Herring Prospectus including IPO Grading Information and should make their own judgement prior to making any investment in the Issue. This IPO Grading does not take cognizance of the Issue Price of our Equity Shares and it is not a recommendation to buy, sell or hold our Equity Shares.

Brokers to the Issue

All members of the recognized Stock Exchanges would be eligible to act as Brokers to the Issue.

Trustees

As the Issue is of Equity Shares, the appointment of trustees is not required.

Monitoring Agency

In terms of Regulation 16(1) of the SEBI (ICDR) Regulations, we are not required to appoint a monitoring agency for the purposes of this Issue as the Issue size shall not exceed Rs. 50,000 Lakhs. As required under the listing agreements with the Stock Exchanges, the Audit Committee appointed by our Board of Directors will monitor the utilization of the proceeds of the Issue. We will disclose the utilization of the proceeds of the Issue, including interim use, under a separate head in our quarterly financial disclosures and annual audited financial statements until the proceeds of the Issue remain unutilized, to the extent required under the applicable law and regulation.

Appraising Entity

The Objects of the Issue have not been appraised by any entity. The Objects of the Issue and Means of Finance therefore are based on estimates of our management.

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 I), furnishing the rationale for its grading which will be provided to the Designated Stock Exchange to be included in the Red Herring Prospectus as disclosed in the Draft Red Herring Prospectus, our Company has not obtained any expert opinions.

Book Building Process

Book Building refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus within the Price Band. The Issue Price is determined by our Company, in consultation with the BRLM, after the Bid/Issue Closing Date. The principal parties involved in the Book Building Process are:

1. Our Company;

2. The BRLM being Anand Rathi Advisors Limited;

3. The Syndicate Members;

4. The Registrar to the Issue;

5. Escrow Collection Bank(s); and

6. SCSBs.

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 Issue to the Public shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (the "***QIB Portion***") provided that our Company may allocate up to 30% of the QIB Portion to Anchor Investors, on a discretionary basis (the "***Anchor Investor Portion***"). For further details, please refer to section titled "Issue Procedure" beginning on page 392 of the Draft Red Herring Prospectus. Further 5% of Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds and the remaining QIB portion shall be available for allocation on proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange. Our Company will comply with the SEBI (ICDR) Regulations for the Issue. In this regard, our Company has appointed the BRLM to procure subscriptions to the Issue.

Our Company proposes to make a Pre-IPO Placement of upto 18,00,000 Equity Shares aggregating to upto Rs. 3,000 Lakhs to certain investors prior to the Issue. The issue of such Equity Shares pursuant to the Pre-IPO Placement, if any, will be completed prior to filing the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is successfully completed, the number of Equity Shares issued for such purpose will be reduced from the Issue, subject to the Issue being at least 25% of the post-Issue paid-up equity share capital of our Company.

In accordance with the SEBI (ICDR) Regulations, QIBs bidding in the QIB Portion are not allowed to withdraw their Bid(s) after the Bid/Issue Closing Date. Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Allocation to the Anchor Investors will be on a discretionary basis. In addition, QIBs are required to pay Bid Amount upon submission of their Bid and allotment to QIBs will be on a proportionate basis. For further details, please refer to the section titled "Terms of the Issue" beginning on page 384 of the Draft Red Herring Prospectus.

All the Bidders 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 immediate transfer of funds to the respective Escrow Accounts.

Our Company shall comply with the SEBI (ICDR) Regulations issued by SEBI for the Issue. In this regard, our Company has appointed Anand Rathi Advisors Limited as the BRLM to manage the Issue and to procure subscription to the Issue.

The process of Book Building under the SEBI (ICDR) Regulations is subject to change. Investors are advised to make their own judgment about an investment through this process prior to submitting a Bid in the Issue.

Steps to be taken by the Bidders for bidding:

- Check eligibility for making a Bid. Please refer to the section titled "Issue Procedure" beginning on page 392 of the Draft Red Herring Prospectus;

- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid-cum-Application Form and the ASBA Bid-cum-Application Form as the case may be;

- Ensure that the Bid-cum-Application Form is duly completed as per the instructions given in the Draft Red Herring Prospectus and in the Bid-cum-Application Form and the ASBA 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, for Bids of all values, ensure that the PAN allotted under the IT Act in the Bid-cum-Application Form or the ASBA Bid-cum-Application Form is mentioned. 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. For details, please refer to the section titled "Issue Procedure" beginning on page 392 of the Draft Red Herring Prospectus;

- Ensure the correctness of your demographic details (as defined in the "Issue Procedure - Bidders Depository Account Details" beginning on page 392 given in the Bid-cum-Application Form and the ASBA Bid-cum-Application Form, with the details recorded with your Depository Participant;

- Bids by QIBs (including the Anchor Investors) shall be submitted only to the BRLM and /or its affiliates or to the Syndicate Members, other than Bids by QIBs who Bid through the ASBA process, who shall submit the Bids to the Designated Branch of the SCSBs; and

- Bids by ASBA Bidders will have to be submitted to the designated branches of 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.

Illustration of Book Building and the Price Discovery Process

(Investors should note that the following is solely for the purpose of illustration and is not specific to the Issue)

Bidders can bid at any price within the price band. For instance, assuming a price band of Rs. 20 to Rs. 24 per equity share, an issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below, the illustrative book would be as given below. A graphical representation of the consolidated demand and price would be made available at the bidding centers during the Bidding/Issue Period. The illustrative book as shown below indicates the demand for the Equity Shares of our Company at various prices and is collated from bids from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative Equity Shares Bid for	Subscription (%)
500	24	500	16.67
1,000	23	1,500	50.00
1,500	22	3,000	100.00
2,000	21	5,000	166.67
2,500	20	7,500	250.00

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e., Rs. 22 in the above example. The issuer, in consultation with the book running lead manager(s), will finalize the issue price at or below such cut off, i.e., at or below Rs. 22. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Withdrawal of the Issue

Our Company in consultation with the BRLM, reserves the right not to proceed with the Issue within a period of two (2) Working Days after the Bid/Issue Opening Date but before the allotment of Equity Shares. In such an event, a public notice would be issued in the newspapers, in which the pre-issue advertisements were published, within two (2) Working Days of the Bid/Issue Closing Date in English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation where the Registered Office of our Company is situated. The BRLM through the Registrar to the Issue, shall notify the SCSBs to unblock the bank account of the ASBA Bidders within one (1) Working Day from the day of receipt of such notification and the Stock Exchanges shall be informed promptly.

If our Company withdraws the Issue after the Bid/Issue Closing Date, our Company shall state the reasons thereof in a public notice within two (2) Working Days of the closure of the Issue. The public notice shall be issued in the same newspapers where the pre-issue advertisement had appeared. The Stock Exchanges shall also be informed of such withdrawal.

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

In the event of withdrawal of the Issue anytime after the Bid/Issue Opening Date but before the allotment of Equity Shares, 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 eight (8) Working Days after our Company become liable to repay it, 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 expiry of eight (8) Working Days, be liable to repay the money, with interest at the rate of 15% per annum on application money.

In terms of the SEBI (ICDR) Regulations, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.

Bid/Issue Program

BID/ISSUE OPENS ON	**[●]**
BID/ISSUE CLOSES ON*	**[●]**

**Our Company, in consultation with the BRLM may consider closing QIB Book a day before the Bid/Issue Closing Date.*

Our Company in consultation with the BRLM may consider participation by Anchor Investors for up to 13,20,000 Equity Shares in accordance with the SEBI (ICDR) Regulations on the Anchor Investor Bid/Issue Date. For details, please refer to the section "Issue Procedure-Anchor Investor Portion" beginning on page 392 of the Draft Red Herring Prospectus. Anchor Investors shall bid on the Anchor Investor Bidding Date, which shall be one (1) Working Day prior to the Bid/Issue Opening Date. Our Company may consider closing the Bidding by QIB Bidders one (1) Working Day prior to the Bid/Issue Closing Date subject to the Bid/Issue Period being for a minimum of three (3) Working Days.

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Bid/Issue Period as mentioned above at the bidding centres mentioned on the Bid-cum-Application Form except that on the Bid/Issue Closing Date, Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) (excluding ASBA Bidders) and uploaded until (i) 4.00 p.m. (Indian Standard Time) in case of Bids by QIB Bidders and Non-Institutional Bidders where the Bid Amount is in excess of Rs. 1,00,000 and (ii) until 5:00 p.m. (Indian Standard Time) or such extended time, in case of Bids by Retail Individual Bidders, where the Bid Amount is up to Rs. 1,00,000. Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one (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 a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, our Company, the BRLM, the Members of Syndicate and the SCSB will not be responsible. Bids will only be accepted on Business Days, i.e. any day other than Saturday or Sunday on which commercial banks in Mumbai, India are open for business. Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the NSE and BSE.

In case of discrepancy of data between the Stock Exchanges and the Designated Branches of the SCSBs, the decision of the Registrar to the Issue, in consultation with the BRLM, our Company and the Designated Stock Exchange, based on the physical / electronic records, as the case may be, of the ASBA Bid-cum-Application Forms shall be final and binding on all concerned. Further, the Registrar to the Issue may ask for rectified data from the SCSBs.

Bidders are cautioned that in the event a large number of Bids are received on the Bid/IssueClosing Date, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation in the Issue. If such Bids are not uploaded, our Company, the BRLM and the Syndicate Members shall not be responsible. Bids will be accepted only on Working Days, i.e. Monday to Friday (excluding any public holiday).

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

Our Company in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/Issue Period in accordance with the SEBI (ICDR) Regulations provided that the Cap Price is less than or equal to 120% of the Floor Price. Subject to compliance with the immediately preceding sentence, the Floor Price can be revised up or down to a maximum of 20% of the Floor Price as originally disclosed at least two (2) Working Days prior to the the Bid /Issue Opening Date and the Cap Price will be revised accordingly.

In case of revision of the Price Band, the Issue Period will be extended for three (3) additional Working Days after revision of the Price Band subject to the total Bid /Issue Period not exceeding ten (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 NSE and the BSE, by issuing a press release and also by indicating the changes on the websites of the BRLM, at the terminals of the Members of Syndicate and informing SCSBs. In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain [●] Equity Shares subject to the Bid Amount payable on such minimum application being in the range of Rs. 5,000 to Rs. 7,000.

Underwriting Agreement

After the determination of the Issue Price and allocation of Equity Shares but prior to filing of the Prospectus with the RoC, our Company shall enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be issued and sold in the Issue. Pursuant to the terms of the Underwriting Agreement, the BRLM shall be responsible for bringing in the amount devolved in the event that the Syndicate Member(s) do not fulfill their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions to closing, as specified therein.

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

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

Name and Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Indicative Amount Underwritten (Rs. in Lakhs)
Anand Rathi Advisors Limited 11th Floor, Times Tower Kamala Mills, Senapati Bapat Marg Lower Parel, Mumbai 400 013 Maharshtra, India Telephone: +91 22 4047 7000 Facsimile: +91 22 4047 7070 Email: ulsl.ipo@rathi.com	[●]	[●]
[●]	[●]	[●]

The amounts mentioned above are indicative and this would be finalised after determination of Issue Price and actual allocation of the Equity Shares. The Underwriting Agreement dated [●] has been approved by the Board of Directors on [●].

In the opinion of our Board (based on a certificate given to them by BRLM and the Members of Syndicate), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. All the abovementioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors procured by them. In the event of any default, the respective Underwriter in addition to other obligations to be defined in the Underwriting Agreement, will also be required to procure/ subscribe to the extent of the defaulted amount in accordance with the Underwriting Agreement. If the Syndicate Member(s) fails to fulfill its underwriting obligations as set out in the Underwriting Agreement, the BRLM shall fulfill the underwriting obligations in accordance with the provisions of the Underwriting Agreement.

The underwriting arrangements mentioned above shall not apply to the subscription by the ASBA Bidders in the Issue. The underwriting agreement shall list out the role and obligations of each Syndicate Member.

In case of under-subscription in the Issue, the BRLM, responsible for underwriting arrangements shall be responsible for invoking underwriting obligations and ensuring that the notice for devolvement containing the obligations of the Underwriters is issued in terms of the SEBI (ICDR) Regulations.

CAPITAL STRUCTURE

Our Company's share capital, as of the date of filing the Draft Red Herring Prospectus with SEBI, before and after the proposed Issue, is set forth below:

No.	Particulars	Nominal Value (Rs.)	Aggregate value at Issue Price (Rs.)
A	**Authorised Share Capital**		
	2,50,00,000 Equity Shares of Rs. 10 each	25,00,00,000	
B	**Issued, Subscribed and Paid Up Capital before the Issue**		
	1,38,63,650 Equity Shares of Rs. 10 each	13,86,36,500	
C	**Present Issue in terms of the Draft Red Herring Prospectus***		
	88,00,000 Equity Shares of Rs. 10 each	8,80,00,000	[●]
	Which comprises:		
	1. QIB Portion of not more than 44,00,000 Equity Shares, of which the:		[●]
	▪ Anchor Investor Portion is upto 13,20,000 Equity Shares**		[●]
	▪ Net QIB Portion of not more than 30,80,000 Equity Shares**, of which the:		[●]
	▪ Mutual Fund Portion is 1,54,000 Equity Shares***		[●]
	▪ Other QIBs (including Mutual Funds) is 29,26,000 Equity Shares		[●]
	2. Non-Institutional Portion - Not less than 13,20,000 Equity Shares		[●]
	3. Retail Portion - Not less than 30,80,000 Equity Shares		[●]
D	**Paid Up Equity Capital after the Issue**		
	2,26,63,650 Equity Shares of Rs. 10 each	22,66,36,500	[●]
E	**Share Premium Account**		
	Before the Issue		18,04,63,500
	After the Issue****		[●]

**Our Company is considering a Pre-IPO Placement of upto 18,00,000 Equity Shares and aggregating upto Rs. 3,000 Lakhs with certain investors. 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 the Equity Shares proposed to be allotted in the Pre-IPO Placement, subject to the Issue being atleast 25% of the fully diluted post-Issue paid up capital of our Company.*

**The Issue in terms of the Draft Red Herring Prospectus has been authorized by the Board of Directors pursuant to a resolution dated August 9, 2010 and by the shareholders pursuant to a resolution in an EGM held on August 31, 2010 under section 81(1A) of the Companies Act.*

***Out of the QIB Portion, our Company may consider participation by Anchor Investors for upto 13,20,000 Equity Shares in accordance with the SEBI (ICDR) Regulations at the Anchor Investor Issue Price of Rs. [●] per Equity Share, out of which at least one third shall be allocated to domestic Mutual Funds.*

**** The Mutual Fund Portion would be 5% of the Net QIB Portion.*

*****The share premium account shall be determined after the Book-building process.*

For further details, please refer to the section titled "Issue Procedure" beginning on page 392 of the Draft Red Herring Prospectus.

Our Company has no outstanding convertible instruments as on the date of the Draft Red Herring Prospectus

1. **Details of changes in authorised share capital**

No.	Date of Shareholders approval	Details of change
1.	On Incorporation	Incorporated with an Authorised Share Capital of Rs. 5,00,00,000 comprising of 5,00,000 Equity Shares of Rs. 100 each.
2.	March 6, 2008	Increase in Authorised Share Capital from Rs. 5,00,00,000 to Rs. 15,00,00,000 comprising of 15,00,000 Equity Shares of Rs. 100 each.
At the Shareholders Meeting held on February 11, 2010 a resolution was passed for Sub-division of the face value of Equity Shares from Rs. 100 to Rs. 10. The Equity Shares on sub-division of the face value then amounted to 1,50,00,000 Equity Shares of Rs.10 each.		
3.	February 15, 2010	Increase in Authorised Share Capital from Rs. 15,00,00,000 to Rs. 25,00,00,000 comprising of 2,50,00,000 Equity Shares of Rs.10 each.

Notes to the Capital Structure

2. **Share Capital History of our Company**

The following is the history of the Equity Share capital of our Company:

Date of Allotment	Number of Equity Shares	Face Value per Equity Share (Rs.)	Issue Price per Equity Share (Rs.)	Nature of Consideration	Nature of allotment	Cumulative Number of Equity Shares	Cumulative Share Capital (Rs.)	Cumulative Share Premium (Rs.)
January 16, 2006	5,000	100	100	Cash	Allotment to the initial subscribers to the MoA	5,000	5,00,000	Nil
June 30, 2006	2,40,000	100	100	Cash	Allotment to our Promoter, and others	2,45,000	2,45,00,000	Nil
March 15, 2007	2,00,000	100	100	Cash	Allotment to our Promoter, and others	4,45,000	4,45,00,000	Nil
March 31, 2008	1,11,275	100	898.67*	Cash	Allotment to Astra Exim Private Limited	5,56,275	5,56,27,500	8,88,72,500
March 30, 2009	1,13,470	100	898.92	Cash	Allotment to Indusvista Ventures	6,69,745	6,69,74,500	17,95,25,500

Date of Allotment	Number of Equity Shares	Face Value per Equity Share (Rs.)	Issue Price per Equity Share (Rs.)	Nature of Consideration	Nature of allotment	Cumulative Number of Equity Shares	Cumulative Share Capital (Rs.)	Cumulative Share Premium (Rs.)
					Limited and Aritra Investment and Trading Private Limited			
December 14, 2009**	6,69,745	100	N.A	N.A.	Bonus Issue (1:1)	13,39,490	13,39,49,000	11,25,51,000
At the Shareholders Meeting held on February 11, 2010 a resolution was passed for Sub-division of the face value of Equity Shares from Rs. 100 to Rs. 10. The Equity Shares on sub-division of the face value then amounted to 1,33,94,900 Equity Shares of Rs. 10 each.								
March 3, 2010	4,68,750	10	154.88	Cash	Allotment to Benzo Petro International Limited	1,38,63,650	13,86,36,500	18,04,63,500
Total						**1,38,63,650**	**13,86,36,500**	

**Issue price rounded off to two decimal places.*

***6,69,745 Equity Shares were allotted as bonus shares out of the Securities Premium Account by capitalizing Rs. 6,69,74,500 .*

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

   Except as stated below, our Company has not issued any Equity Shares for consideration other than cash:

Date of Allotment	Number of Equity Shares	Face Value per Equity Share (Rs.)	Issue Price per Equity Share (Rs.)	Reasons for allotment	Whether any benefits have accrued
December 14, 2009	6,69,745	100	Nil	Bonus issue to the existing shareholders of our Company in the ratio of (1:1)	Nil

4. Our Company has not issued or allotted any Equity Shares in terms of any scheme approved under Section 391-394 of the Companies Act.

5. Since incorporation, our Company has not revalued its fixed assets.

6. Our Company has not issued Equity Shares to our Promoter and Promoter Group one (1) year preceding the date of the Draft Red Herring Prospectus.

7. **Promoter Capital Build –up**

No.	Date of Allotment/ transfer	Allotment / Transfer	Number of Equity Shares	Face Value (Rs.)	Issue/ Acquisition Price per Equity Share (Rs.)	Consideration	% of pre-Issue Capital	% of post Issue Capital	Nature of the Consideration
Mr. Faiz Vali									
1.	January 16, 2006	Subscription to the MoA	4,400	100	100	4,40,000	0.32	0.19	Cash
2.	June 30, 2006	Allotment	1,90,000	100	100	1,90,00,000	13.70	8.38	Cash
3.	March 15, 2007	Allotment	1,61,100	100	100	1,61,10,000	11.62	7.11	Cash
4.	December 14, 2009	Bonus Issue (1:1)	3,55,500	100	-	-	25.64	15.69	Bonus Shares
At the Shareholders Meeting held on February 11, 2010 a resolution was passed for Sub-division of the face value of Equity Shares from Rs. 100 to Rs. 10. The Equity Shares on sub-division of the face value then amounted to 71,10,000 Equity Shares of Rs. 10 each.									
	Total		**71,10,000**				**51.29**	**31.37**	

Note: *None of the Equity Shares of our Promoter has been pledged as on the date of the Draft Red Herring Prospectus.*

8. **Shareholding Pattern of our Company**

The table below presents the current shareholding pattern of our Company as per Clause 35 of the Equity Listing Agreement.

(*Face value of Equity Shares of Rs. 10 each*)

	Category of shareholder	Number of shareholders	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	
					% of (A+B)	% of (A+B+C)	No. of shares	%
(A)	**Promoter and Promoter Group**							
(1)	**Indian**							
(a)	Individuals/ Hindu Undivided Family	3	71,14,000	-	51.32	51.32	-	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-
	Sub-Total (A)(1)	**3**	**71,14,000**	**-**	**51.32**	**51.32**	**-**	**-**
(2)	**Foreign**	-	-	-	-	-	-	-
(a)	Individuals (Non-Resident Individuals/ Foreign	-	-	-	-	-	-	-

	Category of shareholder	Number of shareholders	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	
					% of (A+B)	% of (A+B+C)	No. of shares	%
	Individuals)							
(b)	Bodies Corporate	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-
(d)	Any Other (specify)	-	-	-	-	-	-	-
	Sub-Total (A)(2)	**3**	**71,14,000**	**-**	**51.32**	**51.32**	**-**	**-**
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)							
(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)	Any Other (specify)	-	-	-	-	-	-	-
	Sub-Total (B)(1)	-	-	-	-	-	-	-
(2)	**Non-institutions**							
(a)	Bodies Corporate	4	67,43,650	-	48.64	48.64	-	-
(b)	Individuals - i. Individual shareholders holding nominal share capital up to Rs. 1 lakh. ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	3	6,000	-	0.04	0.04	-	-
(c)	Any Other (specify)	-	-	-	-	-	-	-
	Sub-Total (B)(2)	7	67,49,650	-	48.68	48.68	-	-
	Total Public Shareholding (B)= (B)(1)+(B)(2)	**7**	**67,49,650**	**-**	**48.68**	**48.68**	**-**	**-**
	TOTAL (A)+(B)	**10**	**1,38,63,650**	**-**	**100.00**	**100.00**	**-**	**-**

	Category of shareholder	Number of shareholders	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	
					% of (A+B)	% of (A+B+C)	No. of shares	%
(c)	Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	**10**	**1,38,63,650**	**-**	**100.00**	**100.00**	**-**	**-**

9. **Shareholding of our Promoter & Promoter Group**

(*Face value of Equity Shares of Rs. 10 each*)

No.	Category of Share holders	Total shares held		Shares pledged or otherwise encumbered		
		Number	As a % of grand total (A)+(B)+(C)	Number	As a percentage	As a % of grand total (A)+(B)+(C) of sub-clause (I)(a)
(I)	(II)	(III)	(IV)	(V)	(VI)=(V)/(III)X 100	(VII)
1.	Mr.Faiz Vali	71,10,000	51.29	-	-	-
2.	Mr. Esa Vali	2,000	0.01	-	-	-
3.	Ms. Shehrebano Vali	2,000	0.01	-	-	-
	Total	**71,14,000**	**51.31**	**-**	**-**	**-**

10. **The shareholding pattern of our Company before and after the Issue is set forth below:**

Particulars	Pre-Issue		Post-Issue	
	Number of shares	Shareholding (%)	Number of shares	Shareholding (%)
Mr.Faiz Vali	71,10,000	51.29	71,10,000	31.37
Mr. Esa Vali	2,000	0.01	2,000	0.01
Ms. Shehrebano Vali	2,000	0.01	2,000	0.01
Finaventure Advisory Services (India) Private Limited	27,81,200	20.06	**[●]**	**[●]**
Astra Exim Private Limited	22,25,500	16.05	**[●]**	**[●]**
Aritra Investment & Trading Private Limited	12,68,200	9.15	**[●]**	**[●]**
Benzo Petro International Limited	4,68,750	3.38	**[●]**	**[●]**
Mr. Rajeev Jidewar	2,000	0.01	**[●]**	**[●]**
Ms. Sharmishtha Khoragade	2,000	0.01	**[●]**	**[●]**
Mr. Nitish V. Shastri	2,000	0.01	**[●]**	**[●]**
Equity Shares Offered	**-**	**-**	**88,00,000**	**38.83**

Particulars	Pre-Issue		Post-Issue	
	Number of shares	Shareholding (%)	Number of shares	Shareholding (%)
through the Issue				
Total	**1,38,63,650**	**100.00**	**2,26,63,650**	**100.00**

11. **Promoter's Contribution and Lock-in**

- The Equity Shares that are being locked-in are eligible for computation of Promoter's contribution under Regulation 33(1) of the SEBI (ICDR) Regulations and are being locked-in under Regulation 36 of the SEBI (ICDR) Regulations.

A) Details of Promoter's Contribution locked-in for three (3) years:

Pursuant to Regulation 36(a) the SEBI (ICDR) Regulations, an aggregate of 20% of the post-Issue shareholding of the Promoter shall be locked-in for a period of three (3) years from the date of Allotment of Equity Shares in the Issue. Further our Promoter has given his written consent for including the following Equity Shares as a part of Promoter's contribution. The details of such lock-in are set forth in the table below:

Date of Allotment/ transfer	Allotment / Transfer	Number of Equity Shares locked-in	Face Value (Rs.)	Issue/ Acquisition Price per Equity Share (Rs.)	Consideration	% of post Issue Capital	Nature of the transaction (Cash, consideration other than cash)
Mr. Faiz Vali							
January 16, 2006	Allotment to the initial subscribers to the MoA	4,400	100	100	4,40,000	0.19	Cash
June 30, 2006	Allotment	1,90,000	100	100	1,90,00,000	8.38	Cash
March 15, 2007	Allotment	1,61,100	100	100	1,61,10,000	7.11	Cash
December 14, 2009	Bonus Issue (1:1)	1,03,800	100	-	-	4.58	Bonus Shares
At the Shareholders Meeting held on February 11, 2010 a resolution was passed for sub-division of the face value of Equity Shares from Rs. 100 to Rs. 10.							
Total		**45,93,000**				**20.26**	

Note: The lock-in period shall commence from the date of Allotment of Equity Shares in the Issue.

b) The Equity Shares that are being locked-in are not in-eligible for computation of Promoter's contribution under Regulation 33 of the SEBI (ICDR) Regulations. In this connection, we confirm the following:

i. The Equity Shares offered for minimum 20% Promoter's contribution have not been acquired in the last three (3) years for consideration other than cash and revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves, or unrealised profits of our Company or from a bonus issue against Equity Shares which are otherwise ineligible for computation of Promoter's contribution;

ii. The Equity Shares offered for minimum 20% Promoter's contribution do not include any Equity Shares acquired during the preceding one (1) year at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;

iii. The Equity Shares offered for minimum 20% Promoter's contribution were not issued to the Promoter upon conversion of a partnership firm;

iv. The Equity Shares offered for minimum 20% Promoter's contribution are not subject to any pledge; and

v. In terms of undertaking executed by our Promoter, Equity Shares forming part of Promoter's contribution subject to lock in will not be disposed/ sold/ transferred by our Promoter during the period starting from the date of filing of the Draft Red Herring Prospectus with SEBI till the date of commencement of lock-in period as stated in the Draft Red Herring Prospectus.

c) The minimum Promoter's contribution has been brought to the extent of not less than the specified minimum lot and from persons defined as Promoter under the SEBI (ICDR) Regulations. Our Company has obtained a consent dated [●] from our Promoter for the lock-in of [●] Equity Shares, held by him, for a period of three (3) years from the date of Allotment and for lock-in of the balance pre-Issue Equity Share capital of our Company, held by them, for a period of one (1) year from the date of Allotment. Equity Shares offered by the Promoter for the minimum Promoter's contribution are not subject to pledge.

B) Details of share capital locked-in for one (1) year

In terms of Regulation 36(b) and 37 of the SEBI (ICDR) Regulations, in addition to the Equity Shares proposed to be locked-in as part of the Promoter's Contribution as stated above, the balance pre-Issue Equity Share capital of our Company, will be locked-in for a period of one (1) year from the date of Allotment in the Issue.

C) Other requirements in respect of Lock-in of Equity Shares

In terms of Regulation 39 of the SEBI (ICDR) Regulations, Equity Shares held by our Promoter 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 Equity Shares are locked-in in terms of clause (a) of Regulation 36, the loan has been granted by such bank or institution for the purpose of financing one or more of the Objects of the Issue and pledge of Equity Shares is one of the terms of sanction of the loan;

(b) if the Equity Shares are locked-in in terms of clause (b) of Regulation 36 and the pledge of specified securities is one of the terms of sanction of the loan.

Further, pursuant to Regulation 40 of the SEBI (ICDR) Regulations, Equity Shares held by shareholders other than the Promoter may be transferred to any other person holding shares which are locked-in as per Regulation 37 of the SEBI (ICDR) Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI Takeover Regulations, as applicable.

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

D) Lock-in of Equity Shares to be issued, if any, to Anchor Investor

Any Equity Shares allotted to Anchor Investors shall be locked-in for a period of thirty (30) days from the date of Allotment of Equity Shares in the Issue.

12. **Equity Shares held by top ten (10) shareholders of our Company**

a. On the date of the filing of the Draft Red Herring Prospectus with SEBI are as follows:

No.	Name of the Shareholder	Number of Equity Shares	Shareholding (%)
1.	Mr. Faiz Vali	71,10,000	51.29
2.	Finaventure Advisory Services (India) Private Limited	27,81,200	20.06
3.	Astra Exim Private Limited	22,25,500	16.05
4.	Aritra Investment & Trading Private Limited	12,68,200	9.15
5.	Benzo Petro International Limited	4,68,750	3.38
6.	Mr. Esa Vali	2,000	0.01
7.	Ms. Shehrebano Vali	2,000	0.01
8.	Mr. Nitish Shastri	2,000	0.01
9.	Mr. Rajeev Jidewar	2,000	0.01
10.	Ms. Sharmishtha Khobragade	2,000	0.01
Total		**1,38,63,650**	**100.00**

b. Ten (10) days prior to the filing of the Draft Red Herring Prospectus with SEBI are as follows:

No.	Name of the Shareholder	Number of Equity Shares	Shareholding (%)
1.	Mr. Faiz Vali	71,10,000	51.29
2.	Finaventure Advisory Services (India) Private Limited	27,81,200	20.06
3.	Astra Exim Private Limited	22,25,500	16.05
4.	Aritra Investment & Trading Private Limited	12,68,200	9.15
5.	Benzo Petro International Limited	4,68,750	3.38
6.	Mr. Esa Vali	2,000	0.01
7.	Ms. Shehrebano Vali	2,000	0.01
8.	Mr. Nitish Shastri	2,000	0.01
9.	Mr. Rajeev Jidewar	2,000	0.01
10.	Ms. Sharmishtha Khobragade	2,000	0.01
Total		**1,38,63,650**	**100.00**

c. Two (2) years prior to the filing of the Draft Red Herring Prospectus with SEBI are as follows:

No.	Name of the Shareholder	Number of Equity Shares*	Shareholding (%)
1.	Mr. Faiz Vali	3,55,500	63.90
2.	Astra Exim Private Limited	1,11,275	20.00
3.	Mr.Vinayak Kudva	89,000	16.00
4.	Mr. Esa Vali	100	0.02
5.	Ms. Shehrebano Vali	100	0.02
6.	Mr. Nitish Shastri	100	0.02

No.	Name of the Shareholder	Number of Equity Shares*	Shareholding (%)
7.	Mr. Rajeev Jidewar	100	0.02
8.	Ms. Sharmishtha Khobragade	100	0.02
Total		**5,56,275**	**100.00**

** The shareholding has been reflected taking the face value as Rs. 100.*

13. 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 depository. The details of lock-in shall also be provided to the Stock Exchanges before the listing of the Equity Shares.

14. Except as set forth below, none of our Directors or key managerial personnel hold Equity Shares in our Company:

Name of the Director	Number of Equity Shares held	Shareholding (%)
Mr. Faiz Vali	71,10,000	51.29

15. Our Company, its Directors, its Promoter, its Promoter Group, their respective directors and the BRLM have not entered into any buy-back and/or standby arrangements for purchase of Equity Shares other than arrangements, if any, entered for safety net facility as permitted by the SEBI (ICDR) Regulations.

16. There are no outstanding warrants, financial instruments or any rights, which would entitle our Promoter or other shareholders or any other person any option to acquire any of the Equity Shares as on the date of the Draft Red Herring Prospectus.

17. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of the Draft Red Herring Prospectus.

18. Our Company does not have any Employee Stock Option Scheme (ESOP) or Employee Stock Purchase Scheme (ESOS) as of the date of filing of the Draft Red Herring Prospectus.

19. Our Company has not issued Equity Shares out of revaluation reserves.

20. The Equity Shares issued pursuant to the Issue shall be fully paid-up.

21. During the past six (6) months, there are no transactions in our Equity Shares, which have been purchased/ (sold) by our Promoter, his 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.

22. Subject to Pre-IPO Placement, we presently do not intend or propose any further issue of capital whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from submission of the Draft Red Herring Prospectus with SEBI until the Equity Shares issued / to be issued pursuant to the Issue have been listed.

23. Subject to the Pre-IPO Placement, we presently do not have any intention or proposal, neither have enter into negotiations nor are considering to alter our capital structure for a period of six (6) months from the date of opening of the Issue, by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly, for the Equity Shares) whether on preferential or otherwise, except if our Company plans to enter into acquisitions, mergers, joint ventures or strategic alliances, subject to necessary approvals, our Company may issue Equity Shares or securities linked to Equity Shares to finance such acquisition, merger, joint venture or strategic alliance or as consideration for such acquisition, merger, joint venture or strategic alliance or for regulatory

compliance or entering into any scheme of arrangement if determined by the Board to be in the best interests of our Company.

24. A Bidder cannot make a Bid for more than the number of Equity Shares offered in the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of Bidder.

25. Our Company has not made any public issue or rights issue since its incorporation.

26. Our Company undertakes that there shall be only one (1) denomination for the Equity Shares of our Company, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

27. As of the date of filing the Draft Red Herring Prospectus, our Company has ten (10) shareholders.

28. Our Company has not raised any bridge loan against the proceeds of the Issue.

29. Our Company, Directors, Promoter or Promoter Group shall not make any payments direct or indirect, discounts, commissions, allowances or otherwise under the Issue except as disclosed in the Draft Red Herring Prospectus

30. An over-subscription to the extent of 10% of the Issue can be retained for purposes of rounding off to the nearer multiple of minimum allotment lot, subject to minimum allotment being equal to [●] Equity Shares, which is the minimum Bid size in the Issue, while finalizing the Basis of Allotment. Consequently, the actual Allotment may increase by a maximum of 10% of the Issue, as a result of which the post-Issue paid-up capital would also increase by the excess amount of Allotment so made. In such an event, the Equity Shares to be locked-in towards the Promoter's Contribution shall be suitably increased, so as to ensure that 20% of the post-Issue paid-up capital is locked in.

31. In the 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 Net QIB Portion shall be reserved for Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion of the Net QIB Portion will also be eligible for allocation in the remaining QIB Portion. Upto 30% of the QIB Portion shall be available for allocation to Anchor Investors and one-third of the Anchor Investor Portion shall be available for allocation to domestic Mutual Funds. Undersubscription, if any, in the Mutual Funds portion will be met by a spillover from the QIB Portion and be allotted proportionately to the QIB Bidders. Further, not less than 15% of Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of 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.

32. 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 BRLM and the Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines.

33. As per the RBI regulations, OCBs are not allowed to participate in the Issue.

34. There are restrictive covenants in the agreements entered into by our Company with certain lenders for availing short-term and long-term borrowings. For further details, please refer to section titled "Financial Indebtedness" beginning on page 340 of the Draft Red Herring Prospectus.

35. The Promoter Group, the Directors of our Company and their relatives have not financed the purchase by any other person of securities of our Company other than in the normal course of the

business of any such entity / individual or otherwise during the period of six (6) months immediately preceding the date of the Draft Red Herring Prospectus.

36. The BRLM to the Issue and its associates do not hold any Equity Shares of our Company as on the date of filing of Draft Red Herring Prospectus with SEBI.

37. Our Promoter and members of Promoter Group will not participate in the Issue.

38. Our Company shall ensure that transactions in the Equity Shares by our Promoter and Promoter Group between the date of registering the Red Herring Prospectus with the RoC and the Bid/Issue Closing Date shall be reported to the Stock Exchanges within twenty four (24) hours of such transaction.

OBJECTS OF THE ISSUE

The Objects of the Issue are to finance our expansion plans and achieve the benefits of listing on the Stock Exchanges. We believe that listing will enhance our corporate image and brand name.

The Issue Proceeds are estimated to be approximately Rs. [●] Lakhs. The Issue Proceeds are proposed to be utilised by our Company for the following activities:

1. Setting up of a new facility for parenterals at M.I.D.C, Umred, Nagpur;
2. Brand promotion and expansion of our marketing network;
3. Patent protection and product registration in the International markets;
4. General Corporate Purposes; and
5. Issue related expenses.

The main object clause of MoA of our Company enables us to undertake the existing activities and the activities for which the funds are being raised by us through the present Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our MoA.

Issue Proceeds and Net Proceeds

The details of the proceeds of the Issue are summarized below:

(Rs. in Lakhs)

Particulars	Estimated Amount
Gross proceeds to be raised through the Issue ("***Issue Proceeds***")*	[●]
Issue Related Expenses*	[●]
Net proceeds of the Issue after deducting the Issue related expenses from the Issue Proceeds ("***Net Proceeds***")*****	[●]

**Will be incorporated after finalization of the Issue Price*

Requirement of Funds

The details of our fund requirement, as indicated above and deployment of such funds are based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to a number of variables, including possible cost overruns, construction/development delays, receipt of governmental approvals and changes in management's views on current plans.

In view of the nature of the pharmaceutical sector and specifically that of our diversified business which is evolving and increasingly competitive, we may have to revise our expenditure and fund requirements as a result of variations in cost estimates and external factors which may not be within the control of our management. Our management will have the discretion to revise our business plans from time to time and consequently our funding requirements and deployment of funds may also be change. This may result in rescheduling the proposed utilisation of the proceeds and increasing or decreasing expenditure for a particular object *vis-a-vis* the utilisation of the proceeds. For instance, we may also reallocate expenditure to the other activities, in the case of delays in our existing plans or proposed activities. Any such change in our plans may require rescheduling of our expenditure, programs, starting projects or capital expenditure programs which are not currently planned, discontinuing existing plans or proposed activities and an increase or decrease in the capital expenditure programs for the objects of the Issue, at the discretion of our Company.

However, any changes in the "Objects of the Issue", other than those specified herein, post-listing of the Equity Shares shall be subject to compliance with the Companies Act and such regulatory and other approvals and disclosures, as may be applicable.

We intend to utilize the Net Proceeds of Rs. [●] Lakhs for financing the Objects as set out below:

(Rs. in Lakhs)

No.	Particulars	Total Fund Requirement	Amount deployed till August 31, 2010*	Estimated Amount to be utilized from Net Proceeds and Internal Accruals	Estimated Net Proceeds Utilization		
					F.Y. 2011	F.Y. 2012	F.Y. 2013
1.	Setting up of a new facility for parenterals at M.I.D.C, Umred, Nagpur	9,455.10	62.60	9,392.50	3,000.00	6,392.50	-
2.	Brand promotion and expansion of our marketing network	1,360.00	-	1,360.00	257.50	492.50	610.00
3.	Patent protection and product registration in the International markets	500.00	-	500.00	50.00	300.00	150.00
4.	General Corporate Purposes	[●]**	-	[●]**	[●]	[●]	[●]
	Total	**[●]**	62.60	**[●]**	**[●]**	**[●]**	**[●]**

** Our Company has already deployed Rs.62.60 Lakhs till August 31, 2010 from internal accruals, as per the certificate dated August 31, 2010 from our Statutory Auditor Ali Hatim S. Husain, Chartered Accountant.*
*** To be incorporated on finalization of Issue Price.*

In the event of variations in the actual utilisation of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Issue. If surplus funds are unavailable, the required financing will be done through internal accruals through cash flow from our operations and debt, as required. Surplus, if any, from the Net Proceeds remaining unutilized for specific purposes shall be used for General Corporate Purposes.

Details of funds already deployed

(Rs. in Lakhs)

Particulars	Amount
Acquisition of Land at M.I.D.C., Umred, Nagpur	50.60
Preliminary expenses	12.00
Total	**62.60**

Appraisal

None of the Objects of the Issue have been appraised by any bank or financial institution or any other independent third party organization. The funding requirements of our Company and the deployment of the Net Proceeds are currently based on management estimates.

Shortfall of Net Proceeds

In case of any shortfall of Net Proceeds, we intend to meet the same through internal accruals**.** In the event that estimated utilization out of the Net Proceeds in a F.Y. is not completely met, the same shall be utilized in the next F.Y.

Means of Finance

(Rs. in Lakhs)

Particulars	Estimated Amount
Net Proceeds*	[●]
Internal Accruals*	[●]
Total*	[●]

**Will be incorporated post finalization of Issue Price.*

The total fund requirement for the Objects of the Issue as estimated by our Company is Rs. [●] Lakhs. The requirements of the objects detailed above are intended to be funded from the Net proceeds of the Issue and internal accruals. Accordingly, there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the proposed Issue.

Details of the Objects of the Issue:

1. Setting up of a new facility for parenterals at M.I.D.C, Umred, Nagpur

As a part of our growth strategy, we propose to establish our presence in the regulated markets and expand our offerings in the semi-regulated markets. With this objective, we intend to utilize a part of the Net Proceeds to fund setting up of the new manufacturing facility at M.I.D.C, Umred, Nagpur.

Our Company intends to invest an amount of Rs. 9,455.10 Lakhs of the Net Proceeds for setting up the new USFDA/UKMHRA/WHO cGMP compliant manufacturing facility for parenterals at M.I.D.C, Nagpur. Our Company proposes to construct a new manufacturing facility and set up manufacturing lines for small volume parenterals (SVP), large volume parenterals (LVP) and other parenterals. Our Company has been allotted land admeasuring 22000 Sq. Mtrs. by M.I.D.C for manufacturing pharmaceutical by an order dated May 12, 2010.

We aim to establish our presence in regulated markets by introducing products in the parenteral dosage form. In addition, we propose to manufacture SVP and LVP products and sell them in the regulated and semi-regulated markets. Our Company currently manufactures around 100 products in the parenteral dosage form in its existing manufacturing facility located at D-82, M.I.D.C, Hingna, Nagpur. However, our current manufacturing facilities neither have the capacity nor the approval from USFDA/UKMHRA/WHO cGMP to manufacture and sell these products to the regulated markets. Our Company proposes to manufacture products such as layophilised products, form filled and sealed eye and ear drops, hormonal preparations and plenums in the parenteral dosage form under USFDA approved conditions.

The new facility that our Company proposes to set up shall have two (2) blocks wherein our Company proposes to set up manufacturing facilities for parenterals and hormonal products respectively. The facility where our Company proposes to manufacture sterlile injectables shall include liquid preparations along with lyophilized (*freeze dried*) formulations in ampoules and serum vial presentations and large volume intravenous preparations in glass bottles and plastic infusion containers. The hormonal product manufacturing block will have liquid formulations filled into serum vials. These facilities shall be integrated and independent for the manufacture of sterlile products. Further, our Company also proposes have designated areas for various processes.

Our Company intends to commence the commercial activities from these facilities from July 2012 with manufacturing capacity of approximately 1,400 Lakhs units on an annual basis subject to necessary regulatory approvals. During the pendency of receipt of USFDA/UKMHRA approvals for our proposed facility, our Company, on receipt of WHO c-GMP approval, will manufacture and sell its products in domestic and other semi-regulated markets. The approval from the USFDA/UKMHRA authorities may take around two (2) years, subject to strict compliance of the requirements set out by these regulatory authorities.

(Rs. in Lakhs)

Particulars	Estimated Amount
Land	50.60
Building and civil works	807.71
Plant and machinery	8,440.43
Provision for pre-operative expenses and contingencies*	156.36
Total	**9455.10**

**Provision for pre-operative expenses and contingencies have been assumed at the rate of 1.7% of the sum of all other estimated cost.*

Land

Our Company is setting up its new manufacturing facility at M.I.D.C, Umred, Nagpur over an area admeasuring 22000 Sq. Mtrs. Our Company has been sanctioned the allotment of land admeasuring 22000 Sq. Mtrs. by M.I.D.C by an order dated May 21, 2010 ("***Order***") and has paid an aggregate price of Rs.50.60 Lakhs. However, the lease agreement with M.I.D.C is yet to be executed which shall entitle our Company a lease of the land for a period of ninety five (95) years which can be extended for a further period of ninety five (95) years.

Building and civil works

The cost of Building construction and civil works is estimated to Rs. 807.71 Lakhs as certified by M/s V. B. Dhairyavan, an independent Government-approved registered valuer and consulting chartered architect by a letter dated September 10, 2010. The cost of construction of the building and civil works are set out below:

Particulars	Unit	Total units	Price per unit (in Rs.)	Amount (Rs. in Lakhs)
A) Substructure				
Excavation	Cft	13,526.35	8.00	1.08
Backfilling with available earth	Cft	38,731.30	2.00	0.77
Portland Cement Concrete (1:4:8)	Cft	1,352.64	95.00	1.29
Masonary Works for Sump	Cft	984.00	70.00	0.69
Reinforced Cement Concrete	Cft	17,761.14	190.00	33.75
Finishing Plaster	Sft	264.00	25.00	0.07
Sub-Total (A)				**37.64**
B) Ground Floor				
RCC (1:2:4) for Column, Beam, Roof, Stairs, Lintels, Shear wall of Lift and Stairs	Cft	68,080.38	175.00	119.14
CB Masonary	Sft	20,735.05	70.00	14.51
Finishing	Sft	1,34,761.71	20.00	26.95
Flooring for Main Hall, Stairs, Skirting	Sft/Rft	53,987.01	180.00	97.18
Painting	Sft	1,25,146.52	12.00	15.02
Doors				
- Revolving Door around the Main entrance	Sft	76.00	35,000.00	26.60
- Other Doors	Sft	340.00	600.00	2.04
Toilet cubicles	Nos	6	30,000.00	1.80
Urinals	Nos	3	5,000.00	0.15
Sub-Total (B)				**303.39**
C) First Floor				
RCC (1:2:4) for Column, Beam, Roof, Stairs, Lintels, Shear wall of Lift and Stairs	Cft	29,769.65	175.00	52.10
CB Masonary	Sft	17,497.03	70.00	12.25

Particulars	Unit	Total units	Price per unit (in Rs.)	Amount (Rs. in Lakhs)
Finishing	Sft	1,23,206.57	20.00	24.64
Flooring for Main Hall, Stairs, Skirting	Sft/Rft	54,614.29	180.00	98.31
Painting	Sft	1,23,206.57	12.00	14.78
Doors	Sft	340	850.00	2.89
Toilet cubicles	Nos	6	30,000.00	1.80
Urinals	Nos	3	5,000.00	0.15
Sub-Total (C)				**206.92**
D) Other Miscellaneous				
b) Steel Roofing	Sft	4,755.00	450.00	21.40
c) S.S. Railing	Sft	390.00	3,500.00	13.65
d) Water proofing	Sft	6,849.00	80.00	5.48
e) Landscaping for roof garden and Gr. Flr	Sft	14,254.00	450.00	64.14
f) Site Development for Gr. Flr	Sft	40,500.00	120.00	48.60
Total Miscellaneous (D)				**153.27**
E) Mechanical Systems				
a) Plumbing and Sanitary works		Lump sum		4.50
b) Air conditioning system				55.00
c) Fire fighting system				4.00
d) Irrigation and Conveying system				2.00
Sub-total (E)				**65.50**
F) Electrical and Security Systems				
a) Lighting system		Lump sum		4.05
b) Power				2.50
c) Telephone and Networking				5.25
d) UPS, Fire-alarm, Generator and Security System				1.50
Sub-total (F)				**13.30**
G) Other Indirect costs				
Sanctioning and Approvals @ 1.55%				**12.09**
Miscellaneous expenses @ 2%				**15.60**
Sub-total (G)				**27.69**
Total Building costs (A+B+C+D+E+F+G)				**807.71**

Plant and Machinery

The detailed costs in relation to the Plant and Machinery required for setting up the parenterals facility is set out below:

No.	Details of plant and machinery	Quantity	Currency	Quotation received from	Date of Quotation	Estimated Amount (Rs. in Lakhs)
Plant and Machinery (Main Equipment)						
1.	Steam heat sterilizer (0.8 m3 volume)	9	Rs.	Machine Fabrik (India)	July 26, 2010	343.49
2.	Terminal steam sterilizer (1.8 m3 volume)	8	Rs.	Machine Fabrik (India)	July 26, 2010	311.80
3.	WFI system (1 KL / Hr)	5	Rs.	Machine Fabrik (India)	July 26, 2010	284.04
4.	Pure steam generator	9	Rs.	Machine Fabrik (India)	July 26, 2010	247.21

No.	Details of plant and machinery	Quantity	Currency	Quotation received from	Date of Quotation	Estimated Amount (Rs. in Lakhs)
	(500 kg/ Hr)					
5.	Ampule Line*	1	USD ($)	CMC	July 20, 2010	218.08
6.	Dry Heat Sterilizer	5	Rs.	Machine Fabrik (India)	July 26, 2010	187.94
7.	Lyophilizer (200 kg ice condenser)	1	Rs.	LSI (India)	July 21, 2010	164.45
8.	BFS Line*	1	JPY (¥)	Pharmapack Co. Limited	July 20, 2010	78.48
9.	LVP Vial line (100ml to 500ml)	2	Rs.	Ambica Engg (India)	July 20, 2010	85.98
10.	Hormone line	1	Rs.	Ambica Engg (India)	July 20, 2010	84.16
11.	Vail Line for Lyophilizer	1	Rs.	Ambica Engg (India)	July 20, 2010	84.06
12.	Vial filling file (5ml to 30ml)	1	Rs.	Fabrica (India)	July 28, 2010	67.82
13.	Ampule Line	1	Rs.	Klenzaids (tunnels)	July 24, 2010	41.00
14.	Bung Processor (0.7 m3 volume)	1	Rs.	Machine Fabrik (India)	July 26, 2010	36.26
15.	Vial dedusting and washing station#	1	Rs.	-	-	9.00
16.	Vial dedusting unit#	2	Rs.	-	-	16.00
Plant and Machinery (Supporting Equipment)						
1.	Clean room partitioning	1	Rs.	Nicomac Clean Rooms Far East Private Limited	August 27, 2010	1,015.90
2.	Ducting and Insulation and dampers	9	Rs.	Samarth Engg Services	August 24, 2010	991.39
3.	QC and Operatives	1	Rs.	Equichem Enterprises	August 25, 2010	500.00
4.	Process utility piping and vessels	9	Rs.	Swastic Engineering Works	August 25, 2010	270.02
5.	Air Handling Units	9	Rs.	Aarkays Air Equipment Private Limited	August 23, 2010	225.30
6.	Laminar Air Flow/ HEPA Filters	9	Rs.	Aditi Associate	August 20, 2010	225.28
7.	Purified Water Tanks and looping system	9	Rs.	Tube Tech Engineers	August 27, 2010	216.10
8.	Purified water tanks and loop#	9	Rs.	-	-	216.00
9.	WFI storage tanks and loops	9	Rs.	Bhuvan Engineering	August 23, 2010	200.32
10.	Process equipment (filtrationtrains)	9	Rs.	Gem Pharma Machineries	September 14, 2010	180.00
11.	Microbiliology and	2	Rs.	SNB Project	September	160.00

No.	Details of plant and machinery	Quantity	Currency	Quotation received from	Date of Quotation	Estimated Amount (Rs. in Lakhs)
	operatives			Management	13, 2010	
12.	Sampling Booths	9	Rs.	Clean Air Systems	August 23, 2010	132.65
13.	Electrical	2	Rs.	-	-	120.00
14.	Building management system	2	Rs.	Thakur Systems	September 17, 2010	110.00
15.	ETP and Chimney	1	Rs.	Hari Trading Company	August 22, 2010	110.00
16.	Utility Pipelines and Tanks	9	Rs.	S L S Stainless Private Limited	August 26, 2010	109.23
17.	Fire hydrant system and smoke sensors	1	Rs.	Adit Security System Private Limited	August 22, 2010	109.13
18.	Pass Boxes	9	Rs.	Siddhivinayak Scientific	August 20, 2010	93.72
19.	Dedusting booths	9	Rs.	Ahlada Engineering Private Limited	August 23, 2010	90.25
20.	Insulation of pipelines	1	Rs.	CryoGas Equipment Private Limited	August 22, 2010	81.70
21.	Decartoning stations#	1	Rs.	-	-	81.00
22.	Cooling towers	4	Rs.	United Cooling Systems Private Limited	August 23, 2010	60.50
23.	Filter cleaning stations	4	Rs.	Absterge Acme Filter India Private Limited	September 10, 2010	58.45
24.	Online TOC test kit	2	Rs.	Measuretest Corporation	September 18, 2010	56.00
25.	Garment Cubicles and Furniture	9	Rs.	Mumbai Furniture	September 23, 2010	55.61
26.	Instrumentation	2	Rs.	KGN Electricals and Maintenance Works	September 17, 2010	55.00
27.	Boiler and IBR piping	1	Rs.	Microtech Boilers Private Limited	August 23, 2010	49.41
28.	Sanitary valves and automatic valves	9	Rs.	Alfa Laval (India) Limited	September 17, 2010	45.00
29.	Mobile LAF's	9	Rs.	Siddhivinayak Scientific	August 20, 2010	44.65
30.	Drying / LOD Oven	18	Rs.	Thermolab scientific Equipments Private Limited	September 18, 2010	37.47
31.	Brine chillers and piping	1	Rs.	Bharat Refrigerations Private Limited	August 28, 2010	35.05
32.	Nitrogen Generator and Storage Receivers	1	Rs.	MAS GAS AIR System Private Limited	August 26, 2010	30.46
33.	Air Compressor and Storage Devices	1	Rs.	Zen Air Tech Private Limited	August 21, 2010	30.27
34.	Potable Water and Softeners	1	Rs.	Eco Water softners Technology Private Limited	August 26, 2010	30.09
35.	Automatic Leak	2	Rs.	ACE Technologies	-	30.00

No.	Details of plant and machinery	Quantity	Currency	Quotation received from	Date of Quotation	Estimated Amount (Rs. in Lakhs)
	Testers (Online)			and Packaging systems Private Limited		
36.	Water Chillers for AHU and Piping	1	Rs.	Aarkays Air Equipment Private Limited	August 24, 2010	30.00
37.	Vacuum pumps and piping[#]	1	Rs.	-	-	25.00
38.	Karlfisher	9	Rs.	Scientico Instruments	September 15, 2010	22.78
39.	Canteen and furniture	1	Rs.	Gaurav Engineering Works	August 25, 2010	20.07
40.	Warehouse and racks	1	Rs.	MaxiMaa Systems Limited	September 16, 2010	20.00
41.	Engineering office and work shop	2	Rs.	MaxiMaa Systems Limited	September 16, 2010	20.00
42.	Automatic Leak testers (Offline)	2	Rs.	ACE Technologies and Packaging systems Private Limited	-	20.00
43.	Storage Cupboards / Inprocess Containers	9	Rs.	Mumbai Furniture	August 23, 2010	18.63
44.	Dehumidifiers	1	Rs.	Origin	August 27, 2010	15.11
45.	Analytical Balance	9	Rs.	Scientico Instruments	September 15, 2010	12.66
46.	Vacuum cleaners for sterile area	5	Rs.	Rehiya Engineers	August 25, 2010	10.20
47.	Plant operatives	2	Rs.	Shreeji Engineering	September 14, 2010	10.00
48.	Telephone Line (EPBAX) System	1	Rs.	Chankya Electronics	August 25, 2010	9.88
49.	CCTV	1	Rs.	Adit Security System Private Limited	August 23, 2010	7.98
50.	Lab Furniture	9	Rs.	MaxiMaa Systems Limited	September 16, 2010	7.22
51.	Xerox/ IT system	1	Rs.	New I.T. Systems Private Limited	August 22, 2010	5.50
52.	Hydraulic Pallet Truck	5	Rs.	Asmita Engineering Equipments	August 22, 2010	4.81
53.	Factory Laundry	1	Rs.	Spectrum Garment Finishing Equipment Private Limited	September 14, 2010	4.00
54.	Computers	9	Rs.	Porwal Systems and Services	September 14, 2010	3.92
55.	pH Meter	9	Rs.	Scientico Instruments	September 15, 2010	3.54
56.	UV Cabinet	9	Rs.	Scientico Instruments	September 15, 2010	2.25
57.	Ultra Sonic Bath	9	Rs.	Scientico Instruments	September	1.16

No.	Details of plant and machinery	Quantity	Currency	Quotation received from	Date of Quotation	Estimated Amount (Rs. in Lakhs)
					15, 2010	
58.	Miscellaneous items#	-	Rs.	-	-	50.00
					Total	**8,440.43**

**The quotations received for the imported machineries are in USD or JPY. The amounts represented above have been calculated based on the conversion rate as on September 23, 2010, of USD: Rs. 45.50 and JPY: Rs. 0.5376.*

#These costs are internal management estimates and no quotations have been obtained for the same.

We have estimated the costs for taxes, packing, freight, insurance, loading/unloading etc. under provision for pre-operative expenses and contingencies.

Pre-operative expenses and contingencies

Our Company has provided for Rs.156.36 Lakhs as provision for pre-operative expenses and contingencies, which includes any cost overruns due to expenses for administrative, insurance and professional fees, packing, transportation charges, taxes, any increase in project cost etc. Our Company has already incurred a cost of Rs.12.00 Lakhs of preliminary expenses, as certified by our Statutory Auditors Ali Hatim S. Husain, Chartered Accountant pursuant to their certificate dated August 31, 2010.

Schedule of Implementation of the parenterals unit

Activity	Expected Commencement	Expected Completion
Land and Site Development		
- Possession of land	September 2010	October 2010
- Site Development	November 2010	January 2011
Building and civil works	January 2011	November 2011
Plant and Machinery		
- Placement of order	March 2011	September 2011
- Delivery at site	November 2011	January 2012
- Installation	January 2012	March 2012
Trial production	April 2012	June 2012
Commercial production	July 2012 onwards	

2. Brand promotion and expansion of our marketing network

We intend to undertake various brand building activities for our lifestyle products such as 'RevAyur Unijules' range of beauty care and herbal pellet range in the domestic and international markets. We intend to advertise our products through television, radio, web promotion and SMS marketing, hoardings at prominent places, advertisements in magazines and local newspapers, health magazines. Apart from marketing our services through traditional means, we also intend to market our products over the internet by various methods such as Search Engine Optimization (SEO), social media websites, online brand management, banner promotions on various popular websites, mass mailing (e-mails), POP displays etc. We also intend to participate in exhibitions at international level like Apteka Moscow 2010, Arab Business Summit, CPHI – World wide, etc.

Our products under the 'RevAyur Unijules' brand are presently available at big retail outlets and other retail stores, but we intend to make them available on a pan-India basis. We further intend to market and distribute our products in the domestic markets by making them available with various super-stockist, stockist and chemists and further our marketing efforts by deploying a field force to support our distribution efforts. In order to achieve this objective we intend to expand and establish our sales, marketing and distribution network from the existing team of personnel (*including medical representative and beauty advisors*) from 227 to over 500 by December 2011.

We also believe it is essential for our Company to focus on increasing the brand visibility for our existing and new FDFs as well as increasing the sales, marketing and distribution network to successfully commercialize and compete with other brands to increase the market share of our products. This will enhance our market recognition in terms of quality and reputation of its products in the medical community.

Our Company has earmarked an amount of Rs.1,360 Lakhs out of the proceeds of the Issue for the above object.

The detailed costs for brand promotion and expansion of our marketing network:

(Rs. in Lakhs)

Particulars*	Total amount	Expected expenditure (F.Y. 2011)	Expected expenditure (F.Y. 2012)	Expected expenditure (F.Y. 2013)
Outdoor publicity	250.00	37.50	87.50	125.00
Expansion of marketing and distribution network	200.00	30.00	50.00	120.00
Participation in exhibitions and trade fairs	175.00	30.00	75.00	70.00
PR and creative agency charges	140.00	40.00	50.00	50.00
Free samples	100.00	25.00	35.00	40.00
Celebrity endorsements	190.00	25.00	90.00	75.00
Print, television, radio, web promotion and SMS marketing	225.00	50.00	75.00	100.00
Gifts and mementos	80.00	20.00	30.00	30.00
Total	**1,360.00**	**257.50**	**492.50**	**610.00**

**The figures indicated are based on our management estimates. Our management will have the flexibility in use of the funds allocated under the above heads.*

3. Patent protection and product registration in the International markets

Our Company has developed unique technology like herbal pellets and Novel Drug Delivery System ("***NDDS***") such as Oral Dissolve Process and FDFs. We have already applied for two (2) process patents under WIPO and also in India and Malaysia. Further, we now intend to apply for patent for our process and product invention under NDDS in the regulated and semi-regulated markets. The process requires writing of the patent, evaluation of the patent and filing of the patent with WIPO or any specific country filing.

In order to export pharmaceutical and beauty care products manufactured by us, we have to get our products registered and approved by the local regulatory authorities in the respective markets in which we intend to export. We plan to target regulated markets such as USA, EU, and South Africa as well as semi-regulated markets such as CIS, Asia and African countries. Registration involves the preparation and submission of data dossiers which require detailed product specifications, understanding of the market dynamics and accurate compilation of required documents. Detailed study on the effect and the efficacy of the product is required to be conducted and details of the results of these studies are submitted as part of the registration process.

Our Company has earmarked an amount of Rs. 500 Lakhs out of the Net Proceeds of the Issue for the patent protection and product registration in the International markets

4. General Corporate Purposes

In addition to the above mentioned Objects, we intend to deploy Rs.[●] Lakhs from the Net Proceeds of the Issue for General Corporate Purposes, which may include but not limited to capital expenditure towards the various facilities owned by our Company, strategic initiatives, partnerships and meeting exigencies, etc, which our Company may be subjected to in the ordinary course of its business, or for any other purposes as approved by the Board.

Our management, in accordance with the policies of the Board, will have the flexibility in utilizing the sum earmarked for general corporate purposes and any surplus amounts from the Net Proceeds.

5. Issue Related Expenses

The expenses of the Issue include fees of the BRLM, underwriting commission, selling commission, distribution expenses, statutory fees, fees to legal advisors, fees to advisors, auditors, IPO Grading fees, printing and stationary costs, registrar costs, advertisement expenses and listing fees payable to the Stock Exchanges among others. The estimated Issue expenses are as follows:

The total estimated expenses are Rs. [●] Lakhs, which is [●] % of the Issue size.

(Rs. in Lakhs)

Activity	Expenses* (Rs. in Lakhs)	Percentage of Issue Expenses*	Percentage of the Issue Size*
Lead management, underwriting and selling commission, brokerage	[●]	[●]	[●]
Registrar to the Issue	[●]	[●]	[●]
SCSB commission	[●]	[●]	[●]
Bankers to the Issue	[●]	[●]	[●]
Printing and Stationery expenses (including courier and transportation charges)	[●]	[●]	[●]
Advertising and Marketing expenses	[●]	[●]	[●]
Others (IPO grading fees, legal fee, listing fees, travelling & other miscellaneous expenses etc.)	[●]	[●]	[●]
Total estimated issue expenses	**[●]**	**[●]**	**[●]**

**Will be incorporated after finalization of Issue Price*

In case of business requirements, required funds will be deployed out of internal accruals towards the "Objects of the Issue" and will be recouped from the Proceeds of the Issue.

Bridge Loan

Our Company has not raised any bridge loans from any bank or financial institution as on the date of the Draft Red Herring Prospectus.

Working Capital Requirement

Our Company does not intend to utilize the Net Proceeds of the Issue to meet its working capital requirements. Our Company intends to meet its existing and future working capital requirements from the internal accruals and the existing borrowings availed from various banks. However, in the event that there is surplus of funds after deployment from the Net Proceeds of the Issue, the funds may be utilized towards reducing our reliance on working capital facilities.

Interim use of funds

We, in accordance with the policies established by our Board, will have flexibility in deploying the Proceeds received by us from the Issue. The particular composition, timing and schedule of deployment of the proceeds will be determined by us based upon the estimated development of the projects. Pending utilization for the purposes described above, we intend to temporarily invest the funds from the Issue in high quality interest bearing liquid instruments including deposits with banks and investments in mutual funds and other financial products, such as principal protected funds, derivative linked debt instruments, other fixed and variable return instruments, listed debt instruments and rated debentures.

Monitoring of utilisation of Issue proceeds

In terms of Regulation 16(1) of the SEBI (ICDR) Regulations, we are not required to appoint a monitoring agency for the purposes of this Issue since the Issue size is not more than Rs. 50,000 Lakhs. As required under the listing agreements with the Stock Exchanges, the Audit Committee appointed by our Board will monitor the utilization of the proceeds of the Issue. We will disclose the utilization of the proceeds of the Issue, including interim use, under a separate head in our quarterly financial disclosures and annual audited financial statements until the proceeds of the Issue remain unutilized, to the extent required under the applicable law and regulation. We will indicate investments, if any, of unutilized proceeds of the Issue in our Balance Sheet for the relevant F.Y. subsequent to our listing.

Pursuant to clause 49 of the Listing Agreement, our Company shall on a quarterly basis disclose to the Audit Committee the uses and applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in the Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only until such time that all the proceeds of the Issue have been utilised in full. The statement shall be certified by the statutory auditors of our Company.

Our Company shall be required to inform material deviations in the utilisation of the Net Proceeds of the Issue to the Stock Exchanges and shall also be required to simultaneously make the material deviations/adverse comments of the Audit committee/monitoring agency public through advertisement in newspapers.

No part of the Proceeds from the Issue will be paid by us as consideration to our Promoter, Promoter Group, our Directors, our Subsidiaries, our Group Companies or Key Managerial Personnel, except in the normal course of our business.

For risks associated with our "Objects of the Issue", please refer to section titled "Risk Factors" beginning on page 16 of the Draft Red Herring Prospectus.

BASIS OF ISSUE PRICE

The Issue Price will be determined by our Company, in consultation with the BRLM, on the basis of assessment of market demand for the Equity Shares by the Book Building Process. The face value of the Equity Shares is Rs.10 each and the Floor Price is [●] times of the face value and the Cap Price is [●] times of the face value. Investors should review the entire Draft Red Herring Prospectus, including the section titled "Risk Factors", "Industry Overview", "Our Business" and "Financial Information" beginning on pages 16, 118, 134 and 212 respectively of the Draft Red Herring Prospectus, to get a more informed view before making any investment decision.

Qualitative Factors

The key competitive strengths of our Company include the following:

- Strong culture for research and innovation.
- Expertise in complex allopathic and herbal formulations.
- Diversified business model.
- Exchange of experience and knowledge between different systems of medicines and business verticals.
- Experienced and qualified management and executives.

Quantitative Factors

The information presented in this section for the financial years ended March 31, 2010; March 31, 2009; and March 31, 2008; is derived from our Restated Summary Statements prepared in accordance with Indian GAAP. Investors should evaluate our Company taking into consideration its earnings and based on its consolidated growth strategy. Some of the quantitative factors which may form the basis for computing the price are as follows:

1. Basic and Diluted Earnings per Share (EPS)

As per our Restated Standalone Financial Statements:

Year ended	Basic and Diluted EPS (Rs.)	Weight
March 31, 2008	8.08	1
March 31, 2009	8.00	2
March 31, 2010	10.30	3
Weighted Average	**9.16**	

As per our Restated Consolidated Financial Statements:

Year ended	Basic and Diluted EPS (Rs.)	Weight
March 31, 2008	8.76	1
March 31, 2009	12.28	2
March 31, 2010	12.71	3
Weighted Average	**11.91**	

Notes:

- *The basic and diluted EPS have been calculated in compliance with Accounting Standard 20 issued by the Institute of Chartered Accountants of India.*

- *Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the period.*

- *The weighted average number of Equity Shares outstanding during the period is adjusted for events of bonus issue.*
- *The face value of each Equity Share is Rs. 10 each.*

2. Price / Earning (P/E) Ratio in relation to Issue Price of Rs. [●]

	Particulars	P/E at Floor Price Rs. [●]	P/E at Cap Price Rs. [●]	P/E at Issue Price Rs. [●]
a)	Based on Basic EPS of March 31, 2010 as per Restated standalone Financial Statement	[●]	[●]	[●]
b)	Based on Basic EPS of March 31, 2010 as per Restated Consolidated Financial Statement	[●]	[●]	[●]
c)	Based on weighted average EPS	**[●]**	**[●]**	**[●]**

d)	**Industry P/E Multiple:**	
	Highest	19.10
	Lowest	9.00
	Average	12.92

(Source: Capital Market, Vol. XXV/14, September 06-19, 2010, category "Pharmaceutical –Indian -Formulation"

3. Average Return on Net Worth (RONW):

Return on Net Worth as per Restated Standalone Financial Statements

Particulars	RONW %	Weight
Year ended March 31, 2008	33.04	1
Year ended March 31, 2009	21.55	2
Year ended March 31, 2010	22.27	3
Weighted Average	**23.83**	

Return on Net Worth as per Restated Consolidated Financial Statements

Particulars	RONW %	Weight
Year ended March 31, 2008	30.81	1
Year ended March 31, 2009	29.14	2
Year ended March 31, 2010	23.98	3
Weighted Average	**26.84**	

Note:

The average return on net worth is arrived at by dividing restated net profit after tax by restated net worth as at the end of the year / period.

4. Minimum Return on increased Net Worth required for maintaining pre-issue EPS at March 31, 2010:

a) Based on Restated Standalone Financial Statements
At the Floor Price: [●]
At the Cap Price: [●]

b) Based on Restated Consolidated Financial Statements
At the Floor Price: [●]
At the Cap Price: [●]

5. Net Asset Value per Equity Share

Particulars	Amount (Rs.)
Net Asset Value per Equity Share as of March 31, 2010 as per Restated Standalone Financial Statements	44.68
Net Asset Value per Equity Share as of March 31, 2010 as per Restated Consolidated Financial Statements	51.23
Net Asset Value per Equity Share after the Issue as per Restated Standalone Financial Statements	[●]
Net Asset Value per Equity Share after the Issue as per Restated Consolidated Financial Statements	[●]
Issue Price per Equity Share	[●]*

** Issue Price will be determined on conclusion of the Book Building Process*
Note:
Net Asset Value per Equity Share represents Net Worth at the end of the year / period, as restated divided by the number of Equity Shares outstanding at the end of the period/ year.

6. Comparison of Accounting Ratios with Industry Peers

Name of the company	Face Value (Rs.)	EPS (Rs.)	RONW (%)	Book Value per Equity Share (Rs.)	P/E Ratio
Unijules Life Sciences Limited *	10.00	12.71	23.98	51.23	[●]**
Formulation ***					
Kilitch Drugs (India) Limited	10.00	8.90	19.30	56.70	11.80
Parenteral Drugs (India) Limited	10.00	13.80	5.50	165.10	18.70
Ajanta Pharma Limited	10.00	23.50	17.40	148.40	9.30
Bliss GVS Pharma Limited	1.00	4.00	36.20	12.90	9.00
Plethico Pharmaceuticals Limited	10.00	26.10	14.10	199.10	19.10
Syncom Formulations (India) Limited	10.00	2.80	6.60	40.30	9.60

**Based on Restated Consolidated Financial Statements of our Company for the year ended March 31, 2010.*
***Based on the issue price to be determined on conclusion of book building process and the Basic/Diluted EPS of our Company*
****(Source: Capital Market, Vol. XXV/14, September 06-19, 2010, category "Pharmaceutical –Indian -Formulation")*

The Issue Price of Rs.[●] has been determined by our Company in consultation with the BRLM on the basis of the demand from investors for the Equity Shares through the Book Building Process. The BRLM believes that the Issue Price of Rs.[●] is justified in view of the above qualitative and quantitative parameters. Prospective investors should also review the entire Draft Red Herring Prospectus, including, in particular section titled "Risk Factors", "Our Business" and "Financial Statements" beginning on pages 16, 134 and 212 respectively of the Draft Red Herring Prospectus to have a more informed view.

For the basic terms of the issue, please refer to section titled "Terms of the Issue" beginning on page 384 of the Draft Red Herring Prospectus.

STATEMENT OF TAX BENEFITS

The Board of Directors
Unijules Life Sciences Limited
Shop No. 41 Manisha Plaza, Sonapur Lane,
Off LBS Marg, Kurla (West),
Mumbai 400 072.

Dear Sirs,

Statement of Possible Tax Benefits Available to the Company and its shareholders

We hereby report that the enclosed statement states the possible tax benefits available to Unijules Life Science Limited (the Company) and to its shareholders under the provisions of Income Tax Act,1961 (Provisions of Finance Act 2010), Wealth Tax Act 1957 and the Gift Tax Act 1958, presently in force in India. The statement does not take into account the provisions of proposed Direct Tax Code. Several of these benefits outlined in this statement are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the tax benefits will be dependent upon such conditions being fulfilled, which based on the business imperatives the Company faces in the future, the company may or may not choose to fulfill.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue. While all reasonable care has been taken in the preparation of this statement, we accept no responsibility for any errors or omissions therein or for any loss sustained by any person who relies on it.

We do not express any opinion or provide any assurance as to whether:
(i) the Company or its shareholders will continue to obtain these benefits in future; or
(ii) the conditions prescribed for availing the benefits has been/ would be met with.

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

This report is intended solely for informational purposes for the inclusion in the Offer Document in connection with the Proposed Issue of Equity Shares of the Company in accordance with SEBI (ICDR) Regulations and is not to be circulated or referred to for any other purpose without our prior written consent. We hereby give our consent to add this report in the Offer Document of the Company.

Ali Hatim S. Husain
Chartered Accountant
Mem.No.113999
Place: Nagpur
Date: September 27, 2010

I. SPECIAL TAX BENEFITS

SPECIAL TAX BENEFITS TO THE COMPANY

There are no special Income tax benefits available to the company. However its subsidiary ZIM Laboratories Limited is coming up with PFI plant at MIHAN SEZ, Nagpur which will entitle them following

(a) Section 10 (AA) of the ITA allows any SEZ unit which begins operations on or after April 1 2006 to make tax deductions equivalent to 100% of its income generated for a period of five consecutive assessment years from the time the SEZ unit commences operations, 50% for the next five assessment years, and tax deductions not exceeding 50% of the ploughed-back profits for the following five assessment years.
(b) Exemption from minimum alternate tax under Section 115 JB of the Income Tax Act.
(c) Exemption from dividend distribution tax under Section 115O of the Income Tax Act.
(d) Exemption from Central Sales Tax (CST) on inter-state purchase of goods
(e) Exemption from service tax under Chapter-V of the Finance Act, 1994 on taxable services provided to a Developer or Unit to carry on the authorized operations in a Special Economic Zone

SPECIAL TAX BENEFITS TO THE SHARE HOLDERS OF THE COMPANY

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

II. GENERAL TAX BENEFITS

The following possible general tax benefits shall be available to the Company and the prospective shareholders under the Current Direct Tax Laws. Several of these benefits are dependent on the Company or its Shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon the fulfilling such conditions.

A. BENEFITS TO THE COMPANY UNDER THE INCOME TAX ACT 1961 (The Act)

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

1. Dividend Exempt under section 10(34)

By virtue of Section 10(34) of the IT Act, income earned by way of dividend income from another domestic company referred to in Section 115-0 of the IT Act, are exempt from tax in the hands of the company, subject to provisions of section 14A and rules framed there under.

2. Income from units of Mutual Fund exempt under section 10(35)

By virtue of section 10(35) income earned by way of dividend from units of mutual funds specified under clause 10 (23D) is exempt from tax, subject to the provisions of Section 14A and Rules framed there under.

Also section 94(7) of the Act provides that losses arising from the sale/ transfer of shares or units purchased within a period of three months prior to the record date and sold / transferred within three months or nine months respectively after such date will be disallowed to the extent dividend income on such shares or units is claimed as tax exempt.

3. Computation of Capital Gains and tax thereon

Capital assets may be categorized into short term capital assets and long term capital assets based on the period of holding. Shares in a company, listed securities or units of Mutual Fund specified under section 10(23D) or zero coupon bonds will be considered as long term capital assets if they are held for period exceeding 12 months. Consequently capital gains arising on sale of these assets held for more than 12 months are considered as "Long Term Capital Gains". Capital gains arising on sale of these assets held for 12 months or less are considered as "Short Term Capital gains".

Section 48 of the Act, which prescribes the mode of computation of capital gains, provide for deduction of costs of acquisition/ improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However in respect of long term capital gains, it offers a benefit by permitting substitution of cost of acquisition/ improvements with the indexed cost of acquisition/ improvement, which adjusts the cost of acquisition/ improvement by a cost inflation index as prescribed from time to time.

As per the provisions of Sec 112(1)(b) of the Act, long term gains as computed above that are not exempt under section 10(38) of the Act, would be subject to tax at the rate of 20% (plus applicable surcharge, education cess and secondary higher education cess).However as per the proviso to section 112 (1), if the tax of long term capital gains resulting on transfer of listed securities or units or zero coupon bonds, calculated at the rate of 20% with indexation benefit, exceed the tax on long term capital gains computed @ 10% without indexation benefit, then such gains are chargeable to tax at concessional rate of 10% (plus applicable surcharge, education cess and secondary higher education cess)

Gains arising on transfer of short term capital assets are currently chargeable to tax at the rate of 30% (plus applicable surcharge, education cess and secondary higher education cess). However as per the provisions of section 111 (A) of the Act, short term capital gains on sale of equity shares or units of an equity oriented fund on or after 1-10-2004, where the transaction of sale is subject to Securities Transaction Tax (STT) shall be chargeable to tax at a rate of 15% (plus applicable surcharge, education cess and secondary higher education cess)

Further the tax benefits related to capital gains are subjected to the CBDT Circular No. 4/2007 dated 15th June 2007, and on fulfillment of criteria laid down in the circular, the Company will be able to enjoy the consessional benefits of taxation on capital gains.

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 carry 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

4. Exemption of Capital Gains from Income Tax

a) Under section 10(38) of the Act, any long term capital gains arising out of sale of equity shares or units of an equity oriented fund on or after 1-10-2004 will be exempt from tax provided that the transaction of sale of such shares or units is chargeable to STT. However such income shall be taken into account in computing the book profits under section 115 JB.

b) According to the provisions of section 54EC of the Act and subject to the conditions specified therein, long term capital gains not exempt under section 10 (38) shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six month from the date of transfer of shares. If only part of the capital gain is so reinvested, the exemption shall be allowed proportionately. However, if the said bonds are transferred or converted into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money. Provided that investments made on or after 1st April 2007, in the said bonds should not exceed fifty lakh rupees. The cost of specified assets which is considered for the purpose of section 54EC shall not be eligible for deduction under section 80C of the Act.

5. Computation of Business Income

Subject to the fulfillment of conditions prescribed, the company will be eligible, inter-alia, for the following specified deductions in computing its business income:-

(a) Under Section 35 (1) (i) and (iv) of the Act, in respect of any revenue or capital expenditure incurred, other than expenditure on the acquisition of any land, on scientific research related to the business of the Company.

(b) Under Section 35 (1) (ii) of the Act, in respect of any sum paid to a scientific research association which has as its object the undertaking of scientific research, or to any approved university, College or other institution to be used for scientific research or for research in social sciences or statistical scientific research to the extent of a sum equal to one and three fourth times the sum so paid.

Under Section 35 (1) (ii)(a) of the Act, any sum paid to a company, which is registered in India and which has as its main object the conduct of scientific research and development, to be used by it for scientific research is approved by the prescribed authority and fulfills such conditions as may be prescribed shall also qualify for a deduction of one and one fourth times the amount so paid.

Under Section 35 (iii) an amount equal to one and one fourth times (125%) of any sum paid to a university or collage or other institution to be used for research in social science or statistical research provided they fulfill the conditions prescribed under the Act.

Similarly, payments to a National Laboratory, university or Indian Institute of Technology in respect of approved programmes of scientific research are also eligible for weighted deduction of 175% of the sum paid under section 35(2AA).

(c) Under Section 36 (1) (xv) of the Act, the amount of Securities Transaction Tax paid by an assessee in respect of taxable securities transactions offered to tax as “Profits and gains of Business or profession” shall be allowable as a deduction against such Business Income.

(d) Subject to compliance with certain conditions laid down in section 32 of the Act, the Company will be entitled to deduction for depreciation:

- In respect of tangible assets (being buildings, machinery, plant or furniture) and intangible assets (being know-how, patents, copyrights, trademarks, licenses, franchises or any other business or commercial rights of similar nature acquired on or after 1st day of April, 1998) at the rates prescribed under the Income Tax Rules,1962. Unabsorbed depreciation allowance can be carried forward indefinitely and can be set off against the profit or gains of business or income chargeable under any other head in the subsequent years.

  The company is entitled to an additional depreciation allowance of 20% of the cost of new machineries acquired and put to use during the year.

  Under Section 72 of the Act, where the loss under the head profits and gains of business or profession‘ could not be set off in the same assessment year because either the company had no income under any other head or the income was less than the loss, such loss which could not be set off in the same assessment year, can be carried forward to the following assessment years and it shall be set off against the profit and gains of business or profession for eight successive assessment years subject to the conditions setout in the said section.

Under Section 80-GGB, in computing total income of a Company, any sum contributed by it to any political party or an electoral trust is deductible.

(e) Share of Income from an Association of persons:

By virtue of section 86 of the IT Act, share of income of members of an Association of persons is exempt from tax provided the Association of person is chargeable to tax at Maximum Marginal Rate or any higher rate.

(f) Tax on distributed profits of domestic company

While calculating dividend distribution tax as per provision of Section 115-O, the reduction shall be allowed in respect of the dividend received by a domestic company from a subsidiary company during the financial year provided the subsidiary company has paid tax on such dividend and the domestic company, is not a subsidiary of any other company. It is further provided that same amount of dividend shall not be taken into the reduction more than once. For this purpose a company shall be subsidiary of another company, if such other company holds more than half in nominal value of the equity share capital of another company.

COMPUTATION OF TAX ON BOOK PROFIT

(g) As provided under section 115JB of the Act, the company is liable to pay income tax at the rate of 15% (plus applicable surcharge, education cess and secondary & higher education cess) on the Book Profit as computed in accordance with the provisions of section 115JB of the Act, if the total tax payable as computed under the Act is less than 15% of the Book Profit as computed under the said section.

Under section 115JAA (1A) of the Act, tax credit shall be allowed of any tax paid under section 115 JB of the Act (MAT) Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Act. Such MAT credit shall not be available for set-off beyond 10 years succeeding the year in which the MAT becomes allowable. The company shall be eligible to set-off the MAT credit, thus carried forward, in the year in which it is required to pay the tax under the regular provisions of the Income-tax Act. The amount which can be set-off is restricted to the difference between the tax payable under the regular provisions of the Act and tax payable under the provisions of section 115JB in that year.

TAX REBATES (TAX CREDITS):

(h) As per the provisions of section 90, the Company is entitled to credit for taxes on income paid in Foreign Countries with which India has entered into Double Taxation Avoidance Agreements (Tax Treaties from projects/activities undertaken thereat) from the income earned in those countries, the Company will be entitled to the deduction from the Indian Income-tax of a sum calculated on such doubly taxed income to the extent of taxes paid in Foreign Countries. Further, the company as a tax resident of India would be entitled to the benefits of such Tax Treaties in respect of income derived by it in foreign countries. In such cases the provisions of the Income tax Act shall apply to the extent they are more beneficial to the company. Section 91 provides for unilateral relief in respect of taxes paid in foreign countries.

B. BENEFITS AVAILABLE TO RESIDENT SHARE HOLDERS

(a) Dividends exempt under section 10 (34)

Under section 10 (34) of the Act, income earned by way of dividend (Interim or final) from domestic Company referred to in section 115-O of the Act is exempt from income tax in the hands of the shareholders.

However, in view of the provisions of section 14A of the Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained therein.

Also, section 94(7) of the Act provides that losses arising from the sale / transfer of shares or units purchased within a period of three months prior to the record date and sold / transferred within three months or nine months respectively after such date, will be disallowed to the extent dividend income on such shares or units is claimed as tax exempt.

(b) Income of a minor exempt up to certain limit

Under Section 10(32) of the Act, any income of minor children clubbed in the total income of the parent under section 64(1A) of the Act will be exempted from tax to the extent of Rs.1, 500/- per minor child.

(c) Computation of capital gains and tax thereon

Capital assets may be categorized into short term capital assets and long term capital assets based on the period of holding Shares in a Company, listed securities or units of UTI or units of Mutual Fund specified under section 10 (23D) or zero coupon bond will be considered as long term capital assets if they are held for period exceeding 12 months. Consequently, capital gains arising on sale of these as sets held for more than 12 months are considered as "Long Term Capital Gains". Capital gains arising on sale of these assets held for 12 months or less are considered as "Short Term Capital Gains".

Section 48 of the Act, which prescribes the mode of computation of Capital Gains, provides for deduction of cost of acquisition/improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of Capital Gains. However, in respect of long term capital gains, it offers a benefit by permitting substitution of cost of acquisition/improvement with the indexed cost of acquisition/improvement, which adjusts the cost of acquisition/ improvement by a cost inflation index as prescribed from time to time.

According to the provisions of section 112 (1) of the Act, long term gains as computed above that are not exempt under section 10 (38) of the Act, would be subject to tax at a rate of 20 percent (plus applicable surcharge, education cess and secondary higher education cess). However, as per the proviso to section 112(1), if the tax on long term capital gains resulting on transfer of listed securities or units or zero coupon bond, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long term capital gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at consessional rate of 10 percent (plus applicable education cess and secondary higher education cess).

Gains arising on transfer of short term capital assets are currently chargeable to tax at the rate of 30 percent (plus applicable surcharge, education cess and secondary higher education cess). However as per the provisions of section 111A of the Act, short-term capital gains on sale of equity shares or units of an equity oriented fund on or after 1st October, 2004, where the transaction of sale is subject to Securities Transaction Tax ("STT") shall be chargeable to tax at a rate of 15 percent (plus applicable education cess and secondary higher education cess).

Further the tax benefits related to capital gains are subjected to the CBDT Circular No. 4/2007 dated 15th June 2007, and on fulfillment of criteria laid down in the circular, the Company will be able to enjoy the consessional benefits of taxation on capital gains.

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 carry 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.

Exemption of capital gain from income tax

- Under section 10 (38) of the Act, long term capital gains arising out of sale of equity shares or a unit of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or unit is chargeable to Securities Transaction Tax ("STT").

- According to the provisions of section 54EC of the Act and subject to the conditions specified therein, long term capital gains not exempt under section 10 (38) shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six month from the date of transfer of shares. If only part of the capital gain is so reinvested, the exemption shall be allowed proportionately. However, if the said bonds are transferred or converted into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money. Provided that investments made on or after 1st April 2007, in the said bonds should not exceed fifty lakh rupees. The cost of specified assets which is considered for the purpose of section 54EC shall not be eligible for deduction under section 80C of the Act.

- In accordance with section 54ED capital gain arising on the transfer of a long – term capital assets being listed securities on which securities transaction tax is not payable, shall be exempt from tax provided the whole of the capital gain is invested within a period of six months in equity shares forming part of an eligible issue of capital. If only part of the capital gain is so invested, the exemption would be limited to the amount of the capital gain so invested. If the specified equity shares are sold or otherwise transferred within a period of one year from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head " Capital Gain" of the year in which the specified equity shares are transferred. The cost of the specified equity shares will not be eligible for deduction under section 80C.

- According to the provisions of section 54F of the Act and subject to the conditions specified therein, in the case of an individual or a Hindu Undivided Family ('HUF'), gains arising on transfer of a long term capital asset (not being a residential house) are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in a residential house. If only a part of such net consideration is invested within the prescribed period in a residential house, the exemption shall be allowed proportionately. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer. Further, if the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become Chargeable to tax as long term capital gains in the year in which such residential house is transferred. Further thereto, if the individual purchases within a period of one year before or two years after the date on which the transfer took place or constructs within a period of three years after the date of transfer of the long term capital asset, any other residential house, other than the residential house referred to above, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is purchased or constructed.

(d) Deduction in respect of Securities Transaction Tax paid against Business Income

Under Section 36 (1) (xv) of the Act, the amount of Securities Transaction Tax paid by an assessee in respect of taxable securities transactions offered to tax as "Profits and gains of Business or profession" shall be allowable as a deduction against such Business Income.

(e) Deduction of dividend received from subsidiary company while computing Dividend Distribution Tax liability of the Ultimate Holding Company

Every domestic company is liable to pay Dividend Distribution Tax (DDT) on the amount of dividend distributed by it whether interim or final, @17% (including surcharge and education cess and higher education cess). However, while computing the DDT liability of a domestic company which is the ultimate holding company, the dividend so paid or distributed amount shall be reduced by the dividend received from its subsidiary company where the subsidiary company has paid DDT on such dividend. Thus, ultimate holding company is eligible to take credit for the dividend distributed by its subsidiary company while computing the amount of Dividend Distribution Tax payable by itself on the dividend distributed.

C. BENEFITS AVAILABLE TO INDIAN SHAREHOLDERS (OTHER THAN FIIs AND FOREIGN VENTURE CAPITAL INVESTORS)

(a) Dividends exempt under section 10 (34)

Under section 10 (34) of the Act, income earned by way of dividend (Interim or final) from domestic Company referred to in section 115-O of the Act is exempt from income tax in the hands of the shareholders.

However, in view of the provisions of section 14A of the Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained therein.

Also, section 94(7) of the Act provides that losses arising from the sale / transfer of shares or units purchased within a period of three months prior to the record date and sold / transferred within three months or nine months respectively after such date, will be disallowed to the extent dividend income on such shares or units is claimed as tax exempt.

(b) Income of a minor exempt up to certain limit

Under Section 10 (32) of the Act, any income of minor children clubbed in the total income of the parent under section 64 (1A) of the Act will be exempted from tax to the extent of Rs.1, 500/- per minor child.

(c) Computation of capital gains and tax thereon

Capital assets may be categorized into short term capital asset and long term capital assets based on the period of holding. Shares in a Company, listed securities or units of UTI or units of mutual fund specified under section 10 (23D) of the Act or zero coupon bonds will be considered as long term capital assets if they are held for a period exceeding 12 months. Consequently, capital gains arising on sale of these assets held for more than 12 months are considered as "long term capital gains". Capital gains arising on sale of assets held for 12 months or less are considered as "short term capital gains".

Section 48 of the Act contains provisions in relation to computation of capital gains on transfer of shares of an Indian Company by a non-resident where the investment in such shares was made in foreign currency Computation of capital gains arising on transfer of shares in case of non-residents has to be done in the original foreign currency, which was used to acquire the shares. The capital gain (i.e. sale proceeds less cost of acquisition/ improvement) computed in the original foreign currency is then converted into Indian Rupees at the prevailing rate of exchange. Benefit of indexation of costs is not available in above case.

According to the provisions of section 112(1)(c) of the Act, long term capital gains as computed above that are not exempt under section 10 (38) of the Act would be subject to tax at a rate of 20 percent (plus applicable education cess and secondary higher education cess). In case investment is made in Indian Rupees, the long-term capital gains that are not exempt u/s 10(38) of the Act are to be computed after indexing the cost.

However, as per the proviso to section 112(1), if the tax on long term gains resulting on transfer of listed securities or units or zero coupon bond, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long term gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a consessional rate of 10 percent (plus applicable education cess and secondary higher education cess).

Gains arising on transfer of short term capital assets are currently chargeable to tax at the rate of 30 percent (plus applicable surcharge, education cess and secondary higher education cess) at discretion of assessee. However as per the provisions of section 111A of the Act, short-term capital gains of equity shares on or after 1st October, 2004, where the transaction of sale is chargeable to STT shall be subject to tax at a rate of 15 percent (plus applicable education cess and secondary higher education cess)

Further the tax benefits related to capital gains are subjected to the CBDT Circular No. 4/2007 dated 15th June 2007, and on fulfillment of criteria laid down in the circular, the Company will be able to enjoy the consessional benefits of taxation on capital gains.

(d) Capital gains tax - Options available under the Act

Where shares have been subscribed in convertible foreign exchange

Option of Taxation under chapter XII-A of the Act:

- A non resident Indian (i.e. an individual being a citizen of India or person of Indian Origin) has an option to be governed by the provisions of Chapter XIIA of the Income Tax Act, 1961 viz. "Special Provisions Relating to certain Incomes of Non-Residents".

- Under Section 115E of the Income Tax Act, 1961, where shares in the Company are subscribed for in convertible Foreign Exchange by a Non Resident Indian, capital gains arising to the non resident on transfer of shares held for a period exceeding 12 months shall (in cases not covered under Section 10(38) of the Act) be concessionally taxed at the flat rate of 10%(plus applicable surcharge education cess and secondary higher education cess) without indexation benefit but with protection against foreign exchange fluctuation under the first proviso to section 48 of the Income Tax Act, 1961. Capital gain on transfer of Foreign Exchange Assets, not to be charged in certain cases.

- As per section 90(2) of the Act, the provision of the Act would prevail over the provision of the tax treaty to the extent they are more beneficial to the Non Resident. Thus, a Non Resident can opt to be governed by the beneficial provisions of an applicable tax treaty.

Capital gain on transfer of Foreign Exchange Assets, not to be charged in certain cases

- Under provisions of Section 115F of the Income Tax Act, 1961, long term capital gains (not covered under Section 10(38) of the Act) arising to a non resident Indian from the transfer of shares of the Company subscribed to in convertible Foreign Exchange shall be exempt from Income Tax if the net consideration is reinvested in specified assets within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted within three years from the date of their acquisition.

Return of Income not to be filed in certain cases

- Under provisions of Section 115G of the Income Tax Act, 1961, it shall not be necessary for a Non-Resident Indian to furnish his return of Income if his only source of income is investment income or long term capital gains or both arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted there from such income as per the provisions of Chapter XVII- B of the Act.

  Under section 115H of the Act, where the 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 the chapter XII-A shall continue to apply to him in relation to such investment income derived from any foreign exchange asset being asset of the nature referred to in sub clause (ii), (iii), (iv) and (v) of section 115C(f) for that year and subsequent assessment years until such assets are converted into money.

- Under Section 115-I of the Income Tax Act, 1961, a Non-Resident Indian may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing his return of income for that assessment year under Section 139 of the Income Tax Act declaring therein that the provisions of the 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.

Where the shares have been subscribed in Indian Rupees:

Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition/improvement and expenses incurred wholly and exclusively in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long term capital gains, it offers a benefit by permitting substitution of cost of acquisition/ improvement with the indexed cost of acquisition/improvement, which adjusts the cost of acquisition/improvement by a cost inflation index, as prescribed time to time.

As per the provisions of section 112(1) (c) of the Act, long term capital gains that are not exempt u/s. 10(38) of the Act as computed above would be subject to tax at a rate of 20 percent (plus applicable surcharge, education cess and secondary higher education cess). However, as per the proviso to Section 112(1) of the Act, if the tax payable in respect of long term capital gains resulting on transfer of listed securities or units, calculated at the rate of 20 percent with indexation benefit exceeds the tax payable on gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at the rate of 10 percent without indexation benefit (plus applicable surcharge, education cess and secondary higher education cess).

Exemption of capital gain from income tax

Under section 10(38) of the Act, long term capital gains arising out of sale of equity shares or a unit of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or unit is chargeable to STT.

- Under the first proviso to Section 48 of the Income Tax Act, 1961, in case of a non-resident, in computing the capital gains arising from transfer of shares of the Company acquired in convertible foreign exchange (as per exchange control regulations) protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case.

- Under Section 54EC of the Income Tax Act, 1961 and subject to the conditions and to the extent specified therein, long term capital gains (not covered under section 10(38) of the Act) arising on the transfer of shares of the Company will be exempt from capital gains tax if the capital gain upto Rs.50 lacs are invested in certain notified bonds within a period of six months from the date of transfer in “Long Term specified assets”. If only part of the capital gain is so reinvested, the exemption shall be allowed proportionately. The amount so exempted shall be chargeable to tax subsequently, if the specified assets *are* transferred or converted within three years from the date of their acquisition.

- Under Section 54F of the Income Tax Act, 1961 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 to an individual or Hindu Undivided Family (HUF) on transfer of shares of the Company will be exempt from capital gain tax subject to other conditions, if the net sales consideration from such shares *are* used for purchase of residential house property within a period of one year before and two year after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer. If any part of the Capital gain is reinvested the exemption will be reduced proportionately. The amount so exempted shall be chargeable to tax subsequently, if residential property is transferred within a period of three years from the date of purchase/construction. Similarly, if the shareholder purchases within a period of two years or constructs within a period of three years after the date of transfer of capital asset, another residential house, the original exemption will be taxed as capital gains in the year in which the additional residential house is acquired.

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 gain of the said year. Balance loss, if any, could be carry 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 -off against subsequent years 'long term capital gains.

(e) Deduction in respect of Securities Transaction Tax paid against Business Income

Under Section 36 (1) (xv) of the Act, the amount of Securities Transaction Tax paid by an assessee in respect of taxable securities transactions offered to tax as - Profits and gains of Business or profession shall be allowable as a deduction against such Business Income.

(f) Provisions of the Act vis-à-vis provisions of the tax treaty

As per Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the relevant tax treaty to the extent they are more beneficial to the nonresident.

D. BENEFITS AVAILABLE TO OTHER NON-RESIDENT SHAREHOLDERS (OTHER THAN FIIS AND FOREIGN VENTURE CAPITAL INVESTORS):

(a) Dividends exempt under section 10 (34)

Under section 10 (34) of the Act, income earned by way of dividend (Interim or final) from domestic Company referred to in section 115-O of the Act is exempt from income tax in the hands of the shareholders.

However, in view of the provisions of Section 14A of Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained therein.

Also, Section 94(7) of the Act provides that losses arising from the sale/transfer of shares or units purchased within a period of three months prior to the record date and sold/transferred within three months or nine months respectively after such date, will be disallowed to the extent dividend income on such shares or units is claimed as tax exempt.

(b) Income of a minor exempt up to certain limit

Under Section 10(32) of the Act, any income of minor children clubbed in the total income of the parent under section 64(1A) of the Act will be exempted from tax to the extent of Rs.1, 500/- per minor child.

(c) Computation of capital gains and tax thereon

Capital assets may be categorized into short term capital asset and long term capital assets based on the period of holding Shares in a Company, listed securities or units of UTI or unit of mutual fund specified under section 10 (23D) of the Act or zero coupon bond will be considered as long term capital assets if they are held for a period exceeding 12 months. Consequently, capital gains arising on sale of these assets held for more than 12 months are considered as "long term capital gains". Capital gains arising on sale of assets held for 12 months or less are considered as “short term capital gains”.

Section 48 of the Act contains provisions in relation to computation of capital gains on transfer of shares of an Indian Company by a non-resident. Computation of capital gains arising on transfer of shares in case of non-residents has to be done in the original foreign currency, which was used to acquire the shares. The capital gain (i.e., sale proceeds less cost of acquisition/improvement) computed in the original foreign currency is then converted into Indian Rupees at the prevailing rate of exchange.

According to the provisions of section 112 of the Act, long term gain as computed above that are not exempt under section 10 (38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge, education cess and secondary higher education cess). In case investment is made in Indian Rupees, the long-term capital gain is to be computed after indexing the cost.

However, as per the proviso to section 112 (1) (c) , if the tax on long term gains resulting on transfer of listed securities or units or zero coupon bond, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long term gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge, education cess and secondary higher education cess).

Gains arising on transfer of short term capital assets are currently chargeable to tax at the rate of 30 percent (plus applicable education cess and secondary higher education cess). However as per the provisions of section 111A of the Act, short term capital gains of equity shares where the transaction of sale is chargeable to STT shall be subject to tax at a rate of 15 percent (plus applicable education cess and secondary higher education cess).

Further the tax benefits related to capital gains are subjected to the CBDT Circular No. 4/2007 dated 15th June 2007, and on fulfillment of criteria laid down in the circular, the individual will be able to enjoy the consessional benefits of taxation on capital gains.

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 gain of the said year. Balance loss, if any, could be carry 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.

(d) Exemption of capital gain from income tax

- Under section 10(38) of the Act, long term capital gains arising out of sale of equity shares or units of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or units is chargeable to STT.

  According to the provisions of section 54EC of the Act and subject to the conditions specified therein, long term capital gains not exempt under section 10 (38) shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six month from the date of transfer of shares. If only part of the capital gain is so reinvested, the exemption shall be allowed proportionately. However, if the said bonds are transferred or converted into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money. Provided that investments made on or after 1st April 2007, in the said bonds should not exceed fifty lakh rupees. In such case the cost of specified assets which is considered for the purpose of section 54EC shall not be eligible for deduction under section 80C of the Act.

- According to the provisions of section 54F of the Act and subject to the conditions specified therein, in the case of an individual or a Hindu Undivided Family ('HUF'), gains arising on transfer of a long term capital asset (not being a residential house) are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in a residential house. If only a part of such net consideration is invested within the prescribed period in a residential house, the exemption shall be allowed proportionately. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer. Further, if the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred. Further thereto, if the individual purchases within a period of one year before or two years after the date on which the transfer took place or constructs within a period of three years after the date of transfer of the long term capital asset, any other residential house, other than the residential house referred to above, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is purchased or constructed.

(e) Deduction in respect of Securities Transaction Tax paid against Business Income

Under Section 36 (1) (xv) of the Act, the amount of Securities Transaction Tax paid by an assessee in respect of taxable securities transactions offered to tax as "Profits and gains of Business or profession" shall be allowable as a deduction against such Business Income.

(f) Provisions of the Act vis-à-vis provisions of the tax treaty

As per Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the relevant tax treaty to the extent they are more beneficial to the non-resident.

E. BENEFITS AVAILABLE TO FOREIGN INSTITUTIONAL INVESTORS (FIIs)

(a) **Dividends exempt under section 10(34)**

Under Section 10(34) of the IT Act, income earned by way of dividend income from another domestic company as referred to in Section 115-0 of the IT Act, are exempt from tax in the hands of the institutional investor, subject to provisions of section 14A and rules framed there under wherever applicable.

However, in view of the provisions of section 14A of the Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained therein.

Also, section 94(7) of the Act provides that losses arising from the sale / transfer of shares or units purchased within a period of three months prior to the record date and sold / transferred within three months or nine months respectively after such date, will be disallowed to the extent dividend income on such shares or units is claimed as tax exempt.

(b) **Taxability of capital gains**

Under section 10 (38) of the Act, long term capital gains arising out of sale of equity shares or a unit of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or units is chargeable to STT. However, such income shall be taken into account in computing the book profits under section 115JB.

- The income by way of short term capital gains or long term capital gains (not covered under Section 10(38) of the Act) realized by FIIs on sale of shares in the Company would be taxed at the following rates" as per Section 115AD of the Income Tax Act, 1961.

  Short term capital gains, other than those referred to under section 111A of the Act shall be taxed @ 30% (plus applicable surcharge, education cess and secondary higher education cess).

  Short term capital gains, referred to under section 111A of the Act shall be taxed @ 15% (plus applicable surcharge, education cess and higher secondary education cess).

  Long term capital gains - 10% (without cost indexation plus applicable surcharge and education cess) and 20% (plus applicable surcharge and education cess and higher secondary education cess) with indexation benefit (shares held in a company would be considered as a long term capital asset provided they are held for a period exceeding 12 months).

  It may be noted that the benefits of indexation and foreign currency fluctuation protection as provided by section 48 of the Act are not applicable

  According to provisions of section 54EC of the Act and subject to the conditions specified therein, long term capital gains which are not exempt under section 10(38), shall not be chargeable to tax to the extent such capital gains are invested in notified bonds within six months from the date of transfer. If only a part of the capital gain is reinvested, the exemption shall be allowed proportionately. The investment in the said specified assets should not exceed Rupees fifty lakh. However, if the assessee transfers or converts the notified bonds into money within three years from the date of their acquisition, the amount of capital gain arising from the transfer of the original asset which was not charged to tax, will be deemed to be income by way of capital gain in the year in which the notified bonds are transferred or converted into money

(c) **Exemption of capital gain from income tax**

Under section 10(38) of the Act, long term capital gains arising out of sale of equity shares or units of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or units is chargeable to STT.

Accordingly to the provisions of section 54EC of the Act and subject to the conditions specified therein, capital gains not exempt under section 10(38) shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only part of the capital gain is so reinvested, the exemption shall be allowed proportionately. Provided that investments made on or after 1st April 2007, in the said bonds should not exceed fifty lakh rupees. In such a case, the cost of such long term specified asset will not qualify for deduction under section 80C of the Act.

However, if the assessee transfers or converts the notified bonds into money within a period of three years from the date of their acquisition, the amount of capital gains exempt earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.

According to the provisions of section 54F of the Act and subject to the conditions specified therein, in the case of an individual or a HUF, gains arising on transfer of a long term capital asset (not being a residential house) are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in a residential house. If only a part of such net consideration is invested the prescribed period in a residential house, the exemption shall be allowed proportionately. For this purpose, net consideration means full value of the consideration received or accrued as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer. Further, if the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred.

(d) **Deduction in respect of Securities Transaction Tax paid against Business Income**

Under Section 36 (1) (xv) of the Act, the amount of Securities Transaction Tax paid by an assessee in respect of taxable securities transactions offered to tax as "Profits and gains of Business or profession" shall be allowable as a deduction against such Business Income.

(e) **Provisions of the Act vis-à-vis provisions of the tax treaty**

As per section 90(2) of the Act, the provision of the Act would prevail over the provision of the tax treaty to the extent they are more beneficial to the Non Resident. Thus, a Non Resident can opt to be governed by the beneficial provisions of an applicable tax treaty.

F. BENEFITS AVAILABLE TO MUTUAL FUNDS

As per the provisions of section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or regulations made there under, Mutual Funds set up by public sector banks or public financial institutions or authorized by the Reserve Bank of India, would be exempt from income tax subject to the conditions as the Central Government may notify. However, the mutual funds shall be liable to pay tax on distributed income to unit holders under section 115R of the Act.

G. BENEFITS AVAILABLE TO VENTURE CAPITAL COMPANIES / FUNDS.

In terms of Section 10 (23FB) of the Income Tax Act, 1961, all Venture Capital Companies / Funds registered with Securities and Exchange Board- of India, subject to the conditions specified, *are* eligible for exemption from income tax on all their income, including income from dividend. However, the exemption is restricted to the Venture Capital Company and Venture Capital Fund set up to raise funds for investment in a Venture Capital Undertaking, which is engaged in the business as specified under section 10(23FB)(c). However, the income distributed by the Venture Capital Companies/ Funds to its investors would be taxable in the hands of the recipients.

H. BENEFITS AVAILABLE UNDER THE WEALTH-TAX ACT, 1957

The company shall be charged wealth-tax @ 1% on amount of which its net wealth determined on the basis of nationality and residential status, on the corresponding valuation date relevant to the assessment year exceeds thirty lakhs subject to section 2(ea) of the Wealth Tax Act, 1957.

Shares of the company held by the shareholder will not be treated as an asset within the meaning of section 2(ea) of Wealth Tax Act, 1957. Hence, no wealth tax will be payable on the market value of shares of the company held by the shareholder of the company.

I. BENEFITS AVAILABLE UNDER THE GIFT-TAX ACT, 1958

Gift of shares of the Company made on or after 1st October, 1998, are not liable to Gift tax. Therefore, any gift of shares will not attract gift tax. However, if the aggregate fair market value of the shares exceeds fifty thousand rupees then, in the hands of the Donee, the same will be treated as income under the provisions of the IT Act unless the gift is from a relative as defined under Explanation to Section 56(vi) of Income-tax Act, 1961 or under circumstances mentioned in the second proviso to Section 56(vii) of the IT Act.

Notes:

(1) The above Statement of Possible Direct 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 consequence of the purchase, ownership and disposal of equity shares;

(2) The above Statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the company and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the company or its shareholders fulfilling the conditions prescribed under the relevant tax laws, including as laid down by the circular 4/2007 dated 15th June 2007 issued by CBDT concerning capital gain, for availing concessions in relation to capital gain tax;

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

(4) In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile; and

(5) The stated benefits will be available only to the sole/first named holder in case the shares are held by joint share holders.

Ali Hatim S. Husain
Chartered Accountant
Mem. No.113999,
Place: Nagpur
Dated: September 27, 2010

SECTION IV: ABOUT OUR COMPANY AND THE INDUSTRY

INDUSTRY OVERVIEW

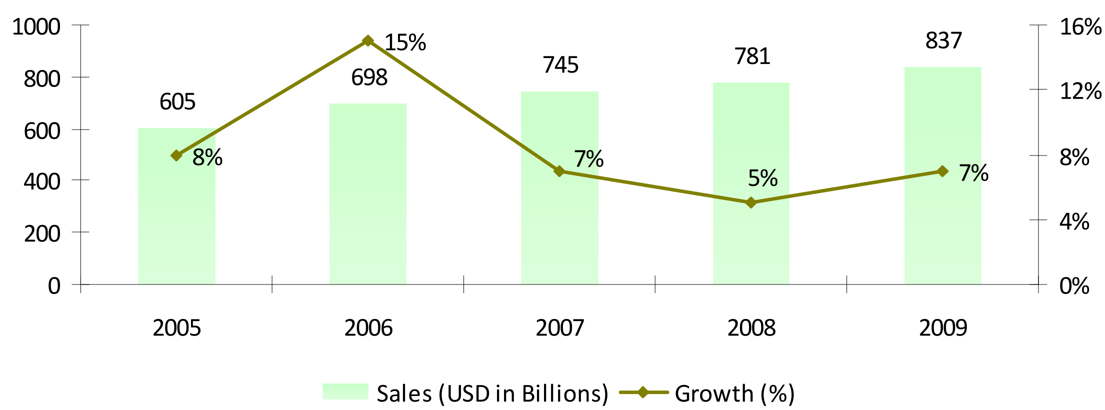
All information contained in the enclosed content has been obtained by ICRA Management Consulting Services Limited (IMaCS) from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and IMaCS in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. All information contained herein must be construed solely as statements of opinion, and IMaCS shall not be liable for any losses incurred by users from any use of this publication or its contents. Unless otherwise indicated, the figures and amounts in US$ herein below have been reproduced and derived from the relevant industry sources. For the purpose of this section, certain numerical information is presented in "millions" and "billions" units.

The Global pharmaceuticals industry

Overview

The global pharmaceutical market reached US$ 837 billion in 2009, up 7% from the 2008 sales of about US$ 781 billion. According to IMS Health forecast, world-wide pharmaceuticals sales growth of 4% to 6% percent is expected in 2010. It is likely to reach US$ 1.1 trillion by 2014 at a 5% to 8% compound annual growth rate (CAGR).

Figure 1: World pharmaceuticals sales



Source: IMaCS Research

In the twelve month period to May 2008, retail sales through pharmacies increased about 2% in North America, the largest market. In the other markets, Europe had a 4% growth; Japan (5%); Brazil, Mexico and Argentina (9%); and Australia and New Zealand (13%).

In terms of new innovation versus established product categories, a Pfizer report indicates that sales of established pharmaceutical products, which accounted for 40% of the total market in 2008, are expected to have a CAGR of 9.7% by 2013 with a 51% market share. The innovative products that accounted for 60% of the total market in 2008 are expected to have a flat growth and account for 49% of the market by 2013.

While the innovative products markets would be driven by direct payer and pharmacy channels, the branded emerging markets would be driven by physicians and pharmacists, and the branded traditional markets would be driven by direct payer and pharmacy channels, but influenced by physicians and pharmacists. In such a scenario, established international companies have the tasks of protecting their base, expanding product portfolio, reducing cost of goods to improve margins, and enhancing performance of products that have lost their exclusivity.

Trends and growth drivers

The key trends in the global pharmaceuticals industry in today's scenario include the following:

- Strong growth prospect in the emerging markets of India, China, Brazil, other Latin America, some countries in Africa and Russia.
- Innovative products in therapeutic segments with unmet demand such as oncology, diabetes, multiple sclerosis and HIV to provide margin growth.
- Annual growth expected to exceed 10% through 2014 as new drugs reach market, patient access expands and funding is redirected from lower-cost generics to high value products.
- Rationalised drug and health care costs because of an expectation of cut in public spending and greater burden of drug cost borne by the patients.
- Products sales of estimated US$ 145 million to face generic competition by 2014.
- Patent expiries in the US expected to peak in 2011-12 when six of today's 10 largest products are likely to face generic competition.
- Patent expiries, particularly, in the US to generate demand for lower-cost generics in major therapies such as cholesterol regulators, antipsychotics and anti-ulcer.
- A decrease in total drug spending by about US$ 80-100 billion worldwide is expected as a result of the patent expiries.
- With publicly-funded healthcare plans, the pressure to curb drug spending is expected to intensify in the developed markets.
- However, demand from other markets is likely to more than offset curb on drug spending.

Source: IMaCS Research

The key drivers of growth of the global pharmaceuticals industry include the following:

- Markets in the Asia-Pacific, Latin America, Central Asia and some African countries are expected to grow many times over because of some or all of the following reasons:

  - Their economies are growing more rapidly than the rest of the world
  - The governments are undertaking healthcare reforms
  - A gradually ageing demographic profile
  - Greater access to healthcare and drugs
  - Shifting disease profiles from basic malnutrition concerns and vaccine-based epidemic management to lifestyle diseases and new threats.

- Growth possibilities in the US are expected to arise from the following reasons:

  - Sustained price increases by drug makers
  - Greater use of discounts, rebates and insurance incentives
  - Changing inventory stocking patterns by pharmacies
  - Prescription drugs that benefit from the US healthcare system
  - Greater sourcing from low-cost generic manufacturing bases overseas

Opportunities in the emerging markets

Asia-Pacific region is emerging as the fastest growing pharmaceuticals industry in the world. The reasons include good quality but lower-cost production base and favourable regulatory environment. The region has had significant growth in terms of contract manufacturing, especially, in the generics segment. Increased research and development (R&D) activities have helped the regional industry achieve an estimated market size of around US$ 187 billion in 2009. It is expected to grow at a CAGR of around 12.6% during the period 2010-12. There is rapid market growth in India, China, Malaysia, South Korea and Indonesia because of reasons including increasing disposable incomes, growing health insurance market (ensures sales of branded drugs), better healthcare delivery and infrastructure, and intense industry competition leading to competitively-priced drugs.

Infrastructure development and rapidly changing regulations in the Middle East and African regions are viewed as drivers of future growth. Also, with high prevalence of diseases and huge population base, there is growth potential in overall pharmaceutical sales in this part of the world. Presently, South Africa, Saudi Arabia and Israel dominate the region's pharmaceuticals industry due to their better infrastructure and regulatory environment. The Middle East market depends on imports of pharmaceuticals and therapeutics. The governments of countries in this region are taking measures to raise their domestic production through heavy investments in the pharmaceuticals industry.

Table 1: Emerging market growth trends

(US$ billion)

Emerging Market	Market Value in 2009	Expected Market Value by 2014
China	31	over 86
India, Brazil, Russia	10-20	18-38
Venezuela, South Korea, Argentina, Turkey, Poland, Indonesia, Vietnam, South Africa, Saudi Arabia, Thailand, Ukraine, Egypt, Algeria, Romania, Czech Republic, Pakistan	1-10	2-18

Source: IMaCS Research

The increasing value of Asia-Pacific region (excluding Japan) comes from rapid market expansion, contributing to 43% of growth during the period 2009-2014 with 22% coming from China alone. The region is expected to be a key contributor to the next billion consumers because of a growing middle-class in China, India, Indonesia and Vietnam. However, international companies perceive challenges in terms of intra-regional heterogeneity, low-cost competition from local players, widely accepted and growing alternative medicine markets, a constant need for flexible business models, and management of local talent pool.

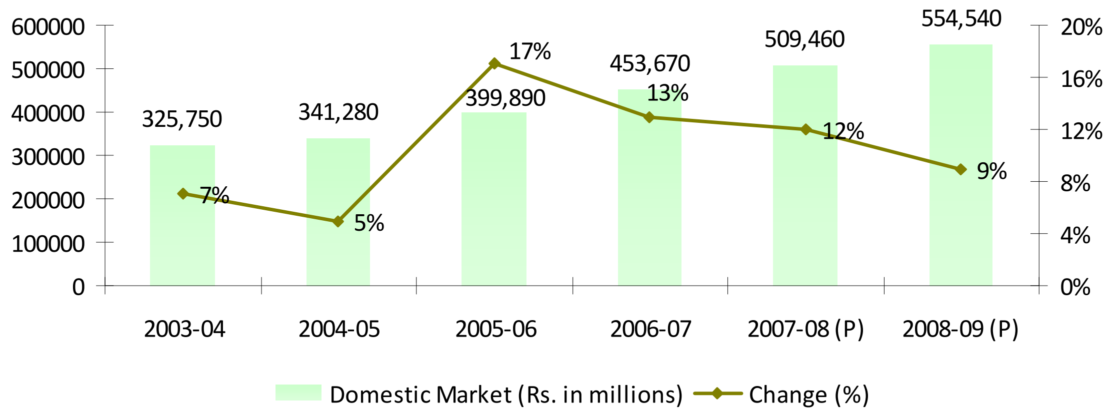
The Indian pharmaceuticals industry

Overview

The Indian pharmaceuticals industry is significantly developed in terms of infrastructure, technology and product range. It meets most of the country's pharmaceuticals requirements. Approximately 80% of domestic industry production consists of formulations, with the remainder consisting of bulk drugs.

Overall, the country now ranks among the top four, worldwide, accounting for 8% to 10% of world's production by volume and 1.5% to 2% by value. India exports pharmaceutical products to more than 200 countries around the globe including the highly regulated markets of US, Europe, Japan and Australia as well as the unregulated markets of Africa and the Middle-East. According to the Department of Pharmaceuticals, the domestic market was valued at about Rs. 554.5 billion (US$ 11.8 billion) in 2008-09. Imports were about Rs. 85.5 billion (US$ 1.8 billion).

Figure 2: Domestic market size



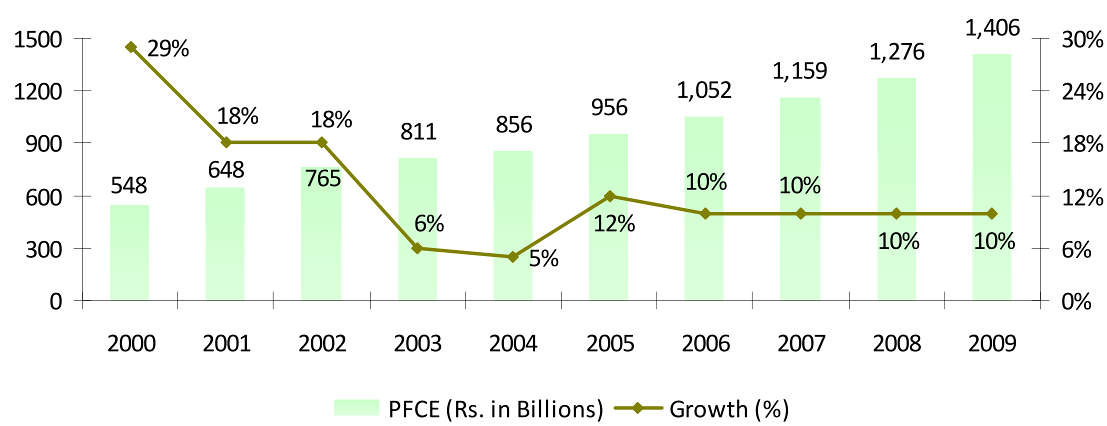
P: provisional
Source: IMaCS Research

India joined the WTO in 1995. Since then, the Indian pharmaceutical sector has emerged as a major contributor to the country's exports with earnings increasing from a negligible amount in early 1990s to Rs. 395.4 billion (US$ 8.4 billion) in 2008-09. Exports of drugs, pharmaceuticals and fine chemicals have grown at an average annual rate of 10.6% over the period FY2007-09 and are estimated to account for about 60% of industry's turnover and 43% of the total pharmaceuticals and alternative medicine exports. The country also produces 20% to 22% of the world's generic drugs by value.

In January 2005, India amended its patent laws to conform to the WTO TRIPs agreement. Under the new patent law, Indian drug makers can no longer manufacture and market reverse-engineered versions of drugs patented by foreign drug producers. However, as a benefit of TRIPs compliance, many of India's leading pharmaceutical producers have not only diversified into international markets, but also increased their exports of generic drugs, particularly, to the US and Western Europe.

On the domestic front, India's private final consumption expenditure (PFCE) on medical care and health services increased 10% (year-on-year) in 2008-09 to Rs. 1,406 billion (US$ 29.9 billion). At current prices, the PFCE on medical care and health services increased 2.6 times between 1999-2000 and 2008-09. Estimates indicate that every Rs. 1,000 (US$ 22) increase in per capita health expenditure results in a 1.3% increase in life expectancy.

Figure 3: India's PFCE on medical care and health services



Current prices
Source: IMaCS Research

The industry contributes to the Government exchequer in terms of sales tax; excise duty and import duty; and corporate tax on profit and dividends. It is estimated to provide direct and indirect employment to around 3 million people. By improving indicators such as life expectancy, reduction in disease burden and child mortality, the sector can drive macroeconomic growth, which in turn will result in greater income, consumption and investment.

As the demand for pharmaceutical products is directly related to medical care, the pharmaceuticals industry, globally, is relatively less impacted by economic cycles and the industry maintains a minimum growth rate. India's pharmaceutical industry has been one among the fastest growing segments of the Indian economy and has not been significantly affected by economic cycles. The industry is not recession-proof, but it is more insulated than other industries with discretionary spending patterns.

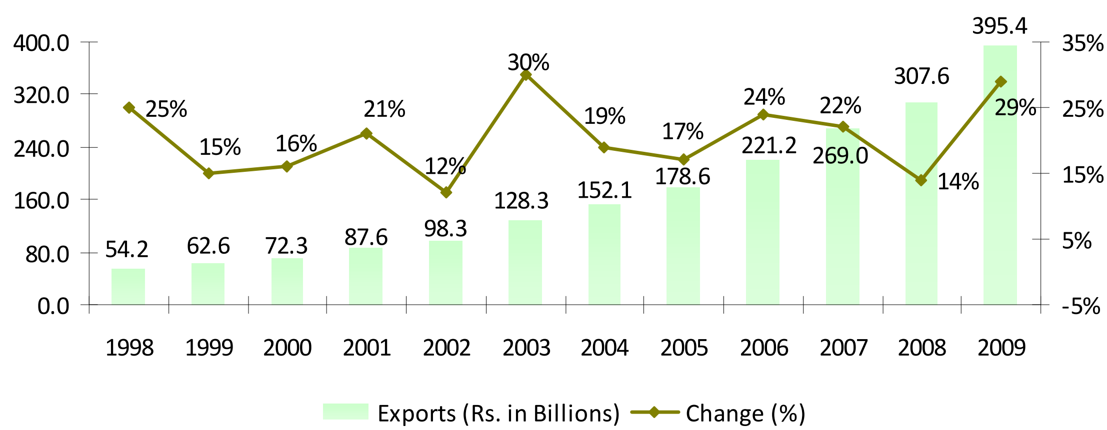
India's drugs and pharmaceuticals exports

Internationally, India is well recognised as a high-quality, low-cost, skilled producer of pharmaceuticals. The top twenty destinations for Indian Pharmaceuticals are the US, Russia, Germany, Austria, the UK, South Africa, Canada, Brazil, Nigeria, Ukraine, Israel, Netherlands, Spain, Turkey, China, Kenya, Vietnam, Belgium, Italy and Mexico.

India exports a full basket of pharmaceutical products comprising intermediates, APIs, finished dosage combinations, biopharmaceuticals, vaccines and clinical services to several parts of the world. The country is among the top-10 pharmaceutical exporters world-wide. The Government of India has set up joint working groups on pharmaceuticals and biotechnology with the European Union, Tunisia and Russia under the respective trade cooperation initiatives.

India's exports of drugs and pharmaceuticals have registered strong growth during the last few years. Exports have increased at a three-year average growth rate of 10.6% to Rs. 395.4 billion (US$ 8.4 billion) in 2008-09.

Figure 4: India's exports of drugs and pharmaceuticals



Source: IMaCS Research

In terms of global trade, India ranked sixth in the list of top-pharmaceuticals exporters according to the World Trade Organisation statistics, 2008. While total exports have increased from US$ 2.8 billion in 2005 to US$ 5.8 billion in 2008, the share of exports has steadily increased from 1% to 1.4% during this period. The growth in exports during 2000-08 was 22%. However, the bulk exporters are the European Union, Switzerland and the US. China and Canada are also ahead of India in terms of exports.

Table 2: World exports – top 15 exporters of pharmaceuticals

	US$ billion				Growth (%)		Share (%)	
	2005	**2006**	**2007**	**2008**	**2008**	**2000-08**	**2000**	**2008**
European Union	190.9	214.5	255.4	293.3	14.0	19.0	65.1	68.7
Switzerland	25.1	31.2	36.2	44.2	22.0	20.0	9.6	10.4
United States	26.0	29.1	33.5	38.3	14.0	14.0	12.1	9.0
China	3.8	4.5	6.0	8.1	34.0	21.0	1.6	1.9
Canada	3.5	4.7	6.2	6.2	0.0	22.0	1.1	1.4
India	**2.8**	**3.5**	**4.4**	**5.8**	**27.0**	**22.0**	**1.0**	**1.4**
Singapore	2.9	5.3	6.3	5.0	-21.0	22.0	0.9	1.2
Israel	2.0	3.0	3.5	4.8	38.0	35.0	0.4	1.1
Japan	3.3	3.2	3.2	3.7	15.0	4.0	2.5	0.9
Australia	2.5	2.6	3.3	3.3	3.0	14.0	1.1	0.8
Hong Kong, China	0.7	1.0	1.2	1.5	26.0	10.0	0.1	0.1
Mexico	1.4	1.3	1.5	1.5	0.0	7.0	0.8	0.3
Brazil	0.5	0.7	0.8	1.1	29.0	19.0	0.2	0.2
Korea Republic	0.5	0.6	0.8	1.0	25.0	15.0	0.3	0.2
Norway	0.5	0.5	0.7	0.7	7.0	15.0	0.2	0.2
Total	**265.9**	**304.8**	**361.9**	**417.2**	**15.3**	**-**	**-**	**-**
Share of World	*97.8%*	*98.0%*	*98.2%*	*97.8%*	-	-	*97.2%*	*97.8%*

Source: IMaCS Research

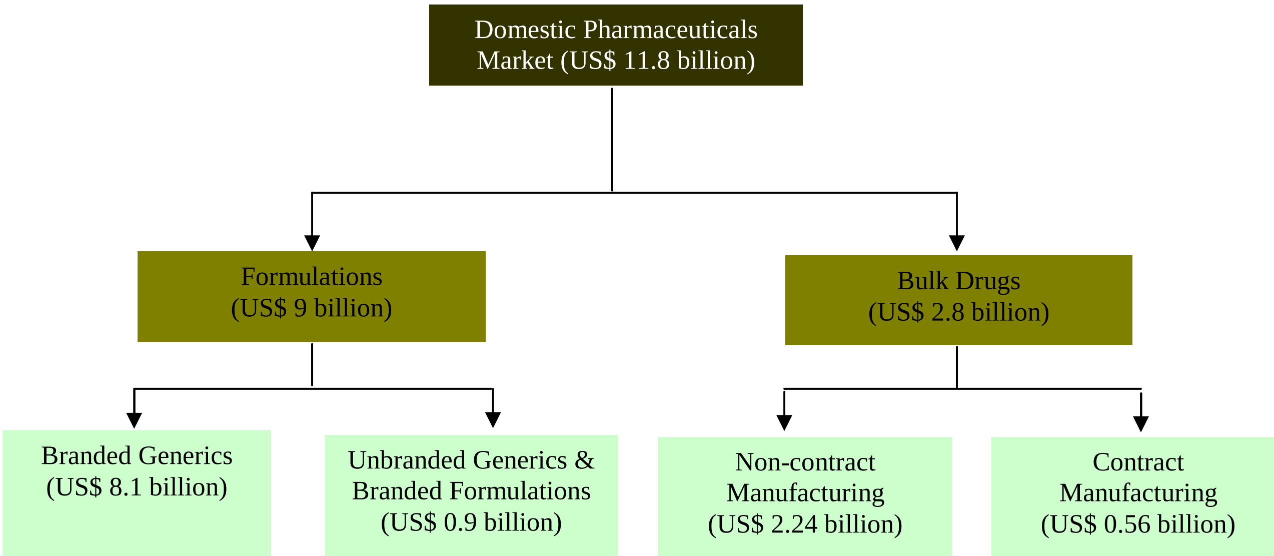
Table 3: Formulations and traditional medicine exports

					(Rs. million)		*(US$ million)*
Product	**2004-05**	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2007-08**	**2008-09**
Formulations*	70,914.80	93,051.90	118,695.80	133,034.20	185,602.70	3,311.00	4,029.70
Herbal Products	364.80	626.30	781.20	653.50	702.20	16.20	15.20
Ayurvedic Medicants	2,878.20	812.80	903.60	1,251.90	2,362.10	31.20	51.10
Homeopathic Medicants	15.40	4.40	13.60	13.00	26.00	0.30	0.60
Bio-chemic Medicants	40.70	72.90	149.40	147.00	157.00	3.60	3.50
Unani Medicants	14.50	0.50	0.50	2.10	4.50	0.10	0.10
Siddha Medicants	1.90	2.60	0.10	-	-	-	-

**Includes some bulk drugs*
Source: IMaCS Research

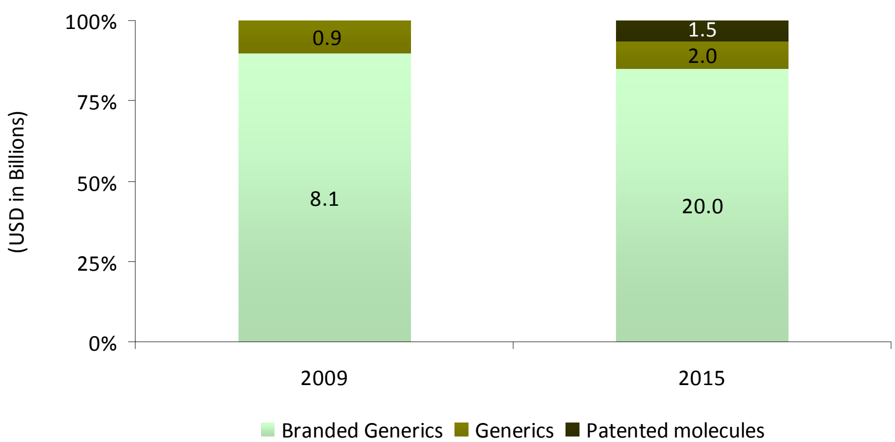
India's competitive advantage arises from complex synthesis capabilities, increasing endorsement of good manufacturing practices (GMP) and low-cost production. This enables exports of drugs and formulations to countries with relatively weaker patent laws, while gaining preference in the developed world as well. In the developed markets, the presence of select Indian players is restricted to the generics market. Introduction of price ceilings in the domestic market has had a positive impact on India's exports. They have generally made exports more profitable, and thus, provided an incentive for overseas market development. Indian companies that manufacture new medicines on the basis of indigenous technologies enjoy price control exemption for a period of 15 years from the date of commencement of commercial production in the country.

Figure 5: Indian pharmaceuticals - market segmentation



The Indian formulations market is dominated by branded generic generics with an estimated market of US$ 9 billion in 2009. It is expected to grow to US$ 23.5 billion by 2015. While branded generics are expected to contribute 85% of the market, unbranded-generics and patented molecules are expected to contribute the remaining.

Figure 6: Indian formulations market - growth forecast



Source: IMaCS Research

Generic Formulations

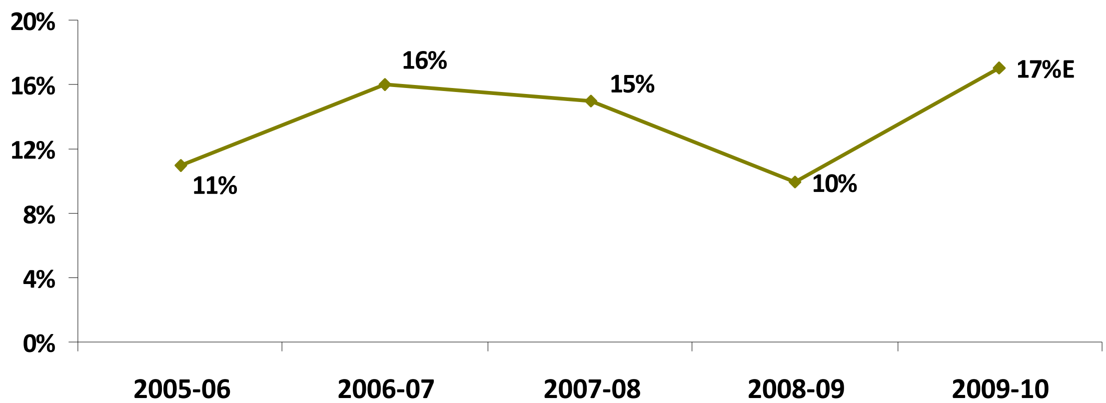
Formulations broadly fall under two categories:

- Patented drugs - An innovative formulation that is patented for a period of time (usually 20 years) from the date of its approval

- Generic drugs - A copy of an expired patented drug that is similar in dosage, safety, strength, method of consumption, performance and intended use.

  There are two sub classes in generics: branded generics and unbranded generics. Branded generics are primarily patented drugs sold by the patent-holder but with more emphasis on the generic name. They may also be copies of drugs whose patents have expired and are sold under brand names of the local manufacturers. Unbranded generics are normally those that are sold without any brand name with more emphasis on the basic salts included.

Figure 7: Domestic formulations market growth



Source: IMaCS Research

The Indian formulations market is estimated to be valued at US$ 9 billion, accounting for about 22% of the global market and about 50% of drugs and pharmaceuticals exports. It is estimated that the branded generics account for nearly 90% to 95% of India's drug market in volume terms and consist of second-and-third generation drugs no longer subject to patent protection in the developed world. The formulations market is expected to grow at 16% to 17% CAGR in the next four to five years.

Injectables - critical care and anaesthetics

The global market for injectables is expected to touch US$ 245 billion by 2012 and grow at a rate of 11%, annually in the next three to five years. In 2008, it was valued at about US$150 billion, of which generic injectables comprised US$ 30 billion. At the end of 2008, the domestic injectables market was valued at about Rs. 56 billion (US$ 1.24 billion).

Injectable delivery systems are mainly available in the following forms:

- Prefilled syringes, which have a growing significance for accuracy and safety of drug delivery.
- Small volume parenternals (SVP), which are glass ampoules and vials of less than 100 ml.
- Large volume parenternals (LVP), which are glass vials and bottles of 100 ml and above.
- PVC or non-PVC bags, essentially, collapsible bags.

Critical care or emergency care medicines are essential medicines meant for the management of a wide variety of conditions ranging from symptomatic relief, public health care, management of infections as well as for life threatening diseases, emergency situations and for critical care. They include medicines in fluid/injectable and powder forms.

Anaesthetic drugs are a part of critical care and are classified based the application (local, regional, general and neuromuscular blocking agents) and mode of administration (topical, injectable and inhalable). Injectable forms are most commonly used anaesthetic drugs because of their ability to cause local or regional anaesthesia. Inhalable drugs are mostly drugs that result in general anaesthesia. Topical drugs are primarily used for temporary pain relief or numbing of a small area, particularly, for interventions such as surgical removal of devitalised tissue by a physician. The global inhalation anaesthetic market is estimated at US$ 1 billion.

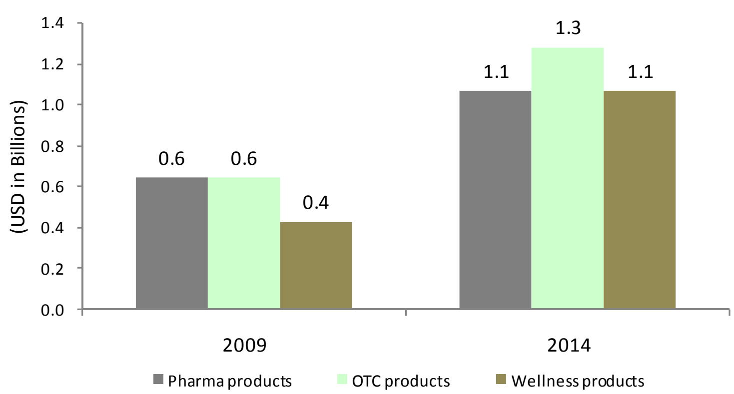
Contrast media or contrast agent substances are those that enhance the contrast between structures or fluids in the body during a medical imaging process. Contrast agents are used in procedures involving ultrasound, echo-cardio imaging, X-Ray, magnetic resonance imaging, CT scan, etc. The global contrast media market was estimated at US$ 5 billion in 2008, growing at 5% CAGR. It is expected to be valued at about US$ 8 billion by 2015. While it is expected that patent expiries of leading contrast agents in 2010-11 would create growth opportunities for their generic versions, competition and higher cost of developing new products are likely to have a moderating effect on growth in this segment.

Traditional medicines and AYUSH products

India has a number of recognised indigenous systems of medicine such as Ayurveda, Yoga, Unani, Siddha, Homeopathy (the four together, termed AYUSH) and Naturopathy. They are practised actively along with the new chemical-based products (generally, clubbed under Allopathy). AYUSH is a mix of herbal medicines and products, exercise and healthy living techniques. Today, ayurveda is an officially recognised system of medicine in India. Globally, the World Health Organization (WHO) recognises it as Traditional Medicine (TRM).

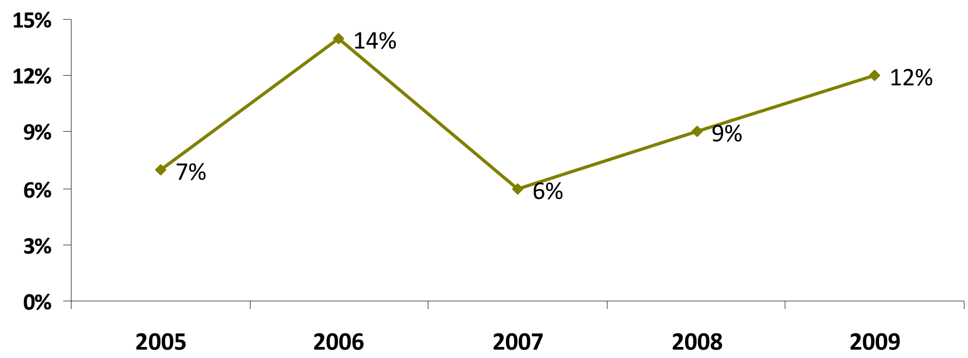
In 2009, the AYUSH market was estimated at US$ 1.7 billion. The Indian herbal products-cum-traditional medicine industry is estimated at US$ 0.6 billion with a growth rate of 12% in 2009. The CAGR growth for herbal products is estimated at about 5% between 2009 and 2014. There are about 1,000 single drugs and about 3,000 compound formulations registered under AYUSH. India possesses over 40,000 species and 16 eco-climatic zones, which provides ample ground for industry development. The herbal industry uses about 8,000 medicinal plants. The combined AYUSH market consisting of medicines, over-the-counter products and wellness facilities is expected to double to US$ 3.5 billion by 2014.

Figure 8: AYUSH Market Segmentation and Growth



Source: IMaCS Research

Figure 9: Herbal and Traditional Medicine Market Growth Estimate



Source: IMaCS Research

Exports market for traditional medicine and AYUSH products

There is great demand for herbal medicine in the developed as well as developing countries for their traditional value comparatively higher long-term safety and lower costs. Medicinal plants are also used as food supplements and in personal care products, thus providing potential for industry growth. Health foods, nutraceuticals, are in demand in the US, Europe and Japan. The Dietary Supplement Health Education Act, 1994 of the Government of USA, has helped in market development of such products through the use of compounds isolated from plants, animals and herbal medicines. It has also provided exports opportunities for the Indian herbal pharmaceuticals industry. Some of the well recognised factors indicating good potential for exports of AYUSH products are as follows:

- World market for natural products is estimated between US$ 62-100 billion.
- Market for dietary supplements is growing in the US and European Union.
- More than 70% of population in developed countries has endorsed natural products, in some form, for health care solutions.
- Chinese medicinal products and practices have been accepted in many countries world-wide.
- YOGA is accepted as a health care alternative in most developed countries.
- Wellness and wellbeing centres are growing in number in the western countries.
- There is a definite interest in ayurvedic courses in curriculum of major US universities. Diploma courses have been instituted in colleges in the UK.
- More than 200 ayurvedic physicians from India regularly visit other countries to for education and practise.
- Herbal products for hair and skin care have established themselves as part of the growing market.

Nutraceuticals

Nutraceuticals are foods or substances in food that provide medical or health benefits, including the prevention and treatment of disease. They are a combination of nutrition and pharmaceutical products that are taken in fixed dosage forms such as capsules and tablets, and cover a wide range of products including dietary supplements and botanicals.

Nutraceuticals are gaining acceptance for their ability to address several diseases. Vitamins, Minerals and Nutrients constitute about 85% of the market while antioxidants and anti-agents account for 10%. The other segments such as herbal extracts occupy 5% of the market, globally.

The Indian market for nutritional supplements is currently growing at 21%, annually. The primary reason is the increasingly sedentary lifestyle and intake of fast food, coupled with a preference for preventive therapies and increase in pharmacy retail. Despite rapid growth, the Indian nutraceuticals market is less than 1% of the global market.

According to a study by the Federation of India Chambers of Commerce and Industry, the growth drivers for nutraceutical products include changing lifestyles and increasing awareness about nutritional supplements. Currently, the domestic market for nutraceuticals is around Rs. 44 billion (US$ 0.93 billion), which is just 0.9% of the total global business.

As a segment, functional foods capture a large share as compared to functional beverages and mineral supplements. The sector is expected to diversify into fortified foods, ayurvedic nutraceuticals and cosmeteuticals in future. India's nutritional supplement market is expected to more than double in the next four years at over Rs. 95 billion (US$ 2 billion).

Table 4: Fast Moving Health Goods (FMHG)

FMHG product	Description
OTC drugs	• Drugs sold without prescriptions such as crocin, disprin and cough syrup.
Nutraceuticals	• Healthcare products in capsule and tablet forms. • Common nutraceuticals include vitamins, minerals, co-enzyme Q10, carnitine, ginseng, gingko biloba, saffron, ashwagandha, safed musli, hoodia gordoni, Malabar tamarind, green tea, psyllium husk, bitter gourd powder, peepal, adatoda, garlic pills, tulsi, kalmegh and brahmi.
Ayurvedic and herbal medicines	• Alternate branch of (traditional) medicine, essentially, derived from plants in full or extract form.
Medicinal foods	• Foods with medicinal value: products include health bars with added medications.
Functional foods	• Foods that may provide health benefit over and above basic nutrition: products include oats, bran, psyllium husk, whey protein, etc.
Phytochemicals	• Non-nutritive plant chemicals with potential for disease prevention: phytochemicals include lycopene in tomatoes, isoflavones in soy and flavanoids in fruits.
Wellness products	• Mainly, designed foods, organic foods, sports nutrition supplements, etc.

Source: IMaCS Research

Growth potential and outlook

Indian domestic pharmaceutical market has had an average growth of about 12% in the last five years. However, it is still small as compared to the Western market in terms of per capita spending on drugs, which is about US$ 4.50 per person as compared with US$ 820 in the US and US$ 13 in China in 2006.

The long term potential for growth is strong given that a larger proportion of the population will have aged by 2016. The national commission on population estimates that about 8.94% of the total population will have aged beyond 60 years by 2016 as compared to 8.14% in 2011. With India's population of over 1 billion, that translates into a 60 plus years population of 87 million. People of this age group spend around three to four times more on drugs than people in younger age groups. This indicates substantial growth potential for the domestic pharmaceutical industry.

Incomes levels are increasing and the country's young but developing medical insurance sector is likely to change the future demand for medicines and healthcare. Private sector has entered the organised healthcare sector and is setting up multi-specialty hospitals with international healthcare facilities, thereby increasing the growing importance of health care and insurance.

The positive approach towards product patent product has encouraged the Indian pharmaceutical companies to invest more in R&D. Patented drugs are expected to have a 6% share of the formulations market in 2015.

The pharmaceuticals industry has the following strengths:

- Self-reliance displayed by the production of 70% of bulk drugs required and almost the entire formulations requirement within the country.
- Thrust on improving healthcare delivery as well as pharmaceuticals manufacturing infrastructure by many state governments.
- Growth in opportunities for medical tourism
- Low-cost production and R&D
- Highly skilled workforce with significant expertise in chemical synthesis
- World-class facilities at national laboratories specialising in process and cost-effective technology development
- Increasing international trade in the pharmaceuticals sector
- Cost-effective source for generic drugs, especially, for those going off patent
- Emerging centre for clinical trials in view of diverse population and significantly low cost

Although the middle class represents only a small fraction of the total population, it is expected to grow significantly provided economic growth is sustained in the mid-to-short term. With the growing disposable income, the prevalence of lifestyles diseases is increasing.

With the introduction of product patents, many Indian companies plan to move up the product value chain and increase exports to regulated markets such as the US and Europe. Leveraging their comparative cost advantages, these firms plan to target plain vanilla generics sales to regulated markets in the near-term and to develop more value-added generics, lower-risk new drugs, and follow-on biologics in the medium term. Growth in exports is expected to continue, driven by India's cost advantage, regulatory filing skills, and a large number of USFDA approved manufacturing plants. Indian companies are also targeting some European markets, with acquisitions there. The three markets that are under-penetrated with respect to generics (France, Italy and Spain) are expected to be especially important targets for Indian companies in the medium-term.

In addition, some of the Indian companies, have chosen to service large pharmaceutical multinational companies on: research-based or generic products with APIs, contract manufacturing for already existing drugs or research candidates, clinical outsourcing and research partnerships. Apart from cost-competitiveness, high quality standard is a major factor favouring the Indian companies. A majority of Indian suppliers pre-qualify for quality standards set by the WHO.

The US market is expected to continue to be the growth driver as its economy improves. The changing combination of innovative and mature products apart from the rising influence of healthcare access and funding is also likely to have a bearing on growth prospects.

However, significant market shifts are expected, with the Asia-Pacific region emerging as the fastest growing. Important drivers in these markets would be low cost, better regulatory environment, growth of contract manufacturing and higher R&D activities. The region's pharmaceutical industry is expected to grow at a CAGR of around 12.6% during 2010-12.

Trends also indicate that pharmaceutical sales are growing in India, China, Malaysia, South Korea and Indonesia due to the rising disposable income, several health insurance schemes that ensure the sales of branded drugs, and intense competition among top pharmaceutical companies in the region that has increased the availability of low cost drugs. The average annual growth of the Indian market is expected to be 14% to 15% up to 2014.The Asia-Pacific pharmaceuticals industry could gain from the Middle East and African markets, which together, are expected to grow at a CAGR of around 11% during 2010-12.

Global sales growth of pharmaceutical companies is driven mainly by product innovation. Since the price of a patented brand is significantly higher than its generic product. With the prospect of loss of patent protection of several brands in the Western markets, India companies have a significant opportunity in the coming five to ten years. Several established multinational players are tying up with manufacturers in the Asia-Pacific to continue producing their branded drugs at a mush cheaper cost even after they lose the patents.

Key challenges

The key success factors as well as barriers to entry include R&D investments, adoption of good manufacturing practices (GMP), strong branding requirements, and access to marketing and distribution network.

- A vast majority of Indian companies are not invention-based (i.e., aiming at the production of new chemical entities) but are innovation-based (i.e., aiming at producing incremental modifications of existing drugs).
- With the globalisation of the industry and markets, the requirement multiple plant certifications from several importing countries adds to cost. The Indian Government is trying to forge a pact in which at least the countries that have mutual recognition for such certifications should allow products, if a manufacturing unit has certification from a member of such group.
- Shortage of trained personnel to carry out research and development, despite facilities that match global standards is a growing concern in the industry. Even reverse engineering requires a deep understanding of chemical processes and products in the pharmaceutical industry.
- Lately, Indian manufacturers have increased their cost of research and development in the overall expenditure. However, new product pipelines need to be strengthened and sustained.
- New drug launches result from long duration and costly R&D conducted by pharmaceutical companies. Meeting these costs has resulted in ever-increasing investment efforts, which the pharmaceutical industry almost entirely finances from its own resources.
- High failure rates, the significant cost of clinical trials and the amount of resources needed to get approval by regulatory authorities are the primary reasons for this exponential increase of R&D costs.

Until recently, Indian companies spent only 2% to 4% of revenue on R&D, and drug discovery research was undertaken in public sector research institutes only. However, in the last decade there has been a steady rise in private sector R&D. The new IPR regime has induced a strategic reorientation towards increasing technological capacity of the top Indian firms and in domestic policies. In an attempt to improve the rewards for R&D, the DPCO has stipulated that innovative drugs and processes developed and produced in India would be exempt from price control for up to 15 years. Some companies are spending over 6% of sales on R&D. Further, R&D spend of the leading companies has increased at a high rate in the recent past.

- The vast majority of India's pharmaceutical firms are small by global standards with annual revenues of less than US$4 million. Approximately 80% of them are engaged in some type of contract manufacturing or outsourcing.
- A highly fragmented market with the top-250 players accounting for about 70% of the market share has resulted in high level of competition and lower margins in the predominantly branded generics market.
- Price controls in key product segments add to margin pressures. This makes exports markets potentially attractive. However, the cost of marketing and selling overseas can be high. Also, multiple certifications for facilities become necessary.
- Although India is the world's leading producer of generic drugs, its annual per capita consumption of pharmaceuticals is among the lowest in the world.
- There has been a significant growth in exports during 2000-08. However, bulk exporters are the European Union, Switzerland and the US. China and Canada are also ahead of India in terms of exports.

A task force report of the Ministry of Commerce and Industry, December 2008, delineates some of the concerns in the herbal and AYUSH market:

- More than 90% of the species used in trade continue to be sourced from the forests.
- With the upsurge in the demand of herbal products globally, there is increasing pressure of unsustainable collection and over exploitation of medicinal plants bio-diversity from forests leading to shortages of ingredients for AYUSH products.
- A number of plants face threat of extinction.
- Studies indicate that importers prefer medicinal plants, which are collected from the wild and organically grown (because of the fears of heavy metals and pesticides in the cultivated varieties), wild collection is not sustainable as a form of supply of raw materials.
- Possibility of extinction raises product cost and that makes it uncompetitive as compared to equivalent pharmaceutical products.

- Domestication and cultivation of medicinal plants, therefore, is the key to meeting the raw material needs of the industry besides offering opportunities for higher levels of incomes, crop diversification and growth of exports.
- According to a recent study, there are in trade, 960 medicinal plants, of which 178 species are consumed in excess of 100 MT per year.
- Less than 40 species are cultivated to any significant degree even though agro-techniques of more than 100 species have been developed.
- The primary reason is the absence of adequate knowledge about the cultivation practices among the farmers and above all, absence of proper markets.
- Preparation techniques are specific. Hence, poor availability of trained personnel gives rise to issues related to quality and documentation/standardisation.
- Indian share of the world herbal trade is less than 1%.
- Export of herbal products is largely in the form of raw herbs with two-thirds of the export basket comprising raw herbs.
- This needs to change considering the size of the herbal market.
- Many of the significant Indian plants do not find place in the list of importable herbs in many countries. For example, Bacopa Monnieri (Brahmi) the celebrated brain tonic from India is not in the approved list of European Union importable herbs. Similarly Terminalia Belirica (Baheda), one of the three ingredients in Trifala, is not a part of TGA (Australia).
- Most of the countries have lists of importable herbs as food supplements, flavouring agents, etc. Indian herbs are largely left out for the absence of compiled safety data along with data of their usefulness for healthy living.
- There is a need to compile such list of non importable herbs, which are considered significant for exports and prepare their monographs.
- It is important that these herbs are not classified as drugs only, but where ever applicable also as dietary supplements.

Competition and key players

The pharmaceutical industry is intensely competitive with not just a large number of players but also significant private sector presence. The industry is highly fragmented with more than 10,500 manufacturing units.

Indian-owned companies currently account for 90% of the domestic market, up from less than 20% in 1970. In addition, almost all major multinational companies of the US and Europe have manufacturing units in India.

Some of the key players in Indian pharmaceuticals market are Cipla, Ranbaxy, Dr Reddy's, Aurobindo Pharma, Piramal Health, Wockhardt, Sun Pharma, Cadila, Ipca Labs and Torrent Pharma.

The key players in the herbal and ayurvedic products and medicine segment are Plethico Pharma, Elder Pharma, Syncom, Himalaya, Fem Care, Zydus Wellness, Morepen Labs and Oragnon India. Together, they account for US$ 9.5 million market.

Policy and government initiatives

Nearly four decades of protection has enabled the Indian pharmaceutical industry to perfect its scientific and manufacturing capabilities, allowing many of its leading companies to move up the value-addition chain. India's pharmaceutical industry consists of large, medium, and small companies and is one of the most price-competitive, globally. Because many of these companies focus on producing similar generic drugs, with possibly hundreds of companies producing the same drug, the industry is characterised by fierce competition and high volumes, razor-thin profit margins and overcapacity.

The Indian pharmaceuticals industry is governed by the Patent (Amendment) Act, 2005 which was brought into affect to comply with the TRIPS Agreement concluded during the Uruguay Round of WTO negotiations. In addition to this, the Drug Price Control Order (DPCO) caps prices on 74 bulk drugs and 260 formulations that account for approximately 25% of India's retail pharmaceuticals market. Trade margins for these drugs were capped at 8% for retailers and 16% for wholesalers. The Pharmexil facilitates exports of pharmaceuticals as well as traditional medicine.

Recent initiatives of the government include the following:

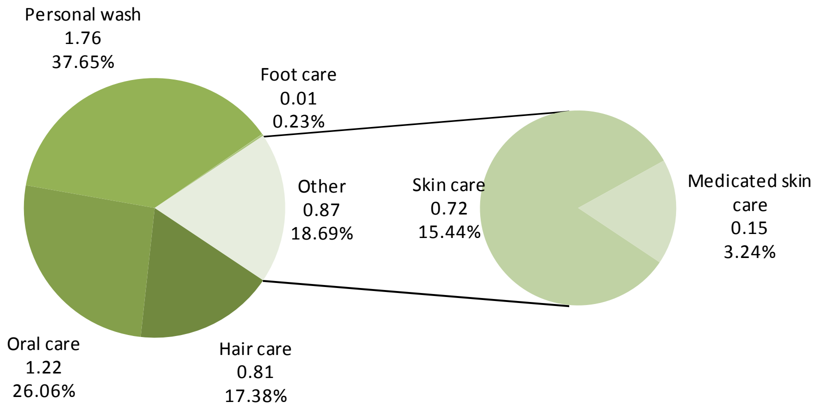
- In the Union Budget 2010-11, the government has increased the weighted deduction on expenditure incurred on in-house R&D enhanced from 150% to 200% to encourage research and development.
- Under the Jan Aushadhi Kendras programme initiated in August 2008 for procurement of drugs, the Union Government's Department of Pharmaceuticals (DoP) has decided to procure medicines from small and medium enterprises (SMEs) in the pharmaceuticals industry, which is likely to benefit 6,000 small enterprises in the private sector.
- To reinvigorate the AYUSH industry, the government is initiating several steps including cluster development for the industry, improving delivery of AYUSH products, promote higher education and research in the area, encouraging GMP and bringing in standardisation in the industry.

Indian Personal Care Industry

In 2008-09, the domestic personal care market was valued at US$ 4.5 billion. Skin care accounts for about 16% of this market and is expected to grow at 15-16% in the medium term. Medicated skin care accounts for 21% of the total skin care market. Currently, the skin care market is small as compared to the other personal care segments. However, increasing disposable incomes and growing interest in personal grooming are fuelling growth in the skin care market. The other constituents of the personal care market are hair care (18%), oral care (27%), personal was (39%) and foot care (0.2%). The hair care market consists, primarily, of hair oil and shampoos, while oral care comprises tooth pastes and brushes, and personal wash includes soaps and detergents. The personal care market is dominated by a few large domestic or international players and their big product range. Some of the leaders are Hindustan Unilever (personal care), Proctor & Gamble (personal wash), Godrej (personal wash), Marico (hair care), CavinKare (skin care), Colgate-Palmolive (oral care) and Dabur (hair and oral care). Exports of personal care products increased from US$ 263 million in 2004-05 to US$ 751 million in 2008-09.

While there is potential for growth in the personal care market including natural products, the market drivers are different for the two segments. While rural demand is expected to fuel personal care market in India, the natural beauty and personal care market demand is expected to be driven by the growing preference for such products by the middle class and affluent sections of the country, which are predominantly urban. However, current market restrictions include poor consumer awareness, lack of standardisation, predominance of ayurvedic products, high cost products and visibility or branding requirements. As such the share of natural personal care products in total personal care market is very small.

Figure 10: Indian Personal Care Market Segmentation (US$ in billions)



Source: IMaCS Research

The global personal care market is valued at about US$ 300 billion. A key trend in this market is a growing preference for natural beauty and personal care products. This market is globally valued at about US$ 23 billion and expected to grow to about US$ 39 billion in the next five years.

The ayurvedic natural cosmetics business of India is valued at about US$ 870 million and growing at the rate of 15-20%, annually. Global cosmetics companies are expected to increase their presence in the fast growing Indian natural cosmetics market of India. Meanwhile, Indian firms have an advantage with their expertise in the field and access to latest technology and design. The growing middle class is more willing to pay more for traditional ayurvedic products for proven remedies. In general natural cosmetics are considered less harmful than chemical-based products.

OUR BUSINESS

Overview

We are primarily into the business of manufacturing and marketing of allopathic and herbal pharmaceutical branded and non-branded formulations for human and veterinary consumption. Our Company specializes in the manufacturing of allopathic and herbal forms of capsules, tablets, injectables, liquids, semisolids and powders. We offer a range of products comprising of Finished Dosage Form (FDF) products, herbal medicinal products and herbal beauty care products in the ethical, over the counter (OTC) and institutional sales for the domestic and international markets. Our institutional customer base includes government, semi-government, hospitals & nursing homes, aided agencies and the defence sector.

Our FDF facilities span multiple technology platforms and provide a product range across various therapeutic segments such as critical care, contrast media, anti-infectives, gastrointestinals, anti-allergics, nutraceuticals and cough preparations. With a team having over twenty (20) years of hands on experience in application of technology processes we have developed complex formulations with distinct advantages such as improved palletablity and dosage convenience to the end consumer.

Our Company has also mastered the art of preparing pellets of herbal extracts and its process and we have in the year 2006 and 2007 applied for two (2) patents in 'PELLETS OF HERBAL EXTRACTS AND THE 'PROCESS OF PREPARING PELLETS' and 'HERBAL GASTROINTENSTINAL CONTROLLED DRUG DELIVERY DOSAGE FORMS INCLUDING PELLETS AND PROCESS FOR THEIR PREPARATION' respectively. Administering drugs in pellet form is a unique and Novel Drug Delivery System (NDDS) which is currently being applied by our Company for its herbal products under 'HERBULES Technology'. Further, our Company has also a National Phase Application in Malaysia for registration of 'PELLETS OF HERBAL EXTRACTS AND THE PROCESS OF PREPARING PELLETS'. Further in the year 2010, we have filed a patent application with WIPO for registration of 'RAPID DISSOLVABLE ORAL FILM FOR DELIVERING HERBAL EXTRACTS WITH OR WITHOUT OTHER PHARMACEUTICAL AGENTS'. Further, our Company has filed separate patent applications for the above inventions with the Patent Office, Mumbai.

Our vast knowledge of the Ayurvedic system of medicine alongwith experience in modern manufacturing practices has resulted in innovative herbal healthcare formulations and natural beauty care products with distinct advantages in terms of safety, consistency and efficacy. These are marketed by us under the brand 'RevAyur Unijules' for the domestic markets and brand 'RevAyur PARIS' for the international markets catering to the growing demand for natural beauty care products.

Our strong Research & Development capabilities has enabled us in developing innovative products under the (i) NDDS for controlled release formulations, taste masking, trans-dermal and oral-dissolve; (ii) Pre-Formulated Ingredients (PFI); (iii) Contrast Media & Diagnostics; (iv) Speciality Extracts and (v) Health & Beauty Care. Our Company also specialises in immediate release stabilized multi-component formulations, sustained/enteric/dual release formulations, stability & bio availability enhanced premixes, granulates & formulations, dispersible/mouth dissolving and effervescence tablets, herbal single and multi-components pre-mixes, granules and multi-particulates, non-peril seeds and other pre-processed excepients.

We presently operate from four (4) manufacturing facilities located in Nagpur in the State of Maharashtra, India. These facilities have been approved by FDA and are ISO 9001-2000 certified. Our manufacturing facility at B-35, M.I.D.C, Kalmeshwar, Nagpur is a WHO cGMP certified. Our fifth (5^{th}) facility, an integrated herbal extracts and formulation unit, is currently under site development at Kalmeshwar, Nagpur and is expected to be operational by F.Y. 2012. In addition to the above facilities, we propose to set-up our sixth (6^{th}) manufacturing facility which shall be a USFDA/UKMHRA/WHO cGMP compliant facility to be funded from the proceeds of the Issue. For further details, please refer to section titled "Objects of the Issue" beginning on page 86 of the Draft Red Herring Prospectus.

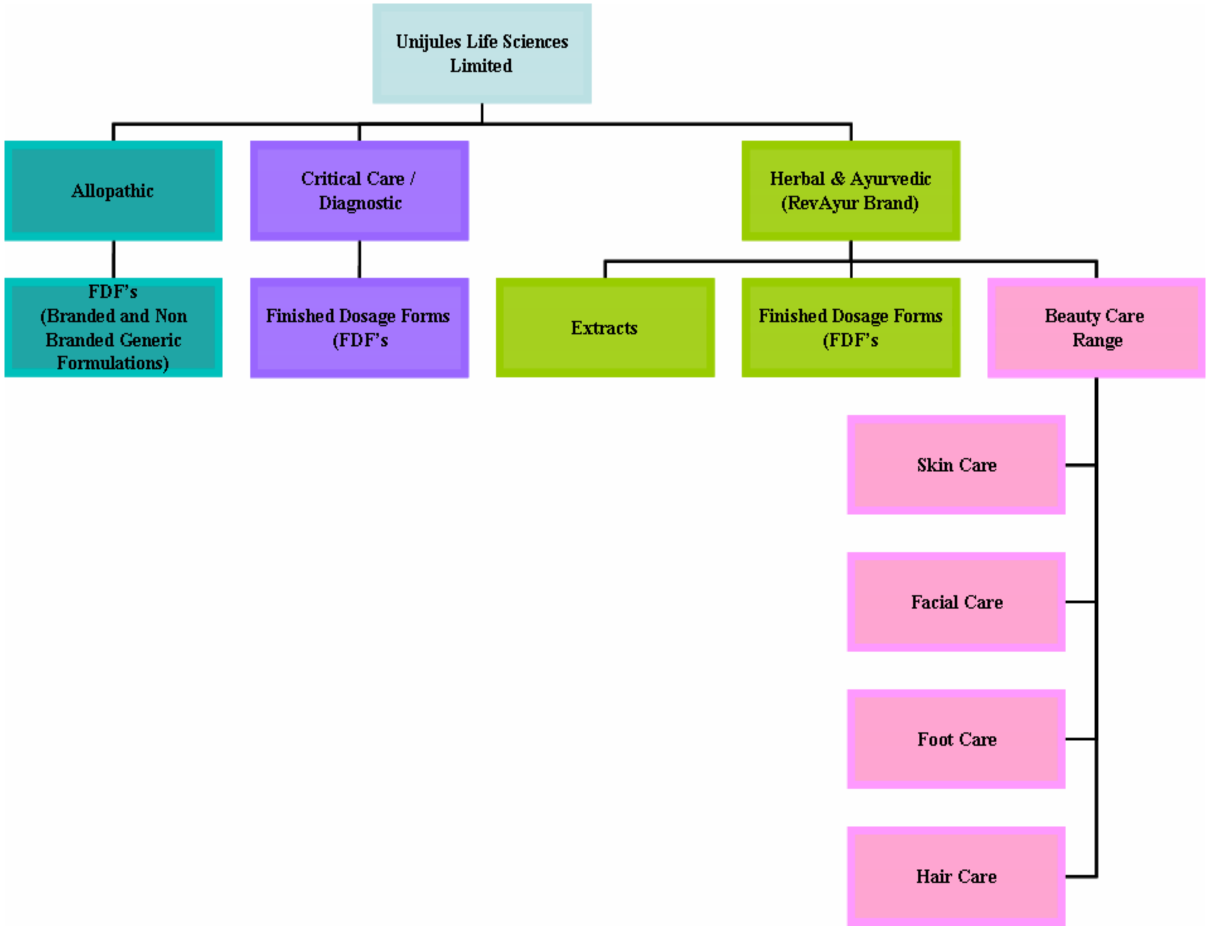
Our domestic business is driven by our own sales and marketing network. As of July 31, 2010, we had field strength of approximately 140 representatives covering various territories across India. We also have a network of approximately 10 super stockists, 170 stockists catering to over 30,000 chemists for our ethical division and pan-India presence for 'RevAyur Unijules' beauty care range through the big retail outlets and modern trade stores. We are following a differential distribution model for marketing of our products in the international market. In certain countries, we partner with local distributors who import and distribute our products, under our supervision and carry out marketing activities. In rest of the countries where we operate, distributors and marketing partners are responsible for marketing our products.

Our Company is the first to receive the coveted "***AYUSH Products Certification***" issued by the AYUSH Department, Ministry of Health and Family Welfare, Government of India for the manufacture & supply of our herbal products *viz.* Karnim Plus Capsules/ Herbajules Diamelon Plus Capsules, Unex Capsules/ Herbajules Tricare Capsules & Valiliv Capsules. Our Company can use the certification mark "AYUSH Premium Mark" on the packaging of the above products. We believe that this certification will enhance our brand recognition and penetration leading to an increase in market share of these products.

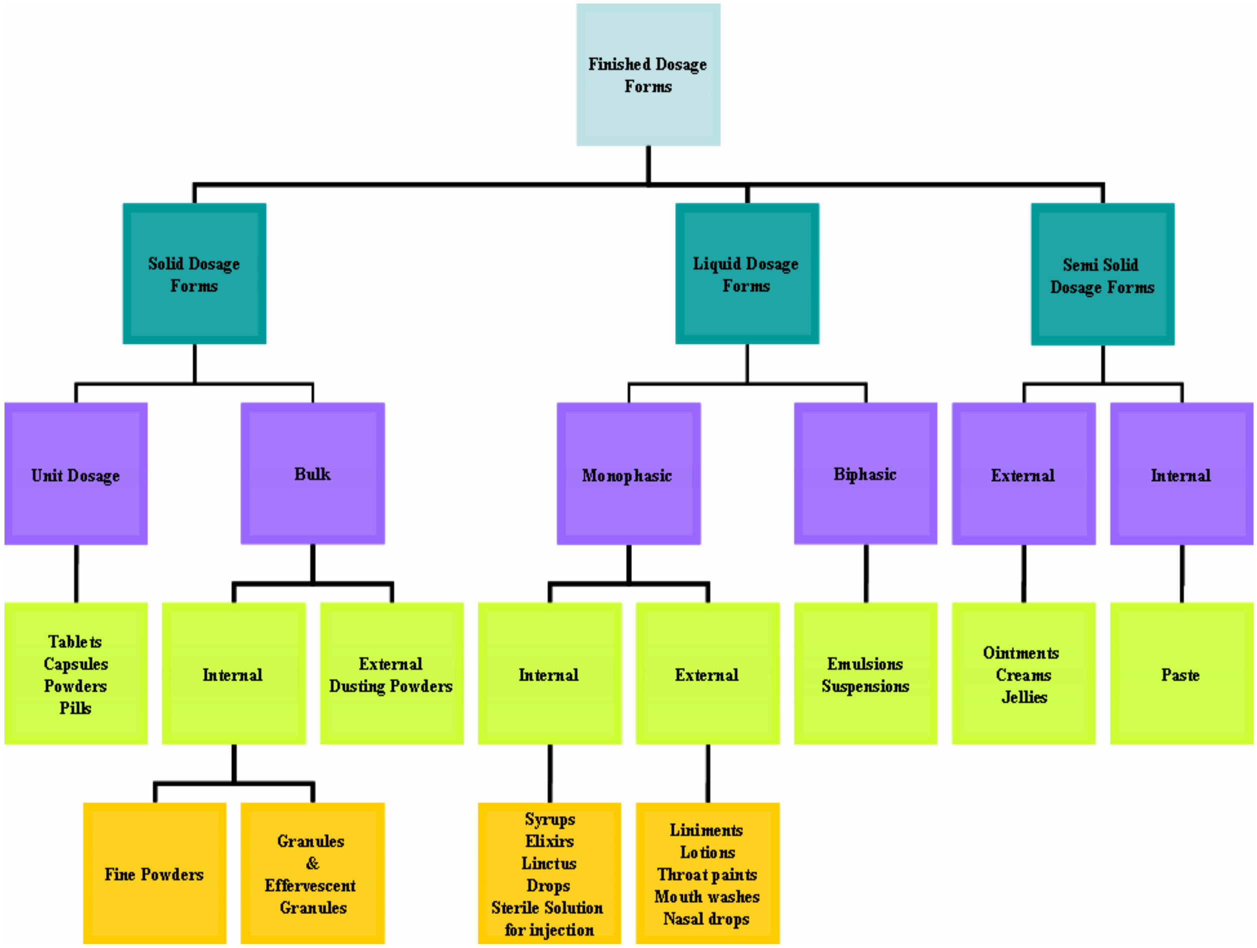
On a Standalone basis, our total income has grown at CAGR of 74.64% from Rs.3,773.76 Lakhs in F.Y. 2007 to Rs.20,100.17 Lakhs in F.Y.2010. Our PAT has grown at CAGR of 373.72% from Rs.12.98 Lakhs in F.Y. 2007 to Rs.1,379.89 Lakhs in F.Y.2010.

On a Consolidated basis, our total income has grown at CAGR of 73.81% from Rs.5,662.64 Lakhs in F.Y. 2007 to Rs.29,734.99 Lakhs in F.Y.2010. Our PAT has grown at CAGR of 74.07% from Rs.384.23 Lakhs in F.Y. 2007 to Rs.1,703.33 Lakhs in F.Y.2010.

Our existing business is depicted as under:



Our Company manufactures its allopathic and herbal products under various dosage forms as depicted below:



Our Competitive Strengths

We believe that the following are our primary competitive strengths:

6. Strong culture for research and innovation.

We are a research driven company with our R&D efforts focused on developing new formulations, both in the allopathic and herbal segment. Our Company has set up a Research & Development centre at Shantinagar, Nagpur. Our R&D facility comprises of research and analytical laboratories at Shantinagar, Nagpur with a team of 20 R&D personnel as on July 31, 2010, with expertise in the development of new dosage forms, NDDS and specialized formulations. As of July 31, 2010, we employed 4 scientists and specialists for our R&D activities. We have the R&D capability and experience to develop, manufacture and register products across various formulations, dosage forms and delivery systems to increase the effectiveness of drugs and make our products better suited to market requirements. Our regulatory affairs team has also developed capabilities and processes to file product registrations in semi-regulated markets and as on July 31, 2010, and has filed over 25 applications worldwide.

7. Expertise in complex allopathic and herbal formulations.

We believe our expertise in developing complex and difficult to develop products such as converting suspensions in syrup form and complex and difficult to develop delivery systems, such as coating of herbal extracts on pellets provides us with a competitive advantage. We believe we were one of first companies' in India to have developed a pellet technology system for 'PELLETS OF HERBAL EXTRACTS AND THE PROCESS OF PREPARING PELLETS' which provides us with a early mover advantage. In the year 2006, 2007 and 2010, we have filed three (3) patent applications with WIPO for registration of (i) 'PELLETS OF HERBAL EXTRACTS AND THE PROCESS OF PREPARING PELLETS'; (ii) 'HERBAL GASTROINTENSTINAL CONTROLLED DRUG DELIVERY DOSAGE FORMS INCLUDING PELLETS AND PROCESS FOR THEIR PREPARATION'; and (iii) 'RAPID DISSOLVABLE ORAL FILM FOR DELIVERING HERBAL EXTRACTS WITH OR WITHOUT OTHER PHARMACEUTICAL AGENTS', respectively. Further, our Company has also a National Phase Application in Malaysia for registration of 'PELLETS OF HERBAL EXTRACTS AND THE PROCESS OF PREPARING PELLETS'. Further, our Company has filed separate patent applications for the above inventions with the Patent Office, Mumbai. Some of our products are complex formulations developed by using knowledge and expertise gained across the allopathic and herbal segments of the pharmaceuticals industry.

8. Diversified business model.

Our Company is a pharmaceutical company primarily into the business of manufacturing and marketing of branded and non-branded allopathic and herbal formulations for human and veterinary consumption. Our Company also has presence in the beauty care segment based on herbals which is a natural extension of our herbal formulations business. Our Company has presence and derives income from various verticals of pharmaceutical industry. Our diversified business model reduces our cost of operations and apart from enabling us to exchange experience and knowledge gained in operating these business verticals also enable us to control input costs and thereby increase our margins.

9. Exchange of experience and knowledge between different systems of medicines and business verticals.

Since, the end objective of all systems of medicines is the cure of diseases and we as a Company are into the development of medicines in three (3) known systems of medicines *viz.* allopathy, herbal and ayurveda, this diversity of knowledge and sharing information between different systems of medicine gives us an edge over pure allopathy or herbal based pharmaceutical companies. For example using modern manufacturing techniques developed through allopathic WHO cGMP practices has enabled us to manufacture herbal products without microbial contamination. Our huge knowledge base and experience in traditional Ayurveda enables us to ensure that our herbal products keep their effectiveness while being more palletable. Also, this knowledge base of herbal plants enables us to identify starter compounds for further development into new therapeutic drugs reducing the chances of failures considerably.

We continuously endeavor to enhance the effectiveness of FDFs after understanding the difficulties or side effects faced by the consumer. The feedback from the consumer and doctors is then used by our R&D to undertake processes whereby a value-add can be provided to the existing product in order to reduce the known difficulties or side effects. For example, readily available pain killers like "ibuprofen" and "paracetamol" which are in suspension form leave a very bitter after taste in the mouth. We have created a FDF namely "Polygesic" which is a clear liquid with no after taste.

10. Experienced and qualified management and executives.

Our team includes senior executives, a majority of whom have over 14 years experience in the pharmaceutical industry. We believe our management and executive team has a long-term vision and provides stability and continuity to our business. We also believe that the understanding and expertise of our management and executive team in R&D, regulatory affairs, manufacturing, finance, sales and marketing will enable our business to grow in a focused and constructive manner. As of July 31, 2010, approximately 31 of our employees were post-graduates and 128 held graduate degrees.

Key Business Strategies

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

7. ***Establish our presence in the regulated markets and expand our offerings in the semi-regulated markets.***

   We presently operate from four (4) manufacturing facilities located in Nagpur in the State of Maharashtra, India which cater to the semi-regulated markets. Further, our fifth (5^{th}) facility, an integrated herbal extracts and formulation unit, is currently under site development at Kalmeshwar, Nagpur and is expected to be operational by F.Y. 2012. To establish our presence in the regulated markets, we intend to set up a USFDA compliant facility at M.I.D.C, Umred, Nagpur which shall enable us to sell and market our products in regulated markets, subject to receipt of necessary approvals. We believe that demand for our FDF products currently sold in the semi-regulated markets will continue to grow in line with changes in healthcare standards, insurance coverage and government spending on healthcare and our expansion plans will enable us to create presence in the regulated markets. Increased sales in regulated markets would allow us to achieve economies of scale. We plan to expand our presence in these markets by increasing our portfolio of product registrations & filings and by increasing our customer and distributor base through marketing arrangements with local pharmaceutical companies in the regulated markets.

8. ***Exploiting the advantage of marketing beauty care products by leveraging our status as an allopathic and herbal FDF player.***

   Beauty care products based on herbals is a natural extension of our herbal formulations business since we have the knowledge and expertise of herbals and Ayurveda. We therefore ventured into the beauty care segment under our own brand 'RevAyur Unijules' with a bouquet of innovative beauty care products such as body washes with active herbal extract in the form of beads suspended in the gel which release on application. We have launched products such as skin lightening creams, under eye gels, face wash, lotions, foot cream, body care cream, moisturisers and lip-balms. We have also launched some of these products under our brand 'RevAyur PARIS' in the international markets catering to the growing demand of beauty care products which synergize modern science and herbal benefits.

9. ***Aggressively marketing our products under the umbrella brand 'RevAyur Unijules'.***

   We believe that our herbal pellet products, marketed under the brand 'RevAyur Unijules' have large markets both domestic and international. We plan to focus our sales and marketing efforts to market and distribute our products in domestic market by making them available through various distribution channels, enhance our marketing efforts by deploying a field force to support distribution efforts thereby increasing the visibility and market share of our products. We also intend to aggressively advertise and promote our brand 'RevAyur Unijules' and products through television, radio, web promotion and SMS marketing, hoardings at prominent places, advertisements in magazines and local newspapers, health magazines. Apart from marketing our services through traditional means, we also intend to market our products over the internet by various methods such as Search Engine Optimization (SEO), social media websites, online brand management, banner promotions on various popular websites, mass mailing (e-mails), POP displays etc. We also intend to participate in exhibitions at international level like Apteka Moscow 2010, Arab Business Summit, CPHI – World wide, etc. Our products under the 'RevAyur Unijules' brand are presently available at big retail outlets and other retail stores, but we intend to make them available on a pan-India basis. We recently launched our beauty care products in the skin care segment in Paris, France and intend to widen our exports to other geographies including other parts of Europe, USA and Asia in the near future. For further details, please refer to section titled "Objects of the Issue" beginning on page 86 of the Draft Red Herring Prospectus.

10. Creating technology platforms, novel drug dosage forms and NDDS.

Our products span multiple technology platforms which are made available across various delivery systems, such as controlled release formulations, taste masking, trans-dermal and oral-dissolve, Pre-Formulated Ingredients (PFI), Contrast Media & Diagnostics and speciality extracts. Our Company's R&D capabilities in the NDDS space have been established by applying for patenting of the 'Pellets of Herbal Extracts' and the 'Process of preparing the Pellets'. We are presently carrying out R&D activities to create new dosage forms and NDDS in both the FDF and herbal space. We believe creation of novel drug dosage forms and systems to be one of our major growth drivers in the near future. We intend to focus on the growing markets worldwide for NDDS due to changing life styles and rise in the population of the aged.

11. Backward integration in herbal manufacturing.

Backward integration by preservation and processing of natural products is important to the growth of our herbal medicinal and herbal beauty care businesses. Natural products include plants and their parts, herbal extracts, medicinal products, cosmetic, dietary formulation, nutraceuticals, cosmoceuticals etc. which need to be scientifically preserved and processed using ultra modern machinery and equipment. This will ensure the right quality of the source material for our products and also timely supply of the required quantity. We have already tied-up with certain academic institutions which amongst other include Dr. D.Y. Patil College of Ayurved and Research Institute & Hospital, Ashvin Rural Ayurved Mahavidyalaya and Hospital, Laxminarayan Institute of Technology and Nagarjuna Medicinal Plants Garden to undertake clinical research or finance research on plants and other natural resources for potential use as medicines. Herbal products have known to be safe and almost devoid of side-effects, but their development into viable remedies need elaborate efforts and research. Our Company intends to increase its R&D efforts in the herbal medicinal and herbal beauty care segments so as to have new and innovative products to meet customer needs and demands.

12. Expanding our distribution network, sales and marketing efforts.

We intend to make our products available pan-India and to achieve this objective we intend to increase our domestic network of distributors, super stockist, stockists and chemists. To augment our efforts in the distribution of our products, we further intend to deploy additional field force consisting of marketing representatives who shall meet doctors to inform and educate them about our products. We further intend to market and distribute our products in the domestic markets by making them available to target consumers with various distribution channels and further our marketing efforts by deploying a field force to support our distribution efforts. In order to achieve this objective we intend to establish and expand our sales, marketing and distribution network from the existing team of personnel (*including medical representative and beauty advisors*) from 227 to over 500 by December 2011. We also intend to partner with local marketing companies with the desired know-how and launch our products with technology inputs and regulatory support provided by us and marketing know-how and resources provided by the local company. We also believe it is essential for our Company to focus on increasing the brand visibility for our existing and new FDFs as well as increasing the sales, marketing and distribution network to successfully commercialize and compete with other brands to increase the market share of our products. This will enhance our market recognition in terms of quality and reputation of its products in the medical community.

Business

We are primarily into the business of manufacturing and marketing of branded and non-branded allopathic and herbal formulations for human and veterinary consumption.

Manufacturing facilities:

We presently operate from four (4) manufacturing facilities located in Nagpur in the State of Maharashtra, India. These facilities have been approved by FDA and are ISO 9001-2000 certified. Our manufacturing facilities at B-35, M.I.D.C, Kalmeshwar, Nagpur is WHO cGMP certified. The site of our fifth (5^{th}) facility, an integrated herbal extracts and formulation unit, is currently under development at Kalmeshwar, Nagpur and is expected to be operational by F.Y. 2012.

Location	Facility	Products Manufactured/Services Offered
Existing Facilities		
Unit I: B-35, M.I.D.C Kalmeshwar, Nagpur, Maharashtra	Liquid Oral/disinfectants, Powders & Semi Solid Manufacturing facility	▪ Oral Liquids, Suspensions and Gels, Ointments, Creams, Mother Tinctures, Disinfectants Antiseptics and powders.
Unit II: 1505-1, Universal Square, Shantinagar, Nagpur, Maharashtra	Research & Development Centre and Corporate Office	▪ Research center for new technologies ▪ Formulation development Laboratory ▪ Pilot manufacturing facility for herbal pellets ▪ Clinical Data Management and Dossier division ▪ Intellectual property control center
Unit III: D-82, M.I.D.C, Hingna, Nagpur, Maharashtra	Injectables manufacturing facility	▪ Small Volume Parenterals and Large Volume Parenterals ▪ Contrast Media - both Ionic & Non Ionic and Diagnostic Products ▪ Hormonal preparations
Unit IV: K 10, M.I.D.C Hinga, Nagpur, Maharashtra	Traditional Ayurvedic & Herbal Formulation facility	▪ Generic & Specialty Herbals and Beauty Care ▪ Herbal Extracts , Pre-mixes and Granules ▪ Herbal Tinctures ▪ Veterinary pre mixes
Proposed Facility		
Unit V: P-338, near M.I.D.C Kalmeshwar, Nagpur, Maharashtra.	Proposed WHO cGMP compliant facility for creation of a Multi Dosage Herbals with integrated extraction facility	▪ Specialty Herbals and Beauty Care ▪ Herbal Extracts , Pre-mixes and Granules ▪ R&D facility for extraction process with standardization protocol development
Proposed facility forming a part of the Objects of the Issue*		
Unit VI: Umred Growth Centre, M.I.D.C, Umred, Nagpur, Maharashtra	Proposed USFDA/UKMHRA/WHO cGMP compliant facility for parenterals facility	▪ Small and Large volume parenterals ▪ Form Filled sealed Large volume parenterals including saline ▪ Eye drops

Location	Facility	Products Manufactured/Services Offered

* *For further details, please refer to section titled "Objects of the Issue" beginning on page 86 of the Draft Red Herring Prospectus.*

These facilities have dedicated quality assurance and control function areas, raw material and packaging material storage areas, general quarantine areas, finished goods storage areas, manpower change rooms and production office areas. We rely primarily on automated process equipment in our manufacturing facilities to reduce human touch during manufacturing in order to prevent contamination.

Our subsidiary, ZIM Laboratories Limited ("***ZIM***"), began its operations in the pharmaceutical industry in the year 1984. ZIM came out with the Initial Public Offering of its equity shares in September 1994 and its equity shares are listed on the OTCEI. ZIM has set-up its manufacturing unit at Kalmeshwar, Nagpur, details of which are set out below:

Location	Facility	Products Manufactured
B 21/22 M.I.D.C, Kalmeshwar, Nagpur, Maharashtra	Solid Dosage Form manufacturing facility	▪ Pre Formulation Intermediates – Sustained Release Pellets ▪ Solid Dosage Forms - Tablets, Capsules and Dry Suspensions. ▪ Immediate / Sustained / Enteric / Dual release stabilized Multi Component formulations. ▪ Taste and Odour masked formulations. ▪ Dispersible/Mouth Dissolving Tablets & D.C. granules

For further details on ZIM please refer to section titled "History and other Corporate Matters" beginning on page 178 of the Draft Red Herring Prospectus.

Installed capacity at our manufacturing facilities

The table sets out below the installed capacities and the level of production for the years ended March 31, 2008, 2009 and 2010:

Particulars	Unit (in '000)	March 31, 2009			March 31, 2008		
		Installed Capacity	Production Quantity	Capacity Utilisation (in %)	Installed Capacity	Production Quantity	Capacity Utilisation (in %)
Allopathic:							
Liquid	Ltrs	2,500.00	1,315.87	52.63%	2,500.00	762.58	30.50%
Ointment	Kgs	75.00	36.60	48.80%	75.00	78.71	104.94%
Powder	Kgs	25.00	1.05	4.18%	25.00	2.22	8.86%
Capsules	Nos	4,93,440.00	4,75,512.00	96.37%	3,75,000.00	6,07,466.50	161.99%
Tablets	Nos	12,13,880.00	10,03,695.00	82.68%	7,50,000.00	8,62,148.90	114.95%
Injection:							
Vials/ Ampoules	Nos	61,200.00	50,394.73	82.34%	61,200.00	24,180.00	39.51%
Herbal:							
Liquid	Ltrs	200.00	78.19	39.09%	155.00	80.52	51.95%

Particulars	Unit (in '000)	March 31, 2009			March 31, 2008		
		Installed Capacity	Production Quantity	Capacity Utilisation (in %)	Installed Capacity	Production Quantity	Capacity Utilisation (in %)
Tablets	Nos	1,50,000.00	52,380.00	34.92%	40,000.00	35,775.00	89.44%
Capsules	Nos	1,25,000.00	87,858.00	70.29%	35,000.00	25,919.00	74.05%
Powder	Kgs	2,500.00	1,737.81	69.51%	65.00	56.78	87.36%
Ointment	Kgs	-	-	-	0.15	0.15	100.00%
Job work:							
Liquid	Ltrs	-	135.50	-	-	21.78	-
Ointment	Kgs	-	-	-	-	15.44	-
Tablets	Nos	-	-	-	-	-	-
Capsules	Nos	-	-	-	-	43.00	-
Vials/ Ampoules	Nos	-	157.00	-	-	1,340.06	-

Particulars	Unit (in '000)	March 31, 2010		
		Installed Capacity	Production Quantity	Capacity Utilisation (in %)
Allopathic:				
Liquid	Ltrs	2,500.00	2,187.73	87.51%
Ointment	Kgs	75.00	58.06	77.41%
Powder	Kgs	25.00	17.49	69.95%
Capsules	Nos	6,27,000.00	3,84,770.54	61.37%
Tablets	Nos	17,14,980.00	30,32,088.40	176.80%
Injection :				
Vials/ Ampoules	Nos	61,200.00	53,780.20	87.88%
Herbal :				
Liquid	Ltrs	200.00	154.43	77.21%
Tablets	Nos	1,50,000.00	1,09,006.10	72.67%
Capsules	Nos	1,25,000.00	80,607.02	64.49%
Powder	Kgs	2,500.00	2,887.18	115.49%
Ointment	Kgs	-	-	-
Job work :				
Liquid	Ltrs	-	7.47	-
Ointment	Kgs	-	-	-
Tablets	Nos	-	-	-
Capsules	Nos	-	-	-
Vials/ Ampoules	Nos	-	60.00	-

The table sets out below the installed capacities and the level of production for the years ended March 31, 2011, 2012 and 2013:

Particulars	Unit (in '000)	March 31, 2011			March 31, 2012		
		Installed Capacity	Production Quantity	Capacity Utilisation (in %)	Installed Capacity	Production Quantity	Capacity Utilisation (in %)
Allopathic:							
Liquid	Ltrs	2,500.00	2,187.50	87.50%	2,500.00	2,250.00	90.00%

Particulars	Unit (in '000)	March 31, 2011 Installed Capacity	Production Quantity	Capacity Utilisation (in %)	March 31, 2012 Installed Capacity	Production Quantity	Capacity Utilisation (in %)
Ointment	Kgs	75.00	60.00	80.00%	75.00	63.75	85.00%
Powder	Kgs	25.00	18.75	75.00%	25.00	20.00	80.00%
Capsules	Nos	6,27,000.00	4,38,900.00	70.00%	6,27,000.00	4,70,250.00	75.00%
Tablets	Nos	17,14,980.00	25,72,470.00	150.00%	17,14,980.00	25,72,470.00	150.00%
Injection :							
Vials/ Ampoules	Nos	61,200.00	55,080.00	90.00%	61,200.00	55,080.00	90.00%
LVP Line	Bottles						
SVP Line	Bottles						
Herbal :							
Liquid	Ltrs	3,200.00	1,440.00	45.00%	3,200.00	1,920.00	60.00%
Tablets	Nos	5,10,000.00	2,29,500.00	45.00%	5,10,000.00	3,06,000.00	60.00%
Capsules	Nos	4,85,000.00	2,18,250.00	45.00%	4,85,000.00	2,91,000.00	60.00%
Powder	Kgs	2,500.00	1,125.00	45.00%	2,500.00	1,500.00	60.00%
Extration	Kgs	1,800.00	900.00	50.00%	1,800.00	1,080.00	60.00%

Particulars	Unit (in '000)	March 31, 2013 Installed Capacity	Production Quantity	Capacity Utilisation (in %)
Allopathic:				
Liquid	Ltrs	2,500.00	2,250.00	90.00%
Ointment	Kgs	75.00	67.50	90.00%
Powder	Kgs	25.00	21.25	85.00%
Capsules	Nos	6,27,000.00	5,01,600.00	80.00%
Tablets	Nos	17,14,980.00	30,01,215.00	175.00%
Injection :				
Vials/ Ampoules	Nos	10,87,200.00	5,97,960.00	55.00%
LVP Line	Bottles	12,420.00	6,210.00	50.00%
SVP Line	Bottles	27,000.00	13,500.00	50.00%
Herbal :				
Liquid	Ltrs	3,200.00	2,400.00	75.00%
Tablets	Nos	5,10,000.00	3,82,500.00	75.00%
Capsules	Nos	4,85,000.00	3,63,750.00	75.00%
Powder	Kgs	2,500.00	1,875.00	75.00%
Extration	Kgs	1,800.00	1,350.00	75.00%

Brief Description of our Business Segments

❖ ***Allopathic Formulations***:

Our FDF facilities span multiple technology platforms and provide a product range across various therapeutic segments such as anaesthesia, critical care, contrast media, anti-infectives, gastrointestinals, anti-allergics, nutraceuticals and cough preparations. We manufacture allopathic liquid externals including anti-septic and anti-infective, liquid orals like multi-vitamin syrups, anti-fungal, anti-allergic, anti-bacterial, cough suppressant, bronchodilator, disinfectants, hormonal, antibiotic/ NSAID - Eye drops, ointment, gels and creams mainly anti fungal, anti-infective, anti-bacterial and anti-septic.

Most of our allopathic formulations are sold under our own brands. We also undertake manufacturing of certain allopathic formulations for some other pharmaceutical companies on third-party contract basis, which are then marketed and sold under their brand name.

Our allopathic formulations are marketed in and sold through the ethical, OTC and semi-OTC routes in the semi-regulated markets including India. Our institutional customer base for allopathic formulations includes government, semi-government, private hospitals, aided agencies, nursing homes and defence sector.

Some of our key products in the allopathic formulations are set out below:

No.	Name of the Product/Brand	Therapeutic Segment
1.	Tonabolin Syrup	Nutraceutical
2.	Maligon Capsules & Suspensions	Anti infectives
3.	Minitone Plus Syrup	Nutraceutical
4.	Calhem Plus Capsules	Nutraceutical
5.	Paracodrate Tablets & Syrup	Cough preparation
6.	Jucitron Syrup	Genito-Urinary
7.	Decofed – DS tablet	Anti Allergic
8.	Unifol Injection	Nutraceutical
9.	Unizith tablet & suspensions	Anti infectives
10.	Candikit-N Cream	Anti infectives

Our Company also manufactures and offers a range of herbal formulations for veterinary consumption as set out below:

No.	Name of the Product & Brand	Product use
1.	Kabjol	Anti-diarrhoeal
2.	Morolac	Improve milk yield
3.	Palamol	Anti-Worming
4.	Sexona	Improve semen quality and quantity
5.	Universal Battisa	Appetite stimulant
6.	Vesomol	Expectorant
7.	Valiliv Granules	For Digestion

❖ ***Contrast Media and Critical Care (Anaesthesia)***:

Contrast Media products:

Our Company manufactures products for the Contrast Media space wherein a substance is used to enhance the contrast of structures or fluids within the body in medical imaging. It is commonly used to enhance the visibility of obstructions in blood vessels and other body pathways.

Contrast media are categorized pharmaceutically as diagnostic agents which are important tools in diagnosis and investigations as they permit visualization of details of internal structures or organs that would not otherwise be demonstratable. Contrast media is a substance which when introduced in the body increase the radiographic contrast in an area where its concentration was absent or low before.

We manufacture contrast media products as set out below which are iodine based (*ionic and non-ionic*) marketed in various pack sizes of 20 ml ampoules, 50 & 100 ml vials in India:

No.	Product	Brand Name

No.	Product	Brand Name
Iodine ionic contrast media based products		
1.	Injection of Diatrizoic acid and Meglumine 60% USP	Uroscan 60
2.	Injection of Diatrizoic acid and Meglumine 76% USP	Uroscan 76
3.	Injection of Diatrizoic Meglumine 65% USP	Angioscan 65
4.	Injection of Gadopantatate Meglumine USP	Magnascan
5.	Oral solution of Diatrizoic acid and Meglumine 370mg/ml	Gastroscan-M
Iodine non- ionic contrast media based products		
6.	Iohexol Injection 300mg USP	Nioscan 300
7.	Iohexol Injection 350mg USP	Nioscan 350
8.	Iopamidol Injection 300mg USP	Uniray 300
9.	Iopamidol Injection 370mg USP	Uniray 300

Critical Care *(Anaesthesia)*:

Products in this segment are primarily used during or after the surgical conditions or trauma conditions for the treatment or recovery. Few of the major products under this segment include Inhalation and Intravenous Anaesthetics, Plasma Volume Expanders and Muscle Relaxants.

We set out below the products manufactured and marketed by our Company in this therapeutic area:

No.	Name of the Product
1.	Bupivacaine injection IP 0.5% w/v 20 ml vial
2.	Bupivacaine Hcl in dextrose Inj. USP 4 ml ampoules
3.	Midazolam injection .1mg/ml , 5mg/ml 2& 5ml
4.	Clonidine Hcl injection 0.1 mg/ml &1.5 mg/ml 10ml & 20 ml vial
5.	Lorazepam injection 2mg/ml &4mg/ml 1ml ampoules
6.	Suxamethonium Chloride inj. 50 mg ml 2ml ampoules/vial
7.	Pancuronium Bromide Injection 2mg/ml 2ml ampoules
8.	Ropivacaine Hcl injection 2mg/ml 5mg/ml 7.5mg/ml 2ml ampoules

❖ ***Herbal and Ayurvedic Formulations***:

Ayurveda, the ancient Indian system of medicine based on natural and holistic living, derives from two Sanskrit words - Ayu or life, and Veda or knowledge. This Science of Life analyses the human body through a combination of the body, mind and spirit. Originating nearly 5,000 years ago, today its application in modern life has been renewed through the scientific research and validation undertaken by various companies and institutions including our Company. Building on a legacy of quality and experience for over twenty (20) years in the pharmaceutical industry, our Company offers a range of clinically proven herbal Over the Counter (OTC) and prescription products. Our herbal medicinal products are of the purest form and scientifically validated herbal extracts, pre-mixes and granules prepared by a team of dedicated scientists at our Herbal Formulation unit using the modern techniques in development, standardization, testing and clinical evaluation of the herbal product for therapeutic use. Using the modern research methodology and manufacturing facility, our Company has made available an alternate form of treatment which has no known side effects. Our herbal medicinal products are administered to the patient in dosage forms like pellets, oral dissolve, tablets, capsules, balms, gels, creams and liquid orals.

Our products are offered both in the domestic as well as semi-regulated markets. Our Company's R&D capabilities in the NDDS has lead to the application for patenting of the 'Pellets of Herbal Extracts and the Process of preparing the Pellets' with the WIPO. Administering drugs in pellet form is a novel oral dosage form which is currently being applied by our Company for its herbal products. Pellet is an oral dosage form, filled into a capsule or compressed into a tablet, coated with herbal extracts. The pellets coated with herbal extract are finally coated with a controlled release coat of a polymer that results in a controlled release of the herbal extract(s) in the gastrointestinal tract.

Some of our known herbal and ayurvedic products are marketed under our umbrella brand 'RevAyur Unijules' and other brands such as "Arjucard", "Herbokam Plus", "Herbosol", "Karnim", "Laxorin", "Morolac", "Rheumax", " Recalit", "Ugyanetone", "Unex", "Valiliv", "Valido".

Our Company is the first to receive the coveted "***AYUSH Products Certification***" issued by the AYUSH Department, Ministry of Health and Family Welfare, Government of India for the manufacture & supply of our herbal products *viz.* Karnim Plus Capsules/ Herbajules Diamelon Plus Capsules, Unex Capsules/ Herbajules Tricare Capsules & Valiliv Capsules. Our Company can use the certification mark "AYUSH Premium Mark" on the packaging of the above products. We believe that this certification will enhance our brand recognition and penetration leading to an increase in market share of these products.

Some of our key products in the herbal formulations are set out below:

No.	Name of the Product/Brand	Therapeutic Segment
1.	Karnim Capsules	Management of Diabeties
2.	Ugyanetone Syrup	Management of Gynec problems
3.	Valiliv Forte Syrup	Hepatoprotective
4.	Unicough Syrup	Cough preparation
5.	Febrinol Syrup	Management of malaria and dengue
6.	Herbosol Syrup	Management of malnutirtion
7.	Iron-21	Iron supplement
8.	Rheumax tablets	Management of artharitis
9.	Herbokam plus	Management of stress
10.	Unex	Diuretic

❖ ***Beauty Care Products***

Our vast experience in herbal formulations, combined with modern manufacturing practices has resulted in innovative herbal healthcare products and natural beauty care under the brand 'RevAyur Unijules' for the domestic markets and brand 'RevAyur PARIS' for the international markets catering to the growing demand of life care products which synergize modern science and herbal benefits. Beauty care products based on herbals is a natural extension of our herbal formulations business since we have the knowledge and expertise of herbals and Ayurveda. We have launched products such as skin lightening creams, under eye gels, face wash, body wash, lotions, foot cream, body care cream, moisturisers and lip-balms.

Research and Development

We are a research and technology driven company with our R&D efforts focused on developing new formulations, both in the allopathic and herbal segment. Our Company has set up a Research & Development centre at Shantinagar, Nagpur. Our R&D facility comprises of research and analytical laboratories at Shantinagar, Nagpur with a team of 20 R&D personnel as at July 31, 2010, with expertise in the development of new dosage forms, novel drug delivery systems and specialized formulations. As of July 31, 2010, we employed 4 scientists and specialists for our R&D activities. We have the R&D capability and experience to develop, manufacture and register products across various formulations, dosage forms and delivery systems to increase the effectiveness of drugs and make our products better suited to market requirements.

We believe our expertise in developing complex and difficult to develop products such as converting suspensions in syrup form and complex and difficult to develop delivery systems, such as coating of herbal extracts on pellets provides us with a competitive advantage. We believe we were one of first companies in India to have developed a pellet technology system for 'PELLETS OF HERBAL EXTRACTS AND THE PROCESS OF PREPARING PELLETS' which provides us with a competitive advantage. Additionally, we have filed three (3) patent applications with WIPO for registration of (i) 'PELLETS OF HERBAL EXTRACTS AND THE PROCESS OF PREPARING PELLETS'; (ii) 'HERBAL GASTROINTENSTINAL CONTROLLED DRUG DELIVERY DOSAGE FORMS INCLUDING PELLETS AND PROCESS FOR THEIR PREPARATION'; and (iii) 'RAPID DISSOLVABLE ORAL FILM FOR DELIVERING HERBAL EXTRACTS WITH OR WITHOUT OTHER PHARMACEUTICAL AGENTS'. Further, our Company has also a National Phase Application in Malaysia for registration of 'PELLETS OF HERBAL EXTRACTS AND THE PROCESS OF PREPARING PELLETS'. Further, our Company has filed separate patent applications for the above inventions with the Patent Office, Mumbai.

We possess necessary skills, technological and intellectual property capabilities, including in-house infrastructure and R&D capabilities, to develop allopathic and herbal formulations which can be submitted to regulatory authorities for marketing and sale approval. Our regulatory team has also developed processes and has the capabilities to file product registrations in semi-regulated markets. As on July 31, 2010, our Company has obtained over 25 product registrations worldwide.

Tie-ups with Institutions for Research

To further enhance our R&D capabilities we have tied-up with certain Academic and Research Institutions in India and overseas *viz*. Dr. D.Y. Patil College of Ayurved and Research Institute & Hospital, Ashvin Rural Ayurved Mahavidyalaya and Hospital, Laxminarayan Institute of Technology and Nagarjuna Medicinal Plants Garden, J.L. Chaturvedi College of Pharmacy, Rajiv Gandhi Biotechnology Centre, RA Podar Ayurved College Hospital and Research Centre, Shree Ayurveda College and Pakwasa Samanvay Rugnalaya, Khidmat Hospital, B.R. Nahata College of Pharmacy, BRNCP-TIFAC-CORE, Chintamani Research and Development Foundation and Innovax Research Institute (Malaysia) to undertake clinical research or in providing financial assistance in research for potential use as medicines.

Marketing, Sales and Distribution Network

Sales and distribution constitute key components of the value chain in our industry. In the domestic markets, as of July 31, 2010, we distribute our products through a network of approximately 10 super stockists, 170 stockists catering to over 30,000 chemists across our ethical division. This network plays an important role in ensuring timely and adequate availability and supply of our products to our customers.

For the international market i.e. the semi-regulated markets other than India, we partner with local distributors who import and distribute our products and carry out marketing activities. This model primarily covers countries such as Malaysia where our Company has entered into an arrangement for marketing of herbal pellet products under the brand 'Herbajules'. For certain countries such as Bangladesh and Nigeria we follow a distribution model whereby distributors and marketing partners carry out and are responsible for marketing and selling our products.

In India, we also sell through and to independent distributors, drug wholesalers acting as sales agents, and specialty pharmacy or homecare companies. As our eventual sales are driven by the product decisions made by doctors and surgeons, our sales representatives regularly interact with medical practitioners and disseminate information about our products.

Sales and distribution methods include frequent contact by sales representatives, automated communications, circulation of catalogues and merchandising bulletins, direct-mail campaigns, trade publication presence and advertising. In addition, we participate in medical conferences in different parts of India as well as countries like England, France, Germany and Spain including medical fairs in UAE, TOGO and Zambia.

Our Company is selling its allopathic and herbal formulations under its own brand name through a marketing network spread across various states through a chain of distributors, who in turn sells the goods to stockiest and retailers.

I. Domestic Marketing

Ethical Marketing: In the domestic markets, as of July 31, 2010, we distribute our products through a network of 10 super stockists and 170 stockists catering to chemists for our ethical division. This network plays an important role in ensuring timely and adequate availability and supply of our products to our customers. To provide impetus to our sales, we market our products through 140 Medical Representatives in the States of Maharashtra, Madhya Pradesh, Chhattisgarh, Orissa and Andhra Pradesh who in turn brief to over 35,000 doctors. Our Company intends to enter the Goa, Uttarpradesh, Karnataka and Gujarat markets in the near future and have already begun test marketing in these markets.

Institutional Segment: In the institutional segment of our business, we are the approved vendors with certain government indenting agents and institutions and provide our allopathic and herbal formulations to the Central Government Health Scheme (CGHS), Employee State Insurance Corporation (ESIC), All State Governments Health Scheme and Railway Boards, Corporations like

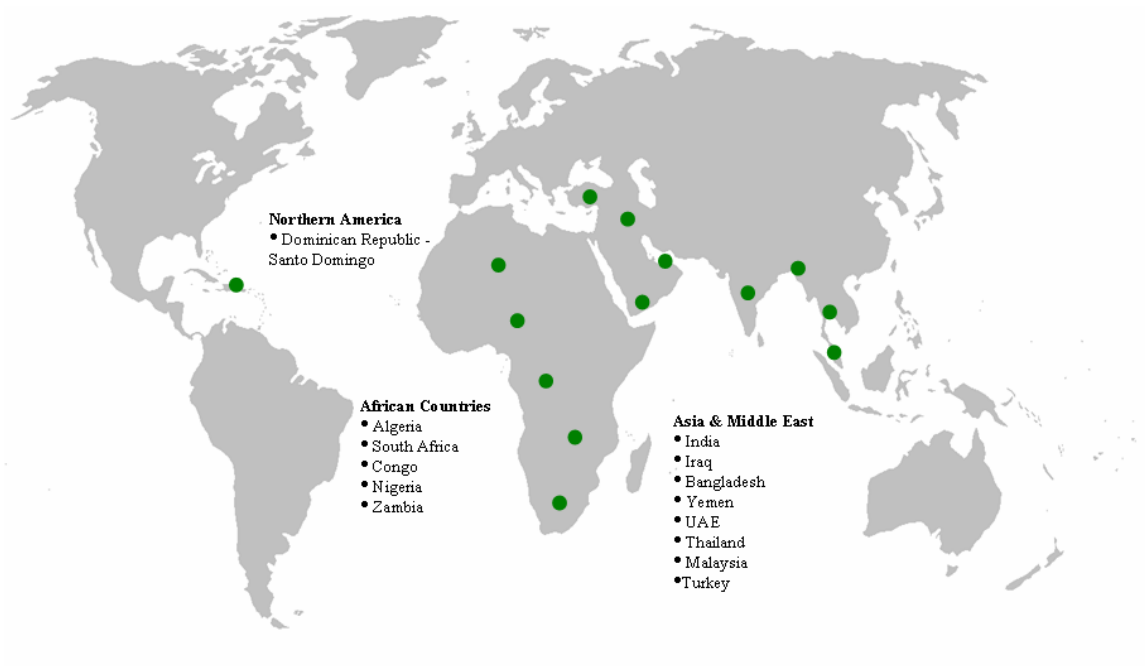
Delhi Municipal Corporation (DMC), Brihanmumbai Municipal Corporation (BMC) etc. and the defence sector through Armed Forces Medical Stores Depot (AFMSD).

Our Company procures institutional business through a tender process for fixed rate contracts and fixed quantity tenders. We expect this business to grow rapidly because of capacities and governments focus on providing healthcare facilities across the length and breadth of India.

II. International Markets (*Semi-Regulated Markets*)

Our Company has presence in the semi-regulated markets such as Abu Dhabi (UAE), Algeria, Armenia, Bangladesh, Congo, Dominican Republic-Santo Domingo, Iraq, Malaysia, Nigeria, Thailand, Turkey, Yemen and Zambia.

For the international market i.e. the semi-regulated markets, we partner with local distributors who import and distribute our products and carry out marketing activities. This model primarily covers countries such as Malaysia where our Company has entered into an arrangement for marketing of herbal pellet products under the brand 'Herbajules'. For certain countries such as Bangladesh and Nigeria we follow a distribution model whereby distributors and marketing partners carry out and are responsible for marketing and selling our products. We export our herbal and beauty care products to countries like France (*Beauty care and Hand Sanitizers*), Veterinary medicine and herbal pellets range in UAE, Malaysia and other Gulf Co-operation Council countries and pharmaceutical products to Sri Lanka. We also export through agents/merchant exporters in African countries. The current reach of our products in the international markets are as depicted in the map below:



One of our strategies also includes establishing our presence in the regulated markets i.e. U.S. and European markets. To support our strategy, we intend to create a customer and distributor base through marketing arrangements with local pharmaceutical companies including building relationships with key customers/companies in each of these markets and partnering with them.

III. 'RevAyur Unijules' Marketing

We believe that our beauty care products, marketed under the brand 'RevAyur Unijules' have huge potential in both domestic and international. We plan to focus our sales and marketing efforts on these products to increase the visibility and market share of these products. We intend to market and distribute our products by making them available to the target consumers with various distribution channels and further our marketing efforts by deploying a field force to support our distribution efforts. We also intend to aggressively advertise and promote our brand 'RevAyur Unijules' and products through television, radio, web promotion and SMS marketing, hoardings at prominent places, advertisements in magazines and local newspapers, health magazines. Apart from marketing our services through traditional means, we also intend to market our products over the internet by various methods such as Search Engine Optimization (SEO), social media websites, online brand management, banner promotions on various popular websites, mass mailing (e-mails), POP displays etc. We also intend to participate in exhibitions at international level like Apteka Moscow 2010, Arab Business Summit, CPHI – World wide, etc. Our products under the 'RevAyur Unijules' brand are presently available at big retail outlets and stores, but we intend to make them available on a pan-India basis. We recently launched our beauty care products in the skin care segment in Paris, France and intend to widen our exports to other geographies including other parts of Europe, USA and Asia in the near future.

Our beauty care products under the 'RevAyur Unijules' brand are presently available at big retail outlets and other stores, but we intend to make them available on a pan-India basis. We recently launched our beauty care products in the skin care segment in Paris, France and intend to widen our exports to other geographies including other parts of Europe, USA and Asia in the near future.

As of July 31, 2010, we distribute our 'RevAyur Unijules' herbules products through a network of 10 super stockists and 170 stockists catering to chemists for our ethical division. This network plays an important role in ensuring timely and adequate availability and supply of our products to our customers. To provide impetus to our sales, we market our products through 140 Medical Representatives in the States of Maharashtra, Madhya Pradesh, Chhattisgarh, Orissa and Andhra Pradesh who inturn brief to over 35,000 doctors.

We intend to invest in brand building as a part of our marketing strategy and propose to finance this from part of the proceeds of the Issue. For further details, please refer to section titled "Objects of the Issue" beginning on page 86 of the Draft Red Herring Prospectus. We believe that brand building will enhance the visibility and the recall of our products and thereby facilitate increase in the demand and market share of our products.

Plant, Machinery, Technology and Process

For the details of our Plant & Machinery please refer to the section titled "Objects of the Issue" beginning on page 86 of the Draft Red Herring Prospectus.

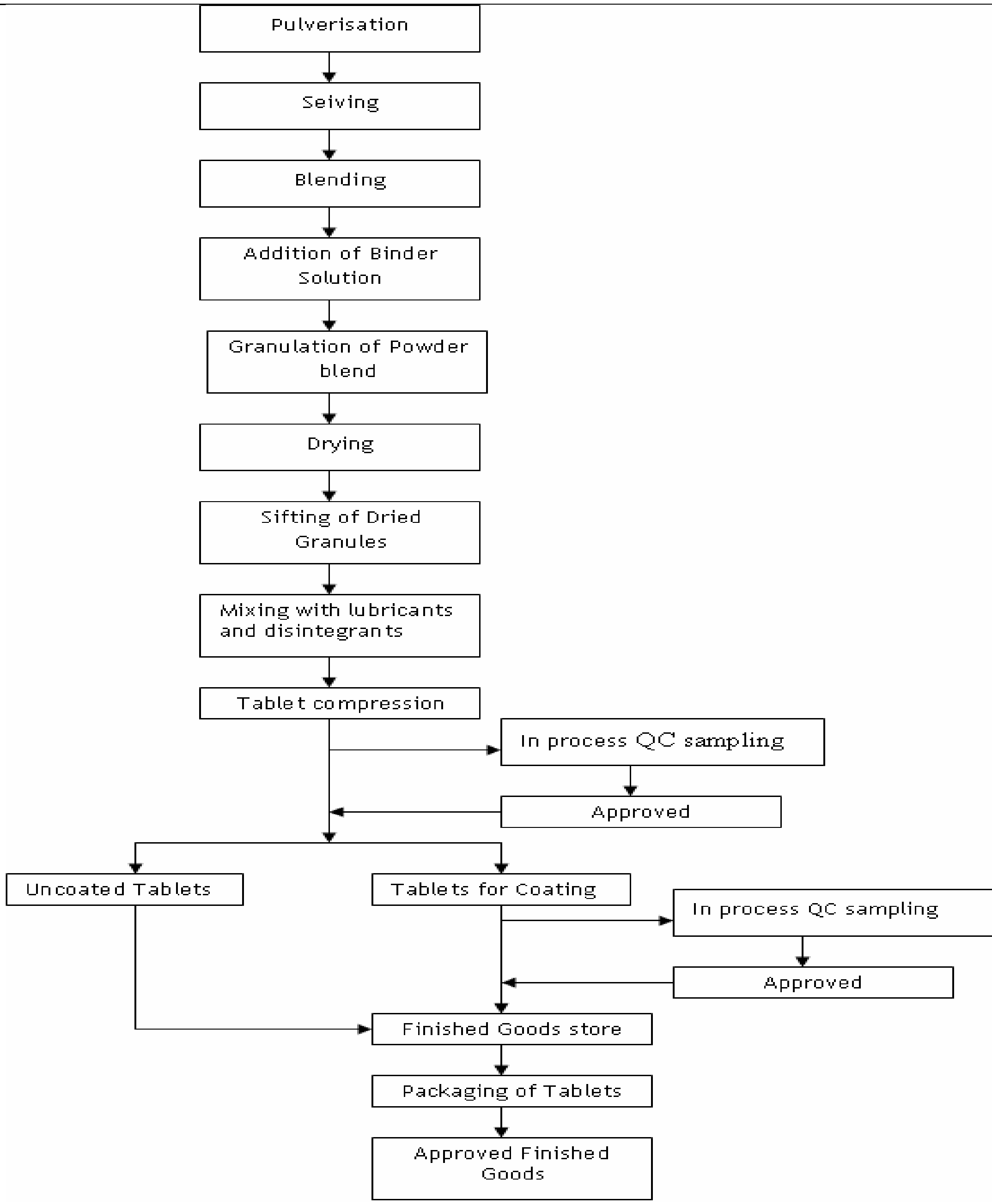
Technology & Processes

Our Company has set-up an in house R&D is set up to cater the need of process development of various dosage forms such as capsules, tablets, injectables, liquids & semisolids to serve our customers with quality products.

Our technology and expertise in development and manufacturing of quality allopathic and herbal formulations are significant to our success, in delivering quality and affordable products to our consumers. With an aim to reach out to the world and to provide the best pharmaceutical products, services, research and development and manufacturing units, we strive to make our manufacturing facilities compliant with the international standards.

Manufacturing Process

1. Process overview for Tablet Formulations


Pulverisation
Seiving
Blending
Addition of Binder Solution
Granulation of Powder blend
Drying
Sifting of Dried Granules
Mixing with lubricants and disintegrants
Tablet compression
In process QC sampling
Approved
Uncoated Tablets
Tablets for Coating
In process QC sampling
Approved
Finished Goods store
Packaging of Tablets
Approved Finished Goods

2. Herbal process of Pellet formulations

a) **Processing of Pellets**: The process essentially involves applying a herbal extract layer on a core of pellets made up of inert materials like starch, sucrose and calcium & excipients like microcrystalline cellulose, vegetable gums, and waxes. Herbal extract is suspended in a solution of the excipients, dissolved in sufficient water and solvents like lsopropyl alcohol (IPA) to make the slurry sprayable. The pellet is made in a fluidized bed equipment (using a rotary processor), or in a rotating plate equipment. Motion of the mass of particles to be coated is provided by friction of the mass between the stationary wall of the cylinder and the rotating bottom of it. Warm air is applied to dry the mass, and liquids can be sprayed on the mass and balanced against the drying rate.

b) **Manufacturing process:** There can be a single ingredient pellets or multi-ingredient pellets. The classic pharmaceutical fluidized bed coating device is used for applying the suspension, which consists of a vertical cylinder with an air-permeable bottom and an upward spraying nozzle close above the bottom, or a downward-spraying nozzle mounted above the product mass. The cylinder is charged with starch granules to be coated, vacuum is created below at the bottom of the cylinder and the air is blown from above which creates a pressure thereby keeping the starch granules circulating in the entire cylinder and the herbal extract to be coated is sprayed onto the mass. The temperature of the fluidizing air is balanced against the spray rate to maintain the mass of pellets at the desired level of moisture and stickiness while the coating is built up.

c) A finishing layer such as talc or silicon-dioxide, simply dusted on the surface of the pellets or beeswax is melted onto the pellets to further smooth the pellets, reduce the static charge, and prevent any tendency for pellets to stick together. More complex finishing layers such as Hydroxy Propyl Methyl Cellulose (HPMC), Poly-vinyl-pyrrolidone (PVP) may be applied. The polymeric material may also carry a suspension of an opacifier, a bulking agent such as talc, or a coloring material, particularly an opaque finely divided color agent such as red or yellow iron oxide.

d) The pellets may be coated with only one extract at a time or there are layers of herbal extracts coated one after the other depending on the dosage requirement. The pellets may or may not be coated with a finishing layer. This is the distinguishing factor of pellet technology as it enables in taste masking with the help of taste powder in the right amount of quantum. The pellets containing a finishing layer may or may not contain a color or they may or may not be additionally colored. The capsules are filled with pellets by a capsule filling machine and then sealed using a capsule sealing machine. The capsules are then packed by strip packaging i.e. blister packaging or directly into the bottles as per the packaging requirement and finally stored as finished goods after labeling.

e) **Quality Control**: The samples are regularly sent to the QC department to check for quality before, in-process and after production. FTIR (Fourier transform infrared spectroscopy) machines are used for side chain analysis and HPTLC (High Performance Thin layer chromatography) is used for analysing the concentration of the herbals on the pellets which are analysed in the U.V. chamber. All our processes are carried out as per the WHO cGMP practices.

f) **Quality Analysis**: The Quality Analysis (QA) department maintains all the reports of the tests conducted by the QC department as well as samples of the batch produced and keeps a regular check on all the processes as to whether they are conducted according to proper norms. Routine GMP visits and inspections are conducted. Validations for air circulation, water supply system, cleaning and sanitation operation, equipment performance and manufacturing procedures are also done. Complaint handling is also done by the QA department.

Advantages of pellet technology

- The drug coated pellets are given an outer coating of different color that distinguish one drug from the other and blended and filled into transparent hard gelatin capsules. This improved elegance facilitates better acceptability and compliance to the product by the patient.

- Our herbal pellets in capsules has a unique manufacturing process in which independent crude extract ingredient are first deposited on inert spherical beads and which are further individually coated. They are then dried and mixed and offered as attractive capsules.

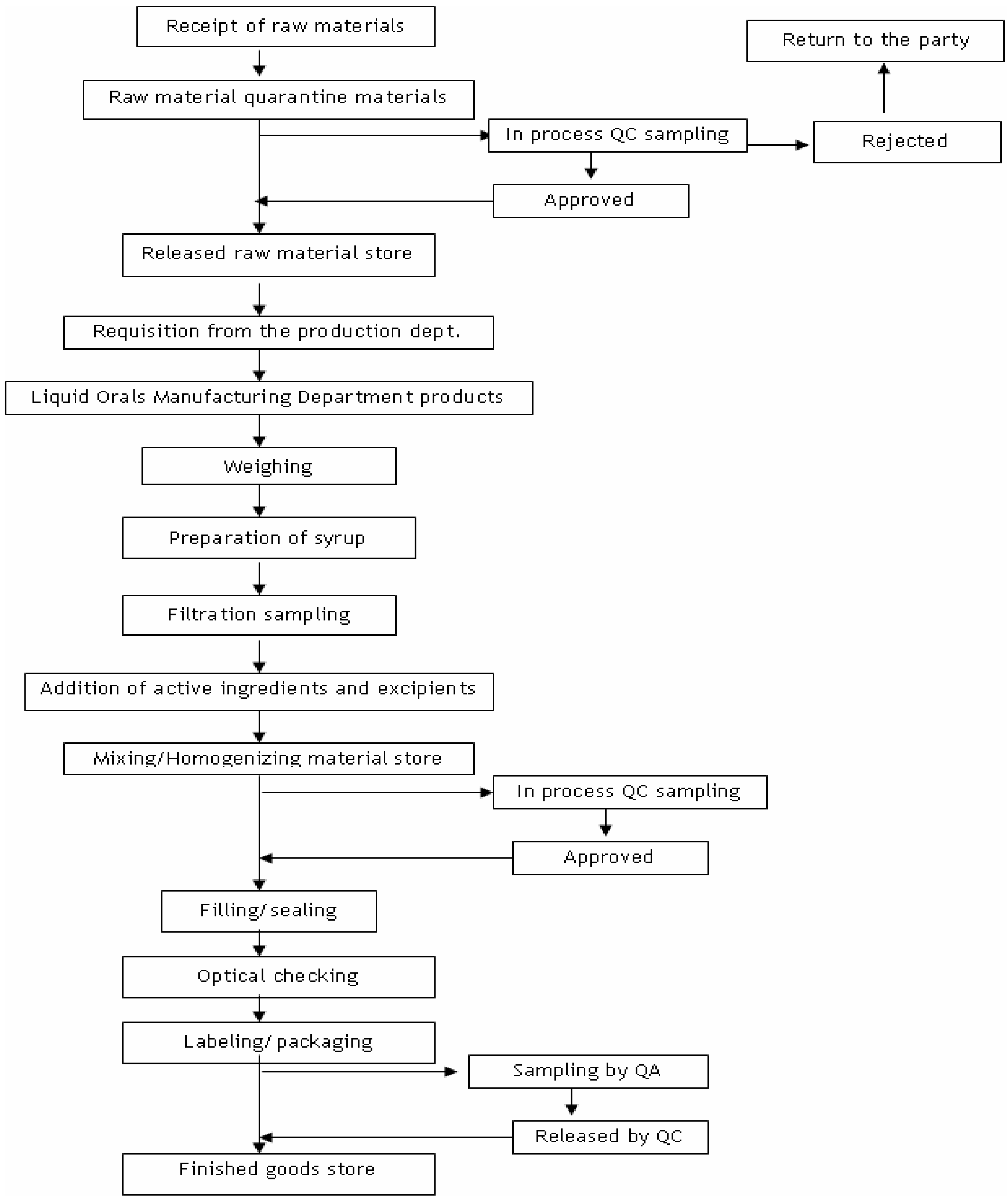
- Spherical shape of pellets enable them to flow freely and pack uniformly, thereby elevating handling and packaging problem and allow reproducible fill beads and uniformity in drug content in capsules.

- It has better bioavailability due to larger area in comparison with conventional dosage form

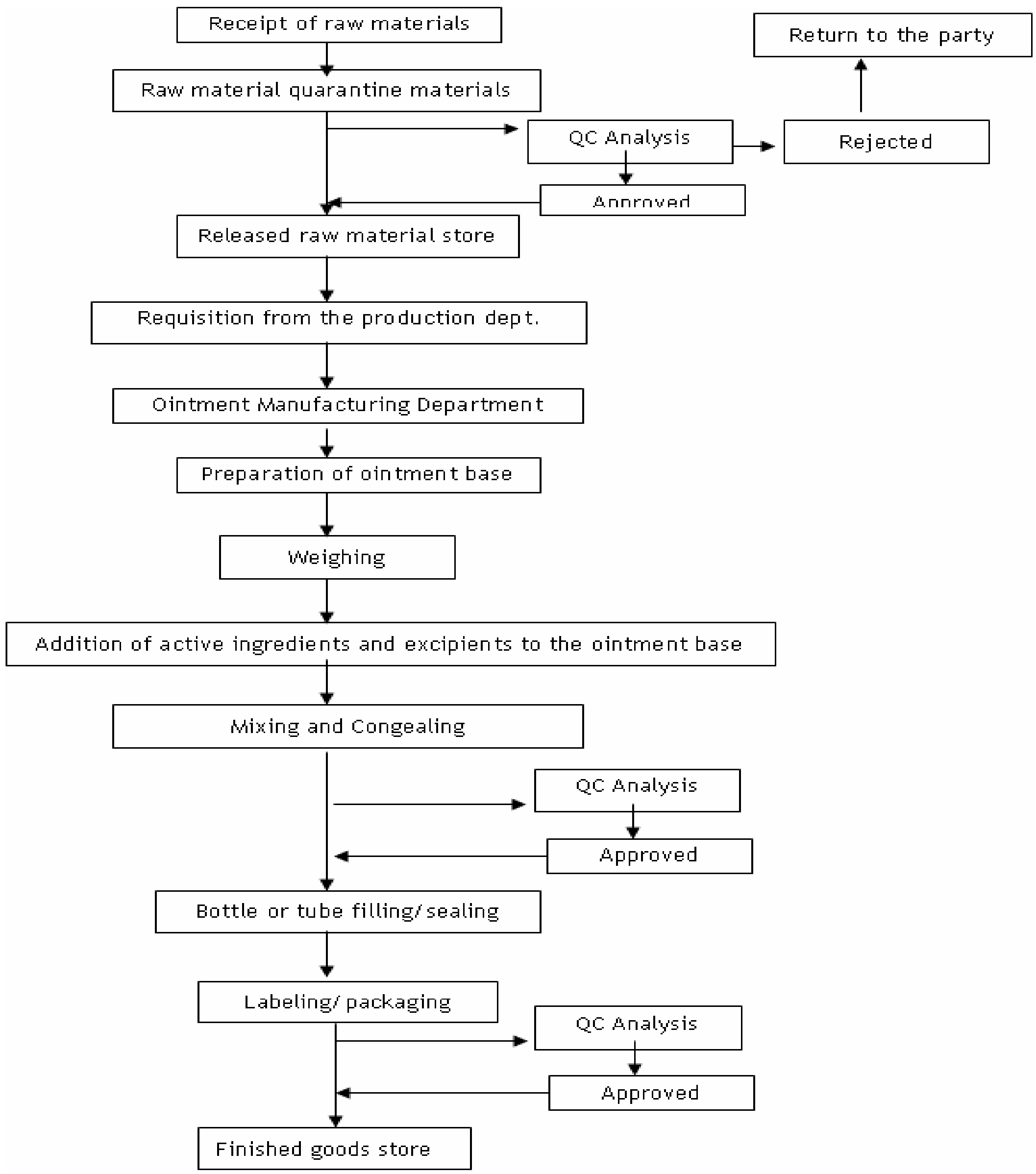
- This technology provides a way to minimize contact between particles of a crude extract with another particle of the same or different extract packed and stored in the same dosage form.

- The coating is formulated with such ingredients which dissolve in the stomach, thus making available all the ingredients in original Ayurvedic intended form as it is made fresh and delivered at the time of administration itself.

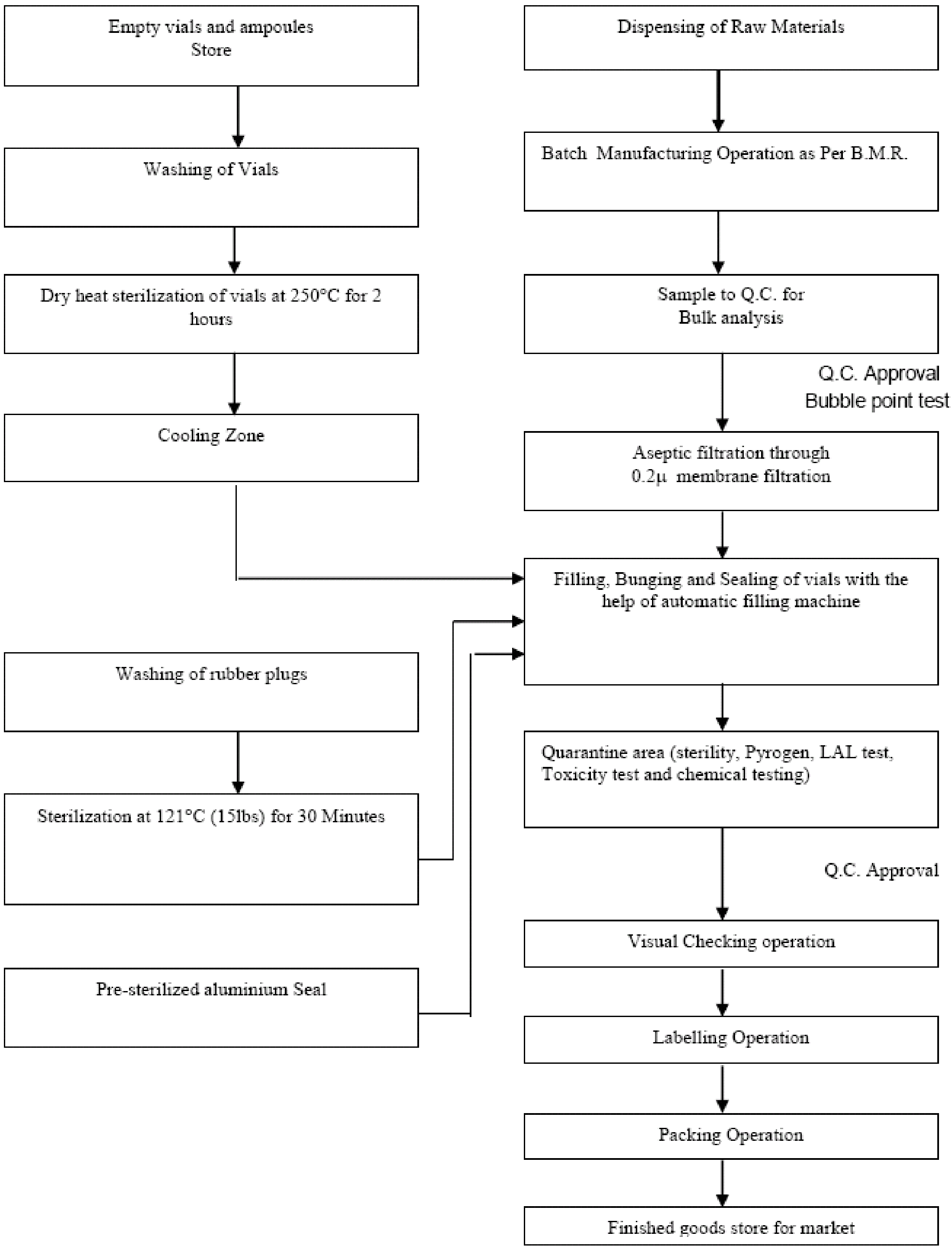
3. Process of Liquid Oral Formulations



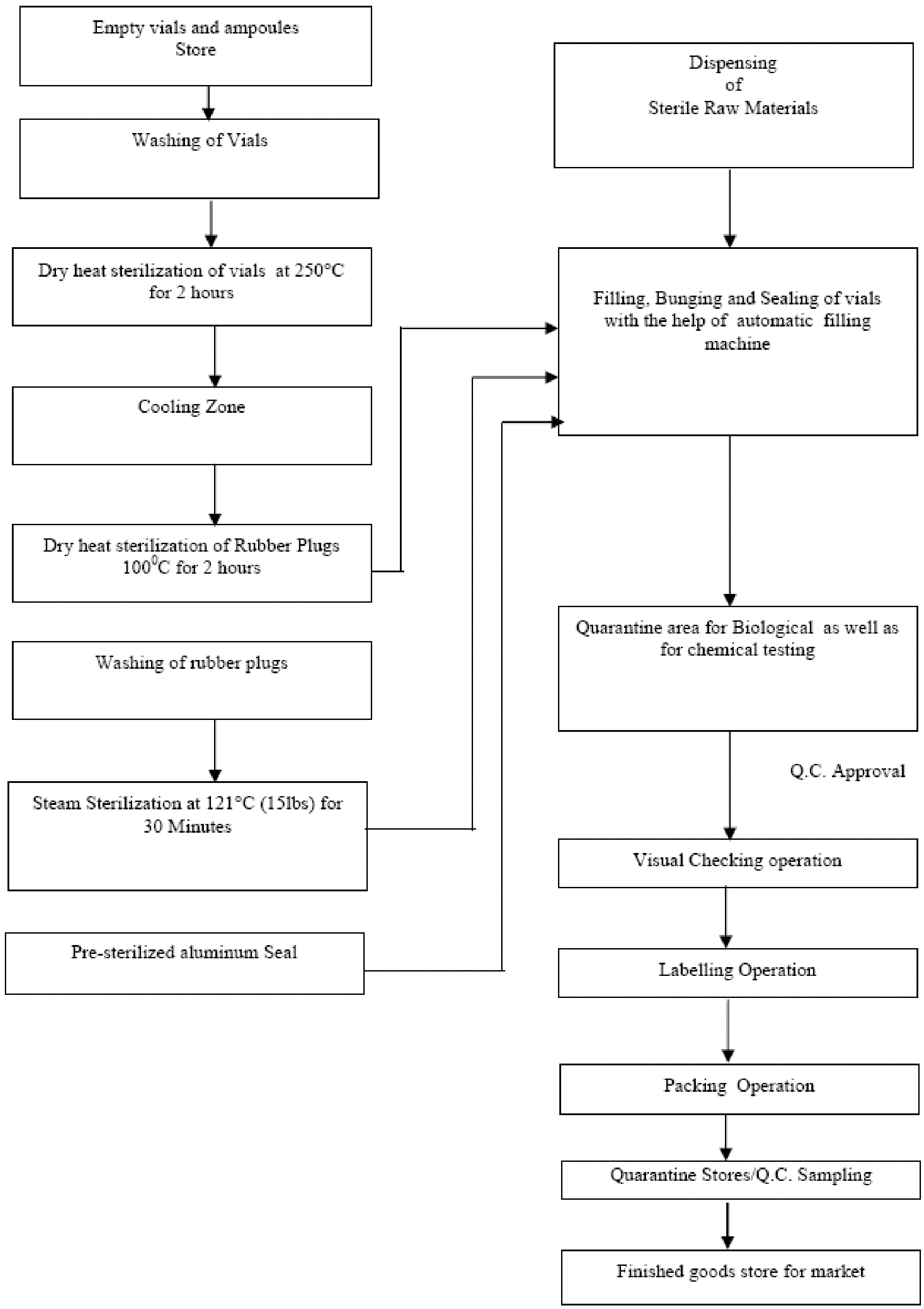
4. Process of Ointment Formulations



5. Manufacturing process of Liquid Injectables



6. Manufacturing process of Dry Powder Injectables



Collaborations, any Performance Guarantee or assistance in marketing by the collaborators

We have not entered into any technical or other collaboration. Except for usual business agreements with our distributors/stockists, we have not entered into any other agreement in the nature of performance guarantee/assistance in marketing.

Utilities & Infrastructure Facilities

❖ **Raw materials and Packing materials**

Raw materials form an integral part of our manufacturing activities. Raw materials essential to our business are procured in the ordinary course of business from various suppliers. The primary raw materials amongst others utilized in our allopathic and herbal formulations are Paracetemol, Cotrimaxzole, Benzyl, Quinine, Awla, Baheda, Hirda, Karela, Neem and Tulsi. We purchase such raw materials from various domestic and international suppliers.

We purchase primary packing materials such as hard gelatin capsules, glass bottles, PET bottles, sachets, ampoules, vials, blister packs & strips from various suppliers.

We carefully assess the reliability of all raw and packing materials purchased to ensure that they comply with the rigorous quality and safety standards required for our products. In an effort to manage risks associated with raw and packing materials supply, we work closely with our suppliers to help ensure availability and continuity of supply while maintaining quality and reliability. Our raw and packing material sourcing is not dependant on a single source of supply and we have access to alternate sources for our procurement of raw materials through various agents, dealers and distributors. For further details on our risk with respect to the raw materials procured by us, please refer to the section titled "Risk Factors" beginning on page 16 of the Draft Red Herring Prospectus.

❖ **Water**

The total requirement for our water is met through the connections provided by Nagpur Municipal Corporation and M.I.D.C at our existing facilities. The total water requirement of our proposed expansion shall be met from additional connection from M.I.D.C.

❖ **Electricity**

Our Company has adequate power load connection from Maharashtra State Electricity Board (MSEB) to carry out its present activities. The power requirement for our proposed facilities will be met by taking additional power load connection from MSEB, which will be applied in due course of time.

In addition to the power connection from MSEB, we have installed DG units at our facilities for emergency purposes.

Quality Standards

Our manufacturing facilities have been approved by FDA and are ISO 9001-2000 certified. Our manufacturing facilities at B-35, M.I.D.C, Kalmeshwar, Nagpur is WHO cGMP certified. We place significant emphasis on providing quality products and services to our customers. To this end, we strive to maintain safety, environmental and quality standards at all our manufacturing facilities. Quality management plays an essential role in determining and meeting customer requirements, preventing defects and improving our products and services.

We have a network of quality systems throughout our business units and facilities which relate to the design, development, manufacturing, packaging, sterilisation, handling, distribution and labelling of our products. To assess and facilitate compliance with applicable requirements, we regularly review our quality systems to determine their effectiveness and identify areas for improvement. We also perform assessments on our suppliers of raw materials, components and finished goods. In addition, we conduct quality management reviews designed to inform management of key issues that may affect the quality of products and services.

After we receive the raw materials at our unit, our quality assurance department carries out checks for moisture content, weight, presence of external chemicals or narcotic drug elements. While the check process is on, the raw materials are marked yellow labels which indicates the production department that they are not yet ready to be taken to formulation chamber. Each raw material goes through thorough check and then marked green labels to be passed on to production department. During the processing stage, physical quality checks are conducted. After final preparations products are passed through optical illusion tests white light and black light to check for any foreign particles, and also passed through other manual checks.

In addition to the above, we perform quality control tests using instruments like HPLC & FTIR. Samples from each batch of finished products are kept in the control rooms under controlled temperatures for months even after the release of products in the market for recall of product in case of failure or any defects. In addition, samples are kept before releasing the products in the market under controlled temperatures to check their shelf lives and reactions to different environment conditions.

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

Environmental, Health and Safety Policy

Our Company is committed to provide a safe, clean and healthy environment and conduct its business and services in a manner so as to prevent harm to people and damage to environment or property. Our Company endeavours to handle the Environment, Health and Safety (EHS) issues with the same responsibility as issues concerning quality, productivity, profitability and cost-efficiency. Our Company actively manages the EHS norms as an integral part of our business, operations and practices. We continuously strive to minimize the pollution at source and that can be achieved by adopting cleaner technologies, reducing the use of natural resources and reusing and recycling wastes. We comply with all local and national environmental laws and regulations, at all the times.

Our Company endeavours to adopt necessary systems such as establishing a system, monitoring and regulating all the health and safety measures to be adopted; providing safe working environment for employees and workers; maintaining and following preventive maintenance schedule and providing information and training to the employees and workers for carrying out safe working operations and carrying out operations taking environmental safety into consideration. Our Company further maintains a safe work environment for our employees. We also conduct regular audits to monitor the various preventive and safety measures adopted with proper facility available for medical treatment and facilities, safe and hygienic working environment, providing protective equipments as required and to take immediate corrective actions in case of accidents occurrence to avoid in future.

For our proposed project at Umred, M.I.D.C, Nagpur, our Company shall make an application to the concerned authorities for obtaining certificate from the Maharashtra Pollution Control Board at appropriate time. For further details on the consents and approvals obtained by us, please refer to the section titled "Government and Other Approvals", beginning on page 366 of the Draft Red Herring Prospectus.

Effluent Treatment

Our operations generate small quantities of effluents, which are treated at our effluent treatment plant, and we use such treated water for irrigation of plants. Our effluent treatment plant has both aerobic and anaerobic treatment facilities. We are required to obtain consents from the State Pollution control board to establish and operate our facilities and to comply with their conditions regarding the emissions and discharge of effluents in air and water. For further information, please refer to section titled "Government and Other Approvals" beginning on page 366 of the Draft Red Herring Prospectus.

Our Company endeavours to protect environment and its natural resources by adopting the following system:

- Incorporating Effluent Treatment Plant, to purify waste water and remove any toxic and non toxic materials or chemicals from it, so as to purify and re-generate used impure water for further consumption;

- Purifying waste water by treatment for removal of solids, dissolve sedimentations, sludges, suspended particles, biodegradable organics and waste;

- Establishing waste water management system;

- Monitoring the functioning of ETP plant and to analyze its un-treated and treated water by sending water samples to confirm whether the water is as per the acceptable standard stipulated by Maharashtra Pollution Control Board; and

- Incorporate State-of-the-Art scientific technologies and techniques and use our R&D for training the effluents to reconvert/purify them to consumable form and maintain environmental cleanliness and further protect on natural resources.

Enterprise Resource Planning ("ERP")

We have installed ERP at all our manufacturing facilities. Integration of the ERP system is under implementation which shall be functional by F.Y. 2011-2012. We also have an inventory tracking system which tracks the stock position and order position and link all the manufacturing positions.

Export Possibilities and Export obligations

Currently, our Company does not have any export obligations.

Competition

The markets in which we sell our allopathic and herbal formulations are highly competitive. The primary competitive factors consist of price, product quality, prompt delivery, breadth of product line, customer service and reputation. New products and future developments in improved or advanced drug delivery technologies or other therapeutic techniques may also provide therapeutic or cost advantages to our competing products. To stay ahead of our competitors, we regularly update existing technology and acquire or develop new technology for our pharmaceutical manufacturing activities; we continuously seek new product registrations, marketing authorisations and other approvals from Indian and foreign governmental authorities and health regulatory bodies to increase our product offerings; we maintain a high level of involvement across our sales and marketing network to maximize our presence in India and internationally; we aim to attract and retain key personnel on whom we rely for the smooth running of our Company; and we attempt to keep our costs of production low to maintain our competitive advantage and our profit margins.

Beauty care products based on herbals is a natural extension of our herbal formulations business since we have the knowledge and expertise of herbals and Ayurveda. We have launched innovative beauty care products amongst others such as body wash with active herbal extract in the form of beads suspended in the gel which release on application. We compete with leading domestic and international brands in this segment.

Employees

As of July 31, 2010, our Company had employed around 630 full-time employees of which 20 employees worked in R&D. Out of the above employees approximately 31 were post graduates and around 128 were graduates. We have further hired approximately 130 contract labourers as of the date of the Draft Red Herring Prospectus.

Our employees are not currently unionized, and there have been no work disruptions, strikes, lock-outs or other employee unrest to date. We believe that we maintain healthy relationship with our employees. We maintain high safety standards in our facilities to ensure that none of our employees are exposed to any hazards.

Corporate Social Responsibility

We believe that our corporate social responsibility ("***CSR***") achieves an integration of economic, environmental and social imperatives while simultaneously addressing shareholder expectations. We use CSR as an integral business process in order to support sustainable development and we constantly endeavor to be a better corporate citizen and enhance our performance in the triple bottom line.

We as a part of our CSR provide facilities such as free ambulance for local population of Shantinagar, training and education of destitute children, computer literacy through computer institute for school children at Nagpur, providing free medicines to our employees, organizing eye check-up and blood donation camps and sponsoring gold medal for M.B.B.S students at Nagpur.

Insurance

Our Company's property, plant and machinery, furniture & fixtures are insured under standard fire & special perils cover. Our Company also maintains insurance policies that cover products during transit to distributor locations. Our Company has also availed product liability insurance coverage for its products. Our Company believes that its insurance coverage is adequate and consistent with industry standards. We generally maintain insurance covering our assets and operations at levels that we believe to be appropriate. However, as our Company enters additional markets with its products, our Company shall take necessary additional insurance coverage as may be appropriate.

Our Properties

The details of the properties owned/leased by our Company are provided herein below:

Land Description	Nature of instrument executed Owned/ Leased	Term of the Lease/ leave and license & Area
Registered office		
Shop No. 41, Manisha Plaza, Sonapur Lane, Off L.B.S Marg, Kurla (West), Mumbai 400 072, India.	Rent Agreement dated January 1, 2010	Thirty six (36) months commencing from January 1, 2010
Manufacturing units (Unit I- Kalmeshwar)		
B-34, M.I.D.C Kalmeshwar Area, Kalmeshwar, District Nagpur, India.	Agreement for Sale executed by M/s Gurudev Coal Works dated July 10, 2006	2520 Sq. Mtrs.
B-35, M.I.D.C Kalmeshwar Area, Kalmeshwar, District Nagpur, India.	Transferred to our Company pursuant to Deed of Assignment dated March 27, 2006 Leased	Ninety Five (95) years commencing from November 1, 1995 5866 Sq. Mtrs.

Land Description	Nature of instrument executed Owned/ Leased	Term of the Lease/ leave and license & Area
B-36, Kalmeshwar Industrial Area, Kalmeshwar, District Nagpur, India.	Agreement to Lease dated March 17, 2006 Leased	Five (5) years commencing from March 17, 2006 to enter upon the said land for the purpose of building and executing works 1987 Sq. Mtrs.
Corporate office and Unit II (Shantinagar)		
Universal Square, 1505-1 Shantinagar, Nagpur 440 002, India.	Transferred to our Company by Universal Medicaments Private Limited pursuant to Deed of Takeover/ Transfer of Business dated March 28, 2006 Leased	Twenty Nine (29) years commencing from September 14, 2004 1744.888 Sq. Mtrs.
Unit III Hingna (D-82)		
D-82, M.I.D.C Hingna Area, Hingna, District Nagpur, India.	Transferred to our Company pursuant to Deed of Assignment dated October 20, 2006 Leased	Ninety Five (95) years commencing from July 14, 1981 1250 Sq. Mtrs. (*Plot area*) 2776 Sq. Mtrs. (*RCC construction standing thereupon*)
Unit IV- Hingna (K-10)		
K-10/1, M.I.D.C Hingna Area, Hingna, District Nagpur, India.	Deed of Sub-lease dated January 1, 2010 executed with Universal Medicaments Private Limited	Ten (10) years commencing from January 1, 2010
Unit V - Kalmeshwar (Plot No. P-338)		
Plot No. P-338, Kalmeshwar, Nagpur, India.	Sale Deed dated December 17, 2009 between Mr. Faiz Vali and our Company Owned	1 hectare 07 R*
**Our Company has made an application dated March 31, 2010 before the District Collector, Nagpur for conversion of agricultural land into non-agricultrual land.*		
Land for the Object of the Issue		
Plot No.E-3, Umred Growth Center	Letter from M.I.D.C. dated August 31, 2009 whereby M.I.D.C. has offered our Company land for manufacturing of pharmaceutical. Order dated May 12, 2010 whereby a sanction has been accorded for allotment of land for manufacturing of pharmaceutical.	22000 Sq. Mtrs.

Land Description	Nature of instrument executed Owned/ Leased	Term of the Lease/ leave and license & Area
Others		
B-1/2/3, M.I.D.C Persuani Area, Persuani, District Nagpur.	Agreement for Sale with Vidarbha Fuels Private Limited dated June 20, 2007	- 8767 m2
Godown: Khasra No.209 and Plot No. 15, Wadi, Nagpur, India.	Transferred to our Company by Universal Medicaments Private Limited pursuant to Deed of Takeover/ Transfer of Business dated March 28, 2006	Owned 1800 Sq. Ft. (167.22 Sq. Mtrs.)
Vacant land: Khasra No.32 and Plot No. 22, Wardhamna, Nagpur, India.	Transferred to our Company by Universal Medicaments Private Limited pursuant to Deed of Takeover/ Transfer of Business dated March 28, 2006	Owned 3600 Sq. Ft. (334.448 Sq. Mtrs.)

Intellectual Property Rights

I. Trademarks of our Company

No.	Trademark	Registration/ Application No.	Class	Registration/ Application Date	Status / Validity
Trademarks applied for and registered in the name of our Company					
1.	UNIJULES LIFE SCIENCES LTD. "From Farm to Pharma"	1560785	5	May 22, 2007	May 21, 2017
2.	RevAyur HERTUFF (Device of Sunflower)	1525466	5	January 29, 2007	January 29, 2017
3.	MOROLAC	01925671	5	February 22, 2010	Pending registration
4.	FEMEREZ	01925672	5	February 22, 2010	Pending registration
5.	ARJUCARD	01925673	5	February 22, 2010	Pending registration
6.	VALIDO	01925674	5	February 22, 2010	Pending registration
7.	UNEX	01925675	5	February 22, 2010	Pending registration
8.	HERBOKAM PLUS	01925676	5	February 22, 2010	Pending registration
9.	LAXORIN	01925677	5	February 22, 2010	Pending registration
10.	Recalit	01925678	5	February 22, 2010	Pending registration
11.	RevAyur (Device of Flower)	1560786	3	May 22, 2007	Pending registration (Opposed by Three-N-Products Private Limited)
12.	REVYUR	1908627	3	January 13, 2010	Pending registration
13.	REVYUR	1908628	5	January 13, 2010	Pending registration
14.	CHAAR MUNDI BRAND	1944836	5	April 1, 2010	Pending registration
15.	CVILIN	1952374	5	April 19, 2010	Pending registration
16.	GMP PLUS	1946728	5	April 6, 2010	Pending registration
17.	SANZO	1937516	5	March 17, 2010	Pending registration
18.	UNFAT	1937515	5	March 17, 2010	Pending registration

No.	Trademark	Registration/ Application No.	Class	Registration/ Application Date	Status / Validity
19.	UNIMOX-CV	1981216	5	June 17, 2010	Pending registration
20.	UNILYTE	1964255	5	May 12, 2010	Pending registration
21.	VEG-V	1964258	5	May 12, 2010	Pending registration
22.	ASTHMIN-S	1964257	5	May 12, 2010	Pending registration
23.	UGYANETONE	1964256	5	May 12, 2010	Pending registration
24.	VALILIV	1964260	5	May 12, 2010	Pending registration
25.	DIARIALL-S	1964261	5	May 12, 2010	Pending registration
26.	ARGULIP	1964251	5	May 12, 2010	Pending registration
27.	TRIMASULPH	1964252	5	May 12, 2010	Pending registration
28.	GLUSYRON	1964254	5	May 12, 2010	Pending registration
29.	LINCODIN	1964253	5	May 12, 2010	Pending registration
30.	MAGLUGEL	1964259	5	May 12, 2010	Pending registration
31.	JUCITRON	1964250	5	May 12, 2010	Pending registration
32.	RevAyur (*Application made in France*)	083608115	5	October 10, 2008	October 10, 2018
Trademarks registered in the name of H. Jules & Co. Limited*					
33.	NIOSCAN 350 (Label)	1421231	5	February 14, 2006	February 13, 2016
34.	NIOSCAN 300 (Label)	1421232	5	February 14, 2006	February 13, 2016
35.	UNIRAY - 370	1268112	5	February 20, 2004	February 20, 2014
36.	UNIRAY - 300	1268111	5	February 20, 2004	February 20, 2014
37.	NI 300	1186018	5	March 26, 2003	March 26, 2013
38.	NI 370	1186019	5	March 26, 2003	March 26, 2013
39.	UROSCAN - 76	869172	5	August 2, 1999	Renewed till August 2, 2019
40.	UROSCAN 60	869173	5	August 2, 1999	Renewed till August 31, 2019
41.	ANGIOSCAN - 65	873889	5	August 31, 1999	Renewed till August 30, 2019
42.	ACIPAR	637269	5	March 11, 2004	Renewed till August 18, 2014
43.	MALIPRIM	538990	5	October 29, 1990	Renewed till October 29, 2014
44.	NILACID	530904	5	May 4, 1990	Renewed till May 4, 2014
45.	FEBRONAL	120846	5	April 9, 1946	Renewed till April 9, 2010*
**Our Company has submitted its application dated September 6, 2010 under Form TM-12 for renewal of the aforementioned trademark.*					
46.	FEBRONAL (label)	120848	5	April 9,1946	Renwed till April 9, 2020
Trademarks registered in the name of Universal Medicaments Private Limited**					
47.	KARNIM	530903	5	May 4, 1990	Renewed till June 4, 2014
48.	RHEUMAX	530905	5	May 4, 1990	Renewed till May 4, 2014
49.	HERBOSOL	530906	5	May 4, 1990	Renewed till May 4, 2014
50.	MINITONE	1028014	5	July 17, 2001	July 17, 2011
51.	GAMBENZ	1024128	5	July 6, 2001	July 6, 2011

No.	Trademark	Registration/ Application No.	Class	Registration/ Application Date	Status / Validity
52.	CLOTIM	579485	5	August 19, 1992	Renewed till August 19, 2016
53.	PARACYP	476569	5	August 10, 1987	August 10, 2018
54.	SEPTICOL	478025	5	September 9, 1987	September 9, 2018
55.	REVAYUR	1175460	5	February 17, 2003	Pending registration (Opposed by Three-N-Products Private Limited)
Trademarks registered in the name of related entities* **					
56.	RIDOKOF	460827	5	September 29, 1986	September 29, 2017
57.	AMODYS	331371	5	December 9, 1977	Renewed till December 9, 2015
58.	BRONCHODREX	318327	5	September 6, 1976	Renewed till September 6, 2014
59.	FEBRORIN	460824	5	September 29, 1986	Renewed till September 29, 2017
60.	PARACODRATE	318328	5	September 6, 1976	Renewed till September 6, 2014
61.	THEOLLINE	476767	5	August 12, 1987	Renewed till August 12, 2018

** The aforementioned trademarks have been assigned/transferred in the name of our Company pursuant to the Deed of Assignment dated October 20, 2006 with H. Jules & Co. Limited.*
*** The aforementioned trademarks have been assigned/transferred in the name of our Company pursuant to the Deed of Takeover/transfer of business dated March 28, 2006 with Universal Medicaments Private Limited and Universal Medikit Private Limited.*
*** Our Company is in the process of renewing and transferring these trademarks in the name of our Company.*

II. Patent applications filed by of our Company

Our Company has filed three (3) patent applications with the World Intellectual Property Organization (WIPO). The details of these applications are set out below:

(i) Application bearing PCT/IN2006/000479 filed on November 29, 2006 for registration of "PELLETS OF HERBAL EXTRACTS AND PROCESS FOR PREPARING THE SAME".

(ii) Application bearing PCT/IN2007/000455 filed on September 26, 2007 for registration of "HERBAL GASTROINTENSTINAL CONTROLLED DRUG DELIVERY DOSAGE FORMS INCLUDING PELLETS AND PROCESS FOR THEIR PREPARATION".

(iii) Application bearing PCT/IN2010/00404 on June 15, 2010 for registration of "RAPID DISSOLVABLE ORAL FILM FOR DELIVERING HERBAL EXTRACT/S WITH OR WITHOUT OTHER PHARMACEUTICALLY ACTIVE AGENTS".

Our Company has also filed a National Phase Application PI 20084522 in Malaysia for the patent registration of "PELLETS OF HERBAL EXTRACTS AND PROCESS FOR PREPARING THE SAME".

Further, our Company has filed separate patent applications for the above inventions with the Patent Office, Mumbai.

KEY REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India. The regulations set below are not exhaustive, and is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional legal advice. We set forth below are certain significant legislations and regulations which govern this industry in India:

Indian Regulations

The drugs and formulations industry in India is supervised by the Ministry of Health and Family Welfare, GoI ("***MoH***"). The MoH issues notifications under the regulations given below and also mandates the requirement of licenses for manufacture or sale or distribution, and also appoints the central license approving authority, the Drugs Controller General of India. The Department of Science and Technology, under the Ministry of Science and Technology, GoI ("***MoST***"), promotes new areas of science and technology with special emphasis on research and development.

1. Drugs and Cosmetics Act, 1940 (the "***DCA***"**)**

Matters pertaining to drug formulations, biologicals and APIs are governed by the DCA, which regulates the import, manufacture, distribution and sale of drugs in India as well as aspects relating to labelling, packing, testing and licensing. Under the DCA, while regulation of manufacture, sale and distribution of drugs is primarily the responsibility of the state authorities, the central authorities are responsible for approval of new drugs, clinical trials, laying down standards, control over imported drugs and coordination of activities of state drug control organizations. These procedures involve obtaining a series of approvals for different stages at which drugs are tested, before the Drug Controller General of India (the "***DCGI***"), an authority constituted under the DCA, which is empowered to grant the final license to allow drugs to be manufactured and marketed. The Central Drugs Standard Control Organization (the "***CDSCO***") is responsible for testing and approving APIs and formulations in consultation with the DCGI.

At the first instance, an application is made to the DCGI, who issues a no-objection certificate after looking into the medical and chemical data and the toxicity of the drug. The next stage of testing is at the central drug laboratories, where the drug is subjected to a series of tests for its chemical integrity and analytical purity. If the drug meets the standards required by the DCGI, a certificate is issued by the DGCI in that regard. In the case of APIs, the DCGI issues a manufacturing and marketing license which is submitted by the company seeking to produce the drug to the drug control administration of the state (the "***State DCA***"), which clears the drug for manufacturing and marketing. The State DCA also approves technical staff as per the DCA and the Drugs and Cosmetics Rules, 1945 (the "***Drugs Rules***") framed in compliance with the World Health Organization (the"***WHO***") and the "current good manufacturing practices" (the "***cGMP***") inspection norms. The Drugs Rules also provide for certain "good manufacturing practices" to be followed on premises manufacturing pharmaceutical products and while dealing with the raw materials for the same. In addition, certain specific requirements have been formulated with regard to the manufacture of APIs, like building specifications, product containers, inprocess controls, provision of utilities and services etc. that need to be mandatorily complied with.

Under the DCA, the GoI 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 an 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 DCA also regulates the import of drugs into India, and prohibits the import of certain categories of drugs into India, for instance (i) any drug which is not of standard quality, (ii) any misbranded drug, (iii) any adulterated or spurious drug, (iv) any drug for the import of which a licence is prescribed, otherwise than under, and in accordance with, such licence, (v) any patent or proprietary medicine, unless there is displayed in the prescribed manner on the label or container thereof the true formula or list of APIs contained in it together with the quantities thereof, (vi) any drug which by means of any statement, design or device accompanying it or by any other means, purports or claims to cure or mitigate any such disease or ailment, or to have any such other effect, as may be prescribed, and (vii) any drug the import of which is prohibited under the DCA or the Drugs Rules. This restriction shall not apply, subject to prescribed conditions, to the import of small quantities of any drug for examination, testing, analysis or personal use. The GoI may, after consultation with the Drugs Technical Advisory Board, by notification in the official gazette, permit, subject to any conditions specified in the notification, the import of any drug or class of drugs not being of standard quality. Further, if the GoI is satisfied that the use of any drug involves any risk to human beings or animals or that any drug does not have the therapeutic value claimed for it or contains ingredients and in such quantity for which there is no therapeutic justification and that in the public interest it is necessary or expedient so to do, it may, by notification in the official gazette, prohibit the import of such drug or cosmetic.

2. Essential Commodities Act, 1955 (the "***ECA***"**)**

The ECA gives powers to the GoI to, among other things, regulate production, distribution and quality of essential commodities including drugs, for maintaining or increasing supplies and for securing their equitable distribution and availability at fair prices. Using the powers under it, various ministries/departments of the Government have issued control orders for regulating production, distribution, quality aspects, movement and prices pertaining to the commodities which are essential and administered by them. The state governments have issued various control orders to regulate various aspects of trading in essential commodities.

3. Drugs (Prices Control) Order, 1995 (the "***DPCO***"**)**

The first drug price control orders in India were issued under the Defence of India Act, 1963. Thereafter, from 1970 onwards and until the promulgation of the DPCO, drug price control orders were issued under the ECA. The DPCO was promulgated under the ECA and is to be read with the DCA. The DPCO fixes the price for certain APIs and formulations, which are called scheduled drugs and scheduled formulations, respectively.

The National Pharmaceutical Pricing Authority (the "***NPPA***"), established under the DPCO on August 29, 1997, is an independent body of experts responsible for the collection of data and study of the pricing structure of APIs and formulations and to enforce prices and availability of medicines in the country, under the DPCO. The NPPA monitors the prices of medicines as per monthly audit reports. Upon recommendation of the NPPA, the Ministry of Chemicals and Fertilizers, GoI, fixes the ceiling prices of the APIs and formulations and issues notifications on drugs which are scheduled drugs and formulations. The NPPA arrives at the recommended prices for the scheduled drugs and formulations after collection and analysis of data on costing which includes data on raw material, composition, packing materials, process losses, overhead allocation and appointment, capacity utilization, technical data on manufacturing work orders and packing work orders.

The GoI has the power under the DPCO to recover amounts charged in excess of the notified price from the manufacturer, importer or distributor of the drugs and the said amounts are to be deposited in the Drugs Prices Equalization Account. The penalty for contravention of any rules and regulations under the ECA or other provisions of the DPCO is minimum imprisonment of three months, which may extend to seven years, and the violator is also liable to pay fine. These provisions are applicable to all scheduled formulations irrespective of whether they are imported or patented, unless they are exempt.

Prices of non-scheduled formulations are fixed by the manufacturers themselves keeping in view factors like cost of production, marketing expenses, research and development expenses, trade commission, market competition, product innovation and product quality. However, the prices of other (non-scheduled) drugs can be regulated under the ECA and DPCO, if warranted in public interest. Under Section 7 of the ECA, the penalty for contravention of the DPCO is a minimum imprisonment of three months, which may extend to seven years and the violator is also liable to pay fine.

4. Pharmacy Act, 1948 ("PA")

The PA provides that all pharmacists require a registration under the PA, which registration process includes providing: (a) the full name and residential address of the pharmacist; (b) the date of his first admission to the register; (c) his qualifications for registration; (d) his professional address, and if he is employed by any person, the name of such person; and (e) such further particulars as may be prescribed.

5. Drug Policy, 2002

The main objectives of the Drug Policy 2002 are several and include ensuring abundant availability at reasonable prices within the country of good quality essential pharmaceuticals of mass consumption. It also concentrates on strengthening the indigenous capability for cost effective quality production and exports of pharmaceuticals by reducing barriers to trade in the pharmaceutical sector and strengthening the system of quality control over drug and pharmaceutical production and distribution to make quality an essential attribute of the Indian pharmaceutical industry and promoting rational use of pharmaceuticals. The Policy further encourages the R&D in the pharmaceutical sector in a manner compatible with the country's needs and with particular focus on diseases endemic or relevant to India by creating an environment conducive to channelising a higher level of investment into R&D in pharmaceuticals in India. Creating an incentive framework for the pharmaceutical industry which promotes new investment into pharmaceutical industry and encourages the introduction of new technologies and new drugs is another important aspet which has been examined b this Policy.

6. National List of Essential Medicines, 2003

The MoH introduced the National Essential Drugs List (the "***NEDL***") in 1996, modelled on the WHO Essential Drugs List. The NEDL was meant to be an indicator of availability of the included drugs (approved by the DCGI) in the country. The NEDL was reviewed by a committee of experts constituted by the Director General of Health Services, MoH, and was revised and adopted as the National List of Essential Medicines (the "***NLEM***") in 2003. Currently, the NLEM has 354 medicines included in it.

7. Pharmaceutical Research and Development Support Fund and Drug Development Promotion Board

The Pharmaceutical Research and Development Support Fund and the Drug Development Promotion Board were established in January, 2004 under the administrative control of the Department of Science and Technology, MoST, to create enabling infrastructure to facilitate new drug development through supporting R&D projects jointly proposed by industry and academic institutions / laboratories, and to extend soft loans for R&D to publicly funded drug R&D institutions. The fund seeks to support research in all systems of medicine, including setting up of facilities, support joint research projects of industry and institution and provide loan amount of up to 70 % of the project cost.

8. Pharmaceutical Export Promotion Council

The Pharmaceutical Export Promotion Council (the "***Pharmexcil***") was set up by the Ministry of Commerce and Industry, GoI (the "***MCI***"), on May 12, 2004, in order to serve as an exclusive export promotion council for the Indian pharmaceutical industry. Pharmexcil is the sole issuer of registration-cum-membership certificates to exporters of pharmaceutical products in India. Pharmexcil takes on several external trade promotion activities by organizing trade delegations outside India, arranging buyer-seller meetings and organizing international seminars. Various pharmaceutical products such as bulk drugs and formulations, collaborative research, contract manufacturing, diagnostics, clinical trials and consultancy are covered under its purview.

9. Indian Pharmacopoeia Commission

The GoI has established the Indian Pharmacopoeia Commission (the "Pharmacopoeia Commission") which is an autonomous institution under the aegis of the MoH, dedicated to setting standards for drugs, pharmaceuticals, healthcare devices and technologies etc. besides providing reference substances and training. The Pharmacopoeia Commission aims to develop comprehensive monographs for drugs to be included in the Indian pharmacopoeia, including APIs, excipients and dosage forms as well as medical devices, and to keep them updated by revision on a regular basis. The Pharmacopoeia Commission publishes the Indian Pharmacopoeia, which acts as the official book of standards, and medicines produced in India must comply with the specified standards. The pharmacopoeial standards and acceptance criteria laid out in the Indian Pharmacopoeia provide compliance requirements with which a manufacturer must comply before the release of a product for sale or distribution. In case there are any changes in quality during storage and distribution, the pharmacopoeial requirements define acceptable levels of change and it is only the materials or products that show unacceptable levels, which are rejected. It also provides that it is the responsibility of the manufacturer to ensure that the product is manufactured in accordance with the cGMP and that sufficiently stringent limits of acceptance are applied at the time of release of a batch of material or product so that the compendial standards are met until the expiry date under the storage conditions specified. The current version of the Indian Pharmacopoeia is the Indian Pharmacopoeia, 2007 (with an addendum in 2008).

10. Public Liability Insurance Act, 1991

The Public Liability Insurance Act, 1991 (the "***Public Liability Act***") imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the Government by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute towards the environment relief fund, a sum equal to the premium paid on the insurance policies. The amount is payable to the insurer.

11. Voluntary Certification Scheme for AYUSH Products

The Department of Ayurveda, Yoga & Naturopathy, Unani, Siddha and Homoeopathy ("Department of AYUSH") was established as Department of Indian Systems of Medicines and Homoeopathy in Ministry of Health & Family Welfare in March, 1995. The Ayurveda, Yoga & Naturopathy, Unani, Siddha and Homoeopathy products ("AYUSH products") are regulated under the Drugs and Cosmetics Act, 1940 by the Drugs Controller General of India through the State Governments. The Department of AYUSH has introducing a voluntary product certification scheme for selected AYUSH products to enhance consumer confidence. The Scheme is based on a criteria for certification. It has two levels a) AYUSH Standard Mark which is based on compliance to the domestic regulatory requirements. The Domestic regulation means regulatory requirements prescribed under the Drugs and Cosmetics Act, 1940 for AYUSH products. b) AYUSH Premium Mark which is based on GMP requirements based on WHO Guidelines and product requirements with flexibility to certify against any overseas regulation provided these are stricter than the former criteria. The Certification also requires adherence to the permissible levels of contaminants as prescribed by AYUSH. Regulations of importing countries are to be identified by the organization seeking certification and provided to the Certification Body. Under this scheme, each manufacturing unit would obtain a certification from a approved Certification Body which is accredited to appropriate international standards by the National Accreditation Board for Certification Bodies ("NABCB") and will be under regular surveillance of the certification body.

The elements of the Certification process are a) evaluation of the manufacturing facility for manufacturing and hygiene processes, and capability to manufacture AYUSH products of a desired quality on a continuous basis, b) evaluation of the quality of the AYUSH product for compliance to relevant certification criteria through testing of products sampled from the manufacturing facility and the market or any other source.

The Scheme is open to all manufacturing organizations that are legal entities in India. The Department of AYUSH itself is not involved in the certification of AYUSH products. It is the owner of the Certification Scheme, Certification Criteria and the Certification Mark. Certification is operated by independent product certification bodies duly accredited by NABCB and/or recommended by Quality Council of India. The AYUSH Certification Mark is for use only by organisations that have achieved product certification. The AYUSH Certification Mark is to be affixed on the product and its packaging to depict product conformity to requirements of the AYUSH certification criteria.

Industrial Laws:

12. The Factories Act, 1948

The Factories Act, 1948 regulates occupational safety, health and welfare of workers of the industries, in which 10 or more workers are employed on any day of the preceding 12 months and are engaged in the manufacturing process being carried out with the aid of power. The ambit of the Factories Act includes provisions as to the approval of factory building plans before construction or extension, investigation of complaints, maintenance of registers and the submission of yearly and half-yearly returns.

13. The Payment of Wages Act, 1936

The Payment of Wages Act, 1936 applies to persons employed in factories and industrial or other establishments where the monthly wages payable are less than Rs 10,000. It requires the persons responsible for payment of wages to maintain certain registers and display of the abstracts of the rules made their under.

14. The Minimum Wages Act, 1948

The Minimum Wages Act, 1948 provides for minimum wages in certain employments. The central and the state governments stipulate the scheduled employment and fix minimum wages, calculated based on the basic requirement of food, clothing, housing required by an average Indian adult.

15. Contract Labour (Regulation and Abolition) Act, 1970

The Contract Labour (Regulation and Abolition) Act, 1970 applies to every establishment in which 20 or more workmen are employed or were employed on any day on the preceding 12 months as contract Labour and to every contractor who employs or who employed on any day of the preceding 12 months 20 or more workmen. It does not apply to establishments where the work performed is of intermittent or casual nature. It aims to prevent any exploitation of the persons engaged as contract labour, who are generally neither borne on pay roll or muster roll nor is paid wages directly. It provides for registration requirements of the principal employer, who has the responsibility for inadequate wage payments by the contractor to the labour.

16. The Shops and Establishment Act, 1948

The Shops and Establishment Act, 1948 governs a company in the states where it has offices/godowns. It regulates the conditions of work and employment in shops and commercial establishments and generally prescribes obligations in respect of registration, opening and closing hours, daily and weekly working hours, health and safety measures, and wages for overtime work.

17. The Minimum Wages Act, 1948

The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to this Act, in respect of which minimum rates of wages have been fixed or revised under the Act.

18. The Workmen's Compensation Act, 1923

The Workmen's Compensation Act, 1923 has been enacted with the objective to provide for the payment by certain classes of employers to their workmen or their survivors, compensation for industrial accidents and occupational diseases resulting in death or disablement. In case the employer fails to pay compensation due under the Act within one month from the date it falls due the Commissioner may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

19. The Payment of Gratuity Act, 1972

The Payment of Gratuity Act, 1972 was enacted with the objective to regulate the payment of gratuity, to an employee who has rendered for his long and meritorious service, at the time of termination of his services. Gratuity is payable to an employee on the termination of his employment after he has rendered continuous service for not less than five years:

a) On his/her superannuation; or
b) On his/her retirement or resignation; or
c) On his/her death or disablement due to accident or disease (in this case the minimum requirement of five years does not apply).

20. The Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965 was enacted with the objective of providing of payment of bonus to employees on the basis of profit or on the basis of productivity. This Act ensures that a minimum annual bonus is payable to every employee regardless of whether the employer has made a profit or a loss in the accounting year in which the bonus is payable. Every employer is bound to pay to every employee, in respect of the accounting year, a minimum bonus which is 8.33% of the salary or wage earned by the employee during the accounting year or Rs. 100, whichever is higher.

21. Employees' Provident Funds and Miscellaneous Provisions Act, 1952

Employees' Provident Funds and Miscellaneous Provisions Act, 1952 was introduced with the object to institute provident fund for the benefit of employees in factories and other establishments. It empowers the Central Government to frame the "Employee's Provident Fund Scheme", "Employee's Deposit linked Insurance Scheme' and the "Employees' Family Pension Scheme" for the establishment of provident funds under the EPFA for the employees. It also prescribes that contributions to the provident fund are to be made by the employer and the employee.

22. The Employees State Insurance Act, 1948

The Employees State Insurance Act, 1948applies to all establishments where 20 or more persons are employed are required to be registered with the Employees State Insurance Corporation. The ESI Act requires all employees of the factories and establishments to which it applies to be insured in the manner provided. Further, both employers and employees are required to make contribution to the ESI fund, of which returns are required to be filed with the ESI department.

23. The Industrial Employment (Standing Orders) Act, 1946

The Industrial Employment (Standing Orders) Act, 1946 requires employers in industrial establishments, which employ 100 or more workmen to define with sufficient precision the conditions of employment of workmen employed and to make them known to such workmen. The Standing Orders Act requires every employer to which the Standing Orders Act applies to certify and register the draft standing order proposed by such employer in the prescribed manner. However until the draft standing orders are certified, the prescribed standing orders given in the Standing Orders Act must be followed.

24. The Industrial Disputes Act, 1947

The Industrial Disputes Act, 1947 makes provisions for investigation and settlement of industrial disputes and for providing certain safeguards to the workers.

<u>Environmental Laws</u>:

25. The Environmental Protection Act, 1986

The three major statutes in India, which seek to regulate and protect the environment against pollution related activities in India are the Water Act, the Air Act, and the Environment Protection Act, 1986 (the "***EPA Act***"). The basic purpose of these statutes is to control, abate and prevent pollution. In order to achieve these objectives, the pollution control boards (the "***PCBs***") which are vested with diverse powers to deal with water and air pollution, have been set up in each state. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking investigations to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation if the authorities are aware of or suspect pollution. All industries and factories are required to obtain consent orders from the PCBs, which are indicative of the fact that the factory or industry in question is functioning in compliance with the pollution control norms laid down. These are required to be renewed annually.

26. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 (the "***HWM Rules***"**)**

The issue of management, storage, and disposal of hazardous waste is regulated by the HWM Rules made under the EPA Act. Under the HWM Rules, the PCBs are empowered to grant authorization for collection, treatment, storage and disposal of hazardous waste, either to the occupier or the operator of the facility. A similar regulatory framework is also established with respect to bio-medical waste under the Bio-Medical Waste (Management and Handling) Rules, 1998.

27. Hazardous Chemicals Rules, 1989

The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989 (the "Hazardous Chemicals Rules") stipulate that an occupier in control of an industrial activity has to provide evidence for having identified the major accidental hazards and taking adequate steps to prevent major accidents and to limit their consequences to persons and the environment. The persons working on site have to be provided with information, training and equipments including antidotes necessary to ensure their safety.

28. The Hazardous Wastes (Management and Handling) Rules, 1989

The Hazardous Wastes (Management and Handling) Rules, 1989 provides for control and regulation of hazardous wastes as defined under the Rules discharged by the operations of undertakings. Prior consent of the Pollution Control Board must be obtained for any new outlet or unit, likely to discharge sewage or effluent.

Intellectual Property Laws:

29. The Patents Act, 1970

The Patents Act, 1970 (the "***Patents Act***") governs the patent regime in India. Historically, India granted patent protection only to processes and not to products (i.e., only the process to manufacture a drug is protected and not the drug itself). This meant that if a drug company could find an alternative process to produce the same formulation as a competitor, it could sell such an alternative process in India without fear of patent infringement suits. In 1995, under the general agreement on tariffs and trade, India became a signatory to the trade related agreement on intellectual property rights (the "***TRIPS***"). The TRIPS requires India to recognize product patents as well as process patents, which is all that were granted under the Patents Act. The regime provided for recognition of product patents, patent protection period of 20 years as opposed to the previous seven year protection for process, allowed patent protections on imported products, and provided that under certain circumstances, the burden of proof in case of infringement of process patents may be transferred to the alleged infringer. As a developing country, India was granted a grace period of 10 years to comply with product patent laws under the WTO agreement, meaning that the product patent regime came into force in India from 2005, pursuant to the Patents (Amendment) Act, 2005.

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 Section 3 of the Patents Act which determines what are not patents.

The explanation to Section 3(d) of the Patents Act 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) of the Patents Act 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.

30. The Trademarks Act, 1999

A trademark is used in relation to goods so as to indicate a connection in the course of trade between the goods and some person having the right as proprietor or user 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. The Trademarks Act, 1999 (the "***Trademarks Act***") governs the registration, acquisition, transfer and infringement of trademarks and remedies available to a registered proprietor or user of a trademark. The registration of a trademark is valid for a period of 10 years but can be renewed in accordance with the specified procedure.

Currently, a person desirous of obtaining registration of his trademark in other countries has to make separate applications in different languages and disburse different fees in the respective countries. However, the Madrid Protocol, administered by the International Bureau of the World Intellectual Property Organization ("***WIPO***"), of which India is a member country, aims to facilitate global registration of trademarks by enabling nationals of member countries to secure protection of trademarks by filing a single application with one fee and in one language in their country of origin. This in turn is transmitted to the other designated countries through the International Bureau of the WIPO. The Trademarks (Amendment) Bill 2009 was recently tabled before the Lok Sabha, to amend the Trademarks Act to enable Indian nationals as well as foreign nationals to secure simultaneous protection of trademarks in other countries, and to empower the Registrar of Trademarks accordingly, as well as to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to bring the law generally in line with international practice.

31. Patent Cooperation Treaty, 1970

The PCT is administered by the World Intellectual Property Organization (the "WIPO"). The PCT facilitates filing of patent applications under a single umbrella and provides for simplified procedure for the search and examination of such applications. PCT applications claim priority over ordinary patent applications. The PCT has two phases – national and international. A national phase is when they are converted into national patent applications in designated countries of interest, and an international phase is when a PCT application is an international application at the International Bureau (the "IB") at the WIPO, Geneva. During the international phase, the designated international searching authority conducts a patent search and an international search report is provided within around six months of filing to assist the application in deciding whether or not to proceed with patent protection.

Foreign Investment Regime in Pharmaceutical Sector:

Foreign investment in India is governed primarily by the provisions of the Foreign Exchange Management Act ("***FEMA***"), and the rules, regulations and notifications thereunder, as issued by the RBI from time to time, and the policy prescribed by the Department of Industrial Policy and Promotion, which provides for whether or not approval of the Foreign Investment Promotion Board ("***FIPB***") is required for activities to be carried out by foreigners in India. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. As laid down by the FEMA Regulations, no prior consents and approvals is required from the RBI, for FDI under the "automatic route" within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. At present, FDI in the Indian pharmaceutical sector is permitted up to 100% through the "automatic route", which does not require prior approval of the GoI or the RBI.

Miscellenous Laws:

32. Narcotic Drugs and Psychotropic Substances Act, 1985

The Narcotic Drugs and Psychotropic Substances Act, 1985 provides for the GoI to take all measures necessary or expedient for the purpose of preventing and combating abuse of manufactured drugs and the illicit traffic therein. Violation of any provision under the Narcotic Act may attract a penalty in excess of Rs. 1 lakh.

33. The Standard of Weights and Measures Act, 1976

The Standard of Weights and Measures Act, 1976 aims at introducing standards in relation to weights and measures used in trade and commerce, to provide better protection to consumers by ensuring accuracy in weights and measures and to regulate trade or commerce where goods are sold or distributed by weights, measures or numbers. Use of non-standard weights and measures is a criminal offence under the Weights and Measures Act. Although the Weights and Measures Act is a central legislation, it is enforced by the state governments under the Standard of Weights and Measures (Enforcement) Act, 1985 ("Weights and Measures Enforcement Act"). The Rajya Sabha has recently passed the Legal Metrology Bill, 2008 which seeks to repeal the Weights and Measures Act and the Weights and Measures Enforcement Act, to introduce a single comprehensive statute which would be enforced centrally, with delegation of certain powers and responsibilities to state governments for inter-state trade and commerce.

34. Indian Boiler Regulations, 1950

Under the Boiler Regulations, a boiler is inspected by the inspectorate as per the procedure laid down under the Boiler Regulations and if found satisfactory, a certificate is issued for operation for a maximum period of one year. The objective of the Boiler Regulations is mainly to provide for the safety of life and property of persons from the danger of explosions of steam boilers and for achieving uniformity in registration and inspection during operation and maintenance of boilers in India. Violation of any provision under the Boiler Regulations may attract a penalty of Rs. 5,000 or more.

35. Explosives Act, 1884

Under the Explosives Act, 1884 the Government has the power to regulate the manufacture, possession, use, sale, transport and importation of explosives and grant of license for the same activities. The Government may prohibit the manufacture, possession or importation of especially dangerous explosives. Any contravention of the Explosives Act or rules made under it, being the Explosives Rules, 1983, may lead to an arrest without warrant and imprisonment for three years, including a fine which may extend up to Rs. 5,000.

36. Foreign Trade (Development and Regulation) Act, 1992

The Foreign Trade Act was enacted to provide for the development and regulation of foreign trade by facilitating imports into and augmenting exports from India. The Foreign Trade Act prohibits anybody from undertaking any import or export except under an importer-exporter code number granted by the Director General of Foreign Trade. Any contravention of the provisions of the Foreign Trade Act would result in a penalty of Rs.1,000 or five times the value of the goods in which contravention is made or attempted to be made.

37. United States Regulations

In the United States, the USFDA, established under the Department of Health and Human Services, regulates medicines through its Center for Drug Evaluation and Research. For biological products, the Centre for Biologics Evaluation and Research, also under the USFDA, is responsible for ensuring the safety and efficacy of the products. The USFDA has issued guidelines relating to good clinical practice and clinical trials that are to be followed even by manufacturers of APIs outside the US.

The USFDA mandates drugs to be manufactured in conformity with the cGMP. The establishment and operation of facilities, within or outside the US, in which the APIs or drugs are manufactured, and the manufacture and marketing of new drug compounds, new formulations for existing drug compounds and generic drugs require USFDA approval.

To obtain USFDA approval for a new drug to be used in a clinical investigation, an INDA has to be filed along with data and information relating to pre-clinical Laboratory and animal toxicology tests, methods of manufacture of the product, quality control testing, etc. Thereafter, for the sale and marketing of a new pharmaceutical product or new formulations for existing drug compounds in the US, an NDA, has to be made to the USFDA.

The relevant application for approval of a generic drug manufacturer is the ANDA. This application has its basis in the Hatch-Waxman Act, 1984, which permits generic versions of previously approved innovator drugs to be approved by submission of bio-equivalency data without the need for complete reports of pre-clinical and clinical studies. An ANDA is required to include certifications of invalidity or non-infringement of any patents relating to certain listed drugs, by the generic drug applied for (paragraph IV certification). The Hatch-Waxman Act provides an incentive of 180 days of market exclusivity to the first generic applicant who challenges a patented drug by filing a paragraph IV certification.

In the case of a bulk supplier of APIs to a US Company, the DMF assumes importance. The DMF contains confidential, detailed information about facilities, processes, or articles used in the manufacturing, processing, packaging, and storing of the APIs. The DMF supports the INDA, NDA or ANDA, as the case may be, and is submitted by the supplier of the API. Upon submission of an INDA, NDA or ANDA by the US Company for the finished product, the USFDA examines the DMF in the course of reviewing the INDA, NDA or ANDA. Increasingly, the USFDA is adopting the format contained in the Common Technical Document for submission of technical data to regulatory authorities.

38. European Directorate for the Quality of Medicines (the "EDQM")

The EDQM is a Directorate of the Council of Europe located in Strasbourg, France. It is responsible for the preparation, establishment and distribution of chemical and biological reference standards and for the evaluation of applications for certificates of suitability of the monographs of the European Pharmacopoeia and coordination of related inspections. The objective of EDQM is to establish and provide official standards applicable to the manufacture and quality control of medicines in Europe, and ensuring application of these official standards to substances used for the production of medicines.

HISTORY AND CERTAIN CORPORATE MATTERS

History and Background

Our Company was incorporated as a public limited company under the Companies Act, 1956 in the name of Unijules Life Sciences Limited at Mumbai vide Certificate of Incorporation dated January 16, 2006 bearing Corporate Indentity Number (CIN) U52311MH2006PLC158928. Our Company was granted the Certificate of Commencement of Business by the Registrar of Companies, Maharashtra, Mumbai ("RoC") on January 20, 2006.

Our Company in the year 2006 acquired Universal Medicaments Private Limited making it a Wholly Owned Subsidiary (WoS) of our Company. However in March 2009, our Company transferred its stake to our Promoter thereby making it our Group Company. For further details on Universal Medicaments Private Limited, please refer to the section titled "Our Group Companies" beginning on page 314 of the Draft Red Herring Prospectus.

Further in the year 2006, pursuant to a Deed of Takeover/Transfer of Business dated March 28, 2006, our Company acquired the business and assets of Universal Medicaments Private Limited and Universal Medikit Private Limited for an aggregate consideration of Rs.250 lakhs. Further, by way of Deed of Assignment dated March 27, 2006, Universal Medicaments Private Limited transferred and assigned its leasehold rights over Plot B-35, M.I.D.C, Kalmeshwar Nagpur in favour of our Company where our Company manufactures liquid orals, dis-infectants, powders and semi-solids pharmaceutical formulations.

Later in the year 2006, pursuant to a Deed of Assignment dated October 20, 2006, our Company acquired the business and assets of H.Jules & Co. Limited by way of a cash consideration of Rs.600 Lakhs. The assets included the leasehold rights over Plot No.D-82, M.I.D.C., Hingna, Nagpur where our Company presently manufactures its parenterals products.

Further, in the year 2008 our Company increased its shareholding in ZIM Laboratories Limited (ZIM) to 50.18%, thereby making it our subsidiary. For further details of ZIM, please refer to the sub-section titled "Subsidiaries of our Company" under this section beginning on page 181 of the Draft Red Herring Prospectus.

For further details in relation to our business including description of our activities, services, our growth, market of each segment, managerial competence and capacity built-up, profits due to our operations, technology, our standing with reference to our prominent competitors, please refer to section titled "Our Business" beginning on page 134 of the Draft Red Herring Prospectus.

Changes in registered office of our Company since incorporation

There are no changes in the registered office of our Company since its incorporation.

Injunction or Restraining Order

There are no injunctions / restraining orders that have been passed against our Company as on the date of the Draft Red Herring Prospectus.

Our Shareholders

As on the date of filing of the Draft Red Herring Prospectus, our Company has (10) shareholders. For further details in relation to our current shareholding pattern, please refer to section titled "Capital Structure" beginning on page 74 of the Draft Red Herring Prospectus.

Revaluation of Assets

Our Company has not revalued its fixed assets since incorporation.

Key Milestones

Year	Events
2006	Incorporation of our Company
	Our Company acquired the business and assets of Universal Medicaments Private Limited pursuant to Deed of Takeover and Transfer of Business dated March 28, 2006.
	Our Company acquired the assets of H.Jules & Co. Limited pursuant to a Deed of Assignment dated October 20, 2006.
	Patent application for registration of "PELLETS OF HERBAL EXTRACTS AND PROCESS FOR PREPARING THE SAME" with WIPO.
2007	Commissioning of automated formulations manufacturing facility at B-35, M.I.D.C, Kalmeshwar, Nagpur.
	Patent application for registration of "HERBAL GASTROINTENSTINAL CONTROLLED DRUG DELIVERY DOSAGE FORMS INCLUDING PELLETS AND PROCESS FOR THEIR PREPARATION" with WIPO.
2008	Increase in our shareholding to 50.18% in ZIM Laboratories Limited, a listed entity thereby making it a subsidiary of our Company
	Launch of the brand 'RevAyur Unijules'.
	Commissioning of dedicated R&D facility at Shantinagar, Nagpur
	Company receives ISO 9001: 2000 and IS ISO 9001: 2000 Certification
	Registration of our Company in Malaysia and Sri Lanka for selling pharmaceutical and herbal formulations
2009	One of our manufacturing facility at B-35, M.I.D.C, Kalmeshwar, Nagpur received a WHO cGMP certification
	Launch of herbal pellet range (HERBAJULES) in Malaysia by the Prime Minister of Malaysia
2010	Patent application made for registration of "RAPID DISSOLVABLE ORAL FILM FOR DELIVERING HERBAL EXTRACT/S WITH OR WITHOUT OTHER PHARMACEUTICALLY ACTIVE AGENTS" with WIPO and India.
	First company in India to receive the coveted "***AYUSH Products Certification***" issued by the AYUSH Department, Ministry of Health and Family Welfare, Government of India for the manufacture & supply of certain herbal products.

Changes in the activities of our Company during the last five (5) years

Except as otherwise stated in the sections titled "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations", beginning on pages 134 and 319, respectively, there have been no changes in the activities of our Company during the last five (5) years preceding the date of the Draft Red Herring Prospectus, which may have had a material effect on our profits or loss, including discontinuance of our lines of business, loss of agencies or markets and similar factors.

Defaults or Rescheduling of borrowings with financial institutions/ banks

There are no defaults or re-scheduling of any of our borrowings.

Lock-out or strikes

We have not faced any strikes or lock-outs by our employees since incorporation.

Main Objects

The main objects of our Company as contained in its Memorandum of Association is:

1. To manufacture pharmaceuticals preparations in the form of Tablets, Capsules, Liquid Orals, Powders, Ointments, Emulsions, Tincture, Suspensions, Injections, fine chemicals and bulk drugs and to carry on the business of merchants, brokers, sales agents, commission agents and general traders in relation to advertising, marketing and distributing in India & abroad of all types of pharmaceuticals and its by products and generally to engage in undertaking, performing and carrying on all functions, duties that are ordinarily or particularly by pharmaceuticals or by companies engaged in such business.

Amendments to the Memorandum of Association of our Company

Since the incorporation of our Company, the following changes have been made to our Memorandum of Association:

Date of Shareholders Approval	Nature of Amendment
March 6, 2008	Increase in Authorised Share Capital from Rs.5,00,00,000 to Rs.15,00,00,000 comprising of 15,00,000 Equity Shares of Rs. 100 each.
February 11, 2010	Sub-division of the face value of Equity Shares of our Company from Rs. 100 each to Rs. 10 each.
February 15, 2010	Increase in Authorised Share Capital from Rs.15,00,00,000 to Rs.25,00,00,000 comprising of 2,50,00,000 Equity Shares of Rs. 10 each.

Awards and Accreditations

No.	Issuing Authority	Nature of Certification	Certificate No.	Date of issuing Certificate	Validity
1.	Chief Executive, NQAQSR	Certification to cerify that the Quality Management Systems of our Company has been assessed and found to comply with ISO 9001: 2000 and IS ISO 9001: 2000	08/427/J	February 29, 2008	February 23, 2011
2.	Foodcert India Private Limited	AYUSH Products Certification certifying that certain products as mentioned in the certificate comply with the certification criterion of voluntary certification scheme for AYUSH Products, Version 01 issued by AYUSH deparment, Ministry of Health & Family Welfare, Government of India	FCI/AYUSH/0001	September 9, 2010	September 8, 2013
3.	Pharmaceuticals Export Promotion Council	Registration cum Membership Certificate for registration of	3698	May 6, 2009	March 31, 2014

No.	Issuing Authority	Nature of Certification	Certificate No.	Date of issuing Certificate	Validity
		pharmaceutical formulations, bulk drugs & drug intermediates			
4.	Halal Committee, Jamiat Ulama-E- Maharashtra	Registration Certificate to certify that our Company is registered for certain of its products enlisted	0527	October 24, 2009	October 23, 2010

Business/ Asset Acquisitions

Our Company has acquired business/ and assets as set out below:

1. Agreement with Universal Medicaments Private Limited & Universal Medikit Private Limited:

   Our Company had entered into a Deed of Takeover / Transfer of Business dated March 28, 2006 (the "***Agreement***") with Universal Medicaments Private Limited and Universal Medikit Private Limited (the "***Vendors***") for the acquisition of the businesses of the Vendors on a going concern basis along with their assets and properties, including the property situated at 1505/1 Shantinagar, M.I.D.C, Nagpur, Plot No. 22 (Wardhamna), Plot No.15 (Wadi) together with benefits of all pending contracts, engagements and orders, general licenses and registrations obtained by the Vendors for the business and its products including intellectual property for an aggregate consideration of Rs.250 lakhs.

2. Agreement with H. Jules & Co. Limited:

   Our Company has entered into a Deed of Assignment dated October 20, 2006 (the "***Agreement***") with H. Jules & Co. Limited (the "***H. Jules***"). Pursuant to the Agreement, H. Jules has assigned, transferred and granted the leasehold rights of Plot D-82, M.I.D.C, Hingna, Nagpur admeasuring 1250 Sq. Mtrs. for an aggregate consideration of Rs.75 lakhs. H. Jules has further transferred its manufacturing facilities including storage facility, quality control facility, product formula, production techniques and process facilities, knowhow and intellectual property for an aggregate consideration of Rs.600 lakhs.

Subsidiaries of our Company

Our Company has two (2) subsidiaries, *viz*. i) ZIM Laboratories Limited and ii) RevAyur Beauty Care India Private Limtied as on the date of the Draft Red Herring Prospectus.

1. ZIM Laboratories Limited ("*ZIM*")

ZIM was incorporated on February 14, 1984 bearing CIN L99999MH1984PLC032172 with the objective to carry on activities and business of manufacturing pharmaceutical preparations. Our Company holds 54.34% of the aggregate shareholding of ZIM. The registered office of ZIM is situated at 41, Manisha Plaza, Sonapur Lane, Opposite, L.B.S. Marg, Kurla (West), Mumbai 400 070. The equity shares of ZIM are listed on the Over the Counter Exchange of India (OTCEI) with effect from December 1, 1994.

Board of Directors

Name of the Director	Designation
Mr. Anwar Siraj Daud	Managing Director
Mr. Faiz Vali	Director

Name of the Director	Designation
Mr. Riaz Ahmed Kamal	Director
Mr. Awadesh Chandra Tiwari	Independent Director
Mr. Asad Firdosy	Independent Director
Dr. Veerendra Kumar Parashar	Independent Director
Mr. Hatim Bilal	Independent Director
Mr. Naresh Janardan Gaikwad	Independent Director

Changes in management

There have been no changes in the management of ZIM in the last three (3) years preceding the date of filing the Draft Red Herring Prospectus.

Capital Structure

Particulars	Number of shares (Rs. 10 each)	Nominal Value (Amount in Rs.)
Authorized Share Capital	1,10,00,000	11,00,00,000
Issued, subscribed and Paid-up Share Capital	60,00,000	6,00,00,000

Shareholding Pattern as on the date of the Draft Red Herring Prospectus

Cate-gory code	Category of shareholder	Number of shareholders	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)	
(A)	**Promoter and Promoter Group**							
(1)	**Indian**							
(a)	Individuals/ Hindu Undivided Family	14	12,31,370	-	20.52	20.52	-	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-
(c)	Bodies Corporate	2	32,60,590	-	54.34	54.34	-	-
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-
	Sub-Total (A)(1)	**16**	**44,91,960**	**-**	**74.87**	**74.87**	**-**	**-**

Cate-gory code	Category of shareholder	Number of shareholders	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)	
(2)	**Foreign**							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-
(d)	Any Other (specify)	-	-	-	-	-	-	-
	Sub-Total (A)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**16**	**44,91,960**	**-**	**74.87**	**74.87**	**-**	**-**
(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)	Any Other (specify)	-	-	-	-	-	-	-
	Sub-Total (B)(1)	-	-	-	-	-	-	-

Cate-gory code (I)	Category of shareholder (II)	Number of shareholders (III)	Total number of shares (IV)	Number of shares held in dematerialized form (V)	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B) (VI)	As a percentage of (A+B+C) (VII)	Number of Shares (VIII)	As a percentage (IX) = (VIII) / (IV) * 100
(2)	**Non-institutions**							
(a)	Bodies Corporate	44	1,06,500	2,300	1.78	1.78	-	-
(b)	Individuals - i.Individual shareholders holding nominal share capital up to Rs. 1 lakh.ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	4,318 2	9,06,140 2,65,400	44,600 2,50,000	15.10 4.42	15.10 4.42	-	-
(c)	Any Other (specify) Non Resident Indians (Repat)	103	2,30,000	4,400	3.83	3.83	-	-
	Sub-Total (B)(2)	4,467	15,08,040	3,01,300	25.13	25.13	-	-
	Total Public Shareholding (B)= (B)(1)+(B)(2)	4,467	15,08,040	3,01,300	25.13	25.13	-	-
	TOTAL (A)+(B)	**4,483**	**60,00,000**	**3,01,300**	**100**	**100**	-	-
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	**4,483**	**60,00,000**	**3,01,300**	**100**	**100**	-	-

Financial Performance

The audited financial performance for three (3) years is given below:

(Rs. in Lakhs, except per share data)

For the financial year ended	March 31, 2010	March 31, 2009	March 31, 2008
Equity Capital	600.00	600.00	500.00
Reserves and Surplus (excluding revaluation reserves)	1,807.62	1,158.96	487.90
Income/Sales	10,005.12	8,056.90	4,558.26
Profit (Loss) after Tax	649.65	676.98	324.77
Earnings per Share (in Rs.) (Face value Rs. 10)	10.83	11.44	10.61
Net Asset Value per equity share (in Rs.) (Face value Rs. 10)	40.13	29.31	13.91

Amount of accumulated profits and losses of the subsidiary not accounted by the issuer is nil.

ZIM has not become a sick company under SICA, is not under winding up and does not have negative net worth.

Details of listing and highest and lowest market price during the preceding six (6) months

The equity shares of ZIM are listed at the OTCEI. Due to lack of active trading platform on OTCEI, there has been no trading in the equity shares of ZIM since July 3, 1998. The equity shares of ZIM were last traded on July 3, 1998 at Rs.0.75 and hence there are no details available for the highest and lowest market price during the preceding six (6) months.

For further details on the litgations and securities law related proceedings, please refer to section titled "Outstanding Litigation and Material Development" beginning on page 357 of the Draft Red Herring Prospectus.

Mechanism for Redressal of Investor Grievance

Link Intime India Private Limited is the Share Transfer Agent of ZIM for both electronic as well as physical shares. The complaints/correspondence are received at various branches of Link Intime Private Limited and also directly by ZIM. Generally, a response is provided to the complaints/ correspondence within seven (7) days of receipt.

During the period from January 1, 2010 to March 31, 2010, three (3) investor complaints were received, all of which were duly redressed.

2. RevAyur Beauty Care India Private Limited ("*RBCIPL*")

Corporate Information

RBCIPL was incorporated on October 6, 2009 under the Companies Act as a private limited company with CIN U93090MH2009PTC196258. RBCIPL is registered with the RoC located at Mumbai. The registered office of RBCIPL is situated at C/o Akasa advertising, CPL Complex, Opp SFS Cathedral, Kamptee Road Sadar, Nagpur 440 002, India.

RBCIPL was incorporated with the objective to carry on activities and business to establish or run health clubs, spa, gymnasiums, swimming pools, slimming centres, yoga centres aerobics classes and to provide all other facilities and services relating to improvement of health, weight loosing to its clients.

Currently RBCIPL is engaged in trading of beauty care products.

Board of Directors as on the date of the Draft Red Herring Prospectus

Name of the Director	Designation
Mr. Faiz Vali	Director
Ms. Shehrebano Vali	Director
Mr. Manoj Kumar Sahoo	Independent Director

There have been no changes in control or management of RBCIPL in the last one (1) year preceding the date of the Draft Red Herring Prospectus.

Shareholding Pattern as on the date of the Draft Red Herring Prospectus

Particulars	No. of equity shares of Rs. 100 each	%
Unijules Life Sciences Limited	4,999	99.99
Mr. Faiz Vali	1	Negligible*
Total	**5,000**	**100**

**Mr. Faiz Vali is holding equity share in beneficial interest of our Company.*

Financial Performance

Since, RBCIPL has been incorporated in October 2009, the audited financial performance for the last one (1) years is given below:

(Rs. in lakhs except share data)

Particulars	For the year ended March 31, 2010
Equity Capital	5.00
Reserves and Surplus (excluding revaluation reserves)	-
Income/Sales (including other income)	-
Profit (Loss) after Tax	(0.21)
Earnings per Share (in Rs.) (Face value Rs. 10)	-
Net Asset Value per equity share (in Rs.) (Face value Rs. 10)	99.97

RBCIPL is an unlisted company and has not made any public or rights issue since the date of its incorporation. It has not become a sick company under SICA, is not under winding up and does not have negative net worth.

Capital raising (Debt / Equity)

Except as set out in the sections titled "Capital Structure" and "Financial Indebtedness" beginning on pages 74 and 340 respectively, our Company has not raised any capital in the form of Equity Shares or debentures.

Shareholders Agreement

As on the date of the Draft Red Herring Prospectus, our Company has not entered into any Shareholders Agreement.

Other Agreements

Our Company has not entered into any other material agreements, other than in the normal course of business.

Joint Venture / Collaborations

Our Company has not entered into any joint venture with any entity as on the date of filing of the Draft Red Herring Prospectus.

Strategic Partners

Our Company does not have any strategic partners as on the date of the Draft Red Herring Prospectus.

Financial Partners

Our Company does not have any financial partners as on the date of the Draft Red Herring Prospectus.

OUR MANAGEMENT

Board of Directors

As per our Articles of Association our Company shall not appoint less than three (3) and more than twelve (12) Directors. Currently, our Company has nine (9) Directors out of which five (5) are Independent Directors. We confirm that the composition of our Board of Directors complies with Clause 49 of the Listing Agreement.

The following table sets forth details regarding our Board of Directors as on the date of the Draft Red Herring Prospectus:

Name, Father's Name, Residential Address, Nature of Directorship, Occupation, Term and DIN	Nationality	Age	Other Directorship as on the date of the Draft Red Herring Prospectus
Mr. Faiz Vali * S/o Mr. Zakir Vali Residential Address: Universal Pharmacy, Plot No.545, Shantinagar, Nayapura, Nagpur 440 002, India. Nature of Directorship: Chairman and Managing Director Date of Re-Appointment: September 25, 2010 Term: Five (5) years from September 25, 2010 Occupation: Business DIN: 01809196	Indian	43 years	1. ZIM Laboratories Limited 2. Universal Medicaments Private Limited 3. Unijules Herbal Limited** 4. Unijules Parenterals Limited** 5. RevAyur Beauty Care India Private Limited
Mr. Ishwarlal Ambaram Trivedi S/o Mr. Ambaram Veniram Trivedi Residential Address: Flat No. 201, Gayatri Palace, Lakadapul, Nagpur 440 002, India. Nature of Directorship: Non-Independent & Executive Director Date of Re-Appointment: September 25, 2010	Indian	62 years	1. Unijules Herbal Limited** 2. Unijules Parenterals Limited**

Name, Father's Name, Residential Address, Nature of Directorship, Occupation, Term and DIN	Nationality	Age	Other Directorship as on the date of the Draft Red Herring Prospectus
Term: Five (5) years from September 25, 2010 Occupation: Professional DIN: 00363680			
Mr. Dharampal Keshawdas Bellani S/o Mr. Keshawdas Ramchand Bellani Residential Address: Block No.371-B, Gurunanak Nagar Chowk, Jaripatka, Nagpur 440 014, India. Nature of Directorship: Non-Independent & Executive Director Date of Re-Appointment: September 25, 2010 Term: Five (5) years from September 25, 2010 Occupation: Professional DIN: 01824596	Indian	54 years	-
Mr. Anwar Siraj Daud* S/o Mr. Siraj Mehfuz Daud Residential Address: Opposite Husamia High School, Shantinagar, Nagpur 440 002, India. Nature of Directorship: Non-Independent & Non-Executive Director Date of Appointment: April 18, 2008 Term: Liable to retire by rotation	Indian	50 years	1. ZIM Laboratories Limited 2. Unijules Herbal Limited** 3. Unijules Parenterals Limited**

Name, Father's Name, Residential Address, Nature of Directorship, Occupation, Term and DIN	Nationality	Age	Other Directorship as on the date of the Draft Red Herring Prospectus
Occupation: Professional DIN: 00023529			
Mr. Naresh Janardan Gaikwad S/o Mr. Janardan Gaikwad Residential Address: A2-104, MHADA Colony, Amravati Road, Nagpur 440 001, India. Nature of Directorship: Independent & Non-Executive Director Date of Appointment: March 3, 2006 Term: Liable to retire by rotation Occupation: Professional DIN: 02185462	Indian	55 years	1. ZIM Laboratories Limited
Mr. Vaibhav Deshpande S/o Mr. Shantaram Deshpande Residential Address: F. NO. 2, 224, Gulmohor Society, Nandanwan, Main Road, Nagpur 440 009, India. Nature of Directorship: Independent & Non-Executive Director Date of Appointment: March 22, 2010 Term: Liable to retire by rotation Occupation: Business DIN: 02725850	Indian	28 years	-
Mr. Manoj Kumar Sahoo	Indian	30 years	1. RevAyur Beauty Care India Private Limited

Name, Father's Name, Residential Address, Nature of Directorship, Occupation, Term and DIN	Nationality	Age	Other Directorship as on the date of the Draft Red Herring Prospectus
S/o Mr. Niranjan Sahoo Residential Address: Flat No.202, Jai Umiya Regency, Amba Nagar, Besa road, Manewada, Nagpur 440 027, India. Nature of Directorship: Independent & Non-Executive Director Date of Appointment: March 22, 2010 Term: Liable to retire by rotation Occupation: Professional DIN: 02544764			
Dr. Veerendra Kumar Parashar S/o Mr. Vinay Kumar Parashar Residential Address: 13-P, Bharat Nagar, Nagpur 440 033, India. Nature of Directorship: Independent & Non-Executive Director Date of Appointment: March 22, 2010 Term: Liable to retire by rotation Occupation: Professional DIN: 02456416	Indian	69 years	1. ZIM Laboratories Limited
Mr.Minhaj Majid Khan S/o Mr. Majid Sherkhan Khan Residential Address: 509, Sadoday Plaza, Near Ram Mandir, C A Road, Nagpur 440	Indian	31 years	-

Name, Father's Name, Residential Address, Nature of Directorship, Occupation, Term and DIN	Nationality	Age	Other Directorship as on the date of the Draft Red Herring Prospectus
032, India. Nature of Directorship: Independent & Non-Executive Director Date of Appointment: June 12, 2010 Term: Liable to retire by rotation Occupation: Professional DIN: 02383033			

**Mr. Anwar Siraj Daud is the brother-in-law of Mr. Faiz Vali.*

*** An application dated August 12, 2010 under Section 560 has been made to strike off the company from Register of Companies.*

Note: *None of the above mentioned Directors are on the RBI List of wilful defaulters as on date of the Draft Red Herring Prospectus*

Neither any Director nor any company in which the Director was or is a promoter, director or person in control is debarred or prohibited from accessing the capital markets by SEBI or any other authority.

None of the Directors were directors of any company at the time when the shares of such company were either (a) suspended from trading by the stock exchange(s) for a period of more than three (3) months during the last five (5) years or (b) delisted.

There are no arrangements of understanding with major shareholders, customers, suppliers or others pursuant to which any of the Directors were selected as a Director or member of a senior management.

Brief Profiles of our Directors

1. **Mr. Faiz Vali**, aged 43 years, is the Chairman and Managing Director of our Company. Mr.Vali holds a degree in B.Pharm and also holds a Masters in Business Administration (MBA) degree from Pune University. He has nearly seventeen (17) years of experience in the pharmaceutical industry which has enabled our Company to venture into various segments viz. pharmaceutical and herbal formulations and beauty care. Mr. Vali leads our Company and provides strategy and direction to our Company in all areas. He was instrumental in setting up ethical market segment for our Company. Being a technocrat, Mr. Vali steered our Company towards high technology and innovative formulations with focus on benefits to the end user. His current responsibilities include strategic planning, marketing and providing vision to our Company. Under his vision, our Company has ventured into new geographies with a wide range of products in various therapeutic segments.

2. **Mr. Ishwarlal Ambaram Trivedi**, aged 62 years is the Whole Time Director of our Company. Mr. Trivedi holds the degree of B.Sc from Nagpur University. He has more than forty (40) years of experience in the pharmaceutical industry and is associated with our company since 2006. He has in-depth knowledge of production and manufacturing skills of all dosage forms including solid, semi-solids, liquid, parenterals and contrast media. Mr.Trivedi is primarily involved in the overall administration, marketing and production of parenterals division of our Company.

3. **Mr. Dharampal Keshawdas Bellani**, aged 54 years, is the Whole Time Director of our Company. Mr. Bellani is holding the degree of B.Pharm from Nagpur University. He has nearly thirty (30) years of experience in the pharmaceutical industry. Mr. Bellani amongst other things is primarily responsible for administration, sales, timely and proper correspondences of our Company. Moreover, he is also actively involved in finalization and clarification of all issues related to FDA, Excise, Inspection, MPCB, etc.

4. **Mr. Anwar Siraj Daud**, aged 50 years, is the Non-Independent and Non-Executive Director of our Company. Mr. Daud is holding the degree of B. Pharm and M. Pharm from Nagpur University. Mr. Daud has been associated with our Company since 2008. He has nearly twenty two (22) years of experience of research and development in the pharmaceutical industry. Mr. Daud has received felicitation for contributing to industrialization and other important areas by Central Institute of Business Management Research & Development, Nagpur. Mr. Daud is also the Managing Director of our subsidiary, ZIM Laboratories Limited.

5. **Mr. Naresh Janardan Gaikwad**, aged 55 years is the Independent Director of our Company. Mr. Gaikwad is holding M.Pharm and Ph.D. in Medical Science degrees from Nagpur University. He has nearly thirty six (36) years of experience in the field of pharmaceutical sciences. He is currently working as a professor and is the Head of Deparment of pharmaceutical sciences at Rashtrasant Tukadoji Maharaj Nagpur University. Mr. Gaikwad is also one of the Independent Directors on the Board of our subsidiary, ZIM Laboratories Limited.

6. **Mr. Vaibhav Deshpande**, aged 28 years is the Independent Director of our Company. Mr. Deshpande is holding the degree of B.Com from Nagpur University. He has nearly two (2) years of experience in the pharmaceutical industry**.** Mr. Despande is the marketing head in the proprietorship firm namely M/s Analytics.

7. **Mr. Manoj Kumar Sahoo**, aged 30 years is the Independent Director of our Company. Mr. Sahoo is holding the degree of B.Com from Utkal University, Orissa. He has more than four (4) years of experience in finance and taxation. Presently he is associated with Enestee Engineering Private Limited as a Manager, Accounts. Mr. Sahoo is also one of the Independent Directors on the Board of our subsidiary, RevAyur Beauty Care India Private Limited.

8. **Dr. Veerendra Kumar Parashar**, aged 69 years, is the Independent Director of our Company. Mr. Parashar has done his M.Pharm from Sagar University and Ph.D in pharmaceutical chemistry from Punjab University. He has more than thirty eight (38) years of experience in the field of teaching pharmaceutical sciences. Dr. Parashar is also one of the Independent Directors on the Board of our subsidiary, ZIM Laboratories Limited.

9. **Mr. Minhaj Majid Khan**, aged 31 years, is the Independent Director of our Company. Mr. Khan is a member of Institute of Chartered Accountant of India (ICAI). Mr. Khan is a practising Chartered Accountant with more than three (3) years of experience in Company Law Matters, Direct & Indirect Taxes, International Taxation, Business Consultancy, Investment & Portfolio Management and System Audit Business Compliances, and Bank & Trust Audits, Tax Audits and Company audits.

Details of Service Contracts

Our Company has not executed any service contracts providing for benefits upon or after the termination of employment with its directors.

Borrowing Powers of the Board

Our Articles, subject to the provisions of the Companies Act, authorize our Board to raise, borrow or secure the payment of any sum or sums of money for the purposes of our Company. Our shareholders have, pursuant to a resolution passed at the Extra Ordinary General Meeting held on August 31, 2010 authorized our Board to borrow monies in an amount not exceeding Rs. 20,000 Lakhs at any time.

Remuneration to Executive Directors:

1. Mr. Faiz Vali

Particulars	Remuneration
Basic Salary	Rs.48,00,000 per annum
Term of Re-appointment as a Managing Director	Five (5) years with effect from September 25, 2010
Other Allowances	▪ Paid vacation each year during the term in addition to public holidays in accordance with our Company's vacation policy. The timing and duration of specific vacations shall be mutually and reasonably agreed; ▪ Reimbursement for travel and entertainment expenses incurred by him in the performance of his duties for which prior approval has been taken from our Company or its directors pursuant to the Agreement. Reimbursement of such expenses will be paid in accordance with our Company's then current policy.
Compensation paid for F.Y. 2009-2010	Rs. 44.00 Lakhs

2. Mr. Ishwarlal Ambaram Trivedi

Particulars	Remuneration
Basic Salary	Rs.9,00,000 per annum
Term of Re-appointment as a Whole Time Director	Five (5) years with effect from September 25, 2010
Other Allowances	▪ Paid vacation each year during the term in addition to public holidays in accordance with our Company's vacation policy. The timing and duration of specific vacations shall be mutually and reasonably agreed; ▪ Reimbursement for travel and entertainment expenses incurred by him in the performance of his duties for which prior approval has been taken from our Company or its directors pursuant to the Agreement. Reimbursement of such expenses will be paid in accordance with our Company's then current policy.
Compensation paid for F.Y. 2009-2010	Rs. 9.00 Lakhs

3. Mr. Dharampal Keshawdas Bellani

Particulars	Remuneration
Basic Salary	Rs.9,00,000 per annum
Term of Re-appointment as a Whole Time Director	Five (5) years with effect from September 25, 2010
Other Allowances	▪ Paid vacation each year during the term in addition to public holidays in accordance with our Company's vacation policy. The timing and duration of specific vacations shall be mutually and reasonably agreed; ▪ Reimbursement for travel and entertainment expenses incurred by him in the performance of his duties for which prior approval has been taken from our Company or its directors pursuant to the Agreement. Reimbursement of such expenses will be paid in

Particulars	Remuneration
	accordance with our Company's then current policy.
Compensation paid for F.Y. 2009 -2010	Rs. 6.00 Lakhs

Remuneration to Non-Executive Directors:

Our Company reimburses the Non-Executive Directors and Independent Directors for out-of-pocket expenses to attend Board and Commitee meetings and perform their role as a Director. Our Non-Executive Directors and Independent Directors are not paid any sitting fees.

Shareholding of Directors in our Company

The shareholding of our Directors as on the date of filing of the Draft Red Herring Prospectus is set out below. None of our Directors are required to hold qualification shares as per the AoA of our Company.

Name of the Director	Number of shares held	Pre-Issue Shareholding (%)	Post-Issue Shareholding (%)
Mr. Faiz Vali	71,10,000	51.29	31.37

Payment or benefit to directors / officers of our Company

Except as disclosed under the section titled "Standalone Related Party Transactions- Annexure XXIII" and "Consolidated Related Party Transactions- Annexure XXIV" beginning on page 256 and 307 under the section "Financial Statements" of the Draft Red Herring Prospectus, no amount or benefit has been paid or given within the two (2) preceding years or is intended to be paid or given to any of our officers except the nomal remuneration for services rendered as Directors, officers or employees. Further, except statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including the Directors and the key management personnel of our Company, are entitled to any benefits upon termination of employment.

Interests of Directors

All of our Directors may be deemed to be interested to the extent of fees payable, if any, to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company. Some of the Directors may be deemed to be interested to the extent of consideration received/paid or any loan or advances provided to any body corporate including companies and firms and trusts, in which they are interested as directors, members, partners or trustees.

Further, our Non-Executive Directors are also directors on the boards of certain Group Companies and they may be deemed to be interested to the extent of transactions, if any entered into by our Company with these Group Companies. For the payments that are made by our Company to certain Group Companies, please refer to the section titled "Financial Statements" beginning on page 212 of the Draft Red Herring Prospectus.

Our Directors may also be regarded as interested in the Equity Shares held by them, if any, or that may be subscribed by or allotted to their relatives or the companies in which they are interested as directors, members, partners, trustees and promoters, pursuant to the Issue.

Our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares. Except as stated in this section "Our Management" or the section titled "Standalone Related Party Transactions- Annexure XXIII" and "Consolidated Related Party Transactions- Annexure XXIV" beginning on page 256 and 307 under the section "Financial Statements" of the Draft Red Herring Prospectus, and except to the extent of shareholding in our Company, our Directors do not have any other interest in our business.

Our Directors have no interest in any property acquired by our Company within two (2) years of the date of the Draft Red Herring Prospectus except for Plot No. P-338, Kalmeshwar, Nagpur acquired by our Promoter in the year 2009 for an aggregate consideration of Rs.335 lakhs.

Except as stated in this section, no amount or benefits were paid or were intended to be paid to our Directors during the last two (2) years from the date of filing of the Draft Red Herring Prospectus.

None of Directors were interested in any transaction by our Company involving construction of building or supply of any machinery.

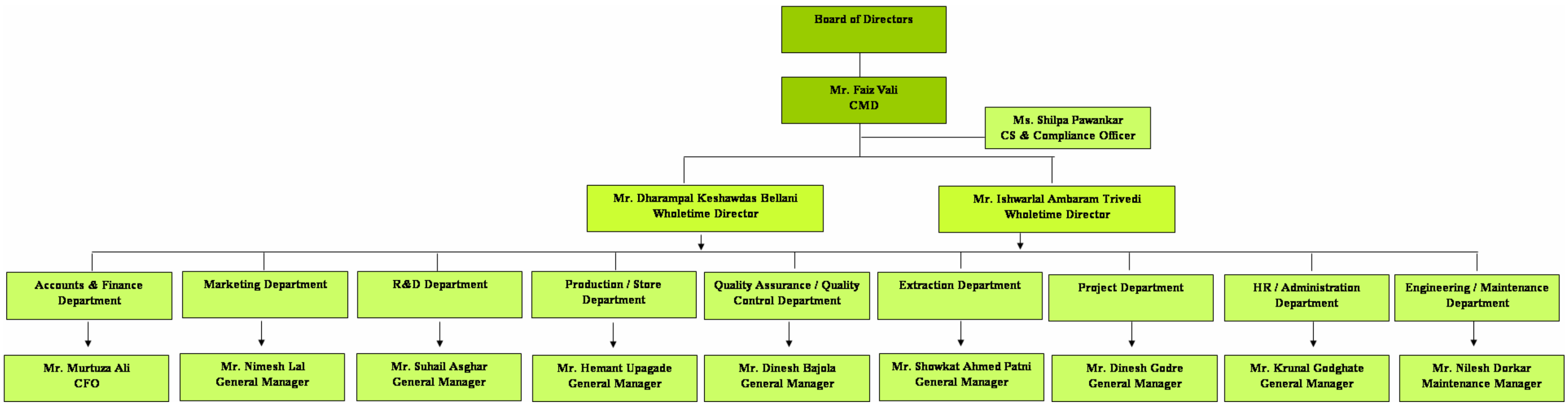
Our Directors are not interested in the appointment of or acting as Underwriters, Registrar and Bankers to the Issue or any such intermediaries registered with SEBI.

Changes in our Company's Board of Directors during the last three (3) years

The changes in the Board of Directors of our Company in the last three (3) years preceding the date of filing the Draft Red Herring Prospectus are as follows:

No.	Name of the Director & Designation	Date of Appointment	Date of Resignation	Reason
1.	Mr.Minhaj Majid Khan	June 12, 2010	-	Appointed as an Additional Director
2.	Dr. Veerendra Kumar Parashar	March 22, 2010	-	Appointed as in Additional Director
3.	Mr. Vaibhav Deshpande	March 22, 2010	-	Appointed as an Additional Director
4.	Mr. Manoj Kumar Sahoo	March 22, 2010	-	Appointed as an Additional Director
5.	Mr. Amarjeet Singh Sandhu	-	March 18, 2010	Resignation
6.	Mr. Amarjeet Singh Sandhu	March 3, 2010	-	Appointed as an Additional Director
7.	Mr. Naresh Janardan Gaikwad	March 3, 2010	-	Appointed as an Additional Director
8.	Mr. Anwar Siraj Daud	April 18, 2008	-	Appointed as a Non-Executive Director
9.	Mr. Vinayak Kudva	-	March 1, 2008	Resignation
10.	Mr. Yusuf Amin	-	November 29, 2007	Resignation

Management Organisational Structure



Corporate Governance

The provisions of the Listing Agreement to be entered into with NSE and BSE with respect to corporate governance will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. As of the date of the Draft Red Herring Prospectus, our Company has taken steps to comply with the provisions of Clause 49 of the Listing Agreement, including with respect to the appointment of independent directors, the constitution of the Audit, Shareholders and Investors Grievance and Remuneration Committees of the Board.

The Chairman of our Board is an Executive Director. The Board of Directors consists of nine (9) directors, of which three (3) are Executive Directors, one (1) is Non-Executive and Non-Independent Director and five (5) are Independent Directors.

In accordance with Clause 49 of the Listing Agreement, our Company has constituted/re-constituted the following committees:

a) Audit Committee:

Our Company re-constituted the audit committee in accordance with the Section 292A of the Companies Act, and Clause 49 of the Listing Agreement in the meeting of our Board of Directors held on August 9, 2010. The purpose of the Audit Committee is to ensure the objectivity, credibility and correctness of our financial reporting and disclosure processes, internal controls, risk management policies and processes, tax policies, compliance and legal requirements and associated matters. The audit committee presently consists of the following Directors of the Board:

i) Mr. Minhaj Majid Khan, Chairman, Independent Director
ii) Mr. Naresh Janardan Gaikwad, Member, Independent Director
iii) Dr. Veerendra Kumar Parashar, Member, Independent Director

Our Company Secretary shall act as a secretary to the Audit Committee.

The scope of the Audit Committee shall include the following:

1. Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

2. 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 and approval for payment for any other services.

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

4. Reviewing, with the management, the quarterly, half yearly, and annual financial statements before submission to the board for approval, with particular reference to:
   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956;
   b. Changes, if any, in accounting policies and practices and reasons for the same ;
   c. Major accounting entries involving estimates based on the exercise of judgment by management;
   d. Significant adjustments made in the financial statements arising out of audit findings;
   e. Compliance with the Indian GAAP and IFRS and with listing and other legal requirements relating to financial statements;
   f. Disclosure of any related party transactions;

g. Qualifications in the draft audit report.

5. Reviewing, with the management, the quarterly, half yearly, and annual financial statements, financial reporting process/disclosures and review of interim financial statements before submission to the board for approval.

5A. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.

7. Investigate any matter referred to it by the Board or within its terms of reference.

8. 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.

9. Discussion with internal auditors any significant findings and follow up there on.

10. 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.

11. to review the following information:
    a. management discussion and analysis of financial conditions and results of operations;
    b. statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
    c. management letters/letters of internal control weaknesses issued by the statutory auditors;
    d. internal audit reports relating to internal control weaknesses; and
    e. the appointment, removal and terms of remuneration of the chief internal auditor.

12. Discussion with statutory auditors before the audit commences, about the nature and scope of audit, audit observations as well as post-audit discussion to ascertain any area of concern.

13. 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.

14. To review the functioning of the whistle blower mechanism, in case the same is existing.

15. Reviewing our Company's financial and risk management policies.

16. To monitor the utilisation of funds to be raised pursuant to the Issue.

17. Approve the appointment of CFO (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 of the candidate.

18. Reviewing the financial statements, in particular, the investments made by the unlisted subsidiary companies of our Company.

19. To seek information from any employee.

20. To obtain outside legal or other professional advice.

21. To secure the attendance of outsiders with relevant expertise, if it considers necessary.

22. To investigate into any matter in relation to the items specified in section 292A of the Companies Act, 1956 or in the reference made to it by the board and for this purpose the committee shall have full access to information contained in the records of the Company.

23. Carrying out any other function as may be referred to by the Board of Directors of our Company or prescribed by the Listing Agreement, as amended, from time to time.

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee; and
6. Financial statements, in particular, the investments made by the unlisted subsidiary company.

b) Shareholders and Investors Grievance Committee:

Our Company has constituted shareholders and investors grievance committee in the meeting of our Board of Directors held on March 31, 2010. The shareholders/investors grievance committee presently consists of the following Directors of the Board:

i) Mr. Manoj Kumar Sahoo, Chairman, Independent Director
ii) Mr. Naresh Janardan Gaikwad, Member, Independent Director
iii) Mr. Vaibhav Deshpande, Member, Independent Director

Our Company Secretary shall act as secretary to the Shareholders and Investors Grievances Committee.

The scope of the Shareholders and Investors Grievance Committee are set out below:

1 To allot equity shares of our Company and to supervise and ensure;

a. Efficient transfer of shares including review of cases for refusal of transfer, transmission of shares and debentures;
b. Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc;
c. To consider, approve and issue of duplicate, split, consolidated share certificates;
d. Allotment and listing of shares;
e. Review of cases for refusal of transfer, transmission of shares and debentures to approve the request for transfer, transmission, etc. of shares;
f. To approve the dematerialization of shares and rematerialisation of shares, splitting and consolidation of equity shares and other securities issued by our Company;
g. Reference of statutory and regulatory authorities regarding investor grievances and to otherwise ensure proper and timely attendance and redressal of investor queries and grievances;

h. To review from time to time overall working of the secretarial department of our Company relating to the shares of our Company and functioning of the share transfer agent and other related matters;
i. To perform such acts and assignments as may be assigned to the committee by the Board from time to time;
j. To work under the control and supervision of the Board;
k. Ensure proper and timely attendance and redressal of investor queries and grievances;
l. To do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers;
m. Oversee the performance of Registrar and Transfer Agent; and
n. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

c) Remuneration Committee:

Our Company has constituted remuneration/compensation committee in the meeting of our Board of Directors held on March 31, 2010. The Remuneration Committee presently consists of the following Directors of the Board:

i) Dr. Veerendra Kumar Parashar, Chairman, Independent Director
ii) Mr. Dharampal Keshawdas Bellani, Member, Independent Director
iii) Mr. Vaibhav Deshpande, Member , Independent Director

Our Company Secretary shall act as secretary to the Remuneration Committee.

The terms of reference of Remuneration Committee are set out below:

1. To decide and approve the terms and conditions for appointment of Executive and/or Non-Executive directors and or Whole Time Director or senior employees and remuneration payable including approving variance of remuneration already approved, if any, to other Non-Executive Directors and matters related thereto;

2. To recommend, fix and finalise to the Board, the compensation plans, policies and programmes, remuneration packages of our Company's Managing Director, Joint Managing Director and Whole Time and Executive Directors including all elements of remuneration package including approving variance of remuneration already approved if any (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirements benefits, details of fixed component and performance linked incentives along with the performance criterion service contracts, notice period, severance fees etc.);

3. Recommending payment of compensation / remuneration in accordance with the provisions of the Companies Act;

4. 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 having regard to performance standards and existing industry practice for our Company's Managing, Joint Managing, Deputy Managing, Whole Time and Executive Directors including pension rights and any compensation payment;

5. To decide on increments and promotions, ex-gratia payments;

6. To review and approve any disclosures in the annual report or elsewhere in respect of compensation policies or director's compensation;

7. To obtain such outside or professional advice as it may consider necessary to carry out its duties;

8. To invite any employee or such document as it may deem fit for exercising of its functions;

9. To attend to such matters with respect to the remuneration of senior and other employees as may be submitted to it by the Managing Director;

10. To formulate strategies for attracting and retaining employees, employee development programmes;

11. To frame suitable policies and systems to ensure that there is no violation of the Insider Securities and Exchange Board of India (Insider Trading) Regulations, 1992; and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995, by any employee;

12. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by the Remuneration Committee; and

13. To attend to any other responsibility as may be entrusted by the Board.

IPO Committee:

Our Company has constituted IPO committee in the meeting of our Board of Directors held on August 31, 2010. The IPO committee presently consists of the following Directors of the Board:

i) Mr. Faiz Vali, Chairperson
ii) Mr. Ishwarlal Ambaram Trivedi, Member
iii) Mr. Dharampal Keshawdas Bellani, Member

Our Company Secretary shall act as secretary to the IPO Committee.

The scope of the IPO Committee are set out below:

1. Amendments to the Memorandum of Association and the Articles of Association of our Company;

2. Approving all actions required to dematerialize the equity shares of our Company;

3. Deciding on the actual size of the public offer, including any offer for sale by promoters/shareholders, and/or reservation on a firm or competitive basis, timing, pricing and all the terms and conditions of the issue of the shares, including the objects of such public offer, price and to accept any amendments, modifications, variations or alterations thereto;

4. To obtain outside legal or other professional advice;

5. To secure the attendance of outsiders with relevant expertise, if it considers necessary;

6. Approving the Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the preliminary and final international wrap, and any amendments, supplements, notices or corrigenda thereto, together with any summaries thereto;

7. Finalizing and arranging for the submission of the DRHP, the RHP, the Prospectus and the preliminary and final international wrap and any amendments, supplements, notices or corrigenda thereto, to appropriate government and regulatory authorities, institutions or bodies;

8. Approving a code of conduct as may be considered necessary by the Board or the IPO Committee or as required under applicable laws, regulations or guidelines for the Board, officers of our Company and other employees of our Company;

9. Approving a suitable policy on insider trading as required under applicable laws, regulations and guidelines;

10. Approving any corporate governance requirement that may be considered necessary by the Board or the IPO Committee or as may be required under applicable laws, regulations or guidelines in connection with the Issue;

11. Deciding on the number of equity shares to be offered or issued and allotted in the Issue, including any Pre-IPO Placement, reservation, green shoe option and any rounding off in the event of any oversubscription as permitted under the SEBI (ICDR) Regulations;

12. Appointing book running lead managers, lead managers, syndicate members, placement agents, bankers to the Issue, registrar to the Issue, bankers to our Company, managers, underwriters, guarantors, escrow agents, accountants, auditors, legal counsel, depositories, trustees, custodians, credit rating agencies, monitoring agencies, advertising agencies and all such persons or agencies as may be involved in or concerned with the Issue, including any successors or replacements thereof;

13. Opening bank accounts, share/securities accounts, escrow or custodian accounts, in India or abroad, in rupees or in any other currency, in accordance with applicable laws, rules, regulations, approvals and guidelines;

14. Entering into arrangements and remunerating all such book running lead managers, lead managers, syndicate members, placement agents, bankers to the Issue, the registrar to the Issue, bankers of our Company, managers, underwriters, guarantors, escrow agents, accountants, auditors, legal counsel, depositories, trustees, custodians, credit rating agencies, monitoring agencies, advertising agencies, and all other agencies or persons as may be involved in or concerned with the Issue, if any, by way of commission, brokerage, fees or the like;

15. Seeking the listing of the equity shares on the Stock Exchanges, submitting listing applications to the Stock Exchanges and taking all such actions as may be necessary in connection with obtaining such listing, including, without limitation, entering into the Listing Agreements;

16. Seeking the admission of our Company's equity shares into the Central Depository Services (India) Limited and the National Securities Depository Limited and taking any further action as may be necessary or required for the dematerialization of our Company's equity shares;

17. Seeking, if required, the consent of our Company's lenders, parties with whom our Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in connection with the Issue, if any;

18. Determining the price at which the equity shares are offered or issued/allotted to investors in the Issue;

19. Determining the price band for the purpose of bidding, any revision to the price band and the final Issue price after bid closure;

20. Determining the bid opening and closing dates;

21. Finalizing the allotment of equity shares to retail investors/non-institutional investors/qualified institutional buyers in consultation with the book running lead managers, the Stock Exchanges concerned, SEBI and/or any other entity;

22. Allotment/transfer of the equity shares;

23. Opening with the bankers to the Issue, escrow collection banks and other entities such accounts as are required under the SEBI (ICDR) Regulations and any other applicable laws, regulations, policies and guidelines;

24. Settling all questions, difficulties or doubts that may arise in relation to the IPO as it may in its absolute discretion deem fit; and

25. Submitting undertakings/certificates or providing clarifications to the SEBI and the relevant stock exchanges where the equity shares of our Company are to be listed.

Profile of Key Managerial Personnel

All our Key Managerial Personnels are permanent employees of our Company. Except for certain statutory benefits, there are no other benefits accruing to our KMPs.

1. **Mr. Murtuza Ali**, aged 35 years, is the Chief Financial Officer (CFO) of our Company. Mr. Ali holds a diploma in Business Management from Mumbai. He has been associated with our Company since December 1, 2006 and has nearly nine (9) years of experience in the field of finance and accounts. Mr. Ali is primarily responsible for periodic reviews & financial management of our Company. Prior to joining our Company, he was employed with our group company Universal Medicaments Private Limited. Mr. Ali was paid a gross remuneration of Rs. 2.40 lakhs for the F.Y. 2009-2010.

2. **Ms. Shilpa Pawankar**, aged 24 years, is a Company Secretary and Compliance Officer of our Company. Ms. Pawankar is a member of the Institute of Company Secretaries of India (ICSI), New Delhi. She has been associated with our Company recently in January 2010 and has around one (1) year of experience in the relevant field. Ms. Pawankar is primarily responsible for secretarial compliance and company law related matters of our Company. Prior to joining our Company, she was employed with M/s. PVS Corporate and Allied Services.

3. **Mr. Nimesh Lal**, aged 40 years, is the General Manager (Marketing) of our Company. Mr. Lal holds B.Sc and MBA degrees from Nagpur University. He has been associated with our Company since August 1, 2010 and has nearly seventeen (17) years of experience in the field of marketing of pharmaceutical products. Mr. Lal is primarily responsible for marketing, maintaining client relationships and training of field staff of our Company. Prior to joining our Company, he had been in employment M/s. TAN Pharma, M/s. TAN Alltech.

4. **Mr. Suhail Asgar**, aged 33 years, is the General Manager (R&D and Formulation & Development) of our Company. Mr. Asgar holds a B. Pharm degree from Nagpur University. He has been associated with our Company since January 1, 2007 and has nearly seven (7) years of experience in the field of product development. Mr. Asgar is primarily responsible for product development and also provides technical assistance in relation to the same to our Company. Prior to joining our Company, he was employed with Medley Pharmaceuticals Limited. Mr. Asgar was paid a gross remuneration of Rs. 2.40 lakhs for the F.Y. 2009-2010.

5. **Mr. Hemant Upagade**, aged 35 years, is the General Manager (Production) of our Company. Mr. Upagade has done his B.Pharm from Nagpur University. He has been associated with our Company since August 16, 2009 and has nearly fourteen (14) years of experience in the pharmaceutical industry. Mr. Upagade is primarily responsible for managing the production department of our Company. Prior

to joining our Company, he was employed with Cadila Healthcare and Cipla Limited. Mr. Upagade was paid a gross remuneration of Rs. 4.40 lakhs for the F.Y.2009-2010.

6. **Mr. Dinesh Bajola**, aged 41 years, is the General Manager (Quality Assuarance) of our Company. Mr. Bajola holds a M.Sc degree in organic chemistry from H.N.B. Garhwal University, Uttarakhand. He has been associated with our Company since June 1, 2008 and has nearly eighteen (18) years of experience in the field of quality assurance and control. Mr. Bajola is primarily responsible for quality control of all the product of our Company. Prior to joining our Company, he was employed with Panacea Biotec Limited. Mr. Bajola was paid a gross remuneration of Rs. 8.40 lakhs for the F.Y. 2009-2010.

7. **Mr. Showkat Ahmed Patni**, aged 29 years, is the General Manager (Technical Services) of our Company. Mr. Patni holds a M.Sc in Biotechnology degree from Nagpur University. He has been associated with our Company since August 1, 2006 and has nearly four (4) years of experience in the field of Research & Development of products. Mr. Patni is primarily responsible for new product development and training for marketing those products once developed. Mr. Patni was paid a gross remuneration of Rs. 2.16 lakhs for the F.Y. 2009-2010.

8. **Mr. Dinesh Godre**, aged 55 years, is the General Manager (Projects) of our Company. Mr. Godre holds a B.Pharm degree and Diploma in Export (D.E.M.) from Mumbai University. He has been associated with our Company since December 1, 2006 and has nearly twenty nine (29) years of experience in the pharmaceutical industry. Mr. Godre is primarily responsible for managing operations of injectable unit of our Company. Prior to joining our Company, he was employed with Vital Health Care Private Limited. Mr. Godre was paid a gross remuneration of Rs. 4.80 lakhs for the F.Y. 2009-2010.

9. **Mr. Krunal Godghate,** aged 27 years, is the General Manager (HR) of our Company. Mr. Godghate holds a B.E. Mechanical and MBA in HR degree from Nagpur University. He has been associated with our Company since August 1, 2009 and has nearly two (2) years of experience in the field of human resourses (HR) and administration. Mr. Godghate is primarily responsible for HR and administrative matters of our Company. Prior to joining our Company, he was a trainee with Reliance Money-Reliance Securities Limited. Mr. Godghate was paid a gross remuneration of Rs.0.64 lakhs for the F.Y. 2009-2010.

10. **Mr. Nilesh Dorkar**, aged 40 years, is the Maintenance Manager of our Company. Mr. Dorkar holds the Bachelors in Technology, (Chemical) from Amravati University. He has been associated with our Company since February 12, 2009 and has nearly fifteen (15) years of experience in the field of maintenance of pharmaceutical plants. Mr. Dorkar is primarily responsible for handling the engineering department of our Company. Prior to joining our Company, he was employed with Alves Heathcare Private Limited. Mr. Dorkar was paid a gross remuneration of Rs. 3.36 lakhs for the F.Y. 2009-2010.

11. **Dr. Shailesh Malekar**, aged 29 years, is the Project Manager (Clinical Trials) of our Company. Dr. Malekar holds a B.A.M.S. from Maharashtra University of Health Sciences. He has been associated with our Company since July 1, 2007 and has nearly four (4) years of experience in the field of health sciences. Dr. Malekar is primarily responsible for clinical research, documentation and obtaining approvals for new products for our Company. Prior to joining our Company, he was employed with Pakwasa Samanvaya Hospital. Dr. Malekar was paid a gross remuneration of Rs. 1.62 lakhs for the F.Y. 2009-2010.

Shareholding of Key Management Personnel in our Company

None of the Key Management Personnel hold Equity Shares in our Company as on the date of the Draft Red Herring Prospectus.

Bonus or profit sharing plan of the Key Managerial Personnel

Our Company does not have a performance linked bonus or a profit sharing plans for the Key Management Personnel.

Interests of Key Management Personnel

The Key Management Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Payment of Benefits to Officers of our Company

Except as disclosed in the Draft Red Herring Prospectus and any statutory payments made by our Company to its officers, our Company has not paid any sum, any non-salary amount or benefit to any of its officers or to its employees including amounts towards super-annuation, ex-gratia/rewards. None of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company except and otherwise disclosed under section titled "Standalone Related Party Transactions- Annexure XXIII" and "Consolidated Related Party Transactions- Annexure XXIV" beginning on page 256 and 307 under the section "Financial Statements" of the Draft Red Herring Prospectus.

Relationship between our Promoter and Key Managerial Personnel

There is no family relationship between our Promoter and Key Managerial Personnels of our Company.

Relationship between our Directors and Key Managerial Personnel

There is no family relationship between our Directors and Key Managerial Personnels of our Company.

Arrangement and Understanding with Major Shareholders/Customers/ Suppliers

None of the above has been selected pursuant to any arrangement/understanding with major shareholders/customers/suppliers.

Details of Service Contracts of our Key Managerial Personnel

Except for the terms set forth in the appointment letters, our Key Managerial Personnel have not entered into any other contractual arrangements with our Company.

Employee Stock Option or Employee Stock Purchase

Our Company does not have any ESOP/ESOS as on the date of the Draft Red Herring Prospectus.

Changes in our Company's Key Managerial Personnel during the last three (3) years:

The changes in the Key Managerial Personnel of our Company in the last three (3) years are as follows:

No.	Name of the Key Managerial Personnel & Designation	Date of Appointment	Date of Resignation	Reason
1.	Mr. Nimesh Lal, General Manager (Marketing)	August 1, 2010	-	-
2.	Ms. Shilpa Pawankar, Company Secretary & Compliance Officer	January 12, 2010	-	-
3.	Mr. Hemant Upagade, General Manager (Production)	August 16, 2009	-	-
4.	Mr. Krunal Godghate, General Manager (HR)	August 1, 2009	-	-

No.	Name of the Key Managerial Personnel & Designation	Date of Appointment	Date of Resignation	Reason
5.	Mr. Nitin Wahne, Sales Manager	April 1, 2009	-	-
6.	Mr. Nilesh Dorkar, Maintenance Manager	February 12, 2009	-	-
7.	Mr. Dinesh Bajola, General Manager (Quality Assuarance)	June 1, 2008	-	-
8.	Dr. Shailesh Malekar, Project Manager (Clinical Trials)	June 1, 2007		

OUR PROMOTER

Our Promoter

The Promoter of our Company is Mr. Faiz Vali. The brief profile of our Promoter is set out below:

Mr. Faiz Vali, aged 43 years, is the Chairman & Managing Director of our Company. He is a resident Indian national. Mr.Vali holds a degree in B.Pharm and also holds a Masters in Business Administration (MBA) degree from Pune University. He has nearly seventeen (17) years of experience in the pharmaceutical industry which has enabled our Company to venture into various segments *viz.* pharmaceutical and herbal formulations and beauty care. Mr. Vali leads our Company and provides strategy and direction to our Company in all areas. He was instrumental in setting up ethical market segment for our Company. Being a technocrat, Mr. Vali steered our Company towards high technology and innovative formulations with focus on benefits to the end user. His current responsibilities include strategic planning, marketing and providing vision to our Company. Under his vision, our Company has ventured into new geographies with a wide range of products in various therapeutic segments.

Driving licence number: MH3120090072228
Passport No.: G8136797; and
Voter Identification Number: MT/23/134/030392

Residential Address: Universal Pharmacy, Plot No.545, Shantinagar, Nayapura, Nagpur 440 002, India

For further details, please refer to the section titled "Our Management" beginning on page 188 of the Draft Red Herring Prospectus.

Our Company undertakes that the details of the PAN, Bank Account Number, and Passport Number of our Promoter will be submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus with the Stock Exchanges.

For details pertaining to other ventures of our Promoter refer to section titled "Our Group Companies" beginning on page 314 of the Draft Red Herring Prospectus.

Interests of Promoter, Group Companies

Our Promoter is interested in our Company to the extent that he has promoted our Company, his shareholding in our Company, dividend payable, other distributions in respect of the Equity Shares held by them in our Company.

Further, our Promoter who is also the Chairman & Managing Director of our Company and may additionally be deemed to be interested to the extent of fees, if any, payable to him for attending meetings of the Board or a committee thereof as well as to the extent of the remuneration or reimbursement of expenses payable to him. Our other individual Directors (*excluding the Promoter of our Company*) may also be deemed to be interested to the extent of Equity Shares that may be subscribed for and allotted to them out of the present Issue in terms of the Draft Red Herring Prospectus and also to the extent of dividend payable to them and other distributions in respect of the said Equity Shares.

Further, our Promoter is also a Director on the boards of certain of our Group Companies including our subsidiary, ZIM Labarotories Limited and may be deemed to be interested to the extent of any transaction that may take place between our Company and any of these Group Companies.

Except as stated otherwise in the "Standalone Related Party Transactions- Annexure XXIII" and "Consolidated Related Party Transactions- Annexure XXIV" beginning on page 256 and 307 under the section "Financial Statements" of the Draft Red Herring Prospectus, we have not entered into any contract, agreements or arrangements in which our Promoter is directly or indirectly interested. Further, no payments, other than in the normal course of business, have been made to our Promoter in respect of the contracts, agreements or arrangements except for the payment made by our Company to our Promoter for purchase of Plot No. P-338, Kalmeshwar, Nagpur in the year 2009.

Common Pursuits

While our Company is engaged in manufacturing allopathic, herbal and ayuvedic FDF formulations, our subsidiary, ZIM Laboratories Limited is engaged in manufacture of only allopathic and nutraceutical FDF formulations, however the main objects of the Memorandum of Association ("***MoA***") of our Subsidiary enable them to engage in, the same line of business as that of our Company. Though unlikely, there may be potential conflict of interest in addressing business opportunities and strategies in circumstances where the interest of our Company may be similar to that of our Subsidiary. Such business opportunities may create conflict of interest for our Promoter.

Except as disclosed in this section, our Promoter does not have any interest in any ventures that is involved in the same line of activity or business as that of our Company.

Payment or benefits to our Promoter in the last two (2) years

Except as stated in the section titled "Our Management" and "Standalone Related Party Transactions- Annexure XXIII" and "Consolidated Related Party Transactions- Annexure XXIV" beginning on page 256 and 307 under the section "Financial Statements" of the Draft Red Herring Prospectus, no benefits have been paid or given to our Promoter within the two (2) years preceding the date of the Draft Red Herring Prospectus.

There is no bonus or profit sharing plans for our Promoter.

Confirmations

Further, our Promoter or any of our Directors have not been declared as a willful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by our Promoter or directors in the past or any proceeding pending against them except for the Consent Application filed with SEBI by our company and Mr. Anwar Siraj Daud. For further details, please refer to the section titled "Outstanding Litigation and Material Developments" beginning on page 357 of the Draft Red Herring Prospectus.

Our Promoter, Promoter Group, Group Companies or Directors or persons in control of our Company or bodies corporate forming part of our Promoter Group or Group Companies or the Companies with which our Promoter is or was associated as a promoter have not been (i) prohibited from accessing the capital markets under any order or direction passed by SEBI or any other authority or (ii) refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

Interest in property, land, construction and machinery

Our Promoter, Director and the Group Companies do not have any interest in any property acquired by our Company or the Subsidiaries within two (2) years preceding the date of filing the Draft Red Herring Prospectus with SEBI or any property proposed to be acquired by our Company or its Subsidiaries or in any transaction with respect to the acquisition of land, construction of building or supply of machinery except for Plot No. P-338, Kalmeshwar, Nagpur acquired by our Promoter in the year 2009 for a consideration of Rs. 335 Lakhs.

Promoter Group

Our Promoter Group includes such persons and entities constituting our Promoter Group in terms of Regulation 2(1)(zb) of the SEBI (ICDR) Regulations.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board of Directors and approved by our shareholders, in their discretion, and will depend on a number of factors, including but not limited to our earnings, general financial conditions, capital requirements, results of operations, contractual obligations and overall financial position, applicable Indian legal restrictions, our Articles of Association and other factors considered relevant by the Board of Directors. Our Company has not paid any dividends in the past and it has no stated dividend policy.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements we may enter into to finance our various projects and also the fund requirements for our projects.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

No.	Particulars
1.	Auditors Report dated September 27, 2010 on the restated standalone financial statements as of and for the years ended March 31, 2006, 2007, 2008, 2009 and 2010.
2.	Auditors Report dated September 27, 2010 on the restated consolidated financial statements as of and for the years ended March 31 2007, 2008, 2009 and 2010.

STANDALONE FINANCIAL INFORMATION OF UNIJULES LIFE SCIENCES LIMITED

AUDITORS' REPORT AND FINANCIAL INFORMATION OF THE COMPANY

The Board of Directors
Unijules Life Sciences Limited
Shop No. 41, Manisha Plaza,
Sonapur Lane, Off LBS Marg,
Kurla West,
Mumbai – 400 072

Re: Proposed Initial Public Offer ("IPO") of Equity Shares by Unijules Life Sciences Limited

Dear Sirs,

We have examined the annexed financial information of Unijules Life Sciences Limited ("the Company") for the years ended 31st, March 2010, 31st, March 2009, 31st, March 2008, 31st, March 2007 and 31st, March 2006 prepared by The Company and approved by its Board of Directors for the purpose of disclosure in the Draft Red Herring Prospectus/ Red Herring Prospectus / Prospectus (referred as "Offer Document") being issued by the Company in connection with the IPO.

At the date of signing this report, we are not aware of any material adjustment, which would affect the result shown by these accounts drawn up in accordance with the requirements of Part II of Schedule II to the Companies Act, 1956.

In accordance with the requirements of:

- Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956;
- Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009('the SEBI ICDR Regulations') and
- The Guidance Note on Reports in Company Prospectus and Guidance Note on Audit Reports/ Certificates on Financial Information in Offer Documents issued by the Institute of Chartered Accountants of India and terms of reference received from the Company in connection with the proposed public issue of Equity Shares of the Company.
- The terms of reference given vide the Company's letter dated August 25, 2010 requesting us to carry out work in connection with the Issue as aforesaid, we report that:-

    i. The Standalone Summary Statement of Assets and Liabilities, as restated, of the Company as on 31st, March 2010, 31st, March 2009, 31st, March 2008, 31st, March 2007 and 31st, March 2006 are as set out in Annexure I to this report after making such adjustments / restatements and regrouping as in our opinion are appropriate and are subject to the Standalone Significant Accounting Policies and Notes to Accounts as appearing in Annexure IV to this report.

    ii. The Standalone Summary Statement of Profit and Loss, as restated of the Company for years ended 31st, March 2010, 31st, March 2009, 31st, March 2008, 31st, March 2007 and 31st, March 2006 are as set out in Annexure II to this report. These profits have been arrived after making such adjustments / restatements and regrouping as in our opinion are appropriate and are subject to the Standalone Significant Accounting Policies and Notes to Accounts as appearing in Annexure IV to this report.

iii. We have examined the Standalone Cash Flow Statement, as restated relating to the Company for the years ended 31st, March 2010, 31st, March 2009, 31st, March 2008, 31st, March 2007 and 31st, March 2006 appearing in Annexure III to this report after making such adjustments / restatements and regrouping as in our opinion are appropriate and are subject to the Standalone Significant Accounting Policies and Notes to Accounts as appearing in Annexure IV to this report.

These statements have been prepared by the Company and approved by its Board of Directors (these statements are herein collectively referred to as the "Restated Standalone Summary Statements". These statements have been extracted from the audited financials statement of the Company for the respective period/years.

Audit of the financial statements for the years ended 31st, March 2010, 31st, March 2009, 31st, March 2008, 31st, March 2007 and 31st, March 2006 has been conducted by Company's Statutory Auditor, Ali Hatim S. Husain. Further, financial statements for the year ended 31st, March 2010 have been re-audited by us as required under the SEBI ICDR Regulations. This report, in so far as it relates to the amounts included for the financial years ended 31st, March 2009, 31st, March 2008, 31st, March 2007 and 31st, March 2006 is based on the audited financial statements of the Company which were audited by the Statutory Auditor, Ali Hatim S. Husain and whose Auditors' report has been relied upon by us for the said periods.

The Restated Standalone Summary Statements of the Company as included in this report as on and for the years ended 31st, March 2009, 31st, March 2008, 31st, March 2007 and 31st, March 2006 are based on the audited financial statements of the Company which were audited by the Statutory Auditor of the Company and whose Auditors' report has been relied upon by us for the said years and for the year ended March 31, 2010 examined by us as set out in Annexure I, II and III of this report are after making such adjustments and regrouping as in our opinion were appropriate.

Based on the above and as per the reliance place by us on the audited financial statements of the Company which were audited by Statutory Auditor and the Auditors' report for the years ended 31st, March 2009, 31st, March 2008, 31st, March 2007 and 31st, March 2006, we are of the opinion that the Restated Standalone Summary Statements have been made after incorporating:

(i) Adjustments for the changes in accounting policies retrospectively in respective financial period/years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods.

(ii) Adjustments for the material amounts in the respective financial period/years to which they relate.

(iii) And there are no extra-ordinary items that need to be disclosed separately in the accounts and qualification adjustments.

We have examined the following financial information relating to the Company proposed to be included in the Draft Red Herring Prospectus, as approved by you and annexed to this report. In respect of the financial years ended 31st, March 2009, 31st, March 2008, 31st, March 2007 and 31st, March 2006 this information has been included based on the audited financial statements of the Company which were audited by the Statutory Auditor of the Company and whose Auditors' report has been relied upon by us for the said years:

1. Standalone Statement of Changes in Share Capital, as restated, enclosed as Annexure V;
2. Standalone Statement of Changes in Reserves and Surplus, as restated, enclosed as Annexure VI ;
3. Standalone Statement of Secured Loans, as restated, enclosed as Annexure VII;
4. Standalone Statement of Unsecured Loans, as restated, enclosed as Annexure VIII;
5. Standalone Statement of Fixed Assets as restated, enclosed as Annexure IX;
6. Standalone Statement of Investments, as restated, enclosed as Annexure X;
7. Standalone Statement of Inventories as restated, enclosed as Annexure XI;
8. Standalone Statement of Sundry Debtors as restated, enclosed as Annexure XII;
9. Standalone Statement of Cash and Bank Balances as restated, enclosed as Annexure XIII;

10. Standalone Statement of Loans and Advances as restated, enclosed as Annexure XIV;
11. Standalone Statement of Current Liabilities and Provisions, as restated, enclosed as Annexure XV;
12. Standalone Statement of Income from Operations as restated, enclosed as Annexure XVI;
13. Standalone Statement of Other Income as restated, enclosed as Annexure XVII;
14. Standalone Statement of Expenditure, as restated, enclosed as Annexure XVIII;
15. Standalone Statement of Dividend Paid/Proposed, enclosed as Annexure XIX;
16. Standalone Statement of Accounting Ratios, as restated, enclosed as Annexure XX;
17. Standalone Capitalisation Statement as on 31st March 2010, as restated, enclosed as Annexure XXI;
18. Standalone Tax Shelter Statement, enclosed as Annexure XXII;
19. Standalone Related Party Transactions enclosed as Annexure XXIII;

In our opinion the above financial information of the Company read with Standalone Significant Accounting Policies and Notes to Accounts enclosed in Annexure IV to this report and also as per the reliance place by us on the audited financial statements of the Company which were audited by the Statutory Auditor and the Auditors' report for the years ended 31st, March 2009, 31st, March 2008, 31st, March 2007 and 31st, March 2006 after making adjustments / restatements and regroupings as considered appropriate and for the year ended 31st March 2010 examined by us has been prepared in accordance with paragraph B(1) Part II of Schedule II of the Companies Act and the SEBI ICDR Regulations. Our work has been carried out in accordance with the auditing standards generally accepted in India and as per the revised guidance note on reports in Company Prospectus issued by Institute of Chartered Accountants of India.

This report should not be in any way construed as a reissuance or redating of any of the previous audit reports issued by us or by other firm of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statements referred herein.

This report is intended solely for your information and for inclusion in the Offer Document in connection with the specific Public Offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent. We hereby give our consent to include this report in the Draft Red Herring Prospectus of the Company.

FOR J. S. Uberoi and Co
CHARTERED ACCOUNTANTS
Firm's Registration No: 111107W

CA Amarjeet Singh Sandhu
Partner
Membership No : 108665
Place: Nagpur
Date: September 27, 2010

ANNEXURE I – STANDALONE SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007	As on March 31, 2006
Fixed Assets					
Gross block	3,242.99	2,573.13	2,141.98	1,161.26	42.15
Less: Depreciation	261.67	149.48	59.67	8.70	-
Net Block	2,981.32	2,423.65	2,082.31	1,152.56	42.15
Capital Work -in-Progress	380.89	-	-	518.41	109.22
Total - Fixed Assets (A)	**3,362.21**	**2,423.65**	**2,082.31**	**1,670.97**	**151.37**
Investments (B)	306.16	306.16	511.76	327.19	0.50
Current assets, loans and advances:					
Inventories	3,049.22	1,914.28	1,745.05	204.19	-
Receivables	6,946.67	5,245.16	4,480.13	1,312.96	-
Cash and bank balances	162.70	124.04	692.98	143.54	1.05
Loans and advances	2,795.45	1,392.17	832.09	674.20	778.62
Total (C)	**12,954.04**	**8,675.65**	**7,750.25**	**2,334.89**	**779.67**
Total assets (A + B + C)	**16,622.41**	**11,405.46**	**10,344.32**	**4,333.05**	**931.54**
Liabilities and provisions					
Secured loans	7,369.84	4,875.29	3,390.40	1,449.63	915.56
Unsecured loans	13.78	3.37	247.40	81.32	-
Deferred Tax Liability	203.03	159.41	148.15	80.96	-
Current liabilities	2,052.36	1,686.19	3,958.47	1,256.61	15.27
Provisions	788.63	544.89	422.36	142.70	-
Total Liabilities (D)	**10,427.64**	**7,269.15**	**8,166.78**	**3,011.22**	**930.83**
Net worth (A+B+C-D)	**6,194.77**	**4,136.31**	**2,177.54**	**1,321.83**	**0.71**
Represented by					
Share capital					
-Equity Share Capital	1,386.37	669.75	556.28	445.00	5.00
Total(E)	**1,386.37**	**669.75**	**556.28**	**445.00**	**5.00**
Share Application Money	-	47.40	-	863.85	0.50
Reserves and surplus	4,808.40	3,419.16	1,621.26	12.98	-
Total(F)	**4,808.40**	**3,466.56**	**1,621.26**	**876.83**	**0.50**
Less: Miscellaneous Expenditure (To the extent not written off) **(G)**	-	-	-	-	4.79
Net Worth (E+F-G)	**6,194.77**	**4,136.31**	**2,177.54**	**1,321.83**	**0.71**

ANNEXURE II - STANDALONE SUMMARY STATEMENT OF PROFIT AND LOSS, AS RESTATED

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007	As on March 31, 2006*
Income					
Sales of Products Manufactured by the Company	17,849.10	13,105.97	7,610.74	520.36	-
Sales of Products Traded by the Company	2,011.62	3,337.62	3,983.46	3,218.32	-
Less Excise Duty	62.69	67.07	90.34	29.72	-
Net Sales	19,798.03	16,376.52	11,503.86	3,708.96	-
Other Income	39.72	97.96	60.70	10.46	-
Increase/(Decrease) in Inventories	262.42	(258.17)	567.17	54.34	-
Total (A)	**20,100.17**	**16,216.31**	**12,131.73**	**3,773.76**	-
Expenditure					
Materials consumed	15,555.75	12,634.74	9,595.35	3,248.24	-
Employees Remuneration And Benefit	489.22	335.85	279.96	97.00	-
Manufacturing expenses	228.67	216.00	111.20	22.04	-
Administrative, Selling and Distribution expenses	877.17	951.48	616.27	109.77	-
Total (B)	**17,150.81**	**14,138.07**	**10,602.78**	**3,477.05**	-
Profit Before Interest, Depreciation and Tax	**2,949.36**	**2,078.24**	**1,528.95**	**296.71**	-
Depreciation	112.19	91.84	50.97	8.70	-
Profit Before Interest and Tax	**2,837.17**	**1,986.40**	**1,477.98**	**288.01**	-
Financial Expenses	713.66	601.33	320.76	43.21	-
Profit after Interest and Before Tax	**2,123.51**	**1,385.07**	**1,157.22**	**244.81**	-
Preliminary Expenses and Def. Exp. W/o	-	-	-	59.55	-
Profit before Taxation	**2,123.51**	**1,385.07**	**1,157.22**	**185.26**	-
Provision for Taxation	700.00	475.59	361.99	90.03	-
Provision for Deferred Tax	43.62	11.27	67.19	80.95	-
Provision for FBT	-	6.86	8.48	1.30	-
Add/Less Tax adjustment Prior Year	-	-	-	-	-
Total	**743.62**	**493.72**	**437.66**	**172.28**	-
Profit After Tax but Before Extra ordinary Items	**1,379.89**	**891.35**	**719.56**	**12.98**	-
Extraordinary items	-	-	-	-	-
Net Profit after adjustments	**1,379.89**	**891.35**	**719.56**	**12.98**	-
Net Profit Transferred to Balance Sheet	**1,379.89**	**891.35**	**719.56**	**12.98**	**-**

**The Company was incorporated on January 16, 2006 and commenced Commercial operations on November 1, 2006.*

ANNEXURE III - STANDALONE CASH FLOW STATEMENT, AS RESTATED

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007	As on March 31, 2006
A. Cash Flow from Operating Activities					
Profit before tax, as restated	2,123.51	1,385.07	1,157.22	185.26	-
Adjustments for:					
Depreciation	112.19	91.84	50.97	8.70	-
Miscellaneous expenditure written off				4.79	-
Financial Exp	713.66	601.33	320.76	43.21	-
Operating Income before working capital changes	**2,949.36**	**2,078.24**	**1,528.95**	**241.96**	
Adjustments for:					
Decrease/(Increase) in Trade and Other Receivables	(1,701.51)	(765.03)	(3,167.17)	(1,312.96)	-
Decrease/(Increase) in Inventories	(1,134.94)	(169.23)	(1,540.86)	(204.19)	-
Decrease/(Increase) in Loans and Advances	(1,403.28)	(560.08)	(157.89)	104.43	(778.62)
Increase/(decrease) in Trade Payables and Provisions	609.88	(2149.74)	2,981.52	1,384.04	15.27
Cash Generated from Operations	(680.49)	(1,565.84)	(355.46)	213.28	(763.35)
Direct Taxes (Net)	(700.00)	(482.45)	(370.47)	(91.33)	-
Net Cash Flow from Operating Activities	**(1,380.49)**	**(2,048.29)**	**(725.93)**	**121.95**	**(763.35)**
B. Cash Flow from Investing Activities					
Purchase of Fixed Assets and CWIP	(1,050.75)	(433.18)	(462.31)	(1,528.30)	(151.37)
Investments Made	-	205.60	(184.57)	(326.69)	(0.50)
Miscellaneous Expenditure	-	-	-	-	(4.79)
Net Cash used from Investing Activities	**(1,050.75)**	**(227.58)**	**(646.88)**	**(1,854.99)**	**(156.66)**
C. Cash Flow from Financing Activities					
Share Capital	46.87	113.47	111.28	440.00	5.00
Share Premium	679.13	906.53	888.73	-	-
Share Application Money	(47.40)	47.40	(863.85)	863.35	0.50
Total	**678.60**	**1,067.40**	**136.16**	**1,303.35**	**5.50**
Change in the Borrowings					
Loans Receipt (Net)	2,504.96	1,240.86	2,106.85	615.39	915.56
Interest Paid	(713.66)	(601.33)	(320.76)	(43.21)	-
Net Cash Flow from Financing Activities	**2,469.90**	**1,706.93**	**1,922.25**	**1,875.54**	**921.06**
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**38.66**	**(568.94)**	**549.44**	**142.49**	**1.05**
Cash and Cash Equivalents at Beginning of the Year	**124.04**	**692.98**	**143.54**	**1.05**	
Cash and Cash Equivalents at End of the Year	**162.70**	**124.04**	**692.98**	**143.54**	**1.05**

ANNEXURE IV- STANDALONE SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES

System of Accounting

The financial statements have been prepared to comply in all material respects with the generally accepted accounting principles, Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 and the relevant provisions thereof.

The financial statements have been prepared under the historical cost convention on accrual basis of accounting. The accounting policies have been consistently applied by the Company and are in line with those used last year. The same are prepared on going concern basis.

The Company follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis.

Fixed Assets

Fixed assets are stated at historical cost less accumulated depreciation and impairment losses if any. Cost comprises of the purchase price (net of tax/duty credit availed) and any cost direct / incidental and borrowing cost attributable bringing the asset to its working condition for its intended use.

Depreciation/ Amortization/ Impairment

Depreciation is provided on fixed assets on straight line basis in accordance with the rates prescribed in Schedule XIV of the Companies Act 1956.

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal and external factors. An impairment loss is recognized wherever the carrying amount of assets exceeds its recoverable amount. The recoverable amount is the greater of the assets' net selling price and the 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.

Inventories

i. Raw Materials are valued at cost or net, realizable value whichever is lower.

ii. Semi Finished Goods (Work in progress) are valued at cost.

iii. Finished Goods:

Manufactured goods are valued at cost or net realisable value whichever is lower. Cost includes cost of raw materials used and all the related overhead expenses.

Traded Goods are valued at cost or net realisable value whichever is lower.

Cost is determined by using the First in First out (FIFO) method.

Employee Benefits

Contributions to defined contribution schemes such as provident fund are charged to profit and loss account as incurred. Gratuity Act is not applicable to the Company however provision for Gratuity is made on the basis of Valuation done by Actuary (The Company has provided for gratuity as per payment of gratuity act upto 31st March 2009, which has been restated as per Actuaries valuation in restated statement) .

Revenue Recognition

Revenue is recognized when no significant uncertainty as to determination or realisation exists. Revenue from the activity is recognized in accordance with the accepted practice upon passing of titles to the customers.

Pre-Operative Expenditure

Pre-Operative expenses of the Company have been fully written off in the year of commencement of commercial operations. The Company was incorporated on January 16, 2006 and commenced Commercial operations on November 1, 2006.

Accounting for taxes on income

Provision for current tax is made based on the tax payable under the current provisions of the tax laws applicable in the jurisdiction where in the income is assessable.

Deferred tax expenses or benefit is recognised on timing differences being the difference between taxable income and accounting income that arises in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets and liabilities are accounted for, using the tax rates and tax laws applicable as on the Balance Sheet date.

Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which reliable estimates can be made.

Provisions are not discounted to its present value and are determined based on best management estimates required to settle the obligations at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best management estimates.

Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as Current Investments. All other Investments are classified as Long term Investments. Current Investments are stated at lower of cost and market rate on an individual investment basis. Long term investments are considered "at cost" on individual investment basis, unless there is a decline other than temporary in the value, in which case adequate provision is made against such diminution in the value of investments.

Segment Reporting

The Company is dealing in manufacturing and trading of Medicines only hence business wise segment report is not provided.

Cash Flow Statement

The Company has prepared the Cash Flow Statement using the Indirect Method in compliance with Accounting Standard issued by The Institute of Chartered Accountants of India (AS-3).

Cash and Cash equivalents

Cash and cash equivalents in the cash flow statement comprise of cash at bank and Cash/Cheque in hand

and short-term investments with an original maturity of three months or less.

Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known/ materialized.

Borrowing Cost

Borrowing cost directly attributable to the acquisition or construction of fixed assets is capitalized as part of the cost of assets, up to the date the assets is put to use. All borrowing cost are charged to the profit and loss account in the year in which they are incurred.

Earnings per share

Earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders, by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Accounting for Foreign Exchange Transaction

In accordance with *Accounting Standard – 11 "The effects of changes in foreign exchange"* rates issued by the Institute of Chartered Accountants of India (ICAI) the transaction in foreign exchange are accounted for at the exchange rates prevailing at the date of the transaction. In respect of the Assets and Liabilities remaining unsettled at the balance sheet date are translated at the closing rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date are recognized as income or expense in the period in which they arise.

Contingencies

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of Notes to Accounts.

<u>NOTES TO ACCOUNTS</u>

1. The financial statements have been prepared under Historical Cost Convention in accordance with the generally accepted accounting principles (Indian GAAP) and the provisions of the Companies Act, 1956 as adopted consistently by the Company. The same are prepared on a going concern basis. The Company follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

2. Fixed Assets and Depreciation: Depreciation on Fixed Assets is provided under the SLM method at the rates and in the manner prescribed by Schedule XIV to the Companies Act, 1956.

3. Stocks in trade are valued at cost price.

4. The accounting standards as prescribed by the Institute of Chartered Accountants of India are applied wherever applicable in preparing and presenting the financial statements.

5. Previous year figures have been regrouped and rearranged wherever necessary.

6. Balances of Debtors, Creditors and depositors, if any, are subject to confirmation and reconciliation.

7. Research and Development costs are expensed when incurred. Capital expenditure when incurred for acquisition or construction of equipment and facilities for R & D and having alternate future uses will be capitalized under Plants and Machinery.

8. Company has issued 1:1 one bonus share totalling to 6,69,745 share of Rs. 100 pursuant to Resolution passed at Extra Ordinary General Meeting of Shareholders held on December 14, 2009 and Face value of Equity Shares has been sub divided from Rs.100 per share to Rs.10 per share on February 11, 2010.

9. Disclosure related to SSI / SME

   There are no Small Scale Industrial (SSI) undertakings whose balances are outstanding for more than 30 days.

10. Payment of Auditors

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007	As on March 31, 2006
Audit Fee	1.60	1.60	2.00	1.60	0.25

11. Payment to directors

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007	As on March 31, 2006
Salary and Bonus	63.95	40.19	46.93	5.84	-
Commission	-	-	-	-	-
Perquisite	-	-	-	-	-
Sitting fees	-	-	-	-	-
Total	**63.95**	**40.19**	**46.93**	**5.84**	**-**

Computation of Directors Remuneration and Commission

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007	As on March 31, 2006
Profit Before Tax as per Profit and Loss Account	2,121.78	1,351.60	1,148.73	239.88	-
Add: Directors Remuneration	63.95	40.19	46.93	5.84	-
Less: Profit on sale of assets	-	0.13	-	-	-
Net Profit for the purpose of directors commission	2,185.73	1,391.66	1,195.66	245.72	-
Maximum remuneration payable upto 10% of above	218.57	139.17	119.57	24.57	-

12. Contingent Liabilities

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007	As on March 31, 2006
Comfort letter / third party guarantee given for loan taken by subsidiary ZIM Laboratories Limited from Shamroa Vithal Co-operative Bank and Axis Bank Limited	-	2,063.68	1,760.36	-	-

13. Annual Licensed and Installed Capacity on One Shift per annum:

Capacity Chart

Particulars		March 31, 2010			March 31, 2009		
	Unit (in '000)	Installed Capacity	Production Quantity	Capacity Utilization (in %)	Installed Capacity	Production Quantity	Capacity Utilization (in %)
Allopathic:							
Liquid	Ltrs	2,500.00	2,187.73	87.51%	2,500.00	1,315.87	52.63%
Ointment	Kgs	75.00	58.06	77.41%	75.00	36.60	48.80%
Powder	Kgs	25.00	17.49	69.95%	25.00	1.05	4.18%
Capsules	Nos	60,000.00	15,863.44	26.44%	60,000.00	6,517.00	10.86%
Injection :							
Vials/ Ampoules	Nos	61,200.00	53,780.20	87.88%	61,200.00	50,394.73	82.34%
Herbal :							
Liquid	Ltrs	200.00	154.43	77.21%	200.00	78.19	39.09%
Tablets	Nos	150,000.00	109,006.10	72.67%	150,000.00	52,380.00	34.92%
Capsules	Nos	125,000.00	80,607.02	64.49%	125,000.00	87,858.00	70.29%
Powder	Kgs	2,500.00	2,887.18	115.49%	2,500.00	1,737.81	69.51%
Ointment	Kgs	-	-	-	-	-	-
Job work :							
Liquid	Ltrs	-	7.47	-	-	135.50	-
Ointment	Kgs	-	-	-	-	-	-
Tablets	Nos	-	-	-	-	-	-
Capsules	Nos	-	-	-	-	-	-
Vials/ Ampoules	Nos	-	60.00	-	-	157.00	-

Particulars	March 31, 2008				March 31, 2007		
	Unit (in '000)	Installed Capacity	Production Quantity	Capacity Utilization (in %)	Installed Capacity	Production Quantity	Capacity Utilization (in %)
Allopathic:							
Liquid	Ltrs	2,500.00	762.58	30.50%	200.00	161.75	80.87%
Ointment	Kgs	75.00	78.71	104.94%	40.00	23.89	59.72%
Powder	Kgs	25.00	2.22	8.86%	-	-	-
Capsules	Nos	60,000.00	234,273.00	390.46%	-	-	-
Injection :							
Vials/ Ampoules	Nos	61,200.00	24,180.00	39.51%	2,000.00	1,529.79	76.49%
Herbal :							
Liquid	Ltrs	5.00	1.00	20.06%	5.00	0.28	5.60%
Tablets	Nos	40,000.00	35,775.00	89.44%	40,000.00	13,148.00	32.87%
Capsules	Nos	5,000.00	1,080.00	21.60%	5,000.00	22.00	0.44%
Powder	Kgs	5.00	6.04	120.82%	5.00	0.70	14.00%
Ointment	Kgs	0.15	0.15	100.00%	-	-	-
Job work :							
Liquid	Ltrs	-	21.78	-	-	2.54	-
Ointment	Kgs	-	15.44	-	-	2.91	-
Tablets	Nos	-	-	-	-	53.00	-
Capsules	Nos	-	43.00	-	-	8.00	-
Vials/ Ampoules	Nos	-	1,340.06	-	-	127.44	-

14. Earnings and Expenditure in foreign currency

Particulars	Currency	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007
Earning	USD	7,12,712.17	4,64,343.49	9,45,602.50	2,17,184.00
Expenditure	USD	8,31,572.69	6,72,000.00	3,71,317.50	61,125.00
	GBP	-	-	645.00	-
	EURO	-	700.00	-	-
	AED	2,37,000	-	-	-
	POUND	630	-	-	-

15. Net Profit / Loss for the period, prior period item and changes in accounting policies:

All the extra ordinary and prior period items of Income and expenses are separately disclosed in the statement of Profit and Loss account in the manner such that it's impact on the current profit or loss can be perceived. Further there has not been any change in the Company's accounting policies or accounting estimate so as to have material impact on the current year profit/loss or that of later periods expect for provision of gratuity the effect of which is summarised below. All the items of Income and Expenses from ordinary activities with such size and nature such that they become relevant to explain the performance of the Company have been disclosed separately.

Effect of Changes in Accounting Policies, As Restated

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007	As on March 31, 2006
Provision for Gratuity as per Audited Profit and Loss A/c	12.43	30.45	-	46.30	-
Less: Provision for Gratuity as per restated Profit and Loss A/c (As done by Actuaries)	26.18	12.29	(0.15)	15.37	-
Excess / (Deficit) Provision	**(13.75)**	**18.16**	**0.15**	**30.93**	**-**

16. Taxation :

    i. Provision for current Income Tax is made in accordance with Income Tax Act, 1961.

    ii. Deferred Tax Accounting:
    Deferred tax expenses or benefit is recognised on timing difference being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been subsequently enacted by the balance sheet date.

    Deferred tax assets in respect of unabsorbed depreciation and carry forward losses are recognised only to the extent that there is virtual certainty that sufficient taxable income will be available to realise these assets. All other deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets.

    Calculation of Deferred Tax Assets and Liability:

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007	As on March 31, 2006
Difference in Depreciation	272.43	222.58	162.14	115.66	-
Gross Deferred Tax Liability	**272.43**	**222.58**	**162.14**	**115.66**	**-**
Deferred Tax assets					
Net effect of Expenditure	39.27	53.38	13.62	18.96	-
Gratuity provided for in books and disallowed for Income Tax	30.12	9.79	0.37	15.74	-
Gross Deferred Tax Asset	**69.39**	**63.17**	**13.99**	**34.70**	**-**
Net Deferred Tax Liability	**203.04**	**159.41**	**148.15**	**80.96**	**-**

17. As per the written confirmation obtained by the company from suppliers of goods and services (and relied upon by the auditors), none of the suppliers of the company are Micro enterprises or Small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006. Therefore, disclosure under section 22 of the said act is not necessary.

18. Significant development subsequent after the balance date.

The Company has acquired 100% shares i.e 5000 shares of the shares of RevAyur Beauty Care India Private Limited in the month of April 2010 thus making it fully own subsidiary Company.

19. **Notes To Adjustments In The Restated Accounts**

a. Deferred Tax Liabilities not provided during 2006-07 and 2007-08 has been recalculated and provided for in restated.
b. Preliminary Expenses has been written off in 2006-07 itself instead of been appropriated for five years.
c. Deferred Revenue Expenditure has been written off in 2006-07 itself instead of been appropriated for five years.
d. Gratuity Provision which was on the bases of Gratuity Act utpo 2008-09 has been restated as per Actuaries' valuation.

The effect of above adjustment to profit and loss account is presented below:

Reconciliation of Net Profit, As Restated

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007	As on March 31, 2006
Net Profit / (Loss) as per Profit and Loss Account	**1,261.65**	**811.79**	**787.72**	**153.57**	-
Change in Provision of Gratuity	(13.75)	18.25	0.57	(5.07)	-
Change in Preliminary Expenses W-off	1.08	1.24	1.24	(3.56)	-
Change in Deferred Expenditure W-off	10.95	10.95	10.95	(43.80)	-
Change in Prior Period Item	3.43	3.02	(4.27)	(2.19)	-
Change in I Tax	175.59	(163.60)	(6.96)	(5.03)	-
Change in Fringe Benefit Tax	0.86	1.63	(2.50)	0.01	-
Change in Deferred Tax Liability	(59.93)	208.08	(67.19)	(80.96)	-
Net Profit / (Loss) as per Restated Profit and Loss Account	**1,379.89**	**891.35**	**719.56**	**12.98**	-

ANNEXURE V - STANDALONE STATEMENT OF CHANGES IN SHARE CAPITAL, AS RESTATED

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007	As on March 31, 2006
Authorised	2,500.00	1,500.00	1,500.00	500.00	500.00
Issued, Subscribed and Paid up	1,386.37	669.75	556.28	445.00	5.00
Share Application Money	-	47.40	-	863.85	0.50
Total	**1386.37**	**717.15**	**556.28**	**1308.85**	**5.50**

Capital History

Sr. No.	Date of Allotments	Number of Shares @ Rs. 100/-	Issue Price per Equity Share (Rs.)	Name of allottees	Number of shares allotted	Remark
1.	January 16, 2006 (Subscriber to Memorandum)	5,000	100	Mr. Faiz Vali	4400	Total Paid up Capital Rs. 5,00,000/-
				Mr. Vinayak Kudva	100	
				Mr. Nitish Shastri	100	
				Mr. Esa Vali	100	
				Shehrebano Vali	100	
				Mr. Rajeev Jidewar	100	
				Ms. Sharmistha Khobragade	100	
2.	June 30, 2006	2,40,000	100	Mr. Faiz Vali	1,90,000	Total Paid up Capital Rs. 2,45,00,000/-
				Mr. Vinayak Kudva	50,000	
3.	March 15, 2007	2,00,000	100	Mr. Faiz Vali	1,61,100	Total Paid up Capital Rs. 4,45,00,000/-
				Mr. Vinayak Kudva	38,900	
4.	March 31, 2008	1,11,275	898.67	Astra Exim Private Limited	1,11,275	Total Paid up Capital Rs. 5,56,27,500/-
5.	March 30, 2009	1,13,470	898.92	Indusvista Venture Limited	50,060	Total Paid up Capital Rs. 6,69,67,500/-
				Aritra Investment & Trading Private Limited	63,410	
6.	December 14, 2009	6,69,745	Nil (Bonus Issue)	Mr. Faiz Vali	355500	Total Paid up Capital Rs.
				Mr. Vinayak Kudva	89000	

Sr. No.	Date of Allotments	Number of Shares @ Rs. 100/-	Issue Price per Equity Share (Rs.)	Name of allottees	Number of shares allotted	Remark
				Mr. Nitish Shastri	100	13,39,35,000/-
				Mr. Esa Vali	100	
				Ms. Shehrebano Vali	100	
				Mr. Rajeev Jidewar	100	
				Ms. Sharmistha Khobragade	100	
				Astra Exim Private Limited	111275	
				Finaventure Capital Limited (Formally, Indusvista Venture Limited)	50060	
				Aritra Investment & Trading Private Limited	63410	
7.	February 11, 2010	1,33,93,500				Shares Subdivided from Rs. 100 to Rs. 10
8.	March 3, 2010	4,68,750 (Face Value of Share @ Rs. 10/-)	154.88	Benzo Petro International Limited	4,68,750	Total Paid up Capital Rs. 13,86,36,500/-

ANNEXURE VI - STANDALONE STATEMENT OF RESERVES AND SURPLUS, AS RESTATED

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007	As on March 31, 2006
Securities Premium					
Opening Balance	1,795.26	888.73	-	-	-
Add: During the year	679.12	906.53	888.72	-	-
Less: Bonus shares issued*	669.75	-	-	-	-
Closing Balance (A)	**1,804.63**	**1,795.26**	**888.72**	**-**	**-**
Profit and Loss Account					
Opening Balance	1,623.89	732.55	12.98	-	-
Add: During the year	1,379.88	891.35	719.56	12.98	-
Less: Bonus shares issued					
Closing Balance (B)	**3,003.77**	**1,623.90**	**732.54**	**12.98**	**-**
Total (A+B)	**4,808.40**	**3,419.16**	**1,621.26**	**12.98**	**-**

The Company has issued 669,745 equity shares as bonus shares to the share holders by way of capitalization of securities premium in the ratio of 1 share for every 1 share held, which were approved at the extraordinary general meeting of the shareholders held on December 14, 2009.

ANNEXURE VII - STANDALONE STATEMENT OF SECURED LOANS, AS RESTATED

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007	As on March 31, 2006
Term loan from Banks	2,101.90	880.03	1,166.91	1,309.63	510.85
Working Capital / Cash Credit from Banks	5,112.05	3,983.85	2,193.98	136.52	404.71
NSIC	144.31	-	26.81	-	-
Vehicle loan	11.58	11.41	2.70	3.48	-
Total	**7,369.84**	**4,875.29**	**3,390.40**	**1,449.63**	**915.56**

Principle Terms and Conditions of Outstanding Secured Loans:

(Rs. in Lakhs)

Name of the lender	Facility	Sanctioned Amount	Amount Outstanding as on August 31, 2010	Rate of Interest	Repayment Schedule	Securities Offered
State Bank of India	Cash Credit(H)	2000.00	1848.43	13.75%	Demand Loan	Primary Security:- Pari-passu hypothecation charge (with Axis Bank and SVC Bank) of existing as well as future entire finished goods, SIP,raw material, stores and spares of the unit at their Godown premises or at some other places including goods in transit, outstanding moneys, book debts, receivables ,etc Secondary Security:- 1. First pari-passu charge with Axis Bank and SVC Bank on company's factory land and building at D-82, having plot area 1250 sqm together with RCC construction standing thereon adm. 2776 sqm at MIDC, Hingna, M. V. Rs. 441 lakhs 2. First pari-passu charge with Axis Bank and SVC Bank on Company's Land and Godown at Plot No. – 15, Morgaon, Wadi, Nagpur.MV Rs. 24 lakhs 3. First Pari-pasu hypothecation charge on company's entire fixed assets including machineries and excluding vehicles.Total Rs. 465 lakhs 4. Extension of first pari-passu charge with Axis Bank and SVC Bank on company,s factory land and bldg. At B/35(adm. 5866 sq.met. and B/36 (adm.1987 sq.met.) at Bramhni Village, MIDC Kalmeshwar, Nagpur. MV Rs. 1020 lakhs 5. Extension of First pari-passu charge with Axis Bank and SVC Bank on company's factory land adm. 920 sqm and building (Gr. Floor – 5460 sq.ft built-up and 1st Floor – 1050 sqft built-up) at K-10/1, MIDC Hingna, Wandogri Road, Village – Digdoh, Taluka – Hingna, Nagpur. In the name of Universal Medicaments Private Limited M V. Rs. 91 lakhs 6. Extension of First pari-passu charge with SVC bank and Axis Bank on company,s factory building located at 1505/1 Shantinagar Nagpur. M V Rs. 370 lakhs 7. Extension of Pari-passu charge with ONLY Axis Bank on Land and

Name of the lender	Facility	Sanctioned Amount	Amount Outstanding as on August 31, 2010	Rate of Interest	Repayment Schedule	Securities Offered
						Building at B-1/2/3, Parshivani, MIDC, Nagpur,441105, Area of land 2 Acres (8767 Sq. mtRs.) 8. Extension of pari-passu hypothecation charge on the Plant and Machinery being purchased out of bank finance, at P-338 Kalmeshwar, Nagpur, with Axis Bank ONLY.
	Term Loan I	200.00	115.70	12.75%	In 35 Monthly instalment starting from January 2009	Primary Security:- 1. First pari-passu charge with SVC bank and Axis Bank on company,s factory building located at 1505/1 Shantinagar Nagpur. M V Rs. 370 lakhs 2. First pari-passu charge with Axis Bank and SVC Bank on company,s factory land and bldg. At B/35(adm. 5866 sq.met. and B/36 (adm.1987 sq.met.) at Bramhni Village, MIDC Kalmeshwar, Nagpur M. V. Rs. 1020lakhs 3. Extension of First pari-passu charge with Axis Bank and SVC Bank on company's factory land adm. 920 sqm and building (Gr. Floor – 5460 sq.ft built-up and 1st Floor – 1050 sqft built-up) at K-10/1, MIDC
	Term Loan II	1800.00	356.00	14.25%	In 54 Equal monthly instalment starting from April 2011	Primary Security: - Equitable mortgage of Land and Building and the entire fixed assets of the Company.at-1/2/3, Parshivani, MIDC, Nagpur – 441 105, B.) hypothecation of Plant and machinery to be purchased out of bank finance Secondary Security : - 1. First pari-passu charge with Axis Bank and SVC Bank on the Company's factory land and building at D-82, having plot area 1250 Sq. Mtrs. together with RCC construction standing thereon admeasuring 2776 Sq. Mtrs. at MIDC, Hingna, Market Value of Rs.441 lakhs 2. First pari-passu charge with Axis Bank and SVC Bank on the Company's Land and Godown at Plot No. – 15, Morgaon, Wadi, Nagpur. Market Value of Rs.24 lakhs 3. First Pari-pasu hypothecation charge on the Company's entire fixed assets including machineries and excluding vehicles. Total Rs.465 lakhs

Name of the lender	Facility	Sanctioned Amount	Amount Outstanding as on August 31, 2010	Rate of Interest	Repayment Schedule	Securities Offered
						4. Extension of first pari-passu charge with Axis Bank and SVC Bank on the Company's factory land and building at B/35 admeasuring 5866 Sq. Mtrs. and B/36 admeasuring 1987 Sq. Mtrs. at Bramhni Village, MIDC Kalmeshwar, Nagpur, Market Value of Rs.1,020 lakhs. 5. Extension of First pari-passu charge with Axis Bank and SVC Bank on the Company's factory land admeasuring 920 Sq. Mtrs and building (Gr. Floor – 5460 Sq. Ft. built-up and 1st Floor – 1050 Sq. Ft.built-up) at K-10/1, MIDC Hingna, Wandogri Road, Village – Digdoh, Taluka – Hingna, Nagpur in the name of Universal Medicaments Private Limited Market Value of Rs.91 lakhs.
Axis Bank Limited	Cash Credit (H) (EPC / PSC) 160	1900.00	1920.09	12.25%	Demand Loan	Primary Security: - First charge on entire current assets of the Company including stock and receivables on pari-passu basis with other lenders in the consortium Collateral Security : - Second charge on entire fixed assets (including immovable properties) present and future of the Company and Universal Medicaments (P) Limited on pari-passu basis with other lenders in the consortium
	Letter of Credit	125.00	27.52			LC application cum indemnity from the Company. Other securities as mentioned above for cash credit limit
	Bank Guarantee	150.00	218.23	-		Primary Security: First charge on entire current assets of the Company including stock and receivables on pari-passu basis with other lenders in the consortium. Collateral Security: 1. Second charge on entire fixed assets (including immovable properties) present andfuture of the Company and Universal Medicaments (P) Limited on pari-passu basis with other lenders in the consortium;

Name of the lender	Facility	Sanctioned Amount	Amount Outstanding as on August 31, 2010	Rate of Interest	Repayment Schedule	Securities Offered
						2. 10% Fixed Deposit margin
	Term Loan I	441.00	143.23	12.50%		Primary Security: - First Charge on Entire Fixed Assets, present and future of The Company and Universal Medicaments Privated Limited On pari-passu basis with SVC Bank. Collateral Security: - Second charge on all current assets including stock and receivables on pari-passu basis with SBI and SVC.
	Term Loan II	1400.00	1415.45	12.50%	60 monthly installments of Rs. 23.33 lakhs each commencing after a moratorium period of 17 months from the date of first disbursement, interest to be serviced as and when applied	Primary Security : - First charge on entire fixed assets (including immovable properties) to be created from proceeds of the fresh term loan on pari-passu basis with SBI Collateral Security: - Second charge on entire current assets of the, company including stock and receivables on pari-passu basis with other lenders in the consortium.
The Shamrao Vital Co-operative Bank Limited	Cash Credit(H)	1250.00	1253.13	12.50%		Primary Security: - First Charge on all current assets including stock and receivables on pari – passu basis with the other members of consortium. Collateral Security: - Second charge on the entire fixed assets present and future on pari-passu bais with the other members of consortium.
	Term Loan I	294.88	-	13.00%		Primary Security: - First Charge on the entire fixed assets present and future on pari-passu bais with the other members of consortium.

Name of the lender	Facility	Sanctioned Amount	Amount Outstanding as on August 31, 2010	Rate of Interest	Repayment Schedule	Securities Offered
	Term Loan II	406.50	182.20	13.00%		Collateral Security : - Second Charge on all current assets including stock and receivables on pari – passu basis with the other members of consortium

ANNEXURE VIII - STANDALONE STATEMENTS OF UNSECURED LOANS, AS RESTATED

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007	As on March 31, 2006
From Directors/Shareholders	-	-	-	12.65	-
From Others/Corporate Bodies	13.78	3.37	247.40	68.67	-
Total	**13.78**	**3.37**	**247.40**	**81.32**	**-**
Above amount includes transactions with following related parties:					
Mr. Faiz Vali	-	-	-	12.65	-
ZIM Laboratories Limited	-	-	50.00	-	-
Total	**-**	**-**	**50.00**	**12.65**	**-**

Note:
No interest is payable / paid on the loans mentioned above. Unsecured loans are repayable on demand and consequently there is no repayment schedule.

ANNEXURE IX - STANDALONE STATEMENT OF FIXED ASSETS, AS RESTATED

(Rs. in Lakhs)

Description of Assets	Gross Block				Depreciation				Net Block	
	As on March 31, 2009	Addition during the year	Sold during the year	As on March 31, 2010	Up to March 31, 2009	For the period ending March 31, 2010	Adjustment in depreciation	Up to March 31, 2010	As on March 31, 2010	As on March 31, 2009
Land	118.45	349.00	-	467.45	-	-	-	-	467.44	118.44
Factory Building	1,314.33	82.03	-	1,396.37	58.55	44.23	-	102.78	1,293.59	1,255.78
Plant and Machinery	564.49	68.25	-	632.74	46.26	28.23	-	74.49	558.25	518.23
A.H.U.	166.41	2.74	-	169.16	10.25	7.94	-	18.19	150.97	156.16
Electric Installation	61.54	12.28	-	73.83	4.85	3.17	-	8.01	65.82	56.69
Laboratory Equipment	187.95	33.59	-	221.53	10.81	9.47	-	20.28	201.25	177.14
Office Equipments	6.97	3.23	-	10.20	0.59	0.38	-	0.97	9.23	6.38
Computer Accessories	34.61	37.81	-	72.41	7.04	8.12	-	15.15	57.26	27.57
Refrigerator	0.36	0.07	-	0.43	0.04	0.02	-	0.05	0.38	0.32
E.P.A.B.X.	1.82	0.25	-	2.07	0.15	0.09	-	0.25	1.82	1.67
Vehicles	39.83	6.93	-	46.76	4.41	4.14	-	8.55	38.21	35.42
Furniture and Fixture	75.91	69.05	-	144.94	6.48	6.29	-	12.77	132.17	69.43
Borewell	0.19	-	-	0.19	0.02	0.02	-	0.04	0.16	0.17
Cycle Rickshaw	0.10	-	-	0.10	0.02	0.02	-	0.04	0.06	0.07
Canteen Utensils	0.18	-	-	0.18	0.01	-	-	0.01	0.16	0.17
Trade Mark	-	4.64	-	4.64	-	0.09	-	0.09	4.55	-
Total	**2,573.13**	**669.87**	**-**	**3,242.99**	**149.48**	**112.19**	**-**	**261.67**	**2,981.32**	**2,423.64**

(Rs. in Lakhs)

Description of Assets	Gross Block				Depreciation				Net Block	
	As on March 31, 2008	Addition during the year	Sold during the year	As on March 31, 2009	Up to March 31, 2008	For the period ending March 31, 2009	Adjustment in depreciation	Up to March 31, 2009	As on March 31, 2009	As on March 31, 2008
Freehold land	118.44	-	-	118.44	-	-	-	-	118.44	118.44
Factory Building	1,170.39	143.94	-	1,314.33	20.59	39.15	1.19	58.55	1,255.78	1,149.80
Plant and Machinery	506.24	79.64	21.39	564.49	21.73	24.53	-	46.26	518.23	484.51
AHU	110.82	58.38	2.79	166.41	4.05	6.20	-	10.25	156.16	106.77
Electric Installation	54.15	7.39	-	61.54	2.13	2.72	-	4.85	56.69	52.03
Laboratory Equipments	79.47	108.48	-	187.95	3.09	7.72	-	10.81	177.14	76.38
Refrigerator	0.36	-	-	0.36	0.02	0.02	-	0.04	0.32	0.34
Office Equipments	6.53	0.44	-	6.97	0.27	0.32	-	0.59	6.38	6.26
Computer Accessories	21.84	12.77	-	34.61	2.89	4.15	-	7.04	27.57	18.95
E.P.A.B.X	1.68	0.14	-	1.82	0.07	0.08	-	0.15	1.67	1.60
Vehicle	22.61	19.90	2.68	39.83	2.31	2.94	0.84	4.41	35.42	20.30
Furniture and Fixture	48.99	26.93	-	75.92	2.50	3.98	-	6.48	69.44	46.48
Borewell	0.19	-	-	0.19	0.01	0.01	-	0.02	0.17	0.18
Canteen Utensils	0.18	-	-	0.18	-	0.01	-	0.01	0.17	0.18
Cycle Rikshaw	0.09	-	-	0.09	0.01	0.01	-	0.02	0.07	0.09
Total	**2,141.98**	**458.01**	**26.86**	**2,573.13**	**59.67**	**91.84**	**2.03**	**149.48**	**2,423.65**	**2,082.31**

(Rs. in Lakhs)

Description of Assets	Gross Block				Depreciation				Net Block	
	As on March 31, 2007	Addition during the year	Sold during the year	As on March 31, 2008	Up to March 31, 2007	For the period ending March 31, 2008	Adjustment in depreciation	Up to March 31, 2008	As on March 31, 2008	As on March 31, 2007
Free hold land	118.45	-	-	118.45	-	-	-	-	118.44	118.45
Factory Building	485.82	684.57	-	1,170.39	4.30	16.29	-	20.59	1,149.80	481.52
Plant and Machinery	351.33	154.91	-	506.24	2.53	19.20	-	21.73	484.51	348.80
AHU	52.06	58.76	-	110.82	0.51	3.54	-	4.05	106.77	51.55
Electric Installation	38.40	15.75	-	54.15	0.08	2.05	-	2.13	52.03	38.32
Laboratory Equipment	53.58	25.88	-	79.46	0.34	2.75	-	3.08	76.38	53.24
Refrigerator	0.36	-	-	0.36		0.02	-	0.02	0.34	0.36
Office Equipment	3.86	2.67		6.53	0.04	0.23	-	0.27	6.26	3.82
Computer Accessories	11.77	10.07	-	21.84	0.30	2.59	-	2.89	18.95	11.47
E.P.A.B.X.	0.84	0.84	-	1.68	0.01	0.07	-	0.08	1.61	0.83
Vehicles	16.80	5.81	-	22.61	0.25	2.06	-	2.31	20.30	16.55
Furniture and Fixture	27.77	21.22	-	48.99	0.34	2.16	-	2.50	46.48	27.43
Borewell	0.19	-	-	0.19		0.01	-	0.01	0.18	0.19
Canteen Utensils	-	0.18	-	0.18		-	-	-	0.18	-
Cycle Rickshaw	0.03	0.06	-	0.09		0.01	-	0.01	0.09	0.03
Total	**1,161.26**	**980.72**	**-**	**2,141.98**	**8.70**	**50.98**	**-**	**59.67**	**2,082.32**	**1,152.56**

(Rs. in Lakhs)

Description of Assets	Gross Block				Depreciation				Net Block	
	As on March 31, 2006	Addition during the year	Sold during the year	As on March 31, 2007	Up to March 31, 2006	For the period ending March 31, 2007	Adjustment in depreciation	Up to March 31, 2007	As on March 31, 2007	As on March 31, 2006
Freehold Land	41.95	76.49	-	118.44	-	-	-	-	118.44	41.95
Factory Building	-	485.83	-	485.83	-	4.30	-	4.30	481.53	-
Plant and Machinery	0.20	351.13	-	351.33	-	2.53	-	2.53	348.80	0.20
A.H.U.	-	52.06	-	52.06	-	0.51	-	0.51	51.55	-
Electric Installation	-	38.41	-	38.41	-	0.08	-	0.08	38.33	-
Laboratory Equipment	-	53.58	-	53.58	-	0.34	-	0.34	53.24	-
Office Equipments	-	3.86	-	3.86	-	0.04	-	0.04	3.82	-
Computer Accessories	-	11.77	-	11.77	-	0.30	-	0.30	11.47	-
Refrigerator	-	0.36	-	0.36	-	-	-	-	0.36	-
E.P.A.B.X.	-	0.84	-	0.84	-	0.01	-	0.01	0.83	-
Vehicles	-	16.80	-	16.80	-	0.25	-	0.25	16.55	-
Furniture and Fixture	-	27.77	-	27.77	-	0.34	-	0.34	27.43	-
Borewell	-	0.18	-	0.18	-	-	-	-	0.18	-
Cycle Rickshaw	-	0.03	-	0.03	-	-	-	-	0.03	-
Total	**42.15**	**1,119.11**	**-**	**1,161.26**	**-**	**8.70**	**-**	**8.70**	**1,152.56**	**42.15**

ANNEXURE X - STANDALONE STATEMENT OF INVESTMENTS, AS RESTATED

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007	As on March 31, 2006
Quoted Investments					
ZIM Laboratories Limited	301.06	301.06	251.06	60.00	-
Unquoted Investments					
1. Fully Paid Equity Shares					
Shamrao Vithal Co-operative Bank Ltd	5.00	5.00	0.50	0.50	0.50
Universal Medicaments Private Limited	-	-	260.20	266.69	-
2. In Government Securities					
NSC	0.10	0.10	-	-	-
Total Investments	**306.16**	**306.16**	**511.76**	**327.19**	**0.50**

Quoted Investments

(Rs. in Lakhs)

For the year ended		As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007	As on March 31, 2006
ZIM Laboratories Limited	Book Value	301.06	301.06	251.06	60.00	-
	Market value*	-	-	-	-	-

**Market Value of the Quoted Investment on above dates are not available*

ANNEXURE XI - STANDALONE STATEMENT OF INVENTORIES, AS RESTATED

(Rs. in Lakhs)

Particulars	**As on March 31, 2010**	**As on March 31, 2009**	**As on March 31, 2008**	**As on March 31, 2007**	**As on March 31, 2006**
Inventories : (Valued at lower of cost or net realisable value, as certified by the management)					
Raw Material and Packing Materials.	2,430.34	1,557.82	1,130.43	149.05	-
Work-in-process	441.78	242.96	133.99	2.32	-
Finished Goods	177.10	113.50	480.63	52.03	-
Laboratory Chemicals				0.79	
Total	**3,049.22**	**1,914.28**	**1,745.05**	**204.19**	-

ANNEXURE XII - STANDALONE STATEMENT OF SUNDRY DEBTORS, AS RESTATED

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007	As on March 31, 2006
Outstanding for the period exceeding Six months	847.92	128.15	78.72	-	-
Other Debts	6,098.75	5,117.01	4,401.41	1,312.96	-
Total	**6,946.67**	**5,245.16**	**4,480.13**	**1,312.96**	**-**

Outstanding from related parties in above:

(Rs. in Lakhs)

Name of the Entity	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007	As on March 31, 2006
ZIM Laboratories	-	6.04	0.19	0.27	-
Universal Medicament Private Limited	-	18.02	-	-	-
City Pharmacy	21.13	18.80	17.23	12.29	-
Total	**21.13**	**42.86**	**17.42**	**12.56**	**-**

Except as provided above, there are no other sundry debtors who are related to the directors, promoters, group companies or the company for the aforementioned years

ANNEXURE XIII - STANDALONE STATEMENT OF CASH AND BANK BALANCES AS RESTATED

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007	As on March 31, 2006
Cash and Bank Balances					
Cash in hand per cash book	1.83	3.36	1.33	0.05	-
Balances with Scheduled Banks					
On Current Account	35.80	19.98	20.55	83.43	1.05
On Fixed Deposits	125.07	100.70	671.10	60.06	-
Total	**162.70**	**124.04**	**692.98**	**143.54**	**1.05**

ANNEXURE XIV - STANDALONE STATEMENT OF LOAN AND ADVANCES, AS RESTATED

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007	As on March 31, 2006
(Unsecured, but considered good)					
Advances recoverable in cash or in kind or for					
Value to be received or pending adjustments	1,410.40	1,218.74	689.80	536.69	4.97
Advance for Capital Goods	1,223.30	-	-	-	773.65
Balances with Excise Authorities	93.67	74.22	71.28	21.57	-
Deposits	61.66	75.66	53.24	35.01	-
Advances to suppliers	6.42	23.55	17.77	80.93	-
Total	**2,795.45**	**1,392.17**	**832.09**	**674.20**	**778.62**

Outstanding from Related Party Balance from above:

(Rs. in Lakhs)

Name of the Entity	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007	As on March 31, 2006
ZIM Laboratories	0.04	2.26	53.33	150.57	-
Universal Medicaments Private Limited	444.48	212.30	-	71.31	706.72
City Pharmacy	-	-	0.05	-	-
Akasa Advertisement	-	-	8.18	-	-
Mr. Faiz Vali	-	216.70	136.45	9.31	-
Finaventure Advisory Services Private Limited	-	-	17.50	-	-
Saif Health Remedies Private Limited	5.06	5.06	59.03	100.00	-
Universal Venture Capital	-	-	9.00	9.00	-
Mr. Ishwarlal Ambaram Trivedi	1.69	-	-	-	-
Mr. Vinayak Kudva	-	-	-	0.07	0.04
Universal Pharmacy	0.22	-	-	21.87	-
Mr. Zakir Vali	31.00	29.19	-	-	-
Unijules Herbal Limited	0.19	-	-	-	-
Unijules Parenterals Limited	0.19	-	-	-	-
RevAyur Beauty Care India Private Limited	0.40	-	-	-	-
Total	**483.27**	**465.51**	**283.54**	**362.13**	**706.76**

Except as provided above, there are no loans and advances due from directors, promoters, group companies or the Company for the aforementioned years

ANNEXURE XV - STANDALONE STATEMENT OF CURRENT LIABILITIES AND PROVISIONS, AS RESTATED

A. CURRENT LIABILITIES:

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007	As on March 31, 2006
Creditors for goods supplied	-	-	-	-	-
Small Scale Industrial Undertaking	-	-	-	-	-
Others	1,527.56	1,299.19	3,309.59	7.12	-
Security Deposits	20.00	27.00	21.40	867.37	-
Creditors for expenses and other liabilities.	367.66	246.08	584.86	167.33	5.65
Creditors for Capital Goods	43.07	-	-	-	9.62
Credit Balances (Customers)	82.59	16.69	39.75	10.17	-
Bank Balances (Due to reconciliation)	11.48	97.23	2.87	204.62	-
Total	**2,052.36**	**1,686.19**	**3,958.47**	**1,256.61**	**15.27**

B. PROVISIONS:

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007	As on March 31, 2006
Income Tax	700.00	475.59	361.99	90.03	-
Fringe Benefit Tax	-	6.87	8.49	1.30	-
Provision for Gratuity	88.63	62.43	51.88	51.37	-
Total	**788.63**	**544.89**	**422.36**	**142.70**	-

ANNEXURE XVI - STANDALONE STATEMENT OF INCOME FROM OPERATIONS, AS RESTATED

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007	As on March 31, 2006
Manufactured Goods	17,849.10	13,105.97	7,610.74	520.36	-
Trading Goods	2,011.62	3,337.62	3,983.46	3,218.32	-
Total	**19,860.72**	**16,443.59**	**11,594.20**	**3,738.68**	**-**

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007	As on March 31, 2006
Break-up of Sales					
Herbal	9,529.46	4,422.46	917.25	278.03	-
Allopathic	10,331.26	12,021.13	10,676.95	3,460.65	-
Total	**19,860.72**	**16,443.59**	**11,594.20**	**3,738.68**	
Break-up of sales					
Domestic	19,705.99	16,052.63	11,307.39	3,483.33	-
Export	154.73	390.96	286.81	255.35	-
Total	**19,860.72**	**16443.5873**	**11,594.20**	**3,738.68**	**-**

ANNEXURE XVII - STANDALONE STATEMENT OF OTHER INCOME, AS RESTATED

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007	As on March 31, 2006	Nature of Income Recurring/ Non Recurring	Related or Not Related to business activity
Interest From Banks and Securities	10.84	57.58	4.43	0.92	-	Recurring	Related
Miscellaneous Income	9.52	24.6	2.53	0.20	-	Non-recurring	Non – Related
Scrap Sales	6.02	2.53	4.78	-	-	Recurring	Related
Job Work Income	4.55	5.42	23.39	3.22	-	Recurring	Related
D.E.P.B.	3.65	-	2.49	-	-	Recurring	Related
Foreign Exchange Fluctuations	3.60	7.08	-	-	-	Non - Recurring	Related
Insurance Claim	1.00	0.53	0.27	-	-	Non-recurring	Related
Interest From Others	0.46	0.01	22.75	6.12	-	Non-recurring	Related
Dividend Income	0.08	0.08	0.06	-	-	Non - Recurring	Related
Profit on sales of Fixed Assets	-	0.13	-	-	-	Non recurring	Related
Total	**39.72**	**97.96**	**60.70**	**10.46**	-		

ANNEXURE XVIII - STANDALONE STATEMENT OF EXPENDITURE, AS RESTATED

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007	As on March 31, 2006
MATERIALS CONSUMED					
Raw and Packing Material Consumed					
Opening Stock	1,557.82	1,130.42	149.05	-	-
Add: Purchases and Expenses	16,428.27	13,128.34	10,642.65	3,409.23	
	17,986.09	**14,258.76**	**10,791.70**	**3,409.23**	-
Less: Sales (At Sale Price)	-	66.20	72.82	11.94	
	17,986.09	**14,192.56**	**10,718.88**	**3,397.29**	-
Less: Closing Stock	2,430.34	1,557.82	1,123.53	149.05	
Total	**15,555.75**	**12,634.74**	**9,595.35**	**3,248.24**	-
MANUFACTURING EXPENSES					
Consumption of Stores	6.73	4.78	0.01	0.06	-
Water Charges	5.81	5.71	4.45	0.59	-
Repairs to :					
-Building	6.22	2.73	2.42	0.24	-
-Machinery	9.88	8.10	5.10	0.91	-
-Others	18.92	12.29	8.33	1.43	-
Laboratory and Analytical Expenses	26.88	26.24	21.90	4.21	-
Power and Electricity	64.63	41.13	35.13	5.40	-
Coal and Fuel	52.08	46.62	22.35	4.63	-
Other Manufacturing Expenses	19.97	15.60	8.47	1.54	-
Research and Development Expenses	8.98	50.51	1.01	-	-
State Excise Duty	5.10	2.79	2.03	-	-
Excise duty on Closing Stock (Net)	3.47	(0.50)	-	3.03	-
Total	**228.67**	**216.00**	**111.20**	**22.04**	-
EMPLOYEES REMUNERATION AND BENEFIT					
Wages, Salaries, Bonus and Other Payments	357.20	251.65	206.14	36.06	-
Contribution to Provident and Other Funds	18.38	12.99	12.70	2.60	-
Workmen and Staff Welfare Expenses	23.52	18.83	14.34	6.20	-
Remuneration to Directors	63.95	40.19	46.93	5.84	-
Provision for Gratuity	26.17	12.19	(0.15)	46.30	-
Total	**489.22**	**335.85**	**279.96**	**97.00**	-
ADMINISTRATIVE, SELLING AND DISTRIBUTION EXPENSES					
Rent, Rates and Taxes	10.42	6.63	6.13	2.50	-
Insurance	5.17	7.43	4.07	0.45	-

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007	As on March 31, 2006
Payment to Auditors					
-Audit Fees	1.20	0.95	1.55	1.25	-
-Tax Audit Fees	0.40	0.45	0.45	0.35	-
-Professional Charges	108.33	81.91	14.65	1.25	-
Miscellaneous Expenses	129.10	132.57	75.71	9.61	-
Bank Commission and Charges	57.17	51.95	34.75	2.67	-
Travelling and Conveyance	158.88	145.88	90.35	2.44	-
Printing and Stationery	14.39	11.32	8.99	2.03	-
Telephone, Telex, and Postage	19.28	16.73	14.33	3.34	-
Cosmetic Launching Expenses	-	10.55	7.76	-	-
Outward Carriage	88.90	72.60	41.70	4.28	-
Incentive on sales	38.60	43.85	49.16	0.63	-
Advertisement	38.77	63.08	2.44	1.45	-
Sales Promotion Expenses	111.48	26.85	59.48	3.64	-
Discount, Rate Difference and Brokerage	34.56	49.40	12.38	0.31	-
Sales Tax Expenses	1.06	2.97	1.98	-	-
Service Charges	8.92	177.84	125.27	48.74	-
Liasoning Expenses	10.41	18.47	20.18	4.45	-
Export Sale Expenses (freight and others)	12.43	23.14	31.33	18.70	-
Late Supply Deduction	10.72	6.05	2.67	0.04	-
Service Tax	2.94	0.70	1.80	0.06	-
Interest (P.F., ESIC, and Others)	0.58	0.16	3.25	0.42	-
Project Expenses		-	4.99	-	-
Misc. A/c W/off.(Net)	1.44	-	0.26	-	-
Excise Set off Disallowed	12.02	-	0.64	1.14	-
Total	**877.17**	**951.48**	**616.27**	**109.75**	**-**
FINANCIAL EXPENSES					
Interest to Bank	594.69	433.22	134.54	18.63	-
Interest to Bank on Term Loan	94.28	140.42	170.44	11.22	-
Interest to Others	8.11	17.56	11.38	13.23	-
Interest to NSIC	14.88	8.37	3.59	-	-
Interest on Security Deposits	-	-	0.37	0.03	-
Interest on Car Loan	1.70	1.76	0.44	0.10	-
Total	**713.66**	**601.33**	**320.76**	**43.21**	**-**

ANNEXURE XIX - STANDALONE STATEMENT OF DIVIDEND PAID, AS RESTATED

(Rs. in Lakhs except per share data)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007	As on March 31, 2006
Equity Share Capital	1,386.37	669.75	556.28	445.00	5.00
No. of Equity Shares*	1,38,63,650	6,69,745	5,56,275	4,45,000	5,000
Rate of Dividend	-	-	-	-	-
Amount of Dividend	-	-	-	-	-
Tax on Dividend	-	-	-	-	-

Note:
**Face value of Equity Shares has been sub divided from Rs. 100 per share to Rs. 10 per share on February 11, 2010*

ANNEXURE XX - STANDALONE STATEMENT OF ACCOUNTING RATIOS, AS RESTATED

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31,2008	As on March 31,2007	As on March 31,2006
With Bonus and Subdivision of Shares					
i) Number of shares at the end of the year*	13,863,650	13,394,900	11,125,500	8,900,000	100,000
ii) Weighted average number of outstanding equity shares during the year /period*	13,398,753	11,137,935	8,906,097	3,902,740	100,000
iii) Net Worth (Rs.)	619,477,045	413,629,099	217,753,595	132,183,047	70,150
Restated Profit After Tax	137,987,946	89,135,504	71,955,549	1,298,047	0
1. Basic and diluted earning per share (EPS) (Rs.)	10.30	8.00	8.08	0.33	0.00
2. Return on net worth (%)	22.27%	21.55%	33.04%	0.98%	0.00%
3. Net asset value per share (Rs.)	44.68	30.88	19.57	14.85	0.70
**Adjustment has been made in all the years for bonus shares issued on December 14, 2009 and Subdivision of Shares on February 11, 2010*					
Without Bonus and Subdivision of Shares					
i) Number of shares at the end of the year**	13,863,650	6,697,450	5,562,750	4,450,000	50,000
ii) Weighted average number of outstanding equity shares during the year /period**	13,398,753	5,568,968	4,453,049	1,951,370	50,000
iii) EPS** (Rs.)	10.30	16.01	16.16	0.67	0.00
iv) NAV** (Rs.)	44.68	61.76	39.14	29.70	1.40
***Adjustment has been made in all the years without considering Bonus issue but considering Subdivision of Shares on February 11, 2010*					

The impact on EPS and NAV per share without considering the issue of Bonus Shares is as follows:

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31,2008	As on March 31,2007	As on March 31,2006
Impact on EPS (Rs.)	-	(8.00)	(8.08)	(0.33)	-
Impact on NAV (Rs.)	-	(30.88)	(19.57)	(14.85)	(0.70)

The Company has split face value of its share from Rs. 100 to Rs. 10 per share on February, 11 2010, above ratios have to be calculated considering revised face value)

Earning per share (Basic and Diluted) = $\dfrac{\text{Net Profit attributable to equity}}{\text{Weighted average number of Equity Shares during the year}}$

Return on net worth (%) = $\dfrac{\text{Net Profit After Tax}}{\text{Net Worth at the end of the year}}$

$$\text{Net asset value} = \frac{\text{Net Worth at the end of the year}}{\text{Equity Shares outstanding during the year}}$$

ANNEXURE XXI - STANDALONE CAPITALIZATION STATEMENT, AS RESTATED

(Rs. in Lakhs)

Particulars	As on March 31, 2010	Post Issue
Debt :		
Secured		
Short term debt	5,256.35	[●]
Long term debt	2,113.49	[●]
Unsecured		
Short term debt	13.78	[●]
Total Debt	**7,383.62**	[●]
Shareholders Funds		
Equity Share Capital	1,386.37	[●]
Reserves and Surplus	4,808.40	[●]
Total Shareholders Funds	**6,194.77**	[●]
Long Term Debt/ Shareholders Funds	0.34 : 1	[●]
Total Debt / Shareholders Fund	**1.19 : 1**	**[●]**

<u>Notes:</u>
Working Capital Limits are considered as short- term debts
The Post-issue debt–equity ratio will be computed on the conclusion of the book building process.
Figures included above are as per the restated statement of assets and liabilities and restated profit and loss

ANNEXURE XXII - STANDALONE TAX SHELTER STATEMENT

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007	As on March 31, 2006
Profit Before Tax	2,121.78	1,351.60	1,148.73	239.89	-
Tax rate					
Normal Tax rate	33.99%	33.99%	33.66%	33,99%	33.99%
Minimum Alternative Tax rate	6.95%	11.33%	11.22%	11.33%	11.33%
Notional Tax at normal rates (A)	**721.19**	**459.41**	**390.45**	**80.75**	-
Permanent differences					
Other adjustments	-	-	-	-	-
Disallowances	54.52	48.39	15.74	-	-
Total (B)	**54.52**	**48.39**	**15.74**	-	-
Timing Differences (C)					
Depreciation as per Books	112.19	91.84	50.97	8.70	-
Depreciation as per Income Tax	(258.86)	(261.76)	(187.71)	(31.48)	-
Difference between Book and Income Tax Depreciation	(146.67)	(169.92)	(136.74)	(22.78)	-
Other adjustments	13.59	169.13	6.18	14.54	-
Foreign income included in the statement	-	-	-	-	-
Total (C)	**(133.08)**	**(0.79)**	**(130.56)**	**(8.24)**	-
Net Adjustments (B+C)	**(225.23)**	**47.60**	**(114.82)**	**(8.24)**	-
Tax expense/(savings) thereon (D)	(76.56)	16.18	(39.02)	(2.77)	-
Total Taxation (E = A+D)	**644.63**	**475.59**	**351.43**	**77.98**	-
Brought forward losses set off (Depreciation)	-	-	-	-	-
Tax effect on the above **(F)**	-	-	-	-	-
Net tax for the year/period (E+F)	644.63	475.59	351.43	77.98	-
Tax payable as per MAT	334.78	153.14	130.15	26.91	-
Tax expense recognised	700.00	317.26	437.67	85.00	-
Tax as per return of income	**	475.59	351.43	77.97	-

*** The return of income for the assessment year 2010-11 i.e. year ended March 31, 2010 is yet to be filed*

Note:

The Tax Shelter Statement has been prepared based on returns of income filed by the company with the Income Tax Authorities

ANNEXURE XXIII - STANDALONE RELATED PARTY TRANSACTIONS

The Company has entered into the following related party transactions:

List of Related Parties:

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007	As on March 31, 2006
ZIM Laboratories Limited	Subsidiary Company	Subsidiary Company	Subsidiary Company	20% Stake	-
Universal Medicaments Private Limited	Directors holding more than 20%	Directors holding more than 20%	Subsidiary Company	Subsidiary Company	-
City Pharmacy	-	Director is Partner	Director is Partner	Director is Partner	Director is Partner
Akasa Advertisement	Relative of Director is Partner	Relative of Director is Partner	Relative of Director is Partner	Relative of Director is Partner	Relative of Director is Partner
Benzochem Life Sciences Limited	-	-	Director have holding of more than 20%	-	-
Saif Health Remedies Private Limited	Relative of Director have holding of more than 20%	Relative of Director have holding of more than 20%	Relative of Director have holding of more than 20%	Relative of Director have holding of more than 20%	Relative of Director have holding of more than 20%
Mr. Faiz Vali	Managing Director	Managing Director	Managing Director	Managing Director	Managing Director
Mr. Vinayak Kudva	-	-	-	Director	Director
Mr. Ishwarlal Ambaram Trivedi	Director	Director	Director	Director	-
Mr. D. K.Bellani	Director	Director	Director	Director	Director
Mr. Yusuf Amin	-	-	-	Director	Director
Mr. Anwar Siraj Daud	Director	Director	-	-	-
Mr. Esa M. Vali	Relative of Director	Relative of Director	Relative of Director	Relative of Director	Relative of Director
Mr. Zakir Vali	Relative of Director	Relative of Director	Relative of Director	Relative of Director	Relative of Director
Universal Pharmacy	Relative of Director is Partner	Relative of Director is Partner	Relative of Director is Partner	Relative of Director is Partner	Relative of Director is Partner
Universal Ayurvaid	Relative of Director is Partner	Relative of Director is Partner	Relative of Director is Partner	Relative of Director is Partner	Relative of Director is Partner
Mrs. Tasneem A. Daud	Relative of Director	Relative of Director	Relative of Director	Relative of Director	Relative of Director
Finaventure Advisory Services Private Limited	-	-	-	Director is Interested	Director is Interested
Universal Venture Capital	-	-	-	Director is interested	Director is interested

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007	As on March 31, 2006
Unijules Herbal Limited	Director have holding of more than 20%	-	-	-	-
Unijules Parenterals Limited	Director have holding of more than 20%	-	-	-	-
RevAyur Cosmetique Paris	Director is having Directorship	-	-	-	-
RevAyur Beauty Care India Private Limited	Director have holding of more than 20%	-	-	-	-

Details of Related party transactions

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007	As on March 31, 2006
ZIM Laboratories Limited					
Raw Material Purchase	12.44	54.61	180.97	-	-
Finished Goods Purchase	-	-	40.94	-	-
Plant and Machinery Purchase	2.74	-	12.57	-	-
Furniture and Fixture Purchase.	1.24	-	-	-	-
Sale of Finished Goods	62.33	-	0.05	-	-
Interest Received	-	11.01	11.18	-	-
Purchase Trading	100.84	81.69	-	-	-
Contract Manufacturing Purchase	-	0.30	-	-	-
Purchase of Plant and Machinery	0.09	0.04	-	-	-
Reimbursement of Repairs to Building	-	0.48	-	-	-
Resale of Raw Material /Plant and Machinery	2.60	0.14	34.57	-	-
Liasoning Expenses	0.10	-	-	-	-
Interest Paid	4.65	-	-	-	-
Universal Medicaments Private Limited					
Raw Material Purchase	60.91	-	3.24	-	-
Finished Goods API Purchase	-	-	320.27	-	-
Finished Goods Purchase	-	0.03	120.53	91.19	-
Sale of Raw Material	-	-	3.46	-	-
Sale of Finished Goods	-	-	161.26	162.13	-
Purchase (Plant and Machinery)	-	0.59	-	-	-
Purchase (Trading)	-	16.59	-	-	-
Stock Transferred (Packing Material)	-	3.97	-	-	-
Stock Transferred (Raw Material)	-	14.87	-	-	-
Stock Transferred (Finished Goods)	-	3.42	-	-	-
Stock Transferred (Work in Progress)	-	2.34	-	-	-
Conveyance Expense	-	-	-	-	-
Telephone Expense	-	-	-	-	-
Pre-Operative Exp.	-	-	-	-	6.67
Lease Hold Land	-	-	-	-	33.00

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007	As on March 31, 2006
City Pharmacy					
Finished Goods Purchase	-	-	-	-	-
Sale of Finished Goods	-	-	-	10.29	-
Sample Purchase	-	0.13	-	-	-
Staff and Labour Welfare	0.04	0.03	-	-	-
Office and General Expenses	0.01	-	-	-	-
Purchase (Trading)	-	0.49	0.21	-	-
Manufacturing Expenses	0.47	-	0.05	-	-
Laboratory Expenses	0.03	-	-	-	-
Pre-operative Expenses	-	-	0.04	-	-
Akasa Advertisement					
Advertisement	18.44	29.00	0.55	0.96	-
Printing and stationary Expenses	0.11	-	-	-	-
Cosmetic Expenses	-	-	1.33	-	-
Benzochem Life Sciences Limited					
Raw Material Purchase	-	-	4135.38	-	-
Purchase Of Trading Raw Material /Plant Machinery	-	0.47	-	-	-
Saif Health Remedies Private Limited					
Interest received	-	-	11.57	-	-
Mr. Faiz Vali					
Remuneration	44.00	28.74	27.84	3.84	-
Land Purchase	335.00	-	-	-	-
Share Application Money	-	-	-	-	4.40
Mr. Vinayak Kudva					
Remuneration	-	-	12.00	-	-
Share Application Money	-	-	-	-	0.60
Mr. Anwar Siraj Daud					
Remuneration	6.00	-	-	-	-
Mr. Ishwarlal Ambaram Trivedi					
Remuneration	9.00	7.25	6.72	2.24	-
Mr. Dharampal Keshwadas Bellani					
Remuneration	4.95	4.20	2.19	-	-
Mr. Esa M. Vali					
Professional Charges	0.15	1.50	-	-	-
Salary	3.30	-	-	-	-
Share Application Money	-	-	-	-	0.10
Mrs. Tasneem A. Daud					
Salary	1.20	1.21	-	-	-
Finaventure Advisory Services Private Limited					
Professional Charges (Net)	-	17.64	-	-	-

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007	As on March 31, 2006
Universal Venture Capital					
Professional Charges (Net)	-	9.00	-	-	-
Universal Pharmacy					
Professional Charges (Net)	3.84	-	-	-	-
Purchases	-	-	-	2.04	-
Mr. Yusuf Amin					
Remuneration	-	-	0.13	-	-
RevAyur Cosmetique Paris					
Sale of Goods	0.49	-	-	-	-

Notes:

The related party information disclosed above is based on the audited financial statements and the information provided by the Company.

CONSOLIDATED FINANCIAL INFORMATION OF UNIJULES LIFE SCIENCES LIMITED

AUDITORS' REPORT AND FINANCIAL INFORMATION OF THE COMPANY

The Board of Directors
Unijules Life Sciences Limited
Shop No. 41, Manisha Plaza,
Sonapur Lane, Off LBS Marg,
Kurla West,
Mumbai - 400072

Re: Initial Public Offer of Equity Shares by Unijules Life Sciences Limited

Dear Sirs,

We have examined the annexed consolidated financial information of Unijules Life Sciences Limited ("the Company") (together with its subsidiary company) for the years ended 31st, March 2010 (together with ZIM Laboratories Limited), 31st, March 2009 (together with ZIM Laboratories Limited), 31st, March 2008 (together with ZIM Laboratories Limited and Universal Medicaments Private Limited) and 31st, March 2007 (together with Universal Medicaments Private Limited) prepared by the Company and approved by its Board of Directors for the purpose of disclosure in the Draft Red herring Prospectus/Red Herring Prospectus/Prospectus (Referred as "Offer Document") bearing issued by the Company in connection with the IPO

At the date of signing this report, we are not aware of any material adjustment, which would affect the result shown by these accounts drawn up in accordance with the requirements of Part II of Schedule II to the Companies Act, 1956.

In accordance with the requirements of:

- Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956;
- Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009 ('the SEBI ICDR Regulations') and
- The Guidance Note on Reports in Company Prospectus and Guidance Note on Audit Reports/ Certificates on Financial Information in Offer Documents issued by the Institute of Chartered Accountants of India and terms of reference received from the Company in connection with the proposed public issue of Equity Shares of the Company.
- The terms of reference given vide the Company's letter dated August 25, 2010 requesting us to carry out work in connection with the Issue as aforesaid, we report that:-

   i. The Consolidated Summary Statement of Assets and Liabilities, as restated, of the Company as 31st, March 2010 (together with ZIM Laboratories Limited), 31st, March 2009 (together with ZIM Laboratories Limited), 31st, March 2008 (together with ZIM Laboratories Limited and Universal Medicaments Private Limited) and 31st, March 2007 (together with Universal Medicaments Private Limited) are as set out in Annexure I to this report after making such adjustments / restatements and regrouping as in our opinion are appropriate and are subject to the Consolidated Significant Accounting Policies and Notes to Accounts as appearing in Annexure IV to this report.

   ii. The Consolidated Summary Statement of Profit and Loss, as restated of the Company for years ended 31st, March 2010 (together with ZIM Laboratories Limited), 31st, March 2009 (together with ZIM Laboratories Limited), 31st, March 2008 (together with ZIM Laboratories Limited and Universal Medicaments Private Limited) and 31st, March 2007 (together with Universal Medicaments Private Limited) are as set out in Annexure II to this report. These profits have been arrived after making such adjustments / restatements and regrouping as in our opinion are appropriate and are subject to the Consolidated Significant Accounting Policies and Notes to Accounts as appearing in Annexure IV to this report.

iii. We have examined the Consolidated Cash Flow Statement, as restated relating to the Company for the years ended 31st, March 2010 (together with ZIM Laboratories Limited), 31st, March 2009 (together with ZIM Laboratories Limited), 31st, March 2008 (together with ZIM Laboratories Limited and Universal Medicaments Private Limited) and 31st, March 2007 (together with Universal Medicaments Private Limited)appearing in Annexure III to this report after making such adjustments / restatements and regrouping as in our opinion are appropriate and are subject to the Consolidated Significant Accounting Policies and Notes to Accounts as appearing in Annexure IV to this report.

These statements have been prepared by the Company and approved by its Board of Directors (these statements are herein collectively referred to as the "Restated Consolidated Summary Statements". These statements have been extracted from the audited financials statement of the Company for the respective period/years.

Audit of the financial statements for the years ended 31st, March 2010, 31st, March 2009, 31st, March 2008, and 31st, March 2007 has been conducted by:

a. For Unijules Life Sciences Limited by Ali Hatim S. Husain, Chartered Accountant. Further, financial statements for the year ended 31st, March 2010 have been re-audited by us as required under the SEBI ICDR Regulations these financial statements and other financial information have been audited by other auditors whose report has been furnished to us, and our opinion is based solely on the report of other auditors.
b. For ZIM Laboratories Limited by Paliwal Modani and Company. These financial statements and other financial information have been audited by other auditors whose report has been furnished to us, and our opinion is based solely on the report of other auditors.
c. For Universal Medicaments Private Limited by Loya Bagri and Associates. These financial statements and other financial information have been audited by other auditors whose report has been furnished to us, and our opinion is based solely on the report of other auditors.

The Restated Consolidated Summary Statements of the Company as included in this report as and for the years ended, 31st, March 2010, 31st, March 2009, 31st, March 2008, and 31st, March 2007 are based on the audited financial statements of the Company which were audited by the Statutory Auditor of the respective Companies and whose Auditors' report has been relied upon by us for the said years and for the year ended 31st March 2010 (with respect to Unijules Life Sciences Limited) re-audited by us as and set out in Annexure I, II and III of this report are after making such adjustments and regrouping as in our opinion were appropriate.

Subject to the matter stated in Annexure V below, and also as per the reliance placed by us on the audited financial statements of the Company which were audited by Statutory Auditor and the Auditors' report for the years ended 31st, March 2010, 31st, March 2009, 31st, March 2008, and 31st, March 2007, we are of the opinion that the Restated Consolidated Summary Statements have been made after incorporating:

(i) Adjustments for the changes in accounting policies retrospectively in respective financial period/years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods.

(ii) Adjustments for the material amounts in the respective financial period/years to which they relate.

(iii) And there are no extra-ordinary items that need to be disclosed separately in the accounts and qualification adjustments.

We have examined the following financial information relating to the Company proposed to be included in the Draft Red Herring Prospectus, as approved by you and annexed to this report. In respect of the financial years ended 31st, March 2010 (together with ZIM Laboratories Limited), 31st, March 2009 (together with ZIM Laboratories Limited), 31st, March 2008 (together with ZIM Laboratories Limited and Universal Medicaments Private Limited) and 31st, March 2007 (together with Universal Medicaments Private Limited) this information has been included based on the audited financial statements of the Company which were audited by the Statutory Auditor of the Company and whose Auditors' report has been relied upon by us for the said years:

1. Consolidated Statement of Qualifications appearing in the audit report, enclosed as Annexure V
2. Consolidated Statement of Changes in Share Capital, as restated, enclosed as Annexure VI;
3. Consolidated Statement of Changes in Reserves and Surplus, as restated, enclosed as Annexure VII ;
4. Consolidated Statement of Secured Loans, as restated, enclosed as Annexure VIII;
5. Consolidated Statement of Unsecured Loans, as restated, enclosed as Annexure IX;
6. Consolidated Statement of Fixed Assets as restated, enclosed as Annexure X;
7. Consolidated Statement of Investments, as restated, enclosed as Annexure XI;
8. Consolidated Statement of Inventories as restated, enclosed as Annexure XII;
9. Consolidated Statement of Sundry Debtors as restated, enclosed as Annexure XIII;
10. Consolidated Statement of Cash and Bank Balances as restated, enclosed as Annexure XIV;
11. Consolidated Statement of Loans and Advances as restated, enclosed as Annexure XV;
12. Consolidated Statement of Current Liabilities and Provisions, as restated, enclosed as Annexure XVI;
13. Consolidated Statement of Income from Operations as restated, enclosed as Annexure XVII;
14. Consolidated Statement of Other Income as restated, enclosed as Annexure XVIII;
15. Consolidated Statement of Expenditure, as restated, enclosed as Annexure XIX;
16. Consolidated Statement of Dividend Paid/Proposed, enclosed as Annexure XX;
17. Consolidated Statement of Accounting Ratios, as restated, enclosed as Annexure XXI;
18. Consolidated Capitalisation Statement as on March 31, 2010, as restated, enclosed as Annexure XXII;
19. Consolidated Tax Shelter Statement, enclosed as Annexure XXIII;
20. Consolidated Related Party Transactions, enclosed as Annexure XXIV

In our opinion the above financial information of the Company read with Consolidated Significant Accounting Policies and Notes to Accounts enclosed in Annexure IV to this report and also as per the reliance place by us on the audited financial statements of the Company which were audited by the Statutory Auditor and the Auditors' report for the years ended, 31st, March 2009 (together with ZIM Laboratories Limited), 31st, March 2009 (together with ZIM Laboratories Limited), 31st, March 2008 (together with ZIM Laboratories Limited and Universal Medicaments Private Limited) and 31st, March 2007 (together with Universal Medicaments Private Limited) after making adjustments / restatements and regroupings as considered appropriate and examined by us has been prepared in accordance with paragraph B(1) Part II of Schedule II of the Companies Act and the SEBI ICDR Regulations. Our work has been carried out in accordance with the auditing standards generally accepted in India and as per the revised guidance note on reports in Company Prospectus issued by Institute of Chartered Accountants of India.

This report should not be in any way construed as a reissuance or redating of any of the previous audit reports issued by us or by other firm of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statements referred herein.

This report is intended solely for your information and for inclusion in the Offer Document in connection with the specific Public Offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent. We hereby give our consent to include this report in the Draft Red Herring Prospectus of the Company.

FOR J. S. Uberoi and Co
CHARTERED ACCOUNTANTS
Firm's Registration No: 111107W

CA Amarjeet Singh Sandhu
Partner
Membership No : 108665
Place: Nagpur
Date: September 27, 2010

ANNEXURE I – CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007
Fixed Assets				
Gross block	6,092.95	4,661.10	3,760.54	1,236.68
Less: Depreciation	774.51	565.13	364.83	13.30
Net Block	**5,318.44**	**4,095.97**	**3,395.71**	**1,223.38**
Capital Work-in-Progress	518.19	24.27	57.28	518.41
Total – Fixed Assets (A)	**5,836.63**	**4,120.24**	**3,452.99**	**1,741.79**
Investments (B)	**10.20**	**10.20**	**6.71**	**93.40**
Current assets, loans and advances:				
Inventories	4,198.17	2,821.21	2,573.27	272.42
Receivables	11,105.59	8,219.00	6,272.37	2,019.96
Cash and bank balances	379.98	278.16	1,827.46	317.69
Loans and advances	3,678.99	2,171.11	1,383.08	826.50
Total (C)	**19,362.73**	**13,489.48**	**12,056.18**	**3,436.57**
Total assets (A + B + C)	**25,209.56**	**17,619.92**	**15,515.88**	**5,271.76**
Liabilities and provisions				
Secured loans	10,623.86	7,096.77	6,099.40	1,521.12
Unsecured loans	65.14	54.74	147.21	138.03
Deferred Tax Liability	389.69	291.51	332.95	88.00
Current liabilities	4,764.30	3,602.82	5,571.24	1,834.97
Provisions	1,065.23	979.89	486.02	199.96
Total Liabilities (D)	**16908.22**	**12025.73**	**12,636.82**	**3,782.08**
Minority Interest (E)	1,199.48	876.33	346.25	-
Net worth (A+B+C-D-E)	**7,101.86**	**4,717.86**	**2,532.81**	**1,489.68**
Represented by				
Share capital				
-Equity Share Capital	1,386.37	669.75	556.28	445.00
-Preference Share Capital	-	-	-	-
Total (F)	**1,386.37**	**669.75**	**556.28**	**445.00**
Share Application Money	-	47.40	72.00	863.85
Reserves and surplus	5,715.49	4,000.71	1,904.53	180.83
Total (G)	**5,715.49**	**4,048.11**	**1,976.53**	**1,044.68**
Miscellaneous Expenditure (H)	-	-		
Net Worth (F+G-H)	**7,101.86**	**4,717.86**	**2,532.81**	**1,489.68**

ANNEXURE II - CONSOLIDATED SUMMARY STATEMENT OF PROFIT AND LOSS, AS RESTATED

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007
Income				
Sales of Products Manufactured by the Company	26,844.38	20,459.54	11,584.09	1,286.15
Sales of Products Traded by the Company	2,858.28	3,594.79	4,776.92	4,103.36
Less Excise Duty	254.64	203.31	385.96	77.33
Net Sales	29,448.02	23,851.02	15,975.05	5,312.18
Other Income	94.87	511.62	289.50	335.45
Increase/(Decrease) in Inventories	192.10	(259.20)	728.18	15.01
Total (A)	**29,734.99**	**24,103.44**	**16,992.73**	**5,662.64**
Expenditure				
Materials consumed	21,347.41	16,725.06	12,407.76	4,124.87
Employees Remuneration And Benefit	1,128.06	806.07	648.40	197.94
Manufacturing expenses	681.65	503.53	347.65	79.20
Administrative, selling and distribution expenses	2,106.79	2,231.00	1,490.43	500.71
Total (B)	**25,263.91**	**20,265.66**	**14,894.24**	**4,902.72**
Profit Before Interest, Depreciation and Tax	**4,471.08**	**3,837.78**	**2,098.49**	**759.92**
Depreciation	213.50	210.50	107.04	22.35
Profit Before Interest and Tax	**4,257.58**	**3,627.28**	**1,991.45**	**737.57**
Financial Expenses	1,101.93	881.31	608.66	65.25
Profit after Interest and Before Tax	**3,155.65**	**2,745.97**	**1,382.79**	**672.32**
Preliminary Expenses and Def. Exp. W/o	-	-	-	59.55
Profit before Taxation	**3,155.65**	**2,745.97**	**1,382.79**	**612.77**
Provision for Taxation	1,030.00	916.66	419.86	138.03
Provision for Deferred Tax	98.18	(32.95)	143.17	88.00
Provision for FBT	-	8.36	9.99	2.70
Add/Less Tax adjustment of Prior Year	0.98	5.92	11.14	(0.19)
Profit After Tax But Before Extraordinary item	**2,026.49**	**1,847.98**	**798.63**	**384.23**
Extraordinary items (Expenses) / Income	-	6.91	-	-
Net Profit after adjustments	**2,026.49**	**1,854.89**	**798.63**	**384.23**
Less: - Minority Interest	323.16	480.02	18.16	-
Net Profit Transferred to Balance Sheet	**1,703.33**	**1,374.87**	**780.47**	**384.23**

ANNEXURE III - CONSOLIDATED CASH FLOW STATEMENT, AS RESTATED

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007
Cash Flow from Operating Activities				
Profit Before tax, as restated	2,734.31	2,305.81	1,221.46	524.77
Adjustments for				
Depreciation	213.50	210.50	107.04	22.35
Financial Expenses	1,101.93	881.31	608.66	65.25
Operating Income before working capital changes	**4,049.74**	**3,397.62**	**1,937.16**	**612.37**
Adjustments for:				
Decrease/(Increase) in Trade & Other Receivables	(2,886.59)	(1,946.63)	(4,252.41)	(2,019.96)
Decrease/(Increase) in Inventories	(1,376.96)	(247.94)	(2,300.85)	(272.42)
Decrease/(Increase) in Loans & Advances	(1,507.88)	(788.03)	(556.58)	(826.50)
Increase/(decrease) in Trade Payables & Provisions	1,345.00	(1,515.99)	4,267.28	2,122.93
Cash Generated from Operations	(376.69)	(1,00.97)	(905.40)	(383.58)
Direct Taxes (Net)	(1,030.98)	(930.94)	(440.99)	(140.54)
Net Cash Flow from Operating Activities (A)	**(1,407.67)**	**(2,031.91)**	**(1,346.39)**	**(524.12)**
Cash Flow from Investing Activities				
Purchase of Fixed Assets & CWIP	(1,929.89)	(877.75)	(2,062.92)	(1,764.14)
Investments Made	-	(3.49)	86.69	(93.40)
Capital Reserve on Purchase of Shares	-	292.85	146.46	-
Net Cash used from Investing Activities (B)	**(1,929.89)**	**(588.39)**	**(1,829.77)**	**(1,857.54)**
Cash Flow from Financing Activities				
- Share Capital	46.87	113.47	111.28	445.00
- Share Premium	679.13	906.53	888.72	-
- Share Application Money	(47.40)	(24.60)	(791.85)	863.85
Total	**678.60**	**995.40**	**208.15**	**1,308.85**
Change in the Borrowings				
- Loans Receipt (Net)	3,537.49	904.90	4,587.46	1,659.15
- Interest Paid	(1,101.93)	(881.31)	(608.66)	(65.25)
Adjustment in goodwill / Capital Reserve / Minority Interest	325.22	52.01	498.98	(203.40)
Total	**2,760.78**	**75.60**	**4,477.78**	**1,390.50**
Net Cash Flow from Financing Activities (C)	**3,439.38**	**1,071.00**	**4,685.93**	**2,699.35**
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	**101.82**	**(1,549.30)**	**1,509.77**	**317.69**
Cash & Cash Equivalents at Beginning of the Year	**278.16**	**1,827.46**	**317.69**	**-**
Cash & Cash Equivalents at End of the Year	**379.98**	**278.16**	**1,827.46**	**317.69**

ANNEXURE IV - CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES

System of Accounting

The financial statements have been prepared to comply in all material respects with the generally accepted accounting principles, Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 and the relevant provisions thereof.

The financial statements have been prepared under the historical cost convention on accrual basis of accounting. The accounting policies have been consistently applied by the Company and are in line with those used last year. The same are prepared on going concern basis.

The company follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis.

The consolidated financial statements are prepared in accordance with the principles and procedures for the preparation and presentation of consolidated financial statements as laid down under Accounting Standard (AS) 21, Consolidated financial statements and Accounting Standard (AS) 23, Accounting for Investments in Associates in Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India as notified by the Companies Accounting Standards Rules, 2006 (as amended). The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year.

Consolidated financial statements are prepared on the following basis:

i) Subsidiary companies are consolidated on a line by line basis by adding together the book values of the like items of assets, liabilities, income and expenses after eliminating all intra group balances or transactions and also the unrealized profit or losses except where cost cannot be recovered. The results of operations of subsidiaries are included in the consolidated financial statements from the date on which the parent subsidiary relationship came into existence.

ii) Associate company has been consolidated on the basis of equity method of accounting. Goodwill arising on the acquisition of an associate is included in the carrying amount of investment in the associate and is disclosed separately. Unrealised profits and losses resulting from transactions between the Parent company, subsidiaries and the associate are eliminated to the extent of the investor’s interest in the associate.

iii) Minority interest in the net profit/(loss) of the subsidiary for the period is identified and adjusted against the income/(loss) in order to arrive at the net income attributable to the shareholders of the group. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of contractual obligation on the minorities, the same is accounted for by the Parent company.

iv) Goodwill represents the cost to the Parent Company of its investment in subsidiaries over the Parent Company’s portion of equity of the subsidiary, at the date on which the investment in the subsidiaries is made and Capital Reserve represent the cost to the Parent Company of its investment in subsidiaries less the parent company’s portion of equity of the subsidiary. The same is tested for impairment at the end of each year and is not amortised.

v) Consolidated financial statements are prepared using uniform accounting policies for the like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the Parent Company’s stand alone financial statements.

vi) The financial statements of subsidiaries and associate used for the purpose of consolidation are drawn up to the same reporting date as that of the Parent Company.

The subsidiaries and associate included in the consolidated financial statements are as under: -

Name of the company	As on March 31, 2010		As on March 31, 2009		As on March 31, 2008		As on March 31, 2007	
	% of Holding	Status	% of Holding	Status	% of Holding	Status	% of Holding	Status
ZIM Laboratories Limited	50.19%	Subsidiary	50.19%	Subsidiary	50.21%	Subsidiary	20.00%	Associate
Universal Medicaments Private Limited	-	-	-	-	100.00%	Subsidiary	100.00%	Subsidiary

Fixed Assets

Fixed assets are stated at historical cost less accumulated depreciation and impairment losses if any. Cost comprises of the purchase price (net of tax/duty credit availed) and any cost direct / incidental and borrowing cost attributable bringing the asset to its working condition for its intended use.

Depreciation/ Amortization/ Impairment

Depreciation is provided on fixed assets on straight line basis in accordance with the rates prescribed in Schedule XIV of the Companies Act 1956. Trade Marks are amortized over their estimated working life

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal and external factors. An impairment loss is recognized wherever the carrying amount of assets exceeds its recoverable amount. The recoverable amount is the greater of the assets' net selling price and the 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.

Inventories

iv. Raw Materials are valued at cost or net, realizable value whichever is lower..

v. Semi Finished Goods (Work in progress) are valued at cost.

vi. Finished Goods:

Manufactured goods are valued at cost or net realisable value whichever is lower. Cost is determined by using the First In First out (FIFO) method. Cost includes cost of raw materials used and all the related overhead expenses.

Traded Goods are valued at cost or net realisable value whichever is lower.

Cost is determined by using the First in First out (FIFO) method.

Employee Benefits

Contributions to defined contribution schemes such as provident fund are charged to profit and loss account as incurred. Gratuity Act is not applicable to the company however provision for Gratuity is made on the basis of Valuation done by Actuary.

Revenue Recognition

Revenue is recognized when no significant uncertainty as to determination or realisation exists. Revenue from the activity is recognized in accordance with the accepted practice upon passing of titles to the customers.

Export Entitlements under Duty Entitlements Pass book (DEPB) scheme and Rebate receivable on excise duty paid are recognized in the profit and loss on mercantile basis, whereas Export Entitlements under DEPB scheme is accounted for on cash basis during the previous year. Consequent to change in the accounting policy in respect of the Export Entitlements under duty entitlements Pass book (DEPB) scheme, the profit for the year 31.03.2010 is increased by Rs 20.07 Lakhs.

Accounting for taxes on income

Provision for current tax is made based on the tax payable under the current provisions of the tax laws applicable in the jurisdiction where in the income is assessable.

Deferred tax expenses or benefit is recognised on timing differences being the difference between taxable income and accounting income that arises in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets and liabilities are accounted for, using the tax rates and tax laws applicable as on the Balance Sheet date.

Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which reliable estimates can be made.

Provisions are not discounted to its present value and are determined based on best management estimates required to settle the obligations at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best management estimates.

Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as Current Investments. All other Investments are classified as Long term Investments. Current Investments are stated at lower of cost and market rate on an individual investment basis. Long term investments are considered “at cost” on individual investment basis, unless there is a decline other than temporary in the value, in which case adequate provision is made against such diminution in the value of investments.

Segment Reporting

The company is dealing in manufacturing and trading of Medicines only hence business wise segment wise report is not provided.

Cash Flow Statement

The Company has prepared the Cash Flow Statement using the Indirect Method in compliance with Accounting Standard issued by The Institute of Chartered Accountants of India (AS-3).

Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known/ materialized.

Borrowing Cost

Borrowing cost directly attributable to the acquisition or construction of fixed assets is capitalized as part of the cost of assets, up to the date the assets is put to use. All borrowing cost are charged to the profit and loss account in the year in which they are incurred.

Earnings per share

Earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders, by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Accounting for Foreign Exchange Transaction

In accordance with *Accounting Standard – 11 "The effects of changes in foreign exchange"* rates issued by the Institute of Chartered Accountants of India (ICAI) the transaction in foreign exchange are accounted for at the exchange rates prevailing at the date of the transaction. In respect of the Assets and Liabilities remaining unsettled at the balance sheet date are translated at the closing rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date are recognized as income or expense in the period in which they arise.

Contingencies

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of Notes to Accounts.

NOTES TO ACCOUNTS

1. The financial statements have been prepared under Historical Cost Convention in accordance with the generally accepted accounting principles (Indian GAAP) and the provisions of the Companies Act, 1956 as adopted consistently by the Company. The same are prepared on a going concern basis. The Company follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

2. Fixed Assets and Depreciation: Depreciation on Fixed Assets is provided under the SLM method at the rates and in the manner prescribed by Schedule XIV to the Companies Act, 1956.

3. Stocks in trade are valued at cost price.

4. The accounting standards as prescribed by the Institute of Chartered Accountants of India are applied wherever applicable in preparing and presenting the financial statements.

5. Previous year figures have been regrouped and rearranged wherever necessary.

6. Balances of Debtors, Creditors and depositors, if any, are subject to confirmation and reconciliation.

7. Research and Development costs are expensed when incurred. Capital expenditure when incurred for acquisition or construction of equipment and facilities for R & D and having alternate future uses will be capitalized under Plants and Machinery

8. Company has issued 1:1 one bonus share totalling to 66,97,500 share of Rs. 10 pursuant to resolution passed at Extra Ordinary General Meeting of Share holders held on December 14th 2009 and the face value of Equity Shares has been sub divided from Rs. 100 per share to Rs. 10 per share on February 11, 2010.

9. Disclosure related to SSI / SME:

There are no Small Scale Industrial (SSI) undertakings whose balances are outstanding for more than 30 days.

10. Payment of Auditors

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007
Audit Fee	2.83	2.00	2.93	2.08
Total	**2.83**	**2.00**	**2.93**	**2.08**

11. Payment to directors

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007
Salary and Bonus	114.58	76.94	54.07	11.73
Perquisite	-	-	0.61	0.66
Sitting fees	-	-	0.25	
Total	**114.58**	**76.94**	**54.93**	**12.39**

Computation of director's remuneration and commission

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007
Profit Before Tax as per Audited Profit and Loss Account	3,155.98	2,426.94	1,664.29	675.25
Add: Directors Remuneration	114.58	76.94	54.93	12.39
Less: Profit on sale of assets	-	0.24	4.56	299.41
Net Profit for the purpose of directors commission	3,270.56	2,503.64	1,714.68	388.23
Maximum remuneration payable upto 10% of above	**327.06**	**250.36**	**171.46**	**38.82**

12. Contingent Liabilities

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007
Bills Discounted with Banks	-	-	159.59	-
Guarantee Given By bank	253.77	203.80	241.98	19.61
Letter of Credit Issued by Bank	159.00	228.72	185.10	-

Claims against the company not acknowledge as debts in respect of:-

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007
Fringe Benefit tax not provided for an disputed items	-	-	-	-
Sales Tax matter, pending decision on appeal made by the company	8.79	-	-	-

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007
Estimated amount of contract remaining to be executed on capital account and not provide for	61.31	131.89	50.00	-
Income Tax Matter Under Appeal	-	-	0.56	0.56
ESIC Demand	-	-	0.71	0.71

13. Annual Licensed and Installed Capacity on One Shift per annum:

Capacity Chart

Particulars		March 31, 2010			March 31, 2009		
	Unit (in '000)	Installed Capacity	Production Quantity	Capacity Utilization (in %)	Installed Capacity	Production Quantity	Capacity Utilization (in %)
Allopathic:							
Liquid	Ltrs	2,500.00	2,187.73	87.51%	2,500.00	1,315.87	52.63%
Ointment	Kgs	75	58.06	77.41%	75	36.6	48.80%
Powder	Kgs	25	17.49	69.95%	25	1.05	4.18%
Capsules	Nos	627,000.00	384,770.54	61.37%	493,440.00	475,512.00	96.37%
Tablets	Nos	1,714,980.00	3,032,088.40	176.80%	1,213,880.00	1,003,695.00	82.68%
Injection :							
Vials/ Ampoules	Nos	61,200.00	53,780.20	87.88%	61,200.00	50,394.73	82.34%
Herbal :							
Liquid	Ltrs	200	154.43	77.21%	200	78.19	39.09%
Tablets	Nos	150,000.00	109,006.10	72.67%	150,000.00	52,380.00	34.92%
Capsules	Nos	125,000.00	80,607.02	64.49%	125,000.00	87,858.00	70.29%
Powder	Kgs	2,500.00	2,887.18	115.49%	2,500.00	1,737.81	69.51%
Ointment	Kgs	-	-	-	-	-	-
Job work :							
Liquid	Ltrs	-	7.47	-	-	135.5	-
Ointment	Kgs	-	-	-	-	-	-
Tablets	Nos	-	-	-	-	-	-
Capsules	Nos	-	-	-	-	-	-
Vials/ Ampoules	Nos	-	60.00	-	-	157	-

Particulars		March 31, 2008			March 31, 2007		
	Unit (in '000)	Installed Capacity	Production Quantity	Capacity Utilization (in %)	Installed Capacity	Production Quantity	Capacity Utilization (in %)
Allopathic:							
Liquid	Ltrs	2,500.00	762.58	30.50%	700.00	614.05	87.72%
Ointment	Kgs	75.00	78.71	104.94%	115.00	92.60	80.52%
Powder	Kgs	25.00	2.22	8.86%	10.00	5.97	59.65%
Capsules	Nos	375,000.00	607,466.50	161.99%	-	-	-
Tablets	Nos	750,000.00	862,148.90	114.95%	-	-	-
Injection :							
Vials/ Ampoules	Nos	61,200.00	24,180.00	39.51%	2,000.00	1,529.79	76.49%
Herbal :							
Liquid	Ltrs	155.00	80.52	51.95%	155.00	71.87	46.37%
Tablets	Nos	40,000.00	35,775.00	89.44%	70,000.00	21,254.00	30.36%
Capsules	Nos	35,000.00	25,919.00	74.05%	25,000.00	18,241.00	72.96%
Powder	Kgs	65.00	56.78	87.36%	30.00	24.27	80.91%
Ointment	Kgs	0.15	0.15	100.00%	-	-	-
Job work :							
Liquid	Ltrs	-	21.78	-	-	20.55	-
Ointment	Kgs	-	15.44	-	-	38.83	-
Tablets	Nos	-	-	-	-	53.00	-
Capsules	Nos	-	43.00	-	-	25.00	-
Vials/ Ampoules	Nos	-	1,340.06	-	-	127.44	-

14. Earnings and Expenditure in foreign currency

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007
Earning	4,535.19	3,807.55	2,366.75	268.59
Expenditure	1,232.93	785.11	292.36	28.03
Total	**5,768.12**	**4,592.66**	**2,659.11**	**296.62**

15. Net Profit / Loss for the period, prior period item and changes in accounting policies:

All the extra ordinary and prior period items of Income and expenses are separately disclosed in the statement of Profit and Loss account in the manner such that it's impact on the current profit or loss can be perceived. Further there has not been any change in the Company's accounting policies or accounting estimate so as to have material impact on the current year profit/loss or that of later periods expect for provision of gratuity the effect of which is summarised below All the items of Income and Expenses from ordinary activities with such size and nature such that they become relevant to explain the performance of the company have been disclosed separately.

16. Taxation:

Provision for current Income Tax is made in accordance with Income Tax Act, 1961.

17. Deferred Tax Accounting:

Deferred tax expenses or benefit is recognised on timing difference being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been subsequently enacted by the balance sheet date.

Deferred tax assets in respect of unabsorbed depreciation and carry forward losses are recognised only to the extent that there is virtual certainty that sufficient taxable income will be available to realise these assets. All other deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets.

Calculation of Deferred Tax Assets and Liability:

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007
Deferred Tax Liabilities				
Difference in Depreciation and other difference in block of fixed assets as per Income Tax books and Financial books	459.51	355.04	290.15	135.53
Net effect of Expenditure debited to profit and Loss account in the current year but allowed for tax purpose in following years.	-	-	-	-
Deferred Revenue Expenditure Claimed in Income Tax but deferred in Balance sheet	-	-	98.35	-
Gross Deferred Tax Liabilities	**459.51**	**355.04**	**388.50**	**135.53**
Deferred Tax Assets				
Net effect of Expenditure debited to profit and Loss account in the current year but allowed for tax purpose in following years.	0.43	0.36	11.37	12.83
Gratuity provided for in books and disallowed for income tax purpose to be allowed on payment basis	39.27	53.38	13.62	18.96
MAT Credit	30.12	9.79	30.56	15.74
Gross Deferred Tax Assets	**69.82**	**63.53**	**55.55**	**47.53**
Net Deferred Tax Liability / (Assets)	**389.69**	**291.51**	**332.95**	**88.00**

18. As per the written confirmation obtained by the company from suppliers of goods and services (and relied upon by the auditors), none of the suppliers of the company are micro enterprises or small enterprises under the micro, small and medium enterprises development act, 2006. Therefore, disclosure under section 22 of the said act is not necessary.

19. Significant development subsequent after the balance date.

The Company has acquired 100% Shares i.e 5000 shares of RevAyur Beauty Care India Private Limited in the month of April 2010 thus making it fully own subsidiary company.

20. **Notes To Adjustments In The Restated Accounts**

i. Deferred Tax Liabilities not provided during 2006-07 and 2007-08 has been recalculated and provided for in restated.

ii. Preliminary Expenses has been written off in 2006-07 itself instead of been appropriated for five years.
iii. Deferred Revenue Expenditure has been written off in 2006-07 itself instead of been appropriated for five years.
iv. Gratuity Provision which was on the bases of Gratuity Act upto 2008-09 has been restated as per Actuaries' valuation.
v. The effect of above adjustment to profit and loss account is presented below.

Reconciliation of Net Profit, As Restated

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007
Net Profit / (Loss) as per P&L Account	1,910.32	1,482.84	1,157.82	532.69
Change in Provision of Gratuity	(13.75)	18.25	(2.16)	(12.93)
Change in Preliminary Expenses W-off	1.08	4.37	2.28	(3.56)
Change in Deferred Expenditure W-off	10.95	300.29	(278.39)	(43.80)
Change in Prior Period Item	1.38	3.03	(4.27)	(2.19)
Change in I Tax	175.58	(163.60)	(6.96)	(5.03)
Change in Fringe Benefit Tax	0.86	1.63	(2.50)	0.01
Change in Deferred Tax Liability	(59.93)	208.08	(67.19)	(80.96)
Net Profit / (Loss) as per Restated P&L Account	**2,026.49**	**1,854.89**	**798.63**	**384.23**

ANNEXURE V - CONSOLIDATED STATEMENT OF QUALIFIATIONS APPEARING IN THE AUDIT REPORT

1. The auditors of Universal Medicaments Private Limited have included the following qualification in the audit report of 31st March 2007 and 31st March 2008 towards Loans have been taken from persons other than members, directors or their relatives which is prohibited as per the amended definition of Private Company by Companies Act, 1956.

2. The Auditor of Universal Medicaments Private Limited has included qualification in the audit report of 31st March 2007 and 31st March 2008 towards non-provision of liability of gratuity amounting to Rs. 7.86 Lakhs and Rs. 19.59 Lakhs. We have made the provision for same in our restated Balance Sheet and Profit and Loss account of respective date.

3. The Auditor of Universal Medicaments Private Limited have included qualification in the audit report of 31st March 2007 and 31st March 2008 value wise breakup of each item of goods of the company has not been given in Profit and Loss Account.

4. The Auditor of Universal Medicaments Private Limited has included qualification in the audit report of 31st March 2007. In opinion of auditor and according to the information and explanations given to them, commensurate with the size of the company and nature of its business the company's internal control procedures for the purpose of the inventory and fixed assets and for the sale of goods and services need to be strengthened.

5. The Auditor of Universal Medicaments Private Limited have included qualification in the audit report of 31st March 2007 and 31st March 2008. According to the records of the company, there were delays in depositing the undisputed statutory due including Provident Fund, Employees State Insurance, Income tax, Sales Tax and Professional Tax with the appropriate authorities

6. The auditors of ZIM Laboratories Limited have included the following qualification in the audit report for the year ended March 31, 2008 The company has not complied with the provisions of Sec 58A & 58AA of the Companies Act 1956 with regard to the deposits accepted from public.

ANNEXURE VI - CONSOLIDATED STATEMENT OF CHANGES IN SHARE CAPITAL AS RESTATED

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007
Authorised	2,500.00	1,500.00	1,500.00	500.00
Issued, Subscribed and Paid up	1,386.37	669.75	556.28	445.00
Share Application Money	-	47.40	72.00	863.85
Total	**1,386.37**	**717.15**	**628.28**	**1308.85**

ANNEXURE VII - CONSOLIDATED STATEMENT OF CHANGES IN RESERVES AND SURPLUS, AS RESTATED

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007
Securities Premium				
Opening Balance	1,795.26	888.73	-	-
Add: During the year	679.13	906.53	888.73	-
Less: Bonus shares issued*	669.75	-		-
Closing Balance (A)	**1,804.64**	**1,795.26**	**888.73**	**-**
Profit and Loss Account				
Opening Balance	2,205.45	1,015.80	188.83	
Add: During the year	1,703.33	1,374.87	780.47	384.23
Less: Adjusted for goodwill / Capital Reserve	(2.07)	185.22	46.50	203.40
Closing Balance (B)	**3,910.85**	**2,205.45**	**1,015.80**	**180.83**
Total (A+B)	**5,715.49**	**4,000.71**	**1,904.53**	**180.83**

The Company has issued 669,745 equity shares as bonus shares to the share holders by way of capitalization of securities premium in the ratio of 1 share for every 1 share held, which were approved at the extraordinary general meeting of the shareholders held on December 14, 2009

ANNEXURE VIII - CONSOLIDATED STATEMENTS OF SECURED LOANS AS RESTATED

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007
Term loan from Banks	2,906.03	1,659.24	1,994.96	1309.62
Working Capital / Cash Credit from Banks	7,455.11	5,268.32	3,137.98	136.52
Against FD	-	-	728.61	-
Others	262.72	169.21	237.85	74.98
Total	**10,623.86**	**7,096.77**	**6,099.40**	**1521.12**

Principle Terms and Conditions of Outstanding Secured Loans of Unijules Life Sciences Limited:

(Rs. in Lakhs)

Name of the lender	Facility	Sanctioned Amount	Amount Outstanding as on August 31, 2010	Rate of Interest	Repayment Schedule	Securities Offered
State Bank of India	Cash Credit (Hypothecation)	2000.00	1,848.43	13.75%	Demand Loan	Primary Security:- 1. Pari-passu hypothecation charge (with Axis Bank and SVC Bank) of existing as well as future entire finished goods, SIP, raw material, stores and spares of the unit at their Godown premises or at some other places including goods in transit, outstanding moneys, book debts, receivables ,etc Secondary Security:- 2. First pari-passu charge with Axis Bank and SVC Bank on company's factory land and building at D-82, having plot area 1250 sqm together with RCC construction standing thereon adm. 2776 sqm at MIDC, Hingna, M. V. Rs. 441 lakhs 3. First pari-passu charge with Axis Bank and SVC Bank on Company's Land and Godown at Plot No. – 15, Morgaon, Wadi, Nagpur.MV Rs. 24 lakhs 4. First Pari-pasu hypothecation charge on company's entire fixed assets including machineries and excluding vehicles.Total Rs. 465 lakhs 5. Extension of first pari-passu charge with Axis Bank and SVC Bank on company,s factory land and bldg. At B/35(adm. 5866 sq.met. and B/36 (adm.1987 sq.met.) at Bramhni Village, MIDC Kalmeshwar, Nagpur. MV Rs. 1020 lakhs 6. Extension of First pari-passu charge with Axis Bank and SVC Bank on company's factory land adm. 920 sq. mt. and building (Gr. Floor – 5460 sq.ft built-up and 1st Floor – 1050 sqft built-up) at K-10/1, MIDC Hingna, Wandogri Road, Village – Digdoh, Taluka – Hingna, Nagpur. In the name of Universal Medicaments Private Limited M V. Rs. 91 lakhs 7. Extension of First pari-passu charge with SVC bank and Axis Bank on

Name of the lender	Facility	Sanctioned Amount	Amount Outstanding as on August 31, 2010	Rate of Interest	Repayment Schedule	Securities Offered
						company,s factory building located at 1505/1 Shantinagar Nagpur. M V Rs. 370 lakhs 8. Extension of Pari-passu charge with ONLY Axis Bank on Land and Building at B-1/2/3, Parshivani, MIDC, Nagpur,441105, Area of land 2 Acres (8767 Sq. mtRs.) 9. Extension of pari-passu hypothecation charge on the Plant and Machinery being purchased out of bank finance, at P-338 Kalmeshwar, Nagpur, with Axis Bank ONLY.
	Term Loan I	200.00	115.70	12.75%	In 35 Monthly instalment starting from January 2009	Primary Security:- 1. First pari-passu charge with SVC bank and Axis Bank on company,s factory building located at 1505/1 Shantinagar Nagpur. M V Rs. 370 lakhs 2. First pari-passu charge with Axis Bank and SVC Bank on company,s factory land and bldg. At B/35(adm. 5866 sq.mt. and B/36 (adm.1987 sq.met.) at Bramhni Village, MIDC Kalmeshwar, Nagpur M. V. Rs. 1020lakhs 3. Extension of First pari-passu charge with Axis Bank and SVC Bank on company's factory land adm. 920 sqm and building (Gr. Floor – 5460 sq.ft built-up and 1st Floor – 1050 sqft built-up) at K-10/1, MIDC
	Term Loan II	1,800.00	356.00	14.25%	In 54 Equal monthly instalment starting from April 2011	Primary Security: - 1. Equitable mortgage of Land and Building and the entire fixed assets of the Company.at-1/2/3, Parshivani, MIDC, Nagpur – 441 105, B.) hypothecation of Plant and machinery to be purchased out of bank finance Secondary Security : - 2. First pari-passu charge with Axis Bank and SVC Bank on the Company's factory land and building at D-82, having plot area 1250 Sq.

Name of the lender	Facility	Sanctioned Amount	Amount Outstanding as on August 31, 2010	Rate of Interest	Repayment Schedule	Securities Offered
						Mtrs. together with RCC construction standing thereon admeasuring 2776 Sq. Mtrs. at MIDC, Hingna, Market Value of Rs.441 lakhs 3. First pari-passu charge with Axis Bank and SVC Bank on the Company's Land and Godown at Plot No. – 15, Morgaon, Wadi, Nagpur. Market Value of Rs.24 lakhs 4. First Pari-pasu hypothecation charge on the Company's entire fixed assets including machineries and excluding vehicles. Total Rs.465 lakhs 5. Extension of first pari-passu charge with Axis Bank and SVC Bank on the Company's factory land and building at B/35 admeasuring 5866 Sq. Mtrs. and B/36 admeasuring 1987 Sq. Mtrs. at Bramhni Village, MIDC Kalmeshwar, Nagpur, Market Value of Rs.1,020 lakhs. 6. Extension of First pari-passu charge with Axis Bank and SVC Bank on the Company's factory land admeasuring 920 Sq. Mtrs and building (Gr. Floor – 5460 Sq. Ft. built-up and 1st Floor – 1050 Sq. Ft.built-up) at K-10/1, MIDC Hingna, Wandogri Road, Village – Digdoh, Taluka – Hingna, Nagpur in the name of Universal Medicaments Private Limited Market Value of Rs.91 lakhs.
Axis Bank Limited	Cash Credit (Hypothecation) (Export Packing Credit / Post Shipment Credit) 160	1,900.00	1,920.09	12.25%	Demand Loan	Primary Security: - 1. First charge on entire current assets of the Company including stock and receivables on pari-passu basis with other lenders in the consortium Collateral Security : - 1. Second charge on entire fixed assets (including immovable properties) present and future of the Company and Universal Medicaments (P) Limited on pari-passu basis with other lenders in the consortium
	Letter of Credit	125.00	27.52	-	-	LC application cum indemnity from the Company.Other securities as mentioned above for cash credit limit
	Bank Guarantee	150.00	218.23	-	-	Primary Security:

Name of the lender	Facility	Sanctioned Amount	Amount Outstanding as on August 31, 2010	Rate of Interest	Repayment Schedule	Securities Offered
						1. First charge on entire current assets of the Company including stock and receivables on pari-passu basis with other lenders in the consortium. Collateral Security: 1. Second charge on entire fixed assets (including immovable properties) present and future of the Company and Universal Medicaments (P) Limited on pari-passu basis with other lenders in the consortium; 2. 10% Fixed Deposit margin
	Term Loan I	441.00	143.23	12.50%	-	Primary Security: - 1. First Charge on Entire Fixed Assets, present and future of The Company and Universal Medicaments Private Limited On pari-passu basis with SVC Bank. Collateral Security: - 1. Second charge on all current assets including stock and receivables on pari-passu basis with SBI and SVC.
	Term Loan II	1,400.00	1,415.45	12.50%	60 monthly installments of Rs. 23.33 lakhs each commencing after a moratorium period of 17 months from the date of first disbursement,	Primary Security: - 1. First charge on entire fixed assets (including immovable properties) to be created from proceeds of the fresh term loan on pari-passu basis with SBI Collateral Security : - 2. Second charge on entire current assets of the, company including stock and receivables on pari-passu basis with other lenders in the consortium.

Name of the lender	Facility	Sanctioned Amount	Amount Outstanding as on August 31, 2010	Rate of Interest	Repayment Schedule	Securities Offered
					interest to be serviced as and when applied	
The Shamrao Vital Co-operative Bank Limited	Cash Credit(Hypothecation)	1,250.00	1,253.13	12.50%		Primary Security: - 1. First Charge on all current assets including stock and receivables on pari – passu basis with the other members of consortium. Collateral Security: - 1. Second charge on the entire fixed assets present and future on pari-passu basis with the other members of consortium.
	Term Loan I	294.88	-	13.00%		Primary Security : - 1. First Charge on the entire fixed assets present and future on pari-passu basis with the other members of consortium. Collateral Security : - 1. Second Charge on all current assets including stock and receivables on pari – passu basis with the other members of consortium
	Term Loan II	406.50	182.20	13.00%		

Principle Terms and Conditions of Outstanding Secured Loans of ZIM Laboratories Limited:

(Rs. In Lakhs)

Name of the lender	Facility	Sanctioned Amount	Amount Outstanding as on August 31, 2010	Rate of Interest	Repayment Schedule	Securities Offered
Axis Bank Limited	Cash Credit (Hypothecation) Export Packing Credit(within Credit) Post Shipment Credit (within Cash Credit)	1,200.00 800.00 1,150.00	1,053.02	12.25% 10% 10%	One Year	Primary Security: - First Charge on all current assets including stock and receivables on pari – passu basis with the other members of consortium. Collateral Security: - Second charge on the entire fixed assets present and future with other unencumbered movable fixed assets on pari-passu basis with the other members of consortium.
	Letter of Credit	250.00	215.66		One Year	LC application cum indemnity from the company. Other securities as mentioned for Cash Credit Limit.
	Bank Guarantee	250.00	255.61		One Year	Primary Security: - 1. First Charge on all current assets including stock and receivables on pari – passu basis with the other members of consortium. Collateral Security: - 2. Second charge on the entire fixed assets present and future with other unencumbered movable fixed assets on pari-passu basis with the other members of consortium.
	Term Loan	550.00	459.94	12.75%	48 months	Primary Security: - 1. First charge on the entire fixed assets present and future with other unencumbered movable fixed assets on pari-passu basis with the other members of consortium. Collateral Security : - 1. Second Charge on all current assets including stock and receivables on pari – passu basis with the other members of consortium.

Name of the lender	Facility	Sanctioned Amount	Amount Outstanding as on August 31, 2010	Rate of Interest	Repayment Schedule	Securities Offered
	Term Loan	94.00	71.87	12.75%		Primary Security: - 1. First charge on the entire fixed assets present and future with other unencumbered movable fixed assets on pari-passu basis with the other members of consortium. Collateral Security: - 2. Second Charge on all current assets including stock and receivables on pari – passu basis with the other members of consortium.
	Term Loan	123.00	87.63	12.75%		Primary Charges: - 1. First charge on the entire fixed assets present and future with other unencumbered movable fixed assets on pari-passu basis with the other members of consortium. Collateral Security: - 2. Second Charge on all current assets including stock and receivables on pari – passu basis with the other members of consortium.
The Shamrao Vithal Cooperative Limited	Cash Credit (Hypotheciation) Export Packing Credit / Post Shipment Credit (Within Cash Credit)	1,800.00 1,800.00	1,762.44	12.75% 10.25%		Primary Security : - 1. First Charge on all current assets including stock and receivables on pari – passu basis with the other members of consortium. Collateral Security: - 1. Second charge on the entire fixed assets(including Land and Building) present and future with other unencumbered movable fixed assets on pari-passu basis with the other members of consortium.
	Term Loan	133.40	103.68	13.00%		Primary Charges: - 1. First charge on the entire fixed assets present and future with other unencumbered movable fixed assets on pari-passu basis with the other members of consortium.

Name of the lender	Facility	Sanctioned Amount	Amount Outstanding as on August 31, 2010	Rate of Interest	Repayment Schedule	Securities Offered
						Collateral Security: - 1. Second Charge on all current assets including stock and receivables on pari – passu basis with the other members of consortium.
	Term Loan	300.18	217.18	13.00%		Primary Charges: - 1. First charge on the entire fixed assets present and future with other unencumbered movable fixed assets on pari-passu basis with the other members of consortium. Collateral Security: - 1. Second Charge on all current assets including stock and receivables on pari – passu basis with the other members of consortium.

ANNEXURE IX - CONSOLIDATED STATEMENTS OF UNSECURED LOANS, AS RESTATED

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007
From Directors/Shareholders	-	-	-	12.65
From Others/Corporate Bodies	65.14	54.74	147.21	125.38
Total	**65.14**	**54.74**	**147.21**	**138.03**
Above amount includes transactions with following related parties:				
Mr. Faiz Z. Vali	-	-	-	12.65
Total	**-**	**-**	**-**	**12.65**

Note:
No interest is payable / paid on the loans mentioned above. Unsecured loans are repayable on demand and consequently there is no repayment schedule.

ANNEXURE X - CONSOLIDATED STATEMENT OF FIXED ASSETS

(Rs. in Lakhs)

Particulars	Gross block				Depreciation				Net Block	
	As on April 1, 2009	Additions during the Year	Sold during the year	As on March 31, 2010	Up to March 31, 2009	During the Year Addition	Adjustment in depreciation	Total as on March 31, 2010	As on March 31, 2010	As on March 31, 2009
Freehold Land	141.39	526.78	-	668.17	-	-	-	-	668.17	141.39
Building	2,146.66	127.10	-	2,273.76	139.61	71.26	-	210.87	2,062.89	2,007.05
Plant & Machinery	1,478.34	502.64	4.34	1,976.65	230.61	82.56	4.03	309.13	1,667.52	1,247.74
AHU	166.42	2.74	-	169.15	10.25	7.95	-	18.20	150.96	156.17
Electric Installation	77.90	15.61	-	93.50	8.67	3.97	-	12.64	80.86	69.23
Laboratory Equipment	187.94	33.58	-	221.53	10.81	9.47	-	20.28	201.25	177.14
Refrigerator	0.37	0.07	-	0.44	0.04	0.02	-	0.06	0.38	0.33
Office Equipments	15.60	5.32	-	20.92	2.97	0.80	-	3.76	17.16	12.63
Computer Accessories	77.98	43.33	-	121.31	36.82	11.88	-	48.71	72.61	41.16
E.P.A.B.X.	1.82	0.25	-	2.07	0.16	0.09	-	0.25	1.82	1.66
Vehicles	106.17	24.10	-	130.27	28.52	10.31	-	38.83	91.43	77.64
Trade Marks	75.00	4.64	-	79.64	75.00	0.09	-	75.09	4.55	-
Furniture & Fixture	185.05	151.10	1.09	335.06	21.63	15.08	0.09	36.62	298.43	163.42
Borewell	0.19	-	-	0.19	0.02	0.01	-	0.02	0.16	0.17
Canteen Utensils	0.18	-	-	0.18	0.01	0.01	-	0.02	0.16	0.17
Cycle Rickshaw	0.09	-	-	0.09	0.02	0.01	-	0.03	0.06	0.07
Total Rs.	**4,661.10**	**1,437.27**	**5.43**	**6,092.95**	**565.13**	**213.50**	**4.12**	**774.51**	**5,318.44**	**4,095.97**

(Rs. in Lakhs)

Particulars	Gross Block				Depreciation				Net Block	
	As on April 1, 2008	Addition during the year	Sold during the year	As on March 31, 2009	Up to March 31, 2008	During the year addition	Adjustment in depreciation	Total as on March 31, 2009	As on March 31, 2009	As on March 31, 2008
Land	141.39	-	-	141.39	-	-	-	-	141.39	141.39
Factory Building	1,769.64	377.03	-	2,146.66	82.18	58.62	1.19	139.61	2,007.06	1,687.45
Plant and Machinery	1,164.24	335.5	21.4	1,478.34	150.08	80.53	-	230.61	1247.74	1,014.16
A.H.U.	110.82	58.39	2.79	166.42	4.05	6.2	-	10.25	156.17	106.77
Electric Installation	72	7.39	1.5	77.9	5.37	3.57	0.26	8.68	69.22	66.64
Laboratory Equipment	79.47	108.47	-	187.94	3.09	7.72	-	10.81	177.14	76.38
Office Equipments	13.14	2.98	0.52	15.6	2.43	0.68	0.13	2.97	12.63	10.72
Computer Accessories	60.43	17.55	-	77.98	29.38	7.44	-	36.82	41.16	31.05
Refrigerator	0.37	-	-	0.37	0.02	0.02	-	0.04	0.33	0.34
E.P.A.B.X.	1.68	0.14	-	1.82	0.08	0.08	-	0.16	1.67	1.61
Vehicles	63.9	44.94	2.68	106.17	22.94	6.43	0.84	28.52	77.64	40.97
Furniture and Fixture	112.84	72.21	-	185.05	12.43	9.2	-	21.63	163.42	100.41
Borwell	0.19	-	-	0.19	0.01	0.01	-	0.02	0.17	0.18
Cycle Rickshaw	0.09	-	-	0.09	0.01	0.01	-	0.02	0.08	0.09
Canteen Utensils	0.18	-	-	0.18	0	0.01	-	0.01	0.17	0.18
Trade Mark	75	-	-	75	45	30	-	75	-	30
Total	**3,665.38**	**1,024.60**	**28.88**	**4,661.10**	**357.06**	**210.5**	**2.42**	**565.13**	**4,095.97**	**3,308.32**

(Rs. in Lakhs)

Particulars	Gross Block				Depreciation				Net Block	
	As on April 1, 2007	Additions during the year	Sold during the year	As on March 31, 2008	Up to March 31, 2007	During the year addition	Adjustment in depreciation	Total as on March 31, 2008	As on March 31, 2008	As on March 31, 2007
Freehold Land	133.73	20.00	-	153.73	-	-	-	-	153.73	133.73
Factory Building	778.02	1,026.17	-	1,804.19	58.22	25.98	-	84.20	1,719.98	719.80
Plant & Machinery	824.98	382.98	6.69	1,201.26	108.06	47.08	0.19	154.95	1,046.31	716.92
AHU	52.06	58.76	-	110.82	0.51	3.54	-	4.05	106.77	51.55
Electric Installation	53.74	18.67	-	72.41	3.27	2.11	-	5.38	67.03	50.47
Laboratory Equipment	53.58	25.89	-	79.47	0.34	2.75	-	3.09	76.38	53.23
Refrigerator	0.37	-	-	0.37	-	0.02	-	0.02	0.34	0.36
Office Equipments	10.48	2.67	-	13.14	1.88	0.55	-	2.43	10.72	8.60
Computer Accessories	44.72	18.05	-	62.77	24.12	5.82	-	29.94	32.83	20.60
E.P.A.B.X.	0.84	0.84	-	1.68	0.01	0.07	-	0.08	1.61	0.02
Vehicles	58.09	14.26	-	72.35	16.86	6.38	-	23.24	49.11	41.23
Furniture & Fixture	59.29	53.61	-	112.90	7.19	5.24	-	12.43	100.47	52.10
Borwell	0.19	-	-	0.19	-	0.01	-	0.01	0.18	0.19
Canteen Utensils	-	0.18	-	0.18	-	-	-	-	0.18	-
Trademarks	75.00	-	-	75.00	37.50	7.50	-	45.00	30.00	37.50
Cycle Ricksha	0.03	0.06	-	0.09	-	0.01	-	0.01	0.09	0.03
Total	**2,145.11**	**1,622.13**	**6.69**	**3,760.54**	**257.98**	**107.04**	**0.19**	**364.83**	**3,395.71**	**-**

(Rs. in Lakhs)

Particulars	Gross block				Depreciation				Net Block	
	As on April 1, 2006	Additions during the year	Sold during the year	As on March 31, 2007	Up to March 31, 2006	During the year addition	Adjustment in depreciation	Total as on March 31, 2007	As on March 31, 2007	As on March 31, 2006
Freehold Land	55.54	76.49	1.25	130.77	-	-	-	-	130.77	55.54
Factory Building	123.67	507.91	117.22	514.36	16.02	7.34	17.88	5.47	508.88	107.65
Plant & Machinery	177.88	354.16	147.21	384.83	32.70	9.32	36.34	5.69	379.14	145.18
AHU	-	52.06	-	52.06	-	0.51	-	0.51	51.55	-
Electric Installation	-	38.41	-	38.41	-	0.08	-	0.08	38.33	-
Laboratory Equipment	-	53.58	-	53.58	-	0.34	-	0.34	53.23	-
Refrigerator	0.21	0.61	0.45	0.37	0.09	0.02	0.11	0.00	0.36	0.12
Office Equipments	6.62	3.86	6.62	3.86	3.81	0.27	4.04	0.04	3.82	2.81
Computer Accessiores	17.20	12.39	16.76	12.83	11.29	1.49	12.20	0.58	12.25	5.91
E.P.A.B.X. (Shantinagar)	2.30	0.84	2.30	0.84	1.43	0.09	1.51	0.01	0.83	0.87
Vehicles	22.57	16.80	22.57	16.80	10.41	1.80	11.95	0.25	16.55	12.16
Furntiture & Fixture	16.92	28.47	17.63	27.77	5.11	1.08	5.86	0.33	27.43	11.81
Borwell	-	0.19	-	0.19	-	0.00	-	0.00	0.19	-
Cycle Rikchaw	0.04	0.03	0.04	0.03	0.01	0.00	0.01	0.00	0.03	0.03
Total	**422.95**	**1,145.80**	**332.06**	**1,236.68**	**80.87**	**22.35**	**89.91**	**13.30**	**1,223.38**	**342.08**

ANNEXURE XI - CONSOLIDATED STATEMENTS OF INVESTMENTS, AS RESTATED

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007
Quoted Investments	-	-	-	-
ZIM Laboratories Limited				91.80
Unquoted Investments				
Fully Paid Equity Shares				
Shamrao Vithal Co-operative Bank Limited	10.00	10.00	6.51	1.50
In Government Securities				
NSC	0.20	0.20	0.20	0.10
Total	**10.20**	**10.20**	**6.71**	**93.40**

ANNEXURE XII - CONSOLIDATED STATEMENT OF INVENTORIES AS RESTATED

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007
Inventories : (Valued at cost or net realizable value as certified by the management)				
Raw Material and Packing Materials	3,230.13	2,063.13	1,528.10	185.38
Work-in-process	693.44	520.70	475.11	5.14
Finished and Trading goods	249.04	219.08	562.34	81.11
Trading Goods	-	10.59	-	-
Stores and Spares	25.56	7.70	7.72	0.79
Total	**4,198.17**	**2,821.21**	**2,573.27**	**272.42**

ANNEXURE XIII - CONSOLIDATED STATEMENT OF SUNDRY DEBTORS, AS RESTATED

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007
Outstanding for the period exceeding Six months	1,312.92	251.63	197.97	35.92
Outstanding for the period exceeding Six months but Considered doubtful	28.17	-	14.82	-
Other Debts	9,764.50	7967.37	6,059.58	1984.04
Total	**11,105.59**	**8,219.00**	**6,272.37**	**2019.96**

Details of receivables from related parties as included in above annexure:

(Rs. in Lakhs)

Name of the Entity	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007
City Pharmacy	21.22	18.89	17.23	15.86
Universal Medikit Private Limited	-	-	-	31.93
H. Jules and Co. Limited	28.67	15.31	14.36	-
Triveni Pharma	-	-	0.11	-
ZIM Laboratories Limited				0.27
Total	**49.89**	**34.20**	**31.70**	**48.06**

Except as provided above, there are no other sundry debtors who are related to the directors, promoters, group companies or the company for the aforementioned years.

ANNEXURE XIV - CONSOLIDATED STATEMENT OF CASH AND BANK BALANCES AS RESTATED

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007
Cash and Bank Balances				
Cash in hand per cash book	7.26	10.49	25.31	14.43
Balances with Scheduled Banks				
On Current Account	86.78	48.92	227.11	169.24
On Fixed Deposits	285.94	218.75	1,575.04	134.02
Total	**379.98**	**278.16**	**1,827.46**	**317.69**

ANNEXURE XV - CONSOLIDATED STATEMENT OF LOAN AND ADVANCES AS RESTATED

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007
Advances recoverable in Cash or in Kind	3586.94	2044.72	1352.57	779.30
Deposits	92.05	126.39	30.51	47.20
Total	**3678.99**	**2717.11**	**1383.08**	**826.50**

Details of advances from related parties as included in above annexure:

(Rs. in Lakhs)

Name of the Entity	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007
Universal Medikit Private Limited			112.91	77.53
City Pharmacy	-	-	17.18	13.63
Akasa Advertisement	-	-	10.18	
Universal Pharmacy			27.96	33.72
Universal Ayurved			11.48	4.45
Mr. Faiz Vali	-	216.70	136.60	9.31
Mr. Hakimmudin Rizvi			4.33	4.02
Finaventure Advisory services Private Limited	-	-	17.50	-
Saif Health Remedies Private Limited	5.06	10.88	80.48	100.00
Universal venture Capital	-	-	9.00	9.00
Mr. Ishwarlal Ambaram Trivedi	1.69	-		-
Mr. Mohammed S. Vali	-	-	4.14	2.49
Mr. A.C Tiwari	-	-	-	-
Mr. Vinayak Kudva	-	-	-	0.07
Mr. Zakir S. Vali	31.00	29.19	-	-
Unijules Herbal Limited	0.19	-	-	-
Unijules Parentals Limited	0.19	-	-	-
RevAyur Beauty Care India Private Limited	0.40	-	-	-
Mr. Anwar Siraj Daud	6.64	-	-	-
ZIM Laboratories Limited	-	-	-	150.57
H. Jules and Co. Limited	6.68	5.11		-
Total	**51.85**	**261.88**	**431.76**	**406.79**

Except as provided above, there are no loans and advances due from directors, promoters, group companies or the company for the aforementioned years

ANNEXURE XVI - CONSOLIDATED STATEMENT OF CURRENT LIABILITIES AND PROVISIONS, AS RESTATED

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007
A. CURRENT LIABILITIES:				
Creditors for goods supplied	3,882.66	2,657.75	4,299.52	1243.99
Security Deposits	20.00	27.00	27.93	-
Creditors for expenses and other liabilities.	655.17	792.63	1,058.77	362.56
Creditors for Capital goods	95.07	-	68.40	-
Credit Balances (Customers)	99.92	26.60	116.62	23.80
Bank Balances (Due to reconciliation)	11.48	98.84	-	204.62
Total (A)	**4,764.30**	**3,602.82**	**5,571.24**	**1834.97**
B. PROVISIONS				
Income Tax	976.60	910.59	414.55	138.03
Fringe Benefit Tax	-	6.86	8.99	2.70
Provision for Gratuity	88.63	62.44	62.48	59.23
Total (B)	**1,065.23**	**979.89**	**486.02**	**199.96**
Total (A + B)	**5,829.53**	**4,582.71**	**6,057.26**	**2,034.93**

ANNEXURE XVII - CONSOLIDATED STATEMENT OF INCOME FROM OPERATIONS

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007
Manufactured Goods	26,844.38	20,459.54	11,584.09	1286.15
Trading Goods	2,858.28	3,594.79	4,776.92	4103.36
Total	**29,702.66**	**24,054.33**	**16,361.01**	**5389.51**

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007
Break-up of Sales				
Herbal	9,529.46	4,422.46	2,003.66	1135.01
Allopathic	20,173.20	19,631.87	14,357.35	4254.50
Total	**29,702.66**	**24,054.33**	**16,361.01**	**5389.51**
Break-up of Sales				
Domestic	24,187.16	18,141.14	12,190.95	4962.54
Export	5515.50	5913.19	4170.06	426.97
Total	**29,702.66**	**24,054.33**	**16,361.01**	**5389.51**

ANNEXURE XVIII - CONSOLIDATED STATEMENT OF OTHER INCOME

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007	Nature of Income Recurring/ Non Recurring	Related or Not Related to business activity
D.E.P.B.	121.21	68.12	2.49	-	Recurring	Related
Miscellaneous income	45.98	121.73	189.25	2.18	Non Recurring	Related
Interest From Others	22.57	13.62	15.74	6.12	Non-Recurring	Related
Interest From Banks and Securities	20.10	67.74	40.51	5.70	Recurring	Related
Job work	6.55	8.25	31.71	21.84	Recurring	Related
Scrap sales	6.02	2.53	4.75		Recurring	Related
Insurance Claim	1.00	0.53	0.26	-	Non Recurring	Related
Dividend Income	0.08	0.08	0.18	0.20	Recurring	Related
Foreign Exchange Fluctuations	(128.64)	229.01	-	-	Non Recurring	Related
Profit on Sales of Assets	-	-	4.59	299.41	Non Recurring	Related
Total	**94.87**	**511.62**	**289.50**	**335.45**		

ANNEXURE XIX - CONSOLIDATED STATEMENT OF EXPENDITURE, AS RESTATED

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007
MATERIALS CONSUMED				
Raw and Packing Material Consumed				
Opening Stock	2,063.13	1,504.48	669.04	57.06
Add: Purchases and Expenses	22,633.08	17,482.40	13,585.07	4381.10
	24,696.21	**18,986.88**	**14,254.11**	**4438.17**
Less: Sales (At Sale Price)	118.67	198.69	318.25	127.91
	24,577.54	**18,788.19**	**13,935.86**	4310.26
Less: Closing Stock	3,230.13	2,063.13	1,528.10	185.38
Total	**21,347.41**	**16,725.06**	**12,407.76**	**4124.87**
MANUFACTURING EXPENSES				
Consumption of Stores	52.49	26.84	12.35	0.99
Water Charges	11.65	10.70	8.97	1.94
Repairs to :				
Building	83.00	15.77	21.55	2.21
Machinery	72.80	62.86	64.39	5.18
Others	35.02	22.63	14.56	4.57
Laboratory and Analytical Expenses	72.47	59.22	39.54	14.05
Power and Electricity	227.63	169.10	124.66	15.68
Coal and Fuel	52.08	46.62	30.22	14.99
Other Manufacturing Expenses	56.97	33.50	11.32	2.73
Research and Development Expenses	8.98	50.51	1.86	-
State Excise Duty	5.10	2.79	2.03	2.16
Excise duty on Closing Stock (Net)	3.47	(0.50)	(1.02)	1.31
Insurance	-	3.49	-	-
Royalty	-	-	-	13.39
Factory Expenses	-	-	17.22	-
Total	**681.65**	**503.53**	**347.65**	**79.20**
EMPLOYEES REMUNERATION AND BENEFIT :				
Wages, Salaries, Bonus and Other Payments	930.78	637.50	535.17	111.59
Contribution to Provident and Other Funds	30.94	22.93	24.16	8.59
Workmen and Staff Welfare Expenses	51.76	35.49	29.10	11.21
Remuneration to Directors	114.58	76.94	54.93	12.39
Gratuity Paid/Provided	-	33.21	5.04	54.16
Total	**1,128.06**	**806.07**	**648.40**	**197.94**
ADMINISTRATIVE, SELLING AND DISTRIBUTION EXPENSES:				
Rent, Rates and Taxes	10.50	12.78	6.56	2.54
Insurance	11.69	15.07	13.15	5.28
Keyman Insurance Policy	-	-	-	2.00
License fees	-	-	-	-
Family Pension	-	-	0.24	0.24

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007
Payment to Auditors :				
Audit Fees	2.43	1.55	2.35	1.60
Tax Audit Fees	0.40	0.45	0.11	.34
Company Law Matters	-	-	-	.13
For Other services	-	-	0.47	0.01
Professional Charges	192.42	128.00	42.39	12.99
Miscellaneous Expenses	178.80	168.18	108.80	49.30
Bank Commission and Charges	57.17	114.45	73.58	13.73
Travelling and Conveyance	229.71	190.10	113.00	18.06
Printing and Stationery	23.79	19.12	16.81	6.31
Telephone, Telex, and Postage	36.10	32.62	30.59	6.97
Cosmetic Launching Expenses	-	10.55	15.65	-
Outward Carriage	317.33	297.90	232.28	29.75
Incentive on sales	705.12	755.73	215.07	16.31
Advertisement	40.51	64.74	4.08	4.35
Sales Promotion Expenses	173.98	36.58	60.83	7.37
Discount, Rate Difference and Brokerage	34.56	49.40	13.06	2.97
Sales Tax Expenses	6.35	3.50	12.01	4.80
Service Charges	8.92	177.84	135.63	128.42
Liasoning Expenses	10.41	18.47	20.44	5.14
Export Sale Expenses (freight and others)	12.43	23.14	32.65	35.33
Late Supply Deduction	10.72	6.05	3.09	5.26
Service Tax	3.20	3.36	3.23	-
Interest (P.F., ESIC, etc. and Others)	0.58	0.16	3.70	2.61
Project Expenses	-	-	-	-
Misc. A/c W/off.(Net)	27.65	101.27	8.22	129.96
Excise set off disallowed	12.02	-	-	-
Dubai Office Expenses	-	-	4.99	-
Exchange Gain / Loss (Net)	-	-	9.74	6.60
Commission and Discount	-	-	-	27.04
Consignment Sales Expenses	-	-	-	-
Marketing Exp	-	-	289.34	-
Cash withdrawal Tax	-	-	0.29	-
Legal Exp	-	-	18.08	-
Total	**2,106.79**	**2,231.00**	**1,490.43**	**500.71**
FINANCIAL EXPENSES:				
Interest to Bank	913.11	689.18	326.46	18.95
Interest to Bank on Term Loan	94.28	140.42	172.75	11.22
Others Interest and Finance charges	5.65	20.06	34.86	26.99
Interest to NSIC	25.69	26.88	22.47	7.82
Finance Charges	61.51	3.00	51.02	0.03
Interest on Car Loan	1.69	1.77	0.37	0.24
Interest on Security Deposits	-	-	0.73	-
Total	**1,101.93**	**881.31**	**608.66**	**65.25**

ANNEXURE XX - CONSOLIDATED STATEMENT OF DIVIDEND PAID/PROPOSED, AS RESTATED

(Rs. in Lakhs except per share data)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007
Equity Share Capital	1,386.37	669.75	556.28	445.00
No. of Equity Shares*	1,38,63,650	6,69,745	5,56,275	4,45,000
Rate of Dividend	-	-	-	-
Amount of Dividend	-	-	-	-
Tax on Dividend	-	-	-	-

**Face value of Equity Shares has been sub divided from Rs. 100 per share to Rs. 10 per share on February 11, 2010*

ANNEXURE XXI - CONSOLIDATED STATEMENT OF ACCOUNTING RATIOS

(Rs. in Lakhs, except per share data)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31,2008	As on March 31,2007
With Bonus and Subdivision of shares				
i) Number of shares at the end of the year*	1,38,63,650	1,33,94,900	1,11,25,500	89,00,000
ii) Weighted average number of outstanding equity shares during the year /period*	1,33,98,753	1,11,37,935	89,06,097	39,02,740
Net Worth (Rs.)	**71,01,85,623**	**47,17,85,685**	**25,32,80,493**	**14,89,66,609**
Restated Profit After Tax available for equity shareholders excluding extraordinary items	**17,03,37,939**	**13,67,94,163**	**7,80,47,364**	**3,84,21,590**
1. Basic and diluted earning per share (EPS) (Rs.)	12.71	12.34	8.76	9.84
2. Return on net worth (%)	23.98%	28.99%	30.81%	25.79%
3. Net asset value per share (Rs.)	51.23	35.22	22.77	16.74
Restated Profit after tax available for equity shareholders including extraordinary items	**17,03,37,939**	**13,74,84,725**	**7,80,47,364**	**3,84,21,590**
1. Basic and diluted earning per share (EPS) (Rs.)	12.71	12.28	8.76	9.84
2. Return on net worth (%)	23.98%	29.14%	30.81%	25.79%
3. Net asset value per share (Rs.)	51.23	35.22	22.77	16.74
**Adjustment has been made in all the years for bonus shares issued on December 14, 2009 and Subdivision of Shares on February 11, 2010*				
Without Bonus but considering Subdivision of shares				
i) Number of shares at the end of the year**	1,38,63,650	66,97,450	55,62,750	44,50,000
ii) Weighted average number of outstanding equity shares during the year /period**	1,33,98,753	55,68,968	44,53,049	19,51,370
1. Basic and diluted earning per share after extraordinary items (EPS) (Rs.)	12.73	24.69	17.53	19.69
2. Net asset value per share after extraordinary items (Rs.)	51.23	70.44	45.53	33.48
***Adjustment has been made in all the years without considering Bonus issue but considering Subdivision of Shares on February 11, 2010*				

The impact on EPS and NAV per share without considering the issue of Bonus Shares is as follows:

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31,2008	As on March 31,2007
Impact on EPS (Rs.)	-	(12.28)	(8.76)	(9.84)
Impact on NAV (Rs.)	-	(35.22)	(22.77)	(16.74)

The Company has split face value of its share from Rs. 100 to Rs. 10 per share on February, 11 2010, above ratios have to be calculated considering revised face value

Earning per share (Basic and Diluted) = $\dfrac{\text{Net Profit attributable to equity}}{\text{Weighted average number of Equity Shares during the year}}$

Return on net worth (%) = $\dfrac{\text{Net Profit After Tax}}{\text{Net Worth at the end of the year}}$

Net asset value = $\dfrac{\text{Net Worth at the end of the year}}{\text{Equity Shares outstanding during the year}}$

ANNEXURE XXII - CONSOLIDATED CAPITALIZATION STATEMENT

(Rs. in Lakhs)

Particulars	As on March 31, 2010	Post Issue
Debt :		
Secured		
Short term debt	7,688.55	[●]
Long term debt	2,935.31	[●]
Unsecured		
Short term debt	10.40	[●]
Long Term Debt	54.74	[●]
Total Debt	**10,689.00**	
Shareholders Funds		
Equity Share Capital	1,386.37	[●]
Reserves and Surplus	5,715.49	[●]
Less: Revaluation Reserves		
Less: Misc. Expenditure		
Total Shareholders Funds	**7,101.86**	[●]
Long Term Debt/ Shareholders Funds	0.42 : 1	[●]
Total Debt / Shareholders Fund	1.51 : 1	[●]

Notes:

Working Capital Limits are considered as short- term debts

The Post-issue debt–equity ratio will be computed on the conclusion of the book building process.

ANNEXURE XXIII - CONSOLIDATED TAX SHELTERS STATEMENT

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31,2008	As on March 31,2007
Profit Before Tax	**3155.98**	**2426.94**	**1664.29**	**675.25**
Tax rate				
-- Normal Tax rate	33.99%	33.99%	33.99%	33.66%
-- Minimum Alternative Tax rate	16.95%	11.33%	11.33%	11.22%
Notional Tax at normal rates (A)	1,072.72	824.92	565.69	227.29
Permanent differences				
Other adjustments	-	0.12	-	-
Disallowances	60.34	55.70	15.74	(298.27)
Total (B)	60.34	55.82	15.74	(298.27)
Timing Differences				
Depreciation as per Books	213.50	210.50	107.04	22.35
Depreciation as per Income Tax	(516.92)	(447.11)	(319.67)	(31.48)
Difference between tax depreciation and book depreciation	(303.42)	(236.61)	(212.23)	(9.13)
Other adjustments	13.59	453.39	(291.86)	(33.65)
Foreign income included in the statement	0	0	0	
Total (C)	(289.83)	216.78	(504.09)	(42.78)
Net Adjustments (B+C)	(229.49)	272.60	(488.35)	(341.05)
Tax expense/(savings) thereon (D)	(78.00)	92.66	(165.99)	(114.80)
Total Taxation (E = A+D)	994.71	915.57	399.70	112.49
Brought forward losses set off (Depreciation)	0	0	0	0
Tax effect on the above (F)	0	0	0	-
Net tax for the year/period (E+F)	994.71	915.57	399.70	112.49
Tax payable as per MAT	534.94	274.97	188.56	75.76
Tax expense recognised	1,030.00	758.33	493.80	133.00
Tax as per return of income	0	917.66	406.61	126.66
The statement of tax shelter has been prepared based on returns of Income filed by the company with the Income Tax authorities, return of 2009-10 is yet to be filed.				

***The return of income for the assessment year 2010-11 i.e. year ended March 31, 2010 is yet to be filed*

Note:

The Tax Shelter Statement has been prepared based on returns of income filed by the company with the Income Tax Authorities

ANNEXURE XXIV - CONSOLIDATED RELATED PARTY TRANSACTIONS

The Company has entered into the following related party transactions:

List of Related Parties:

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007
City Pharmacy	-	Director is Partner	Director is Partner	Director is Partner
Akasa Advertisement	Relative of Director is Partner	Relative of Director is Partner	Relative of Director is Partner	Relative of Director is Partner
Benzochem Life Sciences Limited	-	-	Director have holding of more than 20%	-
Saif Health Remedies Private Limited	Relative of Director have holding of more than 20%	Relative of Director have holding of more than 20%	Relative of Director have holding of more than 20%	-
Mr. Faiz Vali	Managing Director of Unijules	Managing Director of Unijules	Managing Director of Unijules	Managing Director of Unijules
Mr. Vinayak Kudva	-	-	-	Director
Mr. Ishwarlal Ambaram Trivedi	Director of Unijules	Director of Unijules	Director of Unijules	Director of Unijules
Mr. Dharampal Keshawdas Bellani	Director of Unijules	Director of Unijules	Director of Unijules	Director of Unijules
Mr. Yusuf Amin	-	-	-	Director of Unijules
Mr. Anwar Siraj Daud	Director	Director	-	
Mr. Esa M. Vali	Relative of Director	Relative of Director	Relative of Director	Relative of Director
Mr. Zakir Vali	Relative of Director	Relative of Director	Relative of Director	Relative of Director
Universal Pharmacy	Relative of Director	Relative of Director	Relative of Director	Relative of Director
Universal Ayurvaid	Relative of Director	Relative of Director	Relative of Director	Relative of Director
Mrs. Tasneem A. Daud	Relative of Director	Relative of Director	Relative of Director	Relative of Director
Finaventure Advisory Services Private Limited	-	-	-	Director have holding of more than 20%
Universal Venture Capital	-	-	-	Relative of Director is Proprietor
Unijules Herbal Limited	Director have holding of more than 20%	-	-	-
Unijules Parenterals Limited	Director have holding of more than 20%	-	-	-
RevAyur Beauty Care India Private Limited	Director have holding of more	-	-	-

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007
	than 20%			
Mr. Mohammed S. Vali	Managing Director of Universal Medicaments Private limited	Managing Director of Universal Medicaments Private limited	Managing Director of Universal Medicaments Private limited	Managing Director of Universal Medicaments Private limited
Mr. Hakimuddin Nisarali Rizvi	Director of Universal Medicaments Private limited	Director of Universal Medicaments Private limited	Director of Universal Medicaments Private limited	Director of Universal Medicaments Private limited
Mr. Riaz Ahmed Kamal	Director of ZIM Laboratories Limited	Director of ZIM Laboratories Limited	Director of ZIM Laboratories Limited	-
Mr. Zulfiquar Kamal	-	Director of ZIM Laboratories Limited	Director of ZIM Laboratories Limited	-
Mr. Aydesh Chandra Tiwari	Director of ZIM Laboratories Limited	Director of ZIM Laboratories Limited	-	-
Mr. Veerendra Kumar Parashar	Director of ZIM Laboratories Limited	Director of ZIM Laboratories Limited	-	-
Mr. Asad Firdosy	Director of ZIM Laboratories Limited	Director of ZIM Laboratories Limited	-	-
Mr. Hatim Belal	Director of ZIM Laboratories Limited	Director of ZIM Laboratories Limited	-	-
Mr. Naresh Janardan Gaikwad	Director of ZIM Laboratories Limited	-	-	-
H. Jules and Co. Limited	Common Directorship with ZIM Laboratories Limited	Common Directorship with ZIM Laboratories Limited	Common Directorship with ZIM Laboratories Limited	Common Directorship with ZIM Laboratories Limited
Universal Medikit Private Limited	-	-	Common Directorship with ZIM Laboratories Limited	Common Directorship with ZIM Laboratories Limited
Benzochem Life Sciences Limited	-	Director holding more than 20%	Director holding more than 20%	-
Triveni Pharmasurege	-	-	Relative of Director is Partner	Relative of Director is Partner
City Pharmacy	-	Director is Partner	Director is Partner	Director is Partner
Saif Health Remedies Private Limited	Relative is Director is holding more than 20%	Relative is Director is holding more than 20%	Relative is Director is holding more than 20%	-
RevAyur Cosmetique Paris	Director is	-	-	-

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007
	holding more than 20%			

Details of Related party transactions

(Rs. in Lakhs)

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007
Mr. Faiz Vali				
Remuneration	50.00	29.24	30.26	6.00
Advances	-	-	0.15	-
Land Purchase	335.00	-	-	-
Mr. Vinayak Kudva				
Remuneration	-	-	12.00	-
Mr. Anwar Siraj Daud				
Remuneration	30.00	20.00	11.25	-
Share Application Money Received	-	22.00	90.00	-
Repayment of Deposit / Loan	-	25.00	-	-
Mr. Ishwarlal Ambaram Trivedi				
Remuneration	9.00	7.25	6.72	2.24
Mr. Dharampal Keshawdas Bellani				
Remuneration	4.95	4.20	2.19	-
Mr. Yusuf Amin				
Remuneration	-	-	0.13	-
Mr. Zakirbhai S.Vali				
Professional Charges	-	-	-	0.50
Unsecured Loan	-	-	5.97	-
Remuneration	9.00	6.40	6.32	-
Mr. Riaz Ahmed Kamal				
Remuneration	9.50	6.40	4.30	-
Advance against Expenses	-	-	1.40	-
Mr. Zulfiquar M. Kamal				
Advance against Expenses	-	-	6.16	-
Remuneration	-	1.45	9.00	-
Mr. Mohammed S.Vali				
Remuneration	-	-	3.23	1.62
Advances	-	-	4.14	-
Mr. Hakimuddin N. Rizvi				
Remuneration	-	-	3.21	3.51
Advances	-	-	4.33	-
Mr. A. C. Tiwari				
Sitting Fee	0.50	0.50	-	-
Mr. Veerendra Kumar Parashar				
Sitting Fee	0.50	0.50	-	-

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007
Mr. Asad Firdosi				
Sitting Fee	0.50	0.50	-	-
Mr. Hatim Belal				
Sitting Fee	0.50	0.50	-	-
Mr. Naresh Janardan Gaikwad				
Sitting Fee	0.13	-	-	-
Relatives Of Directors				
Mr. Esa M. Vali				
Professional Charges	0.15	1.50	1.80	1.35
Salary	3.30	-	-	-
Mrs. Tasneem A. Daud				
Salary	1.20	1.21	-	-
Professional Charges	0.30	0.30	0.30	1.34
Perviz P.Jall				
Interest	-	-	2.68	-
Other Concerns				
Universal Ayurvaid				
Interest	-	-	-	2.75
Royalty	-	-	-	4.07
Loan	-	-	9.76	-
Advances	-	-	1.72	-
H. Jules & Co. Limited				
Purchases	-	-	-	2.48
Sales	-	7.03	7.81	-
Administrative Expenses	-	-	-	-
Deposit taken	-	-	9.00	-
Repayment of Deposit/Loan	-	12.00	9.00	-
Amount received back against / Loan granted	-	-	150.00	-
Advance / Loan Given	-	5.11	-	-
Purchases	-	-	-	-
Universal Medikit Private Limited				
Commission	-	-	-	78.13
Service charges	-	-	5.96	-
Advances	-	-	112.91	-
Sales	-	-	-	-
Reimbursement	-	-	-	-
Parikh Enterprises				
Interest	-	-	-	-
Tushad and Zaveer Trust				

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007
Interest	-	-	-	-
Universal Pharmacy				
Professional Charges	3.84	-	-	4.44
Interest	-	-	-	9.31
Royalty	-	-	-	
Raw material purchase	-	-	4.51	18.04
Finished Good Purchase	-	-	-	2.04
Unsecured Loans	-	-	19.03	-
Advances	-	-	18.93	-
Finaventure Advisory Services Private Limited				
Professional Charges	-	17.64	-	-
Benzochem Life Sciences Limited				
Raw Material Purchase	-	-	4,135.64	-
Finished Good Purchase	-	0.47	-	-
Universal Venture Capital				
Professional Charges	-	9.00	-	-
Akasa Advertisement				
Advertisement	18.44	29.00	0.55	0.39
Pre-operative	-	-	-	0.56
Printing & Stationery	0.11	-	-	0.02
Cosmetic Expenses	-	-	1.33	
Advertisement	-	-	-	0.12
Advances	-	2.00	2.00	-
	-	-		
Triveni Pharmasurge Agency				
Finished Goods Purchase	-	-	-	3.56
City Pharmacy				
Sales	-	-	5.79	13.97
Staff & Labour Welfare Expenses	0.04	0.03	-	-
Office and General Expenses	0.01	-	-	-
Finished Good Purchase	-	0.62	0.29	-
Manufacturing Expenses	0.47	-	0.14	-
Laboratory Expenses	0.03	-	-	-
Pre-operative Expenses	-	-	0.04	-
Advance	-	-	17.13	-
Saif Health Remedies Private Limited				
Interest received	-	4.35	11.57	-
Interest paid	-	2.50	-	-
Commission paid	-	105.18	-	-
Rent paid	-	6.73	-	-
Loan taken	-	124.50	-	-
Repayment of Loan	-	106.43	-	-

Particulars	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007
Advance Given	-	76.53	21.45	-
Advance received back	-	100.86	-	-
Advance Given against supplies / Services	-	5.82	-	-
Acquisition of Fixed Asset	-	-	240.00	-
RevAyur Cosmetique Paris				
Sales of Goods	0.49	-	-	-

Notes:

The related party information disclosed above is based on the audited financial statements and the information provided by the Company.

OUR GROUP COMPANIES

Companies, firms and ventures promoted by our Promoter, irrespective of whether such entities are covered under section 370(1B) of the Companies Act set out below:

1. Universal Medicaments Private Limited
2. Unijules Herbal Limited
3. Unijules Parenterals Limited

b. Universal Medicaments Private Limited ("*UMPL*")

Corporate Information

UMPL was incorporated on April 3, 1987 under the Companies Act as a private limited company bearing CIN U24230MH1987PTC043070. UMPL is registered with the RoC, Maharashtra at Mumbai. The registered office of UMPL is situated at C/o Murtaza Saifuddin Manaswala, Flat No. 1301, Sapna Apartment, Love Lane, Near Telephone Exchange, Mumbai 400 010.

UMPL was incorporated with the objective to carry on activities and business of trading and manufacturing of pharmaceuticals.

Currently, UMPL is engaged in the business of trading in pharmaceuticals.

Board of Directors as on the date of the Draft Red Herring Prospectus

Name of the Director	Designation
Mr. Faiz Vali	Director
Mr. Hakimuddin Rizvi	Director
Mr. Mohammad Vali	Director

Shareholding Pattern as on the date of the Draft Red Herring Prospectus

Particulars	No. of Equity Shares of Rs. 10 each	%
Mr. Faiz Vali	8,29,500	99.94
Mr. Zakir Vali	250	0.03
Mr. Mohammed Vali	250	0.03
Total	**8,30,000**	**100.00**

Financial Performance

The audited financial performance for three (3) years are given below:

(Rs. in Lakhs, except share data)

Particulars	For the year ended		
	March 31, 2009	March 31, 2008	March 31, 2007
Equity Capital	83.00	83.00	83.00
Reserves and Surplus (excluding revaluation reserves)	364.49	372.93	327.60
Income/Sales (including other income)	141.15	1,086.42	1,742.02
Profit (Loss) after Tax	(8.44)	45.33	379.10
Earnings per Share (in Rs.) (Face value Rs.10)	(1.02)	5.46	45.67
Net Asset Value per equity share (in Rs.) (Face value Rs.10)	53.91	54.93	49.47

UMPL is an unlisted company and has not made any public or rights issue since the date of its incorporation. It has not become a sick company under SICA, is not under winding up and does not have negative net worth.

c. Unijules Herbal Limited ("*UHL*")

Corporate Information

UHL was incorporated on December 30, 2009 under the Companies Act as a public limited company with CIN U24297MH2009PLC198192. UHL is registered with the RoC, Maharashtra at Mumbai. The registered office of UHL is situated at Shop No. 41, Manisha Plaza, Sonapur Lane, Off L.B.S. Marg, Kurla (W), Mumbai 400 072.

UHL was incorporated with the objective to carry on activities and business of manufacturing and trading of pharmaceuticals products.

Currently UHL is engaged in the business of trading and manufacturing of pharmaceuticals.

Board of Directors as on the date of the Draft Red Herring Prospectus

Name of the Director	Designation
Mr. Faiz Vali	Director
Mr. Ishwarlal Ambaram Trivedi	Director
Mr. Anwar Siraj Daud	Director

Shareholding Pattern as on the date of the Draft Red Herring Prospectus

Particulars	No. of Equity Shares of Rs. 100 each	%
Mr. Faiz Vali	4,450	89.00
Mr. Vinayak Kudva	250	5.00
Unijules Life Sciences Limited	100	2.00
Mr. Anwar Siraj Daud	50	1.00
Mr. Ishwarlal Ambaram Trivedi	50	1.00
Mr. Santosh Kudva	50	1.00
Mr. Mohammed Salehbhai Vali	50	1.00
Total	**5,000**	**100.00**

Financial Performance

Since UHL has been incorporated in December 2009, the audited financial performance for the last one (1) year is set out below:

(Rs. in Lakhs, except share data)

Particulars	For the year ended March 31, 2010
Equity Capital	5.00
Reserves and Surplus (excluding revaluation reserves)	-
Income/Sales (including other income)	-
Profit (Loss) after Tax	-
Earnings per Share (in Rs.) (Face value Rs. 100)	-
Net Asset Value per equity share (in Rs.) (Face value Rs. 100)	95.78

UHL is an unlisted company and has not made any public or rights issue since the date of its incorporation. It has not become a sick company under SICA, is not under winding up and does not have negative net worth.

Striking off the name of UHL from RoC

UHL has made an application dated August 12, 2010 before the RoC, Maharashtra at Mumbai for striking off the name of UHL under Section 560 of the Companies Act.

d. Unijules Parenterals Limited ("*UPL*")

Corporate Information

UPL was incorporated on January 1, 2010 under the Companies Act as a public limited company with CIN U24100MH2010PLC198282. UPL is registered with the RoC located at Mumbai. The registered office of UPL is situated at Shop No. 41, Manisha Plaza, Sonapur Lane off L.B.S Marg, Kurla (W), Mumbai 400 072.

UPL was incorporated with the objective to carry on activities and business of manufacturing and trading of pharmaceuticals products.

Currently UPL is engaged in the business of trading and manufacturing of pharmaceuticals.

Board of Directors as on the date of the Draft Red Herring Prospectus

Name of the Director	Designation
Mr Faiz Vali	Director
Mr. Zulfiquar Kamal	Director
Mr. Anwar Siraj Daud	Director
Mr. Ishwarlal Ambaram Trivedi	Director

Shareholding Pattern as on the date of the Draft Red Herring Prospectus

Particulars	No. of Equity Shares of Rs. 100 each	%
Mr. Faiz Vali	4,450	89.00
Mr. Anwar Siraj Daud	50	1.00
Unijules Life Sciences Limited	100	2.00
Mr. Vinayak Kudva	250	5.00
Mr. Ishwarlal Ambaram Trivedi	50	1.00
Mr. Santosh Kudva	50	1.00
Mr. Zulfiquar Kamal	50	1.00
Total	**5,000**	**100.00**

Financial Performance

The audited financial performance for the last one (1) year is given below:

(Rs. in Lakhs, except share data)

Particulars	For the year ended March 31, 2010
Equity Capital	5.00
Reserves and Surplus (excluding revaluation reserves)	-
Income/Sales (including other income)	-
Profit (Loss) after Tax	-

Particulars	For the year ended March 31, 2010
Earnings per Share (in Rs.) (Face value Rs.100)	-
Net Asset Value per equity share (in Rs.) (Face value Rs.100)	95.78

UPL is an unlisted company and has not made any public or rights issue since the date of its incorporation. It has not become a sick company under SICA, is not under winding up and does not have negative net worth.

Striking off the name of UPL from RoC

UPL has made an application dated August 12, 2010 before the RoC, Maharashtra at Mumbai for striking off the name of UPL under Section 560 of the Companies Act.

Sale and purchase between Group Companies/ Associate companies

There are no sales or purchase between Group Companies/Associate companies exceeding an aggregate value of 10% of the total sales or purchases of our Company during the last three (3) years except as disclosed in the section titled "Standalone Related Party Transactions- Annexure XXIII" and "Consolidated Related Party Transactions- Annexure XXIV" beginning on page 256 and 307 under the section "Financial Statements" of the Draft Red Herring Prospectus.

Business interest of the Group Companies/ Associate companies in our Company

Except as disclosed in the section titled "Standalone Related Party Transactions- Annexure XXIII" and "Consolidated Related Party Transactions- Annexure XXIV" beginning on page 256 and 307 under the section "Financial Statements" of the Draft Red Herring Prospectus, none of our Group Companies/ Associate companies have business interests in our Company.

Previous public or rights issues by the Group Companies/Subsidiaries

None of our Group Companies have made any public or rights issues in the preceding three (3) years and listed on any Stock Exchanges except for our subsidiary, ZIM Laboratories Limited. The public issue of ZIM Laboratories Limited was made in the year 1994.

Defunct Group Companies

None of our Group Companies are defunct companies.

Details of Companies / Firms from which our Promoter has disassociated

Our Promoter has not disassociated himself from any Company except from a partnership firm *viz*. M/s City Pharmacy, retail pharmacy in Nagpur, with effect from April 1, 2010 due to other pre-occupations.

Other Confirmations

No application has been made, in respect of any of the Group Companies, to the Registrar of Companies for striking off their names, except as state below:

No.	Name of the company	Date of Application	Reason
1.	Unijules Herbal Limited	August 12, 2010	Striking off under Section 560 of the Companies Act
2.	Unijules Parenterals Limited	August 12, 2010	

Additionally, none of our Group Companies have become defunct in the five (5) years preceding the filing of the Draft Red Herring Prospectus, nor has any of our Group Companies have been declared as a sick industrial company under the provisions of the SICA.

Further, our Group Companies have confirmed that they have not been identified as willful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such violations are pending against them.

Further, none of the Group Companies have been restrained from accessing the capital markets for any reasons by the SEBI or any other authorities.

Litigation

For details regarding litigation involving our Promoter and Group Companies, please refer to the section titled "Outstanding Litigation and Material Developments" beginning on page 357 of the Draft Red Herring Prospectus.

Amount of commercial business that a Group Company have or may have with our Company

For Further details, please refer to section titled "Standalone Related Party Transactions- Annexure XXIII" and "Consolidated Related Party Transactions- Annexure XXIV" beginning on page 256 and 307 under the section "Financial Statements" of the Draft Red Herring Prospectus.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our restated consolidated financial statements as of and for the years ended March 31, 2010, March 31, 2009, March 31, 2008 and March 31, 2007 including the schedules, Annexures and notes thereto and the reports thereon, in "Financial Statements" beginning on page 212 of the Draft Red Herring Prospectus. You should also read the section titled "Risk Factors" beginning on page 16 of the Draft Red Herring Prospectus, which discusses a number of factors and contingencies that could impact our financial condition, results of operations and cash flows. The following discussion is based on our audited restated consolidated financial statements, which have been prepared in accordance with Indian GAAP, the accounting standards referred to in Section 211(3C) of the Companies Act, 1956, SEBI (ICDR) Regulations and other applicable legal provisions as stated in the report dated September 27, 2010 of the Peer Review Auditor, J. S. Uberoi & Co., Chartered Accountants under section titled "Financial Statements" beginning on page 212 of the Draft Red Herring Prospectus. The following discussion is also based on internally prepared statistical information and on publicly available information. Our financial year ends on March 31, so all references to a particular financial year are to the twelve-month period ended March 31.

The audit committee of the Board of our Company was re-constituted on August 9, 2010. The financial statements of our Company or any of its subsidiaries have been approved by their respective Boards, and where applicable, by the earlier audit committee.

The following discussion and analysis contains forward-looking statements that reflect our current views with respect to future events and financial performance. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of any number of factors, including those set forth in "Forward Looking Statements" and "Risk Factors" beginning on pages 14 and 16 of the Draft Red Herring Prospectus respectively.

Certain industry, technical and financial terms used in this discussion shall have the meanings ascribed to them in the section titled "Definitions and Abbreviations" beginning on page 1 of the Draft Red Herring Prospectus

Business Overview of our Company

We are primarily into the business of manufacturing and marketing of allopathic and herbal pharmaceutical branded and non-branded formulations for human and veterinary consumption. Our Company specializes in the manufacturing of allopathic and herbal forms of capsules, tablets, injectables, liquids, semisolids and powders. We offer a range of products comprising of Finished Dosage Form (FDF) products, herbal medicinal products and herbal beauty care products in the ethical, over the counter (OTC) and institutional sales for the domestic and international markets. Our institutional customer base includes government, semi-government, hospitals & nursing homes, aided agencies and the defence sector.

Our FDF facilities span multiple technology platforms and provide a product range across various therapeutic segments such as critical care, contrast media, anti-infectives, gastrointestinals, anti-allergics, nutraceuticals and cough preparations. With a team having over twenty (20) years of hands on experience in application of technology processes we have developed complex formulations with distinct advantages such as improved palletablity and dosage convenience to the end consumer.

Our Company has also mastered the art of preparing pellets of herbal extracts and its process and we have in the year 2006 and 2007 applied for two (2) patents in 'PELLETS OF HERBAL EXTRACTS AND THE 'PROCESS OF PREPARING PELLETS' and 'HERBAL GASTROINTENSTINAL CONTROLLED DRUG DELIVERY DOSAGE FORMS INCLUDING PELLETS AND PROCESS FOR THEIR PREPARATION' respectively. Administering drugs in pellet form is a unique and Novel Drug Delivery System (NDDS) which is currently being applied by our Company for its herbal products under 'HERBULES Technology'. Further, our Company has also a National Phase Application in Malaysia for registration of 'PELLETS OF HERBAL EXTRACTS AND THE PROCESS OF PREPARING PELLETS'. Further in the year 2010, we have filed a patent application with WIPO for registration of 'RAPID DISSOLVABLE ORAL FILM FOR DELIVERING HERBAL EXTRACTS WITH OR WITHOUT OTHER PHARMACEUTICAL AGENTS'. Further, our Company has filed separate patent applications for the above inventions with the Patent Office, Mumbai.

Our vast knowledge of the Ayurvedic system of medicine alongwith experience in modern manufacturing practices has resulted in innovative herbal healthcare formulations and natural beauty care products with distinct advantages in terms of safety, consistency and efficacy. These are marketed by us under the brand 'RevAyur Unijules' for the domestic markets and brand 'RevAyur PARIS' for the international markets catering to the growing demand for natural beauty care products.

Our strong Research & Development capabilities has enabled us in developing innovative products under the (i) NDDS for controlled release formulations, taste masking, trans-dermal and oral-dissolve; (ii) Pre-Formulated Ingredients (PFI); (iii) Contrast Media & Diagnostics; (iv) Speciality Extracts and (v) Health & Beauty Care. Our Company also specialises in immediate release stabilized multi-component formulations, sustained/enteric/dual release formulations, stability & bio availability enhanced premixes, granulates & formulations, dispersible/mouth dissolving and effervescence tablets, herbal single and multi-components pre-mixes, granules and multi-particulates, non-peril seeds and other pre-processed excepients.

We presently operate from four (4) manufacturing facilities located in Nagpur in the State of Maharashtra, India. These facilities have been approved by FDA and are ISO 9001-2000 certified. Our manufacturing facility at B-35, M.I.D.C, Kalmeshwar, Nagpur is a WHO cGMP certified. Our fifth (5^{th}) facility, an integrated herbal extracts and formulation unit, is currently under site development at Kalmeshwar, Nagpur and is expected to be operational by F.Y. 2012. In addition to the above facilities, we propose to set-up our sixth (6^{th}) manufacturing facility which shall be a USFDA/UKMHRA/WHO cGMP compliant facility to be funded from the proceeds of the Issue. For further details, please refer to section titled "Objects of the Issue" beginning on page 86 of the Draft Red Herring Prospectus.

Our domestic business is driven by our own sales and marketing network. As of July 31, 2010, we had field strength of approximately 140 representatives covering various territories across India. We also have a network of approximately 10 super stockists, 170 stockists catering to over 30,000 chemists for our ethical division and pan-India presence for 'RevAyur Unijules' beauty care range through the big retails outlets and modern stores. We are following a differential distribution model for marketing of our products in the international market. In certain countries, we partner with local distributors who import and distribute our products, under our supervision and carry out marketing activities. In rest of the countries where we operate, distributors and marketing partners are responsible for marketing our products.

Our Company is the first to receive the coveted "***AYUSH Products Certification***" issued by the AYUSH Department, Ministry of Health and Family Welfare, Government of India for the manufacture & supply of our herbal products *viz.* Karnim Plus Capsules/ Herbajules Diamelon Plus Capsules, Unex Capsules/ Herbajules Tricare Capsules & Valiliv Capsules. Our Company can use the certification mark "AYUSH Premium Mark" on the packaging of the above products. We believe that this certification will enhance our brand recognition and penetration leading to an increase in market share of these products.

On a Standalone basis, our total income has grown at CAGR of 74.64% from Rs.3,773.76 Lakhs in F.Y. 2007 to Rs.20,100.17 Lakhs in F.Y.2010. Our PAT has grown at CAGR of 373.72% from Rs.12.98 Lakhs in F.Y. 2007 to Rs.1,379.89 Lakhs in F.Y.2010.

On a Consolidated basis, our total income has grown at CAGR of 73.81% from Rs.5,662.64 Lakhs in F.Y. 2007 to Rs.29,734.99 Lakhs in F.Y.2010. Our PAT has grown at CAGR of 74.07% from Rs.384.23 Lakhs in F.Y. 2007 to Rs.1,703.33 Lakhs in F.Y.2010.

Significant developments after period ended March 31, 2010 that affect our future results of operations

In the opinion of our Directors, except as mentioned below there have not arisen any circumstances since the date of the last financial statement as disclosed in the Draft Red Herring Prospectus which materially and adversely affect or is likely to affect the trading or profitability of our Company, or the value of our assets, or our ability to pay its liability within the next twelve months.

Revayur Beauty Care India Private Limited has been made the wholly owned subsidiary of our Company with effect from April 1, 2010.

Increase in shareholding of our Company in our subsidiary, ZIM Laboratories Limited (since the last balance sheet date) from 50.18% to 54.34% of the total paid-up equity share capital of ZIM Laboratories Limited

A consent application has been filed with SEBI by our Company and Mr. Anwar Siraj Daud.

Factors that may affect the results of operations

The main factors affecting our operations are as follows:

- Variations in the selling price of pharmaceutical medicines and drugs due to change in any of the Drug Control Policies;
- Significant changes in the exchange rate
- Increase in freight, interest rates, etc.
- Increase in cost of power or other fuel
- Competition from existing players;
- Capital expenditure, including capacity expansion;
- Working capital arrangements;
- Growth of unorganized sector and threat from national/regional players;
- General economic and business conditions;
- Our Company's ability to successfully implement our growth strategy;
- Changes in laws and regulations relating to the industry in which we operate;
- Changes in political and social conditions in India;
- Loss or shutdown of operations of our Company at any time due to strike or labour unrest or any other reason;
- Withdrawal of any tax benefits available to our Company;
- Changes in buying habits and consumption pattern; and
- Changes in prices of raw materials.
- Any adverse outcome in the legal proceedings in which we may be involved.

Significant Accounting Policies

1. Basis of preparation of financial statements

The financial statements have been prepared to comply in all material respects with the generally accepted accounting principles, Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 and the relevant provisions thereof.

The financial statements have been prepared under the historical cost convention on accrual basis of accounting. The accounting policies have been consistently applied by the Company and are in line with those used last year. The same are prepared on going concern basis.

2. Fixed Assets

Fixed assets are stated at historical cost less accumulated depreciation and impairment losses if any. Cost comprises of the purchase price (net of tax/duty credit availed) and any cost direct / incidental and borrowing cost attributable bringing the asset to its working condition for its intended use.

3. Depreciation

Depreciation is provided on fixed assets on straight line basis in accordance with the rates prescribed in Schedule XIV of the Companies Act 1956. Trade Marks are amortized over their estimated working life

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal and external factors. An impairment loss is recognized wherever the carrying amount of assets exceeds its recoverable amount. The recoverable amount is the greater of the assets' net selling price and the 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.

4. Inventories

Inventories are been valued as under:

i. Raw Materials are valued at cost or net, realizable value whichever is lower.
ii. Semi Finished Goods (Work in progress) are valued at cost.
iii. Finished Goods:

Manufactured goods are valued at cost or net realisable value whichever is lower. Cost is determined by using the First In First out (FIFO) method. Cost includes cost of raw materials used and all the related overhead expenses.

Traded Goods are valued at cost or net realisable value whichever is lower.

Cost is determined by using the First in First out (FIFO) method

5. Employee Benefits

Contributions to defined contribution schemes such as provident fund are charged to profit and loss account as incurred. Gratuity Act is not applicable to the company however provision for Gratuity is made on the basis of Valuation done by Actuary.

6. Revenue Recognition

Revenue is recognized when no significant uncertainty as to determination or realisation exists. Revenue from the activity is recognized in accordance with the accepted practice upon passing of titles to the customers.

Export Entitlements under Duty Entitlements Pass book (DEPB) scheme and Rebate receivable on excise duty paid are recognized in the profit and loss on mercantile basis, whereas Export Entitlements under DEPB scheme is accounted for on cash basis during the previous year.

7. Accounting for taxes on income

Provision for current tax is made based on the tax payable under the current provisions of the tax laws applicable in the jurisdiction where in the income is assessable.

Deferred tax expenses or benefit is recognised on timing differences being the difference between taxable income and accounting income that arises in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets and liabilities are accounted for, using the tax rates and tax laws applicable as on the Balance Sheet date.

8. Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which reliable estimates can be made.

Provisions are not discounted to its present value and are determined based on best management estimates required to settle the obligations at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best management estimates.

9. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as Current Investments. All other Investments are classified as Long term Investments. Current Investments are stated at lower of cost and market rate on an individual investment basis. Long term investments are considered "at cost" on individual investment basis, unless there is a decline other than temporary in the value, in which case adequate provision is made against such diminution in the value of investments.

10. Segment Reporting

The company is dealing in manufacturing and trading of Medicines only hence business wise segment wise report is not provided.

11. Cash Flow Statement

The Company has prepared the Cash Flow Statement using the Indirect Method in compliance with Accounting Standard issued by The Institute of Chartered Accountants of India (AS-3).

12. Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known/ materialized.

13. Borrowing Cost

Borrowing cost directly attributable to the acquisition or construction of fixed assets is capitalized as part of the cost of assets, up to the date the assets is put to use. All borrowing cost are charged to the profit and loss account in the year in which they are incurred.

14. Earnings per share

Earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders, by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

15. Accounting for Foreign Exchange Transaction

In accordance with Accounting Standard – 11 "The effects of changes in foreign exchange" rates issued by the Institute of Chartered Accountants of India (ICAI) the transaction in foreign exchange are accounted for at the exchange rates prevailing at the date of the transaction. In respect of the Assets and Liabilities remaining unsettled at the balance sheet date are translated at the closing rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date are recognized as income or expense in the period in which they arise.

16. Contingencies

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of Notes to Accounts.

RESULTS OF OPERATIONS

The following table sets forth selected financial data from our consolidated restated financial statements of profit and loss, the components of which are also expressed as a percentage of total income for the financial years ended on March 31, 2010, 2009, 2008 and 2007.

Particulars	As on March 31							
	2010 (Rs. in lakhs)	% of total income	2009 (Rs. in lakhs)	% of total income	2008 (Rs. in lakhs)	% of total income	2007 (Rs. in lakhs)	% of total income
Income from Sales								
Sales of products manufactured by the Company	26,844.38	90.28%	20,459.54	84.88%	11,584.09	68.17%	1,286.15	22.71%
Sales of products traded by the Company	2,858.28	9.61%	3,594.79	14.91%	4,776.92	28.11%	4,103.36	72.46%
Gross sales	29,702.66	99.89%	24,054.33	99.80%	16,361.01	96.28%	5,389.51	95.18%
Less excise duty	254.64	0.86%	203.31	0.84%	385.96	2.27%	77.33	1.37%
Net sales	29,448.02	99.03%	23,851.02	98.95%	15,975.05	94.01%	5,312.18	93.81%
Other income	94.87	0.32%	511.62	2.12%	289.50	1.70%	335.45	5.92%
Increase/(Decrease) in inventories	192.10	0.65%	(259.20)	(1.08)%	728.18	4.29%	15.01	0.27%
Total income	**29,734.99**	**100.00%**	**24,103.44**	**100.00%**	**16,992.73**	**100.00%**	**5,662.64**	**100.00%**
Expenditure								
Materials consumed	21,347.41	71.79%	16,725.06	69.39%	12,407.76	73.02%	4,124.87	72.84%
Employees remuneration and benefit	1,128.06	3.79%	806.07	3.34%	648.40	3.82%	197.94	3.50%
Manufacturing expenses	681.65	2.29%	503.53	2.09%	347.65	2.05%	79.20	1.40%
Administrative, selling and distribution expenses	2,106.79	7.09%	2,231.00	9.26%	1,490.43	8.77%	500.71	8.84%
Total expenditure	**25,263.91**	**84.96%**	**20,265.66**	**84.08%**	**14,894.24**	**87.65%**	**4,902.72**	**86.58%**
Profit before interest, depreciation and tax	**4,471.08**	**15.04%**	**3,837.78**	**15.92%**	**2,098.49**	**12.35%**	**759.92**	**13.42%**
Depreciation	213.50	0.72%	210.50	0.87%	107.04	0.63%	22.35	0.39%

Particulars	As on March 31							
	2010 (Rs. in lakhs)	% of total income	2009 (Rs. in lakhs)	% of total income	2008 (Rs. in lakhs)	% of total income	2007 (Rs. in lakhs)	% of total income
Profit before interest and tax	**4,257.58**	**14.32%**	**3,627.28**	**15.05%**	**1,991.45**	**11.72%**	**737.57**	**13.03%**
Financial expenses	1,101.93	3.71%	881.31	3.66%	608.66	3.58%	65.25	1.15%
Profit after interest and before tax	**3,155.65**	**10.61%**	**2,745.97**	**11.39%**	**1,382.79**	**8.14%**	**672.32**	**11.87%**
Preliminary and deferred revenue expenditure	-	0.00%	-	0.00%	-	0.00%	59.55	1.05%
Profit before Taxation	3,155.65	10.61%	2,745.97	11.39%	1,382.79	8.14%	612.77	10.82%
Provision for Income Tax	1,030.00	3.46%	916.66	3.80%	419.86	2.47%	138.03	2.44%
Provision for Deferred Tax	98.18	0.33%	(32.95)	(0.14)%	143.17	0.84%	88.00	1.55%
Provision for FBT	-	0.00%	8.36	0.03%	9.99	0.06%	2.70	0.05%
Add/Less Tax adjustment Prior Year	0.98	0.00%	5.92	0.02%	11.14	0.07%	(0.19)	0.00%
Net profit after tax but before extraordinary item	**2,026.49**	**6.82%**	**1,847.98**	**7.67%**	**798.63**	**4.70%**	**384.23**	**6.79%**
Extraordinary items	-	0.00%	(6.91)	(0.03)%	-	0.00%	-	0.00%
Net profit after tax	**2,026.49**	**6.82%**	**1,854.89**	**7.70%**	**798.63**	**4.70%**	**384.23**	**6.79%**
Less: - Minority Interest	323.16	1.09%	480.02	1.99%	18.16	0.11%	-	0.00%
Net Profit Transferred to Balance Sheet	**1,703.33**	**5.73%**	**1,374.87**	**5.70%**	**780.47**	**4.59%**	**384.23**	**6.79%**

MAJOR ITEMS OF INCOME AND EXPENDITURE

Income

Our total income comprises of income from sale of products manufactured by our Company, sales of products traded by the Company, profit/ loss on sale of assets, other income and increase / decrease in inventory etc.

Income from gross sales

Our income from total sales mainly comprises sale of sterile parenteral preparations, critical care products and hospital products. The therapies in which we operate are contrast media, critical care, anti-infectives, gastrointestinals, anti-allergics, nutraceuticals and cough preparations. We sell our products in both the domestic and the international markets and we have increased our focus on the international markets on for the periods under review.

We report our income from total sales under the following heads: (i) sales, which include sales of products manufactured by us; and (ii) sales of traded products. Break-up of our income from gross sales is set forth below:

(Rs. in lakhs)

Income from gross sales	**As on March 31**			
	2010	**2009**	**2008**	**2007**
Manufactured goods sales	26,844.38	20,459.54	11,584.09	1,286.15
Trading goods sales	2,858.28	3,594.79	4,776.92	4,103.36
Total gross sales	**29,702.66**	**24,054.33**	**16,361.01**	**5389.51**

Break-up of Sales	**As on March 31, 2010**		**As on March 31, 2009**		**As on March 31, 2008**		**As on March 31, 2007**	
	(Rs. in lakhs)	**(%)**	**(Rs. in lakhs)**	**(%)**	**(Rs. in lakhs)**	**(%)**	**(Rs. in lakhs)**	**(%)**
Herbal	9,529.46	32.08%	4,422.46	18.39%	2,003.66	12.25%	1,135.01	21.06%
Allopathic	20,173.20	67.92%	19,631.87	81.61%	14,357.35	87.75%	4,254.50	78.94%
Income from gross sales	**29,702.66**	**100.00%**	**24,054.33**	**100.00%**	**16,361.01**	**100.00%**	**5,389.51**	**100.00%**
Break-up of Sales								
Herbal	24,187.16	81.43%	18,141.14	75.42%	12,190.95	74.51%	4,962.54	92.08%
Allopathic	5,515.50	18.57%	5,913.19	24.58%	4,170.06	25.49%	426.97	7.92%
Income from gross sales	**29,702.66**	100.00%	**24,054.33**	100.00%	**16,361.01**	100.00%	**5,389.51**	100.00%

Our income from gross sales accounted for Rs. 29,702.66 lakhs, Rs. 24,054.33 lakhs, Rs. 16,361.01 lakhs and Rs. 5389.51 lakhs for the F.Y. ended March 31, 2010, March 31, 2009, March 31, 2008 and March 31, 2007, respectively, which constituted 99.89%, 99.80%, 96.28% and 95.18% of our total income, respectively.

Other income

Our other income primarily comprises of foreign exchange gains / (losses), D.E.P.B, interest on bank deposits and securities, interest from others, job work, sale of scrap, dividend income, insurance claims, income from sale of asset and other miscellaneous income etc. Our other income accounted for Rs. 94.87 lakhs, 511.62 lakhs, 289.50 lakhs and 335.45 lakhs for the F.Y. ended March 31, 2010, March 31, 2009, March 31, 2008 and March 31, 2007, respectively.

(Rs. in lakhs)

Particulars	**As on March 31, 2010**	**As on March 31, 2009**	**As on March 31, 2008**	**As on March 31, 2007**	**Nature of Income Recurring/**	**Related or Not Related to**

					Non Recurring	business activity
D.E.P.B.	121.21	68.12	2.49	-	Recurring	Related
Miscellaneous income	45.98	121.73	189.25	2.18	Non Recurring	Related
Interest From Others	22.57	13.62	15.74	6.12	Non-Recurring	Related
Interest From Banks and Securities	20.10	67.74	40.51	5.70	Recurring	Related
Job work	6.55	8.25	31.71	21.84	Recurring	Related
Scrap sales	6.02	2.53	4.75		Recurring	Related
Insurance Claim	1.00	0.53	0.26	-	Non Recurring	Related
Dividend Income	0.08	0.08	0.18	0.20	Recurring	Related
Foreign Exchange Fluctuations	(128.64)	229.01	-	-	Non Recurring	Related
Profit on Sales of Assets	-	-	4.59	299.41	Non Recurring	Related
Total	**94.87**	**511.62**	**289.50**	**335.45**		

Increase/ (decrease) in inventory

Adjustments due to increase or decrease in stock are incorporated towards our total income and reflect the difference in inventory levels between two accounting periods. The increase in inventory in the F.Y. ended on March 31, 2010, March 31, 2009, March 31, 2008 and March 31, 2007 was Rs. 192.10 lakhs, Rs. (259.20) lakhs, Rs. 728.18 lakhs and Rs. 15.01 lakhs, respectively.

Expenditure

Our expenditure mainly consists principally of expenditure on materials consumed, employees' remuneration and benefit, manufacturing expenses, administrative, selling and distribution expenses etc.

(Rs. in lakhs)

Expenditure	**As on March 31**			
	2010	**2009**	**2008**	**2007**
Materials consumed	21,347.41	16,725.06	12,407.76	4,124.87
Employees Remuneration And Benefit	1,128.06	806.07	648.40	197.94
Manufacturing expenses	681.65	503.53	347.65	79.20
Administrative, selling and distribution expenses	2,106.79	2,231.00	1,490.43	500.71
Total Expenditure	**25,263.91**	**20,265.66**	**14,894.24**	**4,902.72**

Materials consumed

The materials consumed include cost of raw materials and packaging materials. We source our raw materials and packaging materials from both the domestic and international market. Some of the raw materials for our pharmaceutical products are anti-biotics, anti-infectives and contrast media like meglumine, iohexol, iopamidol, gadopentate,etc. The total expenditure incurred by us as cost of material consumed in the F.Y. ended on March 31, 2010, March 31, 2009, March 31, 2008 and March 31, 2007 were Rs. 21,347.41 lakhs, Rs. 16,725.06 lakhs, Rs. 12,407.76 lakhs, Rs. 4,124.87 lakhs, respectively, which amounted to 71.79%, 69.39%, 73.02% and 72.84%of our total income, respectively.

Employees' remuneration and benefit

Our personnel cost mainly comprise salaries, wages and other allowances paid to our employees, contributions to statutory funds and other staff and welfare expenses. The total expenditure incurred by us as employees' remuneration and benefit in the F.Y. ended on March 31, 2010, March 31, 2009, March 31, 2008 and March 31, 2007 were Rs. 1,128.06 lakhs, Rs. 806.07 lakhs, Rs. 648.40 lakhs and Rs. 197.94 lakhs, respectively, which amounted to 3.79%, 3.34%, 3.82% and 3.50% of our total income, respectively.

Manufacturing expenses

Manufacturing expenses mainly include expenses incurred towards consumption of stores, repairing, water, power and electricity, coal and fuel, laboratory and analytical expenses, research and development and other manufacturing expenses. The total expenditure incurred by us as cost of manufacturing expenses in the F.Y. ended on March 31, 2010, March 31, 2009, March 31, 2008 and March 31, 2007 were Rs. 681.65 lakhs, Rs. 503.53 lakhs, Rs. 347.65 lakhs and Rs. 79.20 lakhs, respectively, which amounted to 2.29%, 2.09%, 2.05% and 1.40% of our total income, respectively.

Administrative, selling and distribution expenses

Administrative and other expenses include expenses such as sales promotions, marketing expenses, advertisement, commission / incentives on sales, audit fees, legal and professional charges, travelling and conveyance expenses, communication expenses, rent, insurance, printing and stationery etc. The total expenditure incurred by us as cost of administrative, selling and distribution expenses in the F.Y. ended on March 31, 2010, March 31, 2009, March 31, 2008 and March 31, 2007 were Rs. 2,106.79 lakhs, Rs. 2,231.00 lakhs, Rs. 1,490.43 lakhs and Rs. 500.71 lakhs, respectively, which amounted to 7.09%, 9.26%, 8.77% and 8.84% of our total income, respectively.

Depreciation

Depreciation costs are the depreciation charges on our capital expenditure. Our capital expenditures include expenditure on buildings, leasehold improvements, plant and machinery, electrical installations, furniture and fixtures, office equipment, vehicles, data processing equipments, facility inspection charges, computer software etc. The depreciation expenditure in the F.Y. ended on March 31, 2010, March 31, 2009, March 31, 2008 and March 31, 2007 were Rs. 213.50 lakhs, Rs. 210.50 lakhs, Rs. 107.04 lakhs and Rs. 22.35 lakhs, respectively, which amounted to 0.72%, 0.87%, 0.63% and 0.39% of our total income, respectively.

Financial expenses

Financial expenses include cost of short term and long term borrowings availed from banks and exports bill discounting cost. The total expenditure incurred by us as financials expenses in the F.Y. ended on March 31, 2010, March 31, 2009, March 31, 2008 and March 31, 2007 were Rs. 1,101.93 lakhs, Rs. 881.31 lakhs, Rs. 608.66 lakhs and Rs. 65.25 lakhs, respectively, which amounted to 3.71%, 3.66%, 3.58% and 1.15% of our total income, respectively.

Preliminary and deferred revenue expenditure written off

Preliminary expenses and deferred revenue expenditure written off include expenses incurred by us in the marketing, sampling and product promotion, preliminary expenses for incorporation of our company such as stamp duty, Registrar of Companies fees, other legal charges etc. Our Company had an preliminary and deferred revenue expenditure written off of 59.55 lacs in F.Y. ended on March 31, 2007.

Provision for taxes

Our provision for taxation includes income tax, fringe benefit tax, deferred tax, excess/short provisions of tax for earlier years etc. Deferred tax liability/asset arises mainly due to the difference between tax and book written down value of assets. The provision for taxes in the F.Y. ended on March 31, 2010, March 31, 2009, March 31, 2008 and March 31, 2007 were Rs. 1,129.16 lakhs, Rs. 897.99 lakhs, Rs. 584.16 lakhs and Rs. 228.54 lakhs, respectively, which amounted to 3.80%, 3.73%, 3.44% and 4.04%of our total income, respectively.

Extraordinary items

Extraordinary losses include expenses that arise from transactions that are clearly distinct from the ordinary activities of our Company and, therefore, are not expected to recur frequently or regularly. Our Company had an extraordinary gain of 6.91 lacs in F.Y. ended on March 31, 2009.

COMPARISON OF FINANCIAL PERFORMANCE IN RECENT YEARS ON THE MAJOR HEADS OF THE PROFIT AND LOSS ACCOUNT

Comparison of Financial Year ended 2010 vis-à-vis F.Y. ended 2009

Income

Our total income increased by Rs. 5,631.55 lakhs, or 23.36%, from Rs. 24,103.44 lakhs in F.Y. 2009 to Rs. 29,734.99 lakhs in F.Y. 2010. Income from net sales increased by 23.47% in F.Y. 2010 compared to that in F.Y. 2009. This increase in income was mainly due to increase of sale of manufactured products and decrease of sale of traded products. .

Income from gross sales

Our income from gross sales increased by Rs. 5,648.33 lakhs, or 23.48%, from Rs. 24,054.33 lakhs in F.Y. 2009 to Rs. 29,702.66 lakhs in F.Y. 2010, primarily due to the introduction of new products such as RevAyur beauty care and herbal pellets, and commissioning of updated lines of disinfectants at our plant at B-34 MIDC, Kalmeshwar, Nagpur and LVP line at our unit at D-82, MIDC, Hingna, Nagpur.

Other Income

Our other income decreased by Rs. 416.75 lakhs or 81.46% from Rs. 511.62 lakhs in F.Y. 2009 to Rs. 94.87 lakhs in F.Y. 2010, primarily on account of foreign exchange fluctuation, which was partially offset by an increase in income through D.E.P.B.

Increase/ (decrease) in inventory

Our increase / (decrease) in inventory was Rs. 192.10 lakhs in F.Y. 2010 compared to a decrease of Rs. 259.20 lakhs in F.Y. 2009, primarily on account of increase in business volumes and change in product mix as compared to F.Y. 2009 and in anticipation of bulk orders from institutional sources.

Expenditure

Our total expenditure increased by Rs. 4,998.25 lakhs, or 24.66%, from Rs. 20,265.66 lakhs in F.Y. 2009 to Rs. 25,263.91 lakhs in F.Y. 2010. This increase was mainly on account of an increase in quantum of business across all segments.

Materials consumed

Our expenditure on material consumption increased by Rs. 4,622.35 lakhs, or 27.64%, from Rs. 16,725.06 lakhs in F.Y. 2009 to Rs. 21,347.41 lakhs in F.Y. 2010, primarily on account of an increase in production due to greater demand for our products in the domestic market in F.Y. 2010 compared to F.Y. 2009.

Employees' remuneration and benefit

Our employees' remuneration and benefit expenditure increased by Rs. 321.99 lakhs, or 39.95%, from Rs. 806.07 lakhs in F.Y. 2009 to Rs. 1,128.06 lakhs in F.Y. 2010, primarily on account of an increase in qualified personnel in keeping with increase in production, strengthening of sales and marketing force due to launch of personal care products and increase in technicians for product development.

Manufacturing expenses

Our manufacturing expenses increased by Rs. 178.12 lakhs, or 35.37%, from Rs. 503.53 lakhs in F.Y. 2009 to Rs. 681.65 lakhs in F.Y. 2010, primarily due to increase in cost of power and electricity, coal and fuel, consumption of stores, laboratory and analytical expenses, research and development, repairing, water and other manufacturing overheads due to increase in production in F.Y. 2010 compared to F.Y. 2009.

Administrative, selling and distribution expenses

Our administrative, selling and distribution expenses decreased by Rs. 124.21 lakhs, or 5.57%, from Rs. 2,231.00 lakhs in F.Y. 2009 to Rs. 2,106.79 lakhs in F.Y. 2010, primarily on account of decrease in service charges, bank commission and charges and commission / incentive on sales, advertisement, etc. which was offset by an increase in marketing and sales promotional expenses due to the launch of new products in the domestic and international markets, traveling and conveyance expenses etc.

Profit before interest, depreciation and taxes

Our profit before interest, depreciation and taxes increased by Rs. 633.30 lakhs, or 16.50%, from Rs. 3,837.78 lakhs in F.Y. 2009 to Rs. 4,471.08 lakhs in F.Y. 2010, primarily on account of increase in sales of manufactured products in F.Y. 2010 compared to F.Y. 2009. However, as a percentage of total income, profit before interest, depreciation and taxes margins decreased from 15.92% in F.Y. 2009 to 15.04% in F.Y. 2010, mainly due to foreign exchange fluctuations.

Depreciation

Our depreciation expenses increased by Rs. 3.00 lakhs, or 1.43%, from Rs. 210.50 lakhs in F.Y. 2009 to Rs. 213.50 lakhs in F.Y. 2010, primarily due to capitalization of assets acquired in F.Y. 2009 i.e. plant and machinery, buildings etc in order to enhance our manufacturing and research & development capabilities.

Financial expenses
Our financial expenses increased by Rs. 220.62 lakhs, or 25.03%, from Rs. 881.31 lakhs in F.Y. 2009 to Rs. 1,101.93 lakhs in F.Y. 2010, primarily attributable to a significant increase in term loan and working capital borrowings to cater to our Company's expansion plans.

Preliminary and deferred revenue expenditure written off

We did not incur any preliminary and deferred revenue expenditure in F.Y. 2010.

Profit before tax and extraordinary items

Due to the factors discussed above, our profit before tax and extraordinary items increased by Rs. 409.68 lakhs, or 14.92%, from Rs. 2,745.97 lakhs in F.Y. 2009 to Rs. 3,155.65 lakhs in F.Y. 2010, primarily on account of increase in sales of products in F.Y. 2010 compared to F.Y. 2009.

Provision for taxes

Our provision for taxes increased by Rs. 231.17 lakhs, or 25.74%, from Rs. 897.99 lakhs in F.Y. 2009 to Rs. 1,129.16 lakhs in F.Y. 2010, primarily on account of increase in profit before tax and extraordinary items in F.Y. 2010 compared to F.Y. 2009.

Extraordinary items

There was no extraordinary gain / (loss) in F.Y. 2010 as compared to gain of Rs. 6.91 lakhs in F.Y 2009.

Net profit after tax

Principally due to the reasons described above, our net profit after taxes increased by Rs. 171.61 lakhs, or 9.25%, from Rs. 1,854.89 lakhs in F.Y. 2009 to Rs. 2,026.49 lakhs in F.Y. 2010. As a percentage of total sales, net profit after tax margins decreased from 7.70% in F.Y. 2009 to 6.82% in F.Y. 2010.

Comparison of Financial Year 2009 vis-à-vis Financial Year 2008

Income

Our total income increased by Rs. 7,110.71 lakhs, or 41.85%, from Rs. 16,992.73 lakhs in F.Y. 2008 to Rs. 24,103.44 lakhs in F.Y. 2009. Income from net sales increased by 49.30% in F.Y. 2009 compared to that in F.Y. 2008. This increase in income was mainly due to increase of sale of manufactured products and decrease of sale of traded products.

Income from gross sales

Our income from total sales increase by Rs. 7,693.32 lakhs, or 47.02%, from Rs. 16,361.01 lakhs in F.Y. 2008 to Rs. 24,054.33 lakhs in F.Y. 2009, primarily due to the first full year operations of the new higher capacity WHO GMP unit at B-34, MIDC Kalmeshwar, Nagpur with new dedicated lines for liquids, suspensions, semi-solids and other external preparations as well as an increase in sales in international markets.

Other Income

Our other income increased by Rs. 222.12 lakhs, or 76.73% from Rs. 289.50 lakhs in F.Y. 2008 to Rs. 511.62 lakhs in F.Y. 2009, primarily on account of a foreign exchange fluctuation in F.Y. 2009 and increase in income through D.E.P.B, which was partially offset by decrease in miscellaneous income.

Increase / (decrease) in inventory

Our increase / (decrease) in inventory was Rs. (259.20) lakhs in F.Y. 2009 compared to a increase of Rs. 728.18 lakhs in F.Y. 2008, primarily on account of improvement in inventory turnaround time.

Expenditure

Our total expenditure increased by Rs. 5,371.42 lakhs, or 36.06%, from Rs. 14,894.24 lakhs in F.Y. 2008 to Rs. 20,265.66 lakhs in F.Y. 2009. This increase was mainly on account of an increase in our production due to operational efficiency in sale of our products, in F.Y. 2009 compared to F.Y. 2008.

Materials consumed

Our expenditure on material consumption increased by Rs. 4,317.30 lakhs, or 34.80%, from Rs. 12,407.76 lakhs in F.Y. 2008 to Rs. 16,725.06 lakhs in F.Y. 2009, primarily on account of increase in business volumes and production, which resulted in economies of scale.

Employees' remuneration and benefit

Our employees' remuneration and benefit expenditure increased by Rs. 157.67 lakhs, or 24.32%, from Rs. 648.40 lakhs in F.Y. 2008 to Rs. 806.07 lakhs in F.Y. 2009, primarily due to an increase in personnel on account of introduction of new unit and increase in production.

Manufacturing expenses

Our manufacturing expenses increased by Rs. 155.88 lakhs, or 44.84%, from Rs. 347.65 lakhs in F.Y. 2008 to Rs. 503.53 lakhs in F.Y. 2009, primarily due to increase in cost of power and electricity, coal and fuel, consumption of stores, laboratory and analytical expenses, research and development, repairing, water and other manufacturing expenses which is in line with increase in our production and sales.

Administrative, selling and distribution expenses

Our administrative, selling and distribution expenses increased by Rs. 740.57 lakhs, or 49.69%, from Rs. 1,490.43 lakhs in F.Y. 2008 to Rs. 2,231.00 lakhs in F.Y. 2009, primarily on account of an increase in marketing, sales and promotional expenses due to the launch of new products in the domestic and international markets, incentive on achievement of sales target, aggressive advertising and other brand building activities etc.

Profit before interest, depreciation and taxes

Our profit before interest, depreciation and taxes increased by Rs. 1,739.29 lakhs, or 82.88%, from Rs. 2,098.49 lakhs in F.Y. 2008 to Rs. 3,837.78 lakhs in F.Y. 2009, primarily on account of increase in sales of products in F.Y. 2009 compared to F.Y. 2008. As a percentage of total income, profit before interest, depreciation and taxes margins increased from 12.35% in F.Y. 2008 to 15.92% in F.Y. 2009 due to benefits of economies of scale and increase in efficiency caused by installation of automated machineries.

Depreciation

Our depreciation expenses increased by Rs. 103.46 lakhs, or 96.66%, from Rs. 107.04 lakhs in F.Y. 2008 to Rs. 210.50 lakhs in F.Y. 2009, primarily due to capitalization of assets acquired in F.Y. 2008 for our plant at B-34, MIDC, Kalmeshwar in order to enhance our manufacturing.

Financial expenses

Our financial expenses increased by Rs. 272.65 lakhs, or 44.80%, from Rs. 608.66 lakhs in F.Y. 2008 to Rs. 881.31 lakhs in F.Y. 2009, primarily attributable to a significant increase in working capital borrowings from Rs. 3,137.98 lakhs as at March 31, 2008 to Rs. 5,268.32 lakhs as at March 31, 2009.

Preliminary and deferred revenue expenditure written off

We did not incur any preliminary and deferred revenue expenditure in F.Y. 2009.

Profit before tax and extraordinary items

Due to the factors discussed above, our profit before tax and extraordinary items increased by Rs. 1,363.18 lakhs, or 98.58%, from Rs. 1,382.79 lakhs in F.Y. 2008 to Rs. 2,745.97 lakhs in F.Y. 2009, primarily on account of bulk purchases resulting in economies of scale in F.Y. 2009 compared to F.Y. 2008.

Provision for taxes

Our provision for taxes increased by Rs. 313.83 lakhs, or 53.72%, from Rs. 584.16 lakhs in F.Y. 2008 to Rs. 897.99 lakhs in F.Y. 2009, primarily on account of increase in profit before tax and extraordinary items in F.Y. 2009 compared to F.Y. 2008.

Extraordinary items

There was an extraordinary gain of Rs. 6.91 lakhs in F.Y. 2009 on miscellaneous account as compared to NIL in F.Y. 2008.

Net profit after tax

Principally due to the reasons described above, our net profit after taxes increased by Rs. 1,056.26 lakhs, or 131.39%, from Rs. 798.63 lakhs in F.Y. 2008 to Rs. 1,854.89 lakhs in F.Y. 2009. As a percentage of total sales, net profit after taxes margins increased from 4.70% in F.Y. 2008 to 7.70% in F.Y. 2009.

Comparison of Financial Year 2008 vis-à-vis Financial Year 2007

Income

Our total income increased by Rs. 11,330.09 lakhs, or 200.08%, from Rs. 5,662.64 lakhs in F.Y. 2007 to Rs. 16,992.73 lakhs in F.Y. 2008 due to first full year operations of our added capacities acquired in January 2007. Income from net sales increased by 200.72% in F.Y. 2008 compared to that in F.Y. 2007.

Income from gross sales

Our income from gross sales increased by Rs. 10,971.50 lakhs, or 203.57%, from Rs. 5,389.51 lakhs in F.Y. 2007 to Rs. 16,361.01 lakhs in F.Y. 2008, primarily on account of the increased orders from the government institutions as well as an increase in total sales in international markets.

Other Income

Our other income decreased by Rs. 45.95 lakhs, or 13.70% from Rs. 335.45 lakhs in F.Y. 2007 to Rs. 289.50 lakhs in F.Y. 2008, primarily on account of decrease in income from sale of asset and an increase in interest received on bank deposits and securities and other miscellaneous income.

Increase / (decrease) in inventory

Our increase / (decrease) in inventory was Rs. 335.45 lakhs in F.Y. 2008 compared to Rs. 289.50 lakhs in F.Y. 2007, primarily as our Company procured bulk raw material for execution export order of international market.

Expenditure

Our total expenditure increased by Rs. 9,991.52 lakhs, or 203.80%, from Rs. 4,902.72 lakhs in F.Y. 2007 to Rs. 14,894.24 lakhs in F.Y. 2008. This increase was mainly on account of an increase in our production and sale of our products and packaging materials in F.Y. 2008 compared to F.Y. 2007.

Materials consumed

Our expenditure on material consumption increased by Rs. 8,282.89 lakhs, or 200.80%, from Rs. 4,124.87 lakhs in F.Y. 2007 to Rs. 12,407.76 lakhs in F.Y. 2008, primarily on account of increased manufacturing of certain products, for which the packaging materials costs were higher.

Employees' remuneration and benefit

Our employees' remuneration and benefit expenditure increased by Rs. 450.46 lakhs, or 227.57%, from Rs. 197.94 lakhs in F.Y. 2007 to Rs. 648.40 lakhs in F.Y. 2008, primarily on account of an increase in production due to recruitment of additional skilled manufacturing personnel.

Manufacturing expenses

Our manufacturing expenses increased by Rs. 268.45 lakhs, or 338.95%, from Rs. 79.20 lakhs in F.Y. 2007 to Rs. 347.65 lakhs in F.Y. 2008, primarily due to increased cost of utilities and other manufacturing overheads due to increase in production in F.Y. 2008 compared to F.Y. 2007.

Administrative, selling and distribution expenses

Our administrative, selling and distribution expenses increased by Rs. 989.72 lakhs, or 197.66%, from Rs. 500.71 lakhs in F.Y. 2007 to Rs. 1,490.43 lakhs in F.Y. 2008, primarily on account of an increase in marketing and sales promotional expenses.

Profit before interest, depreciation and taxes

Our profit before interest, depreciation and taxes increased by Rs. 1,338.57 lakhs, or 176.15%, from Rs. 759.92 lakhs in F.Y. 2007 to Rs. 2,098.49 lakhs in F.Y. 2008, primarily on account of increase in sales of products in F.Y. 2008 compared to F.Y. 2007. As a percentage of total income, profit before interest, depreciation and taxes margins decreased from 13.42% in F.Y. 2007 to 12.35% in F.Y. 2008 due to contract manufacturing of committed sales.

Depreciation

Our depreciation expenses increased by Rs. 84.69 lakhs, or 378.93%, from Rs. 22.35 lakhs in F.Y. 2007 to Rs. 107.04 lakhs in F.Y. 2008, primarily due to full year capitalisation of assets acquired in F.Y. 2007.

Financial expenses

Our financial expenses increased by Rs. 543.41 lakhs, or 832.81%, from Rs. 65.25 lakhs in F.Y. 2007 to Rs. 608.66 lakhs in F.Y. 2008, primarily attributable to a significant increase in working capital borrowings from Rs. 136.52 lakhs as at March 31, 2007 to Rs. 3,137.98 lakhs as at March 31, 2008.

Preliminary and deferred revenue expenditure written off

We did not incur any preliminary and deferred revenue expenditure in F.Y. 2008 as compared to Rs. 59.55 lakhs in F.Y 2007.

Profit before tax and extraordinary items

Due to the factors discussed above, our profit before tax and extraordinary items increased by Rs. 770.02 lakhs, or 125.66%, from Rs. 612.77 lakhs in F.Y. 2007 to Rs. 1,382.79 lakhs in F.Y. 2008, primarily on account increase in depreciation and interest cost in F.Y. 2008 compared to F.Y. 2007.

Provision for taxes

Our provision for taxes increased by Rs. 355.62 lakhs, or 155.61%, from Rs. 228.54 lakhs in F.Y. 2007 to Rs. 584.16 lakhs in F.Y. 2008, primarily on account of increase in profit before tax and extraordinary items in F.Y. 2008 compared to F.Y. 2007.

Extraordinary items

There were no extraordinary gain / (loss) in F.Y. 2008.

Net profit after tax

Principally due to the reasons described above, our net profit after taxes increased by Rs. 414.40 lakhs, or 107.85% from Rs. 384.23 lakhs in F.Y. 2007 to Rs. 798.63 lakhs in F.Y. 2008. As a percentage of total sales, net profit after tax margins decreased from 6.79% in F.Y. 2007 to 4.70% in F.Y. 2008.

LIQUIDITY AND CAPITAL RESOURCES

Our liquidity requirements relate to servicing our debt, funding our working capital requirements and funding towards purchase of capital expenditure. We operate in a capital-intensive industry and have historically financed capital expenditures through short-term and long term borrowings, working capital financing, equity and cash flow from operating activities. We currently hold our cash and cash equivalents in Indian Rupees.

Our business requires a significant amount of working capital. We believe that we will have sufficient capital resources from our operations and other loans and borrowings to meet our capital requirements for at least the next 12 months.

As on March 31, 2010, we had cash and cash equivalents of Rs. 379.98 lakhs, secured loan of Rs. 10,623.86 lakhs. To date we have funded our growth principally from proceeds from equity and bank borrowings. Our principal uses of cash have been, and are expected to continue to be debt servicing, capital expenditure towards purchase of our equipment and funding of our working capital requirements.

CASH FLOWS

The table below summarizes our cash flow for the periods indicated:

(Rs. in lakhs)

Particulars	**As on March 31,**			
	2010	**2009**	**2008**	**2007**
Opening cash and cash equivalents	278.16	1,827.46	317.69	-
Net cash from/ (used in) operating activities (A)	(1,407.67)	(2,031.91)	(1,346.39)	(524.12)
Net cash from/ (used in) investing activities (B)	(1,929.89)	(588.39)	(1,829.77)	(1,857.54)
Net cash from/ (used in) financing activities (C)	3,439.38	1,071.00	4,685.93	2,699.35
Net increase (decrease) in cash and cash equivalents (A+B+C)	101.82	(1,549.30)	1,509.77	317.69
Closing cash and cash equivalents	379.98	278.16	1,827.46	317.69

Net cash from/ (used in) operating activities

During the F.Y. 2010, net cash used in operating activities was Rs. 1,407.67 lakhs. Our net cash from operating activities mainly reflects non-cash/non-operating items of depreciation of Rs. 213.50 lakhs, interest and financial charges of Rs. 1,101.93 lakhs. Changes in current assets and current liabilities, which have a current cash flow impact, comprised mainly of an increase in trade & other receivables of Rs. 2,886.59 lakhs, increase in inventories of Rs. 1,376.96 lakhs, increase in loans & advances Rs. 1,507.88 lakhs and increase in trade payables and provisions Rs. 1,345.00 lakhs.

In F.Y. 2009, our net cash used in operating activities was Rs. 2,031.91 lakhs. Our net cash from operating activities mainly reflects non-cash/non-operating items of depreciation of Rs. 210.50 lakhs, interest and financial charges of Rs. 881.31 lakhs. Changes in current assets and current liabilities, which have a current cash flow impact, comprised mainly of an increase in trade & other receivables of Rs. 1,946.63 lakhs, increase in inventories of Rs. 247.94 lakhs, increase in loans & advances Rs. 788.03 lakhs and decrease in trade payables and provisions Rs. 1,515.99 lakhs.

In F.Y. 2008, our net cash used in from operating activities was Rs. 1,346.39 lakhs. Our net cash from operating activities mainly reflects non-cash/non-operating items of depreciation of Rs. 107.04 lakhs, interest and financial charges of Rs. 608.66 lakhs. Changes in current assets and current liabilities, which have a current cash flow impact, comprised mainly of an increase in trade & other receivables of Rs. 4,252.41 lakhs, increase in inventories of Rs. 2,300.85 lakhs, increase in loans & advances Rs. 556.58 lakhs and increase in trade payables Rs. 4,267.28 lakhs.

During the F.Y. 2007, net cash used in operating activities was Rs. 524.12 lakhs. Our net cash from operating activities mainly reflects non-cash/non-operating items of depreciation of Rs. 22.35 lakhs, interest and financial charges of Rs. 65.25 lakhs. Changes in current assets and current liabilities, which have a current cash flow impact, comprised mainly of an increase in trade & other receivables of Rs. 2,019.96 lakhs, increase in inventories of Rs. 272.42 lakhs, increase in loans & advances Rs. 826.50 lakhs and increase in trade payables & provisions Rs. 2,122.93 lakhs.

Net cash from/ (used in) investing activities

During the F.Y. 2010, our net cash used in investing activities was Rs. 1,929.89 lakhs. This mainly reflected expenditure towards purchase of fixed assets and CWIP of Rs. 1,929.89 lakhs.

During the F.Y. 2009, our net cash used in investing activities was Rs. 588.39 lakhs. This mainly reflected expenditure towards purchase of fixed assets and CWIP of Rs. 877.75 lakhs, fresh investment of Rs. 3.49 lakhs, capital reserve purchase of Rs. 292.85 lakhs.

During the F.Y. 2008, our net cash used in investing activities was Rs. 1,829.77 lakhs. This mainly reflected expenditure towards purchase of fixed assets and CWIP of Rs. 2,062.92 lakhs, fresh investment of Rs. 86.69 lakhs, capital reserve purchase of Rs. 146.46 lakhs.

During the F.Y. 2007, our net cash used in investing activities was Rs. 1,857.54 lakhs. This mainly reflected expenditure towards purchase of fixed assets and CWIP of Rs. 1,764.14 lakhs and fresh investment of Rs. 93.40 lakhs.

Net cash from/ (used in) financing activities

During the F.Y. 2010, our net cash generated from financing activities was Rs. 3,439.38 lakhs which is mainly attributable to increase in net borrowings of Rs. 3,537.49 lakhs, interest payments of Rs. 1,101.93 lakhs, adjustment in goodwill / capital reserve / minority interest of Rs. 325.22 lakhs and Rs. 678.60 lakhs from issuance of shares.

During the F.Y. 2009, our net cash generated from financing activities was Rs. 1,071.00 lakhs which is mainly attributable to increase in net borrowings of Rs. 904.90 lakhs, interest payments of Rs. 881.31 lakhs, adjustment in goodwill / capital reserve / minority interest of Rs. 52.01 lakhs and Rs. 995.40 lakhs from issuance of shares.

During the F.Y. 2008, our net cash generated from financing activities was Rs. 4,685.93 lakhs which is mainly attributable to increase in net borrowings of Rs. 4,587.46 lakhs, interest payments of Rs. 608.66 lakhs, adjustment in goodwill / capital reserve / minority interest of Rs. 498.98 lakhs and Rs. 208.15 lakhs from issuance of shares.

During the F.Y. 2007, our net cash generated from financing activities was Rs. 2,699.35 lakhs which is mainly attributable to increase in net borrowings of Rs. 1,659.15 lakhs, interest payments of Rs. 65.25 lakhs, adjustment in goodwill / capital reserve / minority interest of Rs. 203.40 lakhs and Rs. 1,308.85 lakhs from issuance of shares.

Certain Balance Sheet items

The below is the table showing selected items of our Balance Sheet as on dates indicated:

Fixed Assets

(Rs. in lakhs)

Particulars	**As on**			
	31-Mar-10	**31-Mar-09**	**31-Mar-08**	**31-Mar-07**
Fixed Assets (net)	5,318.44	4,095.97	3,395.71	1,223.38
Investments	10.20	10.20	6.71	93.40
Current Assets, Loans and advances	19,362.73	13,489.48	12,056.18	3,436.57
Liabilities and Provisions	18,107.70	12,902.06	12,983.07	3782.08
Net Worth	7,101.86	4,717.86	2,532.81	1,489.68

Our fixed assets consist of factory buildings, plant and machinery's, office equipments, furniture's and fixtures as on March 31, 2010 our net fixed assets were of Rs. 5,318.44 lakhs.

Investments

Generally, our investments are primarily in the equity share capital of other companies. As on March 31, 2010 our investments were of Rs. 10.20 lakhs.

Current Assets, Loans and advances

Our current assets, loans and advances as on March 31, 2010 were Rs. 19,362.73 lakhs. This primarily constitutes inventory, receivables, cash and bank balances, other current assets, loans and advances.

Liabilities and Provisions

Our liabilities and provisions as on March 31, 2010 were Rs. 18,107.70 lakhs. This primarily constitutes secured loans, unsecured loans, deferred tax liability, minority interest, current liabilities and provisions.

Net worth

Our net worth as on March 31, 2010 was of Rs. 7,101.86 lakhs represented our equity capital of Rs. 1,386.37 lakhs and our reserves and surplus of Rs. 5,715.49 lakhs. Our reserves and surplus comprised of share premium and accumulated profits of Rs. 1,804.64 lakhs and 3,910.85 lakhs, respectively.

Financial Indebtedness

As of March 31, 2010, we had total borrowings of Rs. 10,689.00 lakhs. The following table shows our borrowings as of the dates indicated:

(Rs. in lakhs)

Particulars	**As on**			
	March 31, 2010	**March 31, 2009**	**March 31, 2008**	**March 31, 2007**
Secured Loans	10,623.86	7,096.77	6,099.40	1,521.12
Unsecured loans	65.14	54.74	147.21	138.03
Total	**10,689.00**	**7,151.51**	**6,246.61**	**1,659.15**

For further details, please refer to section titled "Financial Indebtedness" beginning on page 340 of the Draft Red Herring Prospectus.

Contingent Liabilities

The following table provides our contingent liabilities as of March 31, 2010, March 31, 2009, March 31, 2008, and March 31, 2007

(Rs. In lakhs)

Particulars	**As on March 31, 2010**	**As on March 31, 2009**	**As on March 31, 2008**	**As on March 31, 2007**
Bills Discounted with Banks	-	-	159.59	-
Guarantee Given By bank	253.77	203.80	241.98	19.61
Letter of Credit Issued by Bank	159.00	228.72	185.10	-

Claims against the company not acknowledge as debts in respect of

(Rs. in lakhs)

Particulars	**As on March 31, 2010**	**As on March 31, 2009**	**As on March 31, 2008**	**As on March 31, 2007**
Fringe Benefit tax not provided for an disputed items	-	-	-	-
Sales Tax matter, pending decision on appeal made by the	8.79	-	-	-

company				
Estimated amount of contract remaining to be executed on capital account and not provide for	61.31	131.89	50.00	-
Income Tax Matter Under Appeal	-	-	0.56	0.56
ESIC Demand	-	-	0.71	0.71

Off balance sheet arrangements

We do not have any material off balance sheet arrangements.

OTHER INDUSTRY AND COMPANY SPECIFIC INFORMATION

(i) Unusual or infrequent events or transactions

There have been no unusual or infrequent events or transaction that would have any material impact on the operations or the performance of our Company.

(ii) Significant economic changes/ regulatory changes

The ULSL business is highly dependent on the regulatory environment. The operations are regulated and are subject to periodic review/ inspection from WHO cGMP. Since the level of operations is dependent on the general economic conditions, any changes in the economic conditions may affect the revenues and profitability of the Company. Other than as described in the Draft Red Herring Prospectus, particularly in "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations", the Company believes, there are no significant economic or regulatory changes which would have any material impact on our operations. For details of Regulations and Policies please refer to the section titled "Key Regulations and Policies" beginning on page 167 of this Draft Red Herring Prospectus.

(iii) Known trends or uncertainties

Except as described in the section titled "Risk Factors" beginning on page 16 of this Draft Red Herring Prospectus and the section titled "Management's Discussion and Analysis of Financial Conditions and Results of Operations" beginning on page 319 of this Draft Red Herring Prospectus, to our knowledge, there are no known trends or uncertainties that have or had or expected to have any material adverse impact on revenues or income of our Company from continuing operations.

(iv) Future Changes in relationship between cost and revenues

Other than as described in the section titled "Risk Factors" and "Management's Discussion and Analysis of Financial Conditions and Results of Operations" beginning on pages 16 and 319 of the Draft Red Herring Prospectus to our knowledge there are no future relationship between cost and income that have or had or are expected to have a material adverse impact on our operation and finances.

(v) Reason for material increase in net sales

We have witnessed major increase in our net sales during F.Y. 2007 and F.Y. 2008, which was due to introduction of new products, entry into international market and better capacity utilization.

(vi) Total turnover of each major industry segment

The company deals in manufacturing and trading of pharmaceuticals only. Hence industry segment wise turnover is not provided.

(vii) New products or business segment

Other than as described in the Draft Red Herring Prospectus, particularly in “Our Business”, the Company is not planning as of date for introducing any new products or business segments.

(viii) Seasonality of business

Our business is not seasonal. For more details please refer to the section titled "Our Business" beginning on page 134 of the Draft Red Herring Prospectus.

(ix) Dependence on a few clients

Our operations are not significantly dependent on a single or a few suppliers or customers.

(x) Competitive conditions

For details on competition, please refer to the section titled "Our Business" beginning on page 134 of the Draft Red Herring Prospectus.

FINANCIAL INDEBTEDNESS

Our Company has availed several term loan and working capital facilities from State Bank of India, Axis Bank Limited and The Shamrao Vithal Co-operative Bank Limited, details of which are set out below:

Name of the Lender	Nature of facility	Sanctioned Amount as on July 31, 2010 (Rs. in Lakhs)	Loan Documentation	Amount outstanding as on August 31, 2010 (Rs. in Lakhs)	Rate of Interest (%)	Repayment Schedule	Securities Offered
State Bank of India	Cash Credit	2,000.00	Sanction Letter dated January 16, 2009	1,848.43	13.75	Demand Loan	Primary Security: 1. Pari-passu hypothecation charge (with Axis Bank and SVC Bank) of existing as well as future entire finished goods, SIP, raw material, stores and spares of the unit at their Godown premises or at some other places including goods in transit, outstanding moneys, book debts, receivables ,etc Secondary Security: 1. First pari-passu charge with Axis Bank

Name of the Lender	Nature of facility	Sanctioned Amount as on July 31, 2010 (Rs. in Lakhs)	Loan Documentation	Amount outstanding as on August 31, 2010 (Rs. in Lakhs)	Rate of Interest (%)	Repayment Schedule	Securities Offered
							& SVC Bank on our Company's factory land & building at D-82, having plot area 1250 Sq. Mtrs. together with RCC construction standing thereon admeasuring 2776 Sq. Mtrs. at M.I.D.C, Hingna, Market Value of Rs.441 Lakhs 2. First pari-passu charge with Axis Bank and SVC Bank on our Company's Land & Godown at Plot No. – 15, Morgaon, Wadi, Nagpur. Market Value of Rs.24 Lakhs 3. First Pari-pasu hypothecation charge on our Company's

Name of the Lender	Nature of facility	Sanctioned Amount as on July 31, 2010 (Rs. in Lakhs)	Loan Documentation	Amount outstanding as on August 31, 2010 (Rs. in Lakhs)	Rate of Interest (%)	Repayment Schedule	Securities Offered
							entire fixed assets including machineries and excluding vehicles. Total Rs.465 Lakhs 4. Extension of first pari-passu charge with Axis Bank and SVC Bank on our Company's factory land and building at B/35 admeasuring 5866 Sq. Mtrs. & B/36 admeasuring 1987 Sq. Mtrs. at Bramhni Village, M.I.D.C Kalmeshwar, Nagpur, Market Value of Rs.1,020 Lakhs 5. Extension of First pari-passu charge with Axis Bank & SVC Bank on our Company's factory land

Name of the Lender	Nature of facility	Sanctioned Amount as on July 31, 2010 (Rs. in Lakhs)	Loan Documentation	Amount outstanding as on August 31, 2010 (Rs. in Lakhs)	Rate of Interest (%)	Repayment Schedule	Securities Offered
							admeasuring 920 Sq. Mtrs & building (Gr. Floor – 5460 Sq. Ft. built-up & 1st Floor – 1050 Sq. Ft.built-up) at K-10/1, M.I.D.C Hingna, Wandogri Road, Village – Digdoh, Taluka – Hingna, Nagpur in the name of Universal Medicaments Private Limited . Market Value of Rs.91 Lakhs 6. Extension of first pari-passu charge with SVC bank and Axis Bank on our Company's factory building located at 1505/1 Shantinagar Nagpur. Market Value of Rs. 370 Lakhs 7. Extension

Name of the Lender	Nature of facility	Sanctioned Amount as on July 31, 2010 (Rs. in Lakhs)	Loan Documentation	Amount outstanding as on August 31, 2010 (Rs. in Lakhs)	Rate of Interest (%)	Repayment Schedule	Securities Offered
							of Pari-passu charge with only Axis Bank on Land & Building at B-1/2/3, Parshivani, M.I.D.C, Nagpur,441 105, admeasuring 2 Acres i.e. 8767 Sq. Mtrs. 8. Extension of pari-passu hypothecation charge on the Plant & Machinery being purchased out of bank finance, at P-338 Kalmeshwar, Nagpur, with Axis Bank only.
	Term Loan I	200.00	Sanction Letter dated January 16, 2009	115.70	12.75	In thirty five (35) monthly instalment starting from January 2009	Primary Security: 1. First pari-passu charge with SVC bank and Axis Bank on our Company's factory building located at 1505/1

Name of the Lender	Nature of facility	Sanctioned Amount as on July 31, 2010 (Rs. in Lakhs)	Loan Documentation	Amount outstanding as on August 31, 2010 (Rs. in Lakhs)	Rate of Interest (%)	Repayment Schedule	Securities Offered
							Shantinagar Nagpur. Market value Rs. 370 Lakhs; 2. First pari-passu charge with Axis Bank and SVC Bank on our Company's factory land and bldg. At B/35 admeasuring 5866 Sq.Mtrs & B/36 admeasuring 1987 Sq. Mtrs. at Bramhni Village, M.I.D.C Kalmeshwar, Nagpur . Market Value Rs.1,020 Lakhs; 3. Extension of First pari-passu charge with Axis Bank & SVC Bank on our Company's factory land admeasuring 920 Sq. Mtrs. & building Gr. Floor

Name of the Lender	Nature of facility	Sanctioned Amount as on July 31, 2010 (Rs. in Lakhs)	Loan Documentation	Amount outstanding as on August 31, 2010 (Rs. in Lakhs)	Rate of Interest (%)	Repayment Schedule	Securities Offered
							admeasuring 5460 Sq. Ft. built-up & 1st Floor admeasuring 1050 Sq. Ft. built-up at K-10/1, M.I.D.C
	Term Loan II	1,800.00	Sanction Letter dated September 14, 2009	356.00	14.25	In fifty four (54) Equal monthly instalment starting from April 2011	Primary Security: 1. Equitable mortgage of Land and Building and the entire fixed assets of the our Company for 1/2/3, Parshivani, M.I.D.C, Nagpur 441 105, and hypothecation of Plant and machinery to be purchased out of bank finance. Secondary Security: 1. First pari-passu charge with Axis Bank & SVC Bank on our Company's

Name of the Lender	Nature of facility	Sanctioned Amount as on July 31, 2010 (Rs. in Lakhs)	Loan Documentation	Amount outstanding as on August 31, 2010 (Rs. in Lakhs)	Rate of Interest (%)	Repayment Schedule	Securities Offered
							factory land & building at D-82, having plot area 1250 Sq. Mtrs. together with RCC construction standing thereon admeasuring 2776 Sq. Mtrs. at M.I.D.C, Hingna, Market Value of Rs.441 Lakhs 2. First pari-passu charge with Axis Bank and SVC Bank on our Company's Land & Godown at Plot No. – 15, Morgaon, Wadi, Nagpur. Market Value of Rs.24 Lakhs 3. First Pari-pasu hypothecation charge on our Company's entire fixed assets including

Name of the Lender	Nature of facility	Sanctioned Amount as on July 31, 2010 (Rs. in Lakhs)	Loan Documentation	Amount outstanding as on August 31, 2010 (Rs. in Lakhs)	Rate of Interest (%)	Repayment Schedule	Securities Offered
							machineries and excluding vehicles. Total Rs.465 Lakhs 4. Extension of first pari-passu charge with Axis Bank and SVC Bank on our Company's factory land and building at B/35 admeasuring 5866 Sq. Mtrs. & B/36 admeasuring 1987 Sq. Mtrs. at Bramhni Village, M.I.D.C Kalmeshwar, Nagpur, Market Value of Rs.1,020 Lakhs. 5. Extension of First pari-passu charge with Axis Bank & SVC Bank on our Company's factory land admeasuring 920 Sq.

Name of the Lender	Nature of facility	Sanctioned Amount as on July 31, 2010 (Rs. in Lakhs)	Loan Documentation	Amount outstanding as on August 31, 2010 (Rs. in Lakhs)	Rate of Interest (%)	Repayment Schedule	Securities Offered
							Mtrs & building (Gr. Floor – 5460 Sq. Ft. built-up & 1st Floor – 1050 Sq. Ft.built-up) at K-10/1, M.I.D.C Hingna, Wandogri Road, Village – Digdoh, Taluka – Hingna, Nagpur in the name of Universal Medicaments Private Limited Market Value of Rs.91 Lakhs.
Axis Bank Limited	Cash Credit (Export Packing Credit (EPC)/ Post Shipment Credit (PSC) 160	1,900.00	Rs.1,500.00 Lakhs sanctioned by a letter dated November 21, 2007 The said limit was increased to Rs. 3,000.00 Lakhs by a letter dated December 31, 2008 The limit of Rs.3,000 Lakhs was reduced to Rs.1,919 Lakhs by letter dated December 9,	1,920.09	12.25	Demand Loan	<u>Primary Security</u>: 1. First charge on entire current assets of our Company including stock and receivables on pari-passu basis with other lenders in the consortium. <u>Collateral Security</u>:

Name of the Lender	Nature of facility	Sanctioned Amount as on July 31, 2010 (Rs. in Lakhs)	Loan Documentation	Amount outstanding as on August 31, 2010 (Rs. in Lakhs)	Rate of Interest (%)	Repayment Schedule	Securities Offered
			2009				1. Second charge on entire fixed assets (including immovable properties) present & future of our Company and Universal Medicaments Private Limited on pari-passu basis with other lenders in the consortium.
	Letter of Credit	125.00	Sanction letter dated November 21, 2007	27.52	-	-	Letter of Credit application cum indemnity from our Company. <u>Primary Security</u>: 1. First charge on entire current assets of our Company including stock and receivables on pari-passu basis with other lenders in the consortium. <u>Collateral</u>

Name of the Lender	Nature of facility	Sanctioned Amount as on July 31, 2010 (Rs. in Lakhs)	Loan Documentation	Amount outstanding as on August 31, 2010 (Rs. in Lakhs)	Rate of Interest (%)	Repayment Schedule	Securities Offered
							Security: 1. Second charge on entire fixed assets (including immovable properties) present & future of our Company and Universal Medicaments Private Limited on pari-passu basis with other lenders in the consortium.
	Bank Guarantee	150.00	Sanction letter dated November 21, 2007	218.23	-	-	Primary Security: 1. First charge on entire current assets of our Company including stock and receivables on pari-passu basis with other lenders in the consortium. Collateral Security: 1. Second charge on

Name of the Lender	Nature of facility	Sanctioned Amount as on July 31, 2010 (Rs. in Lakhs)	Loan Documentation	Amount outstanding as on August 31, 2010 (Rs. in Lakhs)	Rate of Interest (%)	Repayment Schedule	Securities Offered
							entire fixed assets (including immovable properties) present & future of our Company and Universal Medicaments Private Limited on pari-passu basis with other lenders in the consortium; 2. 10% Fixed Deposit margin
	Term Loan I	441.00	Sanction letter dated November 21, 2007	143.23	12.50	-	Primary Security: 1. First Charge on Entire Fixed Assets, present and future of our Company and Universal Medicaments Private Limited. On pari-passu basis with SVC Bank. Collateral Security:

Name of the Lender	Nature of facility	Sanctioned Amount as on July 31, 2010 (Rs. in Lakhs)	Loan Documentation	Amount outstanding as on August 31, 2010 (Rs. in Lakhs)	Rate of Interest (%)	Repayment Schedule	Securities Offered
							1. Second charge on all current assets including stock and receivables on pari-passu basis with SBI and SVC.
	Term Loan II	1,400.00	Sanction Letter dated December 9, 2009	1,415.45	12.50	Sixty (60) monthly instalments of Rs. 23,33,400 each commencing after a moratorium period of seventeen (17) months from the date of first disbursement, interest to be serviced as and when applied	Primary Security: 1. First charge on entire fixed assets (including immovable properties) to be created from proceeds of the fresh term loan on pari-passu basis with SBI. Collateral Security: 1. Second charge on entire current assets of the, company including stock and receivables on pari-passu basis with other lenders in

Name of the Lender	Nature of facility	Sanctioned Amount as on July 31, 2010 (Rs. in Lakhs)	Loan Documentation	Amount outstanding as on August 31, 2010 (Rs. in Lakhs)	Rate of Interest (%)	Repayment Schedule	Securities Offered
							the consortium.
The Shamrao Vital Co-operative Bank Limited	Cash Credit	1,250.00	Rs.500.00 Lakhs sanctioned by a Sanction letter dated November 30, 2005 The abovementioned limit was increased from Rs.500 Lakhs to Rs.1,250 Lakhs by a Sanction Letter dated February 29, 2008	1,253.13	12.50	-	<u>Primary Security</u>: 1. First Charge on all current assets including stock and receivables on pari – passu basis with the other members of consortium. <u>Collateral Security</u>: 1. Second charge on the entire fixed assets present and future on pari-passu basis with the other members of consortium.
	Term Loan I	294.88	Sanction Letter dated November 30, 2005	Nil	13.00	-	<u>Primary Security</u>: 1. First Charge on the entire fixed assets present and future on pari-passu basis with the other members of consortium.
	Term Loan II	406.50	Sanction Letter dated August 19, 2006	182.20	13.00	-	

Name of the Lender	Nature of facility	Sanctioned Amount as on July 31, 2010 (Rs. in Lakhs)	Loan Documentation	Amount outstanding as on August 31, 2010 (Rs. in Lakhs)	Rate of Interest (%)	Repayment Schedule	Securities Offered
							Collateral Security: 1. Second Charge on all current assets including stock and receivables on pari – passu basis with the other members of consortium.

Restrictive Covenants

A. Under the sanction letter issued by the State Bank of India Limited (the "***Bank***"), our Company will be required to obtain prior approval from the Bank for the following:

- Effect any change in our Company's capital structure;
- Formulate any scheme of amalgamation or reconstruction;
- Implement any scheme of expansion or acquire fixed assets;
- Invest by way of share capital in or lend or advance funds to or place deposits with any other concern, normal trade credit, security deposits in the normal course of business or advances to employees can however be extended;
- Enter into borrowing arrangements either secured or unsecured with any bank, financial institution, company or otherwise accept deposits;
- Declare dividends for any year except out of profits relating to that year after making all dues and necessary provisions and provided further that no defaults had occurred in any repayment obligations and stipulated net working capital has been maintained. In any case, company should obtain banks prior approval before declaring dividends;
- Making any drastic change in their management set up without the Banks permission;
- Undertake any new project/schemes, implement any schemes of expansion or acquire fixed assets without obtaining the banks prior consent therefore, unless the expenditure on such expansion etc is covered by the company's net cash accruals after providing for dividends, investments etc or from long term funds received for financing such new projects or expansion and approved by the bank;
- Create any charge, lien or encumbrance over its undertaking or any part thereof in favour of any financial instititution, bank, company, firm or persons;
- Sell, assign, mortgage or otherwise dispose off any of the fixed assets charged to a significant extent;

- Change the practice with regards to remuneration of directors by means of ordinary remuneration or commission, scale of sitting fees;
- Undertake any trading activity other than the sale of products arising out of its manufacturing operations; and
- Permit any transfer of the controlling interest or make any drastic change in the management set-up.

B. Under the sanction letter issued by the Axis Bank Limited (the "***Bank***"), our Company will be required to obtain prior approval from the Bank for the following:

- Sell assign, mortgage or otherwise dispose off any of the fixed assets charged to the Bank without the prior approval of the bank in writing;
- Undertake any drastic change in its management set up without the permission of the Bank;
- Invest by way of share capital in or lend or advance funds to place deposits with any other concerns, except In normal course of business or as advances to employees;
- Undertake any guarantee obligations on behalf of any other firm except in normal course of its business;
- Formulate any scheme of amalgamation or reconstitution;
- Withdraw monies brought in by key promoters/depositors;
- Implement any scheme of expansion or acquire fixed assets of substantial value, other than the envisaged project;
- Effect any change in management & Capital structure;
- Enter into borrowing arrangement either secured or unsecured with any other bank or financial institutions, firm or otherwise;
- Grant Loans to Promoters/associates and other companies; and
- Declare dividends for any year except out of profits relating to that year after making all due and necessary provisions and provided further that no default had occurred in any repayment obligations.

C. Under the sanction letter issued by the Shamrao Vithal Co-operative Bank Limited (the "***Bank***"), our Company will be required to obtain prior approval from the Bank for the following:

- Entering into any borrowing arrangement with any other bank/financial institution or with any other party;
- Taking up any new project or any large scale expansion;
- Making investments in or granting loans to subordinates, associate concerns, individuals and other parties;
- Effecting mergers and acquisitions;
- Paying dividends/making withdrawls,other than out of current year’s earnings after making due provisions;
- Giving guarantees on behalf of third parties;
- Premature repayments of loans and discharge of other liabilities;
- Effecting any change in constitution of the board of directors of our Company. In event of failure to obtain specific written consent of the bank in this regard, the bank and its officials will be indemnified against all claims, losses or damages arising because of such a change; and
- Change on account or any of the assets and properties other than the existing charges in favor of any other banks and/or financial institutions.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated herein, there are no outstanding or pending suits, civil proceedings, criminal prosecution or tax liabilities against our Company, our Directors, our Promoter our Subsidiaries and Group Companies and there are no defaults, non-payment of statutory dues, over dues to banks and financial institutions, defaults against bank and financial institutions and there are no outstanding debentures, bonds, fixed deposits or preference shares issued by our Company; no default in creation of full security, no proceedings initiated for economic or other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part I of Schedule XIII of the Companies Act, 1956), and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, our Promoter, our Directors, our Subsidiaries or Group Companies.

Further, as stated below, there are no show-cause notices / claims served on our Company, our Promoter, our Directors, our Subsidiaries or Group Companies from any statutory authority / revenue authority that would have a material adverse affect on our business.

I. Cases filed against our Company

Petition filed before the CLB

1. Our Company has been made a party to the CLB Petition filed by Mr. Dhananjay Dayma and Mrs. Shyama K. Dayma before the Company Law Board, Western Region under Section 397, 398, 399, 402, 403 and 111 of the Companies Act. For further details please refer to Litigation No. 1 under the sub-heading "Cases filed by and against our Subsidiary Company, ZIM Laboratories Limited" under this section of the Draft Red Herring Prospectus.

IPR related proceedings

2. Three-N-Products Private Limited ("***TPPL***") has filed a suit (*Suit No.397/08*) against our Company before the Additional District Judge, Tis Hajari Courts, Delhi for infringement of its registered trademark "AYUR" and for other reliefs. The Court by its interim order dated August 29, 2008 ("***Order***") had restrained our Company, its directors, dealers, distributers, selling agents and all other persons acting on behalf of our Company from infringing the registered trademark "Ayur" and from manufacturing and selling cosmetic goods and articles under the trademark 'RevAyur'. Our Company has also submitted that the prefix "REV" is derived from the word "REVIVE" and "AYUR" from "Ayurveda", thus forming a new word "RevAyur". The combination of "REV" and "AYUR" is made to denote the rejuvenation and revival of the looks of the user after using our Company's products. TPPL also filed a Contempt Application alleging violation of the Order by our Company. However, the Court by its order dated December 19, 2008 disposed off the contempt application and modified the ex-parte injuction Order to the extent that our Company has been allowed to use the trademark "RevAyur" by using the prefix "Unijules" in fonts which may be 5-6 times smaller than the said trademark. The matter shall come up for hearing on November 27, 2010.

3. Three-N-Products Private Limited ("***TPPL***") has filed an opposition (*Bom-749601*) with the Trademarks Registry, Mumbai opposing the application for registration of the trademark "REVAYUR" in Class 3. Our Company has filed its reply to the opposition by TPPL and submitted that the prefix "REV" is derived from the word "REVIVE" and "AYUR" from "Ayurveda", thus forming a new word "RevAyur". The combination of "REV" and "AYUR" is made to denote the rejuvenation and revival of the looks of the user after using our Company's products. The matter is currently pending before the trademarks registry.

Labour Cases

4. Aushadi Kamkar Sangh (the "***Union***") has filed a reference (*BIR No.1/2010*) against our Company under Section 73(A) of Bombay Industrial Relations Act, 1946 before the Industrial Court, Nagpur for non-consideration of chartered of demands submitted by the Union to our Company for its employees which includes i) increase in bonus from 8.33% to 20%; ii) yearly increments with production incentive with 5% bonus, ESIC facilities and 10% medical allowance; iii) Medical Leave; iv) Exclusion of workmen compensation from ESIC. Conciliation proceedings initiated in the matter failed as the Conciliation Officer opined on February 10, 2010 that the dispute is not capable of being settled by conciliation. The Union has further filed an application (*107/2010*) for grant of interim relief under Section 28 of the Unfair Labour Practices Act, 1971. The matter is pending before the Industrial Court, Nagpur.

5. Indu Ravinder Ratnagiri has filed an application (*WCA (F) 15/08*) before the Commissioner of Workmen's Compensation, First Labour Court, Nagpur against our Company claiming compensation of Rs. 3.26 lakhs (*Rs. 3,26,140*), along with 12% interest from the date of death till realisation in full, for the death of her husband Ravinder Ratnagiri in harness on June 4, 2007. The written statement has been filed in the matter shall come up for hearing in due course.

II. Revenue proceedings against our Company

Notice issued under Section 143(2)

1. The Assistant Commissioner of Income Tax, Mumbai has issued a notice dated August 24, 2010 under Section 143(2) of the Income Tax Act, 1961 in relation to further information required in connection with the return of income submitted by our Company on September 30, 2009 for the A.Y.2009-2010 and has further directed our Company officials to attend the office of Income Tax on October 26, 2010 .

III. Cases filed by our Company

Nil

IV. Consent Application filed with SEBI

1. The partners of M/s. Nagpur Fabricators, namely Mr.Dhananjay Ramachanra Dayma, Ms. Shyama Krishna Dhayma and Mr. Anwar Siraj Daud were allotted 16,90,590 equity shares representing 56.35 % shares of ZIM for the acquisition of the steel business of M/s. Nagpur Fabricators by ZIM. Subsequently, these 16,90,590 equity shares were forfeited and the same were allotted to other entities in July 2006 and March 2007, including our Company. Thereafter on March 21, 2008 a preferential allotment of 1,80,000 equity shares and 18,20,000 equity shares was made to Mr. Anwar Siraj Daud and our Company, respectively. An additional 5,00,000 equity shares each were allotted to these two (2) entities on May 20, 2008. Pursuant to the above acquisition of shares of ZIM, our Company alongwith, Mr. Anwar Siraj Daud and Mr. Zakir S. Vali, acquired a total of 44,91,960 equity shares of Rs.10 representing 74.87% of the fully paid-up equity capital of ZIM as on 2008. The disclosure and open offer requirements in respect of the above acquisition of shares under the SEBI Takeover Regulations were not complied with leading to a violation of various provisions under the SEBI Takeover Regulations.

   On realizing that our Company and other entities had unintentionally violated certain provisions of the SEBI Takeover Regulations, our Company alongwith the other entities made a Public Announcement on April 21, 2009, making an Open Offer under Regulations 11(1) and 11(2) of the SEBI Takeover Regulations to the shareholders of ZIM for the acquisition of 20% shares of ZIM at a price of Rs. 24.76 per share as per Regulation 20(5) of the SEBI Takeover Regulations to the shareholders of ZIM. The offer price was at Rs. 24.76 per share which included Rs.4.76 towards the interest for the delayed period. On April 23, 2009, we filed the Draft Letter of Offer with SEBI under the SEBI Takeover Regulations. The shares of ZIM though listed on the OTCEI have not been trading since July 3, 1998. In comparison to the last traded price of ZIM of Re.0.75 per share, the shareholders were offered an exit price of Rs.24.76 under the Open Offer. The offer price was subsequently revised to Rs.35.22 per share (*Rs.15.22 being the total interest payable on each share*). Subsequently, we were *inter-alia* directed by SEBI to withdraw the Public Announcement made to the shareholders of ZIM and were directed to make a delisting offer in terms of the SEBI Delisting Regulations. In compliance with the directions of SEBI, ZIM withdrew the Public Announcement so as to facilitate the process of delisting as directed by SEBI. Further, ZIM circulated a postal ballot amongst its shareholders, excluding its promoters, for approving the special resolution for delisting its shares. However, the special resolution resolving the delisting of the shares was not approved by the shareholders of ZIM.

Our Company alongwith Mr. Anwar Siraj Daud submitted an application for availing consent terms with SEBI in terms of SEBI Circular no. EFD/ED/Cir-I/2007 dated April 20, 2007 for settlement of the violation of the SEBI Takeover Regulations. The said consent application is currently pending with SEBI.

V. Petition under Section 141 for condonation of delay before the Company Law Board filed by our Company

1. Our Company has filed a petition under Section 141 of the Companies Act dated September 21, 2010before the Company Law Board, Western Region Bench, Mumbai for condonation of delay of 119 days i.e. upto August 27, 2010 in filing Form 8 with the RoC for creation of charge on March 31, 2010 in favour of State Bank of India for loan aggregating to Rs.1,800 Lakhs (*Rs.18,00,00,000*) availed by our Company from State Bank of India. The Petition is pending before the Company Law Board, Mumbai.

VI. Cases filed by and against our Directors

Cases filed against our Directors

1. Mr. Faiz Vali and Mr. Anwar Siraj Daud have been made parties to the CLB Petition filed by Mr. Dhananjay Dayma and Mrs. Shyama K. Dayma before the Company Law Board, Western Region under Section 397, 398, 399, 402, 403 and 111 of the Companies Act. For further details please refer to Litigation No. 1 under the sub-heading "Cases filed by and against our Subsidiary Company, ZIM Laboratories Limited" under this section of the Draft Red Herring Prospectus.

Cases filed by our Directors

1. Mr. Anwar Siraj Daud has filed a Consumer Compliant (*226/2010*) against Emirates Airlines ("***Emirates***") and others before the District Consumer Dispute Redressal Forum, Nagpur for inconvenience caused to him due to the deficiency in services and mental harassment caused during his travel from Dubai to Moscow. Mr. Daud has claimed an amount of Rs.0.67 Lakhs (*Rs.66,727.77*) being additional payment made by him to Emirates along with a compensation of Rs.10 lakh (*Rs.10,00,000*) and Rs.0.10 Lakhs (*Rs.10,000*) towards the cost of the compliant. The matter shall come up for hearing in due course.

2. Mr. Anwar Siraj Daud and Ms. Tasneem Daud (the "***Plaintiffs***") has filed a civil suit (*325/2009*) against Ms. Krishna Dayma and Mr. Dhananjay Dayma (the "***Defendants***") before the Small Causes Court, Nagpur for vacant possession of the premises situated at Nazul Plot No.20, Corportion House No.73/A/M, Ward No.5, Mouza Dhantoli, Nagpur (the "***Premises***"). The Plaintiffs have further sought relief *inter alia* for i) permanent injunction directing the Defendants to restore the demolished wall and also restore the Premises to its original condition; ii) direction to the Defendants to pay damages at the rate of Rs.1,000 per day for a period of thirty four (34) days from the date of expiry of notice period; iii) permanent injuction restraining the Defendants from claiming any right over the Premises. The matter shall come up for hearing in due course.

VII. Cases filed by and against our Promoter

1. Mr. Faiz Vali and Mr. Anwar Siraj Daud have been made parties to the CLB Petition filed by Mr. Dhananjay Dayma and Mrs. Shyama K. Dayma before the Company Law Board, Western Region under Section 397, 398, 399, 402, 403 and 111 of the Companies Act. For further details please refer to Litigation No. 1 under the sub-heading "Cases filed by and against our Subsidiary Company, ZIM Laboratories Limited" under this section of the Draft Red Herring Prospectus.

VIII. Cases filed by and against our Group Companies

Universal Medicaments Private Limited ("***UMPL***")

1. UMPL has submitted a Notice of Opposition bearing opposition no. 205191 under form TM-5 before the Trade Marks Registry under the provisions of the Trade Marks Act, 1999 for opposition to trade mark "FEBROMAL" bearing application no. 1324522 in Class 5 filed by Rhugved Pharamaceuticals Limited. UMPL has been granted registration of trademark "FEBRONAL" bearing registration no. 120846. The said trademark was originally owned by M/s H. Jules & Co. which was subsequently assigned to UMPL by way of an agreement dated April 1, 1995. The said trademark "FEBRONAL" is in use since April 9, 1946 and has acquired distinctiveness and reputation denoting the pharmaceutical products being sold by UMPL under the said trademark. UMPL has therefore submitted before the Trade Marks Registry to allow the said opposition and refuse the application made for registration of trademark "FEBROMAL" made by Rhugved Pharamaceuticals Limited. The notice is pending before the Trade Marks Registry.

2. An Order dated May 20, 2009 under Section 14-B of the Employees Provident Fund & Miscellaneous Provisions Act, 1952 has been passed against UMPL by the Employees Provident Fund Organization, Nagpur for failure to pay pension fund contributions of Rs.2.04 Lakhs (*Rs.2,04,714*) for the period March 2005 to February 2006. UMPL has preferred an Appeal (*ATA No. 442(9)2009*) before the Employees' Provident Fund Appellate Tribunal, New Delhi against the Order and stay has been granted by the Tribunal till the disposal of the matter. The matter shall come up for hearing in the normal course.

3. An FIR had been lodged with the Police Station at Kalmeshwar, Nagpur by the Deputy Commissioner (Nagpur Division), Food and Drug (MS) on April 9, 2010 against ZIM Laboratories Limited ("***ZIM***") for alleged violations of Sections 37, 417, 420, 468, 471, 476 and 495 of the Indian Penal Code in relation to the unauthorized exports of injectable medicines to Nigeria without permission of Food and Medicine Administration (M.S.) and for preparing false Certificate of Pharmaceuticals Products (COPP). The matter is currently under investigation.

IX. Complaint filed against our Subsidiaries

Complaint filed before SEBI and RoC:

1. Mr. Dhananjay Dayma and Ms. Shyama K. Dayma, have filed various complaints before the SEBI and ROC making allegations in relation to forfeiture and allotment of certain equity shares of ZIM. ZIM has disputed and denied all the allegations made by Mr. Dhananjay Dayma and Ms. Shyama K. Dayma and has replied to the complaints made with these authorities. For further details in relation to the above proceeding, please refer to litigation no. 1 under the sub-title "Cases filed by and against our Subsidiary Company" under section titled "Outstanding Litigation and Material Developments".

X. Cases filed by and against our Subsidiary Company, ZIM Laboratories Limited

1. ZIM was incorporated in the year 1984 and is engaged in the business of manufacturing and trading formulations. ZIM came out with its maiden public issue in the year 1994 and listed its shares on the OTCEI. The shares of ZIM were regularly traded from December 1994 till October 1996. However, the shares were infrequently traded till March 1998 and there has been no trading in the scrip since

July 3, 1998. In the year 1999, ZIM decided to expand its business activities and enter the steel manufacturing and trading business by acquiring the business of M/s. Nagpur Fabricators, a partnership firm based in Nagpur, run by Mr. Dhananjay R. Dayma, Ms. Shyama K. Dayma and Mr. Anwar Siraj Daud under a MoU dated November 11, 1999.

The consideration for the acquisition of the steel business of M/s. Nagpur Fabricators was agreed to be disbursed by way of issue of shares of ZIM and accordingly 16,90,590 equity shares of Rs.10 each at par were allotted to the partners of M/s. Nagpur Fabricators. Mr. Dhananjay Dayma, Mrs. Shyama K. Dayma and Mr. Anwar Siraj Daud were issued 9,43,390, 97,200 and 6,50,000 equity shares of ZIM amounting to 31.44%, 3.24% and 21.66%, respectively, of the then paid up capital of ZIM being Rs. 300 Lakhs. Mr. Dhananjay Dayma was appointed as a director in ZIM and was also authorised to operate the existing bank account, namely ZIM Laboratories Account, Steel Division, at Union Bank of India (UBI) transferred in the name of ZIM pursuant to the acquisition.

Pursuant to the acquisition of the steel business from M/s. Nagpur Fabricators, Mr. Dhananjay Dayma kept the board of directors of ZIM in the dark about the conduct of the business and status of the bank accounts of the steel division. Subsequently, it was discovered that the book debts and other assets acquired pursuant to the acquisition of M/s. Nagpur Fabricators were in fact fictitious or had turned into bad debts. Mr. Dhananjay R. Dayma resigned as a director of ZIM w.e.f. September 25, 2002. Further, the security provided to UBI turned out to be inadequate and insufficient and ZIM Pharma division had to undertake the obligation of settling the dues amounting to Rs. 85.00 Lakhs of the steel division. Further, UBI had appropriated fixed deposits of ZIM amounting to Rs. 28.98 Lakhs against certain dues of one M/s Gopalji Traders, a concern of the Dayma family.

Thereafter, ZIM forfeited the 16,90,590 equity shares issued to the partners of M/s. Nagpur Fabricators and allotted the same to other entities in two (2) tranches by new share certificates to the allottees after cancellation of the original share certificates:

Date of Allotment	Name of the Allottees	No. of equity shares allotted
July 26, 2006	Perseed E. Jall/Zakir S. Vali	52,500
	Perseed E. Jall/Anwar Siraj Daud	52,500
	Perseed E. Jall / Mr. Zulfiquar M. Kamal	52,500
	Perseed E. Jall / Mrs. Perviz Jall	52,500
		210,000
March 01, 2007	Mr. Zakir S. Vali/Faiz Z. Vali	2,50,000
	Mr. Anwar Siraj Daud	2,50,000
	Mr. Zulfiquar M. Kamal/ Mr. Sabbah Kamal	2,50,000
	Mr. Perseed E. Jall/ Mr. Perviz Jall	40,000
	Unijules Life Sciences Limited	6,90,590
		14,80,590
Total		**16,90,590**

On March 21, 2008 a preferential allotment of 1,80,000 and 18,20,000 shares was made to Mr. Anwar Siraj Daud and our Company, respectively. An additional 5,00,000 shares each were allotted to these two (2) entities on May 20, 2008. The present paid up share capital of ZIM stands at Rs.600 Lakhs.

In March 2009, Mr. Dhananjay Dayma and Mrs. Shyama K. Dayma (the "***Petitioners***") filed a Petition before the Company Law Board, Western Region ("***CLB***"), under Section 397, 398, 399, 402, 403 and 111 of the Companies Act, 1956 *inter alia*, alleging:

- Mismanagement of the affairs of ZIM;
- An offer of buy-back of shares by ZIM to one Dr. Siddiquee without following the procedures set out under law;
- Filing of a false Form 32 with the ROC in respect of the falsified resignation of Mr. Dhananjay Dayma as a director of ZIM on September 25, 2002;

- Non-compliances with the provisions of the Listing Agreement in relation to the submission of Annual Report, Annual Accounts, Quarterly & Half yearly results and announcement of record dates;
- Bogus trading of shares based on 'price sensitive information';
- Takeover of the interests and control of ZIM from Mr. Dhananjay Dayma and Mrs. Shyama K. Dayma; and
- Forging of secretarial and statutory records.

The Petitioners are *inter-alia* seeking directions from the CLB for the following:

- Regulate the conduct of affairs of ZIM;
- Declare the forms and annual returns filed with the ROC as null and void;
- Non-interference with the day to day affairs of ZIM by the present management;
- Investigation of the affairs of ZIM;
- Seize the books and records pending the proceedings;
- Transfer of equity shares falsely allotted and reinstatement of the original position and control over ZIM;
- Appointments made by the present management to be declared null and void;
- Reinstatement of Mr. Dhananjay Dayma as a director in ZIM; and
- Appointment of nominee directors on the board of ZIM by the Central Government, in the interim.

The Petition filed by the Petitioners has not yet been registered nor has ZIM received any notice from the CLB for hearing of the matter.

2. The Drug Inspector, Office of Joint Commissioner (Nagpur Division), Food and Drug Administration, Nagpur (the "***Drug Inspector***") has filed a Criminal Compliant *256/003*) against ZIM Laboratories Limited ("***ZIM***") and others before the Judicial Magistrate First Class, 3rd Court, Hubli under Section 200 of the Criminal Procedure Code. The Drug Inspector has filed the compliant since the drug "Etholine SR Tablets" batch no. FB 77F102 D/M 06.01, D/E05/03 manufactured and supplied by ZIM were declared as "Not of standard quality" as per the test report of the Government Analyst Karnataka. The matter shall come up for hearing on November 29, 2010.

3. Mr. Sanjay Agrawal has filed a Special Civil Suit (*633/2003*) against ZIM Laboratories Limited ("***ZIM***") before the court of Civil Judge, Senior Division, Nagpur for recovery of an amount of Rs.0.79 Lakhs (*Rs.78,674*) payable by ZIM towards transportation of goods to various destinations as per the request of ZIM. The matter shall come up for hearing on October 16, 2010.

4. Certain employees of ZIM have filed two complaints (*1367 of 1997*) and (*564 of 2005*) with the Industrial Court at Nagpur under Section 28 read with item in Schedule IV of the Maharashtra Act, 1972. The employees have alleged in the complaint that ZIM is resorting to unfair trade practices including not allowing them to resume their services w.e.f. September 7, 1997. In the complaint (*1367 of 1997*) the Industrial Court passed an order dated February 2, 2005 ("***Order***") directing ZIM to treat the complaining employees to have been in service with w.e.f. September 7, 1997 and to provide them work as per seniority and availability of work. ZIM filed a Writ Petition (*1459 of 2005*) before the Nagpur Bench of the Bombay High Court. The Bombay High Court, Nagpur Bench admitted the petition and stayed the order of the Industrial Court. The complaining employees have filed the other complaint i.e. (*564 of 2005*) before the Industrial Court alleging that since the Bombay High Court, Nagpur Benchhad only stayed a part of the Order for treating the complaining employees to be in continuous service w.e.f. September 7, 1997, the other part of the impugned Order directing ZIM to provide work to them had not been complied with. Moreover, the complaining employees have alleged that other employees have been provided work but they have been discriminated against and in fact new employees have been employed and provided work. The employees have pleaded before the Industrial Court to hold ZIM to be engaged in unfair trade practice and other reliefs. ZIM has filed its reply before the Court making a submission that the Industrial Court did not have the jurisdiction to grant any relief for reinstatement and back wages in

the Complaint No. 1367/1997. ZIM has further submitted that the employees were not on its pay-roll but may have been on the pay-rolls of other contractors. Further, ZIM has submitted that since February 2, 2005 no further unskilled labour had been employed by ZIM. The matter has been admitted by the court and will come up for final hearing on October 6, 2010.

5. ZIM Laboratories Limited ("***ZIM***") has filed a civil suit (*103/2009*) against i) Zilla Parishad and ii) the District Health Officer ("***Defendants***") before the Court of Civil Judge, Senior Division, Nagpur for recovery of Rs.0.63 Lakhs (*Rs.63,452*) along with interest @ 24% p.a. and other expenses payable by the Defendants towards supply of certain medicines by ZIM. The matter shall come up for hearing on October 6, 2010.

XI. Revenue Proceedings against our Subsidiary

Service Tax Proceedings

1. The Deputy Commissioner, Customs, Central Excise and Service Tax Division –II, Nagpur had issued a Show Cause Notice ("***SCN***") dated April 1, 2010 to ZIM Laboratories Limited ("***ZIM***") to show cause as to why an excess CENVAT credit of Rs.0.07 Lakhs (*Rs.6,942*) availed by ZIM not be disallowed and recovered from ZIM. ZIM submitted its reply to the above SCN by a letter dated May 11, 2010. The Assistant Commissioner, Customs & Central Excise, Division II, Nagpur ("***AC***") by an order dated July 29, 2010 confirmed the demand of Rs.0.07 Lakhs (*Rs.6,942*) in terms of Rule 14 of Cenvat Credit Rules, 2004 as payable by ZIM along with interest at an appropriate rate under section 11AB of the Central Excise Act, 1944 for availing excess CENVAT credit of service tax on the total amount of services provided by M/s RFCL Limited instead of on the amount of service tax paid. The AC has further imposed a penalty of Rs.0.07 Lakhs (*Rs.6,942*) under Section 11AC of the Central Excise Act, 1944. ZIM is considering preferring an appeal against the order passed by the AC.

2. The Deputy Commissioner, Customs, Central Excise and Service Tax Division –II, Nagpur had issued a Show Cause Notice ("***SCN***") dated April 22, 2010 to ZIM Laboratories Limited ("***ZIM***") to show cause as to why an inadmissible CENVAT credit on input services amounting to Rs.1.04 Lakhs (*Rs.1,04,379*) availed by ZIM not be disallowed and recovered from ZIM. ZIM submitted its reply to the above SCN by a letter dated May 11, 2010. The Assistant Commissioner, Customs & Central Excise, Division II, Nagpur ("***AC***") by an order dated July 29, 2010 confirmed the demand of Rs.1.04 Lakhs (*Rs.1,04,379*) in terms of Rule 14 of Cenvat Credit Rules, 2004 as payable by ZIM along with interest at an appropriate rate under section 11AB of the Central Excise Act, 1944 for availing CENVAT credit from October 2007 to March 2009 on services such as "Tours, travels & transportation, Zerox, Repairing & Services, Insurance and Sales promotion" which are not utilized by ZIM directly or indirectly for manufacturing the final product. The AC has further imposed a penalty of Rs.1.04 Lakhs (*Rs.1,04,379*) under Section 11AC of the Central Excise Act, 1944. ZIM is considering preferring an appeal against the order passed by the AC.

Sales Tax Proceedings

3. <u>A.Y. 1991-1992 (BST)</u>

ZIM Laboratories Limited ("***ZIM***") has preferred an appeal before the Joint Commissioner of Sales Tax Appeals, Nagpur ("***JCST***") against the order dated July 1, 2009 ("***Order***") passed by the Deputy Commisioner of Sales Tax, Nagpur ("***DCST***") wherein DCST has assessed tax dues amounting to Rs.0.61 Lakhs (*Rs.61,497*) and has charged interest under Section 36(3)(b) of Rs.2.27 Lakhs (*Rs.2,26,924*) and has further imposed a penalty of Rs.1,500. ZIM has already deposited an amount of Rs.0.50 Lakhs (*Rs.50,000*) under the instructions of the JCST. ZIM has further been granted a stay against the dues of Rs.1.77 Lakhs (*Rs.1,76,924*) by an order dated September 25, 2009 passed by the DCST. The matter is currently pending before the JCST, Nagpur.

4. <u>A.Y. 1992-1993 (BST)</u>

ZIM Laboratories Limited ("***ZIM***") has preferred an appeal before the Joint Commissioner of Sales Tax Appeals, Nagpur ("***JSCT***") against the order dated July 1, 2009 ("***Order***") passed by the Deputy Commisioner of Sales Tax, Nagpur ("***DCST***") wherein DCST has assessed tax dues amounting to Rs.1.38 Lakhs (*Rs.1,38,049*) and has charged interest under Section 36(3)(b) of Rs.4.76 Lakhs (*Rs.4,76,271*) and has further imposed a penalty of Rs.0.07 Lakhs (*Rs.6,500*). ZIM has already deposited an amount of Rs.1.20 Lakhs (*Rs.1,20,000*). ZIM has further been granted a stay against the disputed dues of Rs.5.01 Lakhs (*Rs.5,00,820*) by an order dated September 25, 2009 passed by the DCST. The matter is currently pending before the JCST, Nagpur.

5. A.Y. 1992-1993 (CST)

ZIM Laboratories Limited ("***ZIM***") has preferred an appeal before the Joint Commissioner of Sales Tax Appeals, Nagpur ("***JSCT***") against the order dated July 1, 2009 ("***Order***") passed by the Deputy Commisioner of Sales Tax, Nagpur ("***DCST***") wherein DCST has assessed tax dues amounting to Rs.0.09 Lakhs (*Rs.8,845*) and has charged interest under Section 36(3)(b) of Rs.0.31 Lakhs (*Rs.30,833*) and has further imposed a penalty of Rs.512. ZIM has preferred the present appeal disputing the interest charged by the DCST amounting to Rs.0.31 Lakhs (*Rs.30,833*). The matter is currently pending before the JSCT, Nagpur.

Notice issued against our Subsidiary

6. The Superintendent (Group A), Service Tax Cell, Nagpur has issued a notice dated July 7, 2010 for non-payment of service tax of Rs.23.98 Lakhs on the services received prior to July 7, 2009 towards export from the foreign commission agent by ZIM Laboratories Limited.

XII. Past cases where penalties imposed upon our Subsidiary

1. ZIM was irregular in meeting certain Listing Agreement requirement between F.Y. 1999-2000 to F.Y.2007-2008 in relation to submission of annual reports, notice of board meetings, quarterly results, half yearly results, filing limited review results, shareholding pattern and secretarial audit reports. A penalty of Rs.2.39 Lakhs (*Rs.2,39,000*) was imposed on ZIM by the OTCEI for such non-compliances. ZIM explained to the OTCEI its difficulty in complying with certain requirements of the Listing Agreement and requested the exchange to condone the delay and reconsider the imposition of penalty. Pursuant to the request of ZIM, OTCEI reduced the penalty amount to Rs.0.55 Lakhs (*Rs.55,000*), which was paid by ZIM.

OTCEI in the year 2009-2010 imposed a minor penalty of Rs.0.08 Lakhs (*Rs.8,000*) upon ZIM for non-compliance of the Listing Agreement regarding non-submission of the notice of the board meeting for four quarters and quarterly results for F.Y.2009-2010. The penalty has been paid by ZIM.

XIII. Past cases where penalties imposed upon our Company

Nil

Pending dues of Small Scale Undertakings:

Our Company does not have any dues exceeding Rs. 1 Lakh outstanding for more than thirty (30) days to any small-scale industrial undertaking(s).

Material Developments

Except for the below, there have been no other material developments since the last balance sheet date:

(i) RevAyur Beauty Care India Private Limited has been made the wholly owned subsidiary of our Company with effect from April 1, 2010.

(ii) Increase in the shareholding of our Company in ZIM from 50.18% to 54.35% of the total paid-up equity share capital of ZIM.

(iii) A consent application has been filed with SEBI by our Company and Mr.Anwar Siraj Daud with SEBI.

GOVERNMENT AND OTHER APPROVALS

On the basis of the indicative list of approvals provided below, our Company can undertake this Issue and its current business activities and no further major approvals from any Government or regulatory authority are required to undertake the Issue or continue these business activities. Unless otherwise stated, these approvals are valid as on the date of the Draft Red Herring Prospectus.

I. Approvals for the Issue

The following approvals have been obtained or will be obtained in connection with the Issue:

1. The Board of Directors has, pursuant to a resolution adopted at its meeting held August 9, 2010, authorized the Issue, subject to the approval of the shareholders of our Company under Section 81(1A) of the Companies Act, and such other authorities as may be necessary.

2. The shareholders of our Company have, pursuant to a resolution under Section 81(1A) of the Companies Act, adopted at a Extra Ordinary General Meeting held on August 31, 2010, authorized the further issue of Equity Shares.

3. Our Company has obtained in-principle listing approvals dated [●] and [●] from the NSE and the BSE respectively and will be required to obtain final listing and trading approvals prior to the commencement of trading of the Equity Shares on the Stock Exchanges.

4. NSDL/CDSL: ISIN No.: INE960K01016.

II. Approvals obtained by our Company

No.	Issuing Authority	Nature of License / Approval	Registration/ License No.	Date of granting License/ Approval	Validity
Approvals obtained by our Company					
1.	The Registrar of Companies, Maharashtra, Mumbai	Certificate of Incorporation in the name of Unijules Life Sciences Limited	(CIN) U52311MH2006PLC 158928	January 16, 2006	-
2.	The Registrar of Companies, Maharashtra, Mumbai	Our Company was granted the Certificate of Commencement of Business	CO No. 11/158928	January 20, 2006	-
3.	Suprintendent (Service Tax), Customs & Central Excise, Nagpur	Service Tax Code for remitting services of Goods Transport Agent	AAACU8032DST001	March 31, 2006	One Time Registration
4.	Employees' Provident Fund Organisation, Regional Office of Maharashtra	Our Company has been registered for payment of employees' provident fund under the Employee Provident Fund Act, 1952.	16661	--	One Time Registration
5.	Employees State Insurance Corporation	Certificate of Employes State Insurance Corporation (ESIC)	U-25/12/133/09-MedV	-	One Time Registration

No.	Issuing Authority	Nature of License / Approval	Registration/ License No.	Date of granting License/ Approval	Validity
6.	Foreign Trade Development Officer	Certificate of Importer-Exporter Code (IEC)	0306040565	September 15, 2006	One Time Registration
7.	Income Tax Department	Permanent Account Number (PAN)	AAACU8032D	-	One Time Approval
8.	Income Tax Department	Tax Deduction Account Number (TAN)	MUMU04752G	February 1, 2006	One Time Approval
9.	Branch Manager, The National Small Industries Corporation Limited	Letter in reply of the application made by our Company for registration under the Single Point Registration Scheme	Ref No. NSIC/NGP/GP/U-639/08-09	June 12, 2009	-
Approvals obtained for manufacturing units of our Company (Unit I - Kalmeshwar)					
10.	Government of Maharashtra	Certificate certifying that the application for registration made by our Company and grant of license under the Factories Act, 1948 is under process	No. LICE/CER/DPK/5634	September 15, 2008	-
11.	Factory Inspector, Maharashtra, Mumbai	License to operate factory	1764/NGP/2(m)(i)	March 25, 2009	December 31, 2011
12.	Joint Commissioner, Food & Drug Administration Maharashtra	WHO cGMP Certificate to certify that the Kalmeshwar unit of our Company has observed GMP as laid down by World Health Organisation in respect of manufacturing and testing of pharmaceutical formulations of liquid orals, ointment, cream and external preparation.	WHO-GMP-CERT/ND/New-37-09/384/11	March 2, 2009	March 11, 2011
13.	The Joint Commissioner (Nagpur Division), Food & Drug Administration (M.S.), Nagpur	Good Manufacturing Practices (GMP) Certificate to certify that our Company's Kalmeshwar unit for the purpose of registration for supply of medicine for different tenders and government institutions	Certi/GMP/484/2010/7	January 15, 2010	January 14, 2012
14.	The Joint Commissioner (Nagpur	Certificate for manufacturing capsules and tablets and testing	ND/45	January 2, 2007	January 1, 2012

No.	Issuing Authority	Nature of License / Approval	Registration/ License No.	Date of granting License/ Approval	Validity
	Division), Food & Drug Administration, Nagpur	of chemical and instruments and microbiology testing			
15.	The Joint Commissioner (Nagpur Division), Food & Drug Administration, Nagpur	License to manufacture for sale of drugs manufactured by way of wholesale dealing and storage for sale of drugs manufactured by our Company	ND/51	January 2, 2007	January 1, 2012
16.	Profession Tax Officer (1), Nagpur	Certificate of enrolment under sub-Section (2) or sub-Section (2A) of Section 5 of the Maharashtra State Tax on Professions, Trade, Callings and Employments Act, 1975	PT/E/4/6/2/18/30	March 7, 2006	-
17.	Maharashtra Pollution Control Board, Regional Officer, Nagpur	Consent to operate under Section 26 of the Water (Prevention & Control of Pollution) Act, 1974, under Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 and Authorization/ renewal of Authorization under Rule 5 of the Hazardeous Waste (Management & Handling) Rules, 1989	NRO/Nagpur/E-17 of 2008/296.CC/489/08	October 22, 2008	October 31, 2010
18.	McCoy Research & Calibration Laboratory	Certificate of Calibration in respect of weight box range 500 g to 20,000 g	MRCL/10/GE/WB/6054	September 16, 2009	September 16, 2011
19.	Food and Drug Administration	Licence to manufacture for sale of Ayurvedic (including Siddha) or Unani Drugs	NG/AYU/004/06	May 12, 2008	May 11, 2011
20.	Maharashtra State Electricity Distribution Company Limited	Sanction of new power supply at 11 KV from 1KV feeder emanating from 220KV Kalmeshwar S/STN.	SE/NRC/NGP/Tech/7944	October 7, 2006	-
21.	Vidharba Enviro Protection Limited	License issued by Vidharba Enviro Protection Limited for Common Hazardous	Agreement dated September 17, 2008	September 17, 2008	September 16, 2013

No.	Issuing Authority	Nature of License / Approval	Registration/ License No.	Date of granting License/ Approval	Validity
		Waste Treatment, Storage and Disposal facility			
22.	Suprintendent of Central Excise, Nagpur	Certificate of registration under Section 69 of the Finance Act, 1994 (32 of 1994) wherein it has been certified that our Company is registered with the Central Excise Department	AAACU8032DST001	April 25, 2006	One Time Registration
23.	Deputy Commissioner, Central Excise & Customs Division-I, Nagpur	Central Excise Registration Certificate for manufacturing excisable goods	AAACU8032DXM001	August 31, 2006	One Time Registration
24.	Sales Tax Officer, Nagpur	Tax Payer Identification Number (TIN) under Maharashtra Value Added Tax Act, 2002	27250522495V	December 3, 2006	One Time Registration
25.	Sales Tax Officer, Nagpur	Central Sales Tax (CST) Registration, Maharashtra	27250522495C	December 3, 2006	One Time Registration
26.	Registering Officer, the Contract Labour	Certificate of Registration granted under Section 7(2) of the Contract Labour (Regulation and Act), 1970 to hire 130 workers per day.	81/D-3/2009	March 25, 2009	March 31, 2011
Unit II (Shantinagar)					
27.	Assistant Commissioner (1) Food & Drug Administration M.S, Nagpur	License to sell, stock or exhibit or offer for sale or distribute wholesale drugs specified in Schedule C, C(1) except Schedule X	NAG/43/2006	March 28, 2006	March 27, 2011
28.	Assistant Commissioner (1) Food & Drug Administration M.S, Nagpur	License to sell, stock or exhibit or offer for sale or distribute wholesale drugs other than those specified in Schedule C, C(1) and Schedule X	NAG/44/2006	March 28, 2006	March 27, 2011
29.	Assistant Commissioner (Nagpur Division), Food & Drug Administration	License to manufacture for sale of drugs manufactured by way of wholesale dealing and storage for sale of drugs manufactured by our	146	January 12, 2007	January 11, 2012

No.	Issuing Authority	Nature of License / Approval	Registration/ License No.	Date of granting License/ Approval	Validity
	M.S, Nagpur	Company other than those specified in Schedule C, C(1) and Schedule X			
30.	Assistant Commissioner (Nagpur Division), Food & Drug Administration M.S, Nagpur	License to manufacture for sale of drugs manufactured by way of wholesale dealing and storage for sale of drugs manufactured by our Company specified in Schedule C, C(1) excluding Schedule X	305	January 12, 2007	January 11, 2012
31.	Licensing Authority	License to manufacture for sale of ayurvedic (including Siddha) or Unani drugs	AYU/186	February 23, 2007	Renewed upto February 22, 2013
32.	The Joint Commissioner (Nagpur Division), Food & Drug Administration, Nagpur	License to repack for sale or distribution of drugs being drugs other than those specified in Schedule C and C(1) and which authorises our Company to sell the drugs by way of wholesale dealing and storage for sale of the drugs repacked	ND/RPG/4	January 12, 2007	January 11, 2012
		Our Company can repack i) Glycerin IP 1985, ii) White Soft Paraffin IP 1985 and iii) Yellow Soft Paraffin IP 1985 as per the letter issued by the Joint Commissioner (Nagpur Division), Food and Drugs Administration, MS, Nagpur.	-	January 12, 2007	January 11, 2012
33.	Suprintendent of Central Excise, Nagpur	Certificate of registration under Section 69 of the Finance Act, 1994 (32 of 1994) wherein it has been certified that our Company is registered with the Central Excise Department	AACU8032DST002	January 25, 2007	One Time Registration
34.	Deputy Commissioner,	Central Excise Registration Certificate	AAACU8032DXM003	January 15, 2006	One Time Registration

No.	Issuing Authority	Nature of License / Approval	Registration/ License No.	Date of granting License/ Approval	Validity
	Central Excise & Customs Division-I, Nagpur	for manufacturing excisable goods			
35.	District Industries Centre, Nagpur	Entrepreneur's Memorandum Number	270091200113	February 26, 2008	-
Unit III Hingna (D-82)					
36.	Chief Factories Officer, Nagpur	License to work factory	971/NAG/2/M/1	December 11, 2009	December 31, 2011
37.	The Joint Commissioner (Nagpur Division), Food & Drug Administration, Nagpur	License to manufacture for sale or for distribution of large volume parenterals specified in Schedule C and C(1) excluding those specified in Schedule X and it also authorises our Company to sell by way of wholesale dealing and storage for sale of drugs manufactured by our Company	ND/LVP/02	November 30, 2006	November 29, 2011
38.	Food and Drug Administration	License for manufacture, possession and sale, otherwise than on prescription of manufactured drugs by dealers under the Narcotics Drugs and Psychotropic Substances Act, 1985 issued by the Food and Drugs Administration	ND/ 50	November 30, 2006	November 29, 2011
39.	Suprintendent of Central Excise, Nagpur	Certificate of registration under Section 69 of the Finance Act, 1994 (32 of 1994) wherein it has been certified that our Company is registered with the Central Excise Department	AAACU8032DST003	January 25, 2007	One Time Registration
40.	Deputy Commissioner, Central Excise & Customs Division-I, Nagpur	Central Excise Registration Certificate for manufacturing excisable goods	AAACU8032DXM002	December 29, 2006	One Time Registration
Unit IV Hingna (K-10)					

No.	Issuing Authority	Nature of License / Approval	Registration/ License No.	Date of granting License/ Approval	Validity
41.	Chief Factories Officer, Nagpur	License to work factory	1686/GP/22(M)(i)	June 21, 2006	December 31, 2011
42.	Deputy Commissioner, Central Excise & Customs Division-I, Nagpur	Central Excise Registration Certificate for manufacturing excisable goods	AAACU8032DXM004	May 29, 2008	One Time Registration
Unit V Kalmeshwar (P-338)					
43.	Regional Officer, Maharashtra Pollution Control Board, Nagpur	Consent to establish under Section 25 of the Water (Prevention & Control of Pollution) Act, 1974, under Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 and Authorization/ Renewal of Authorization under Rule 5 of the Hadardous Waste (Management, Handling & Transboundary Movement) Rules, 2008	NRO/Nagpur/E-17 of 2008/120-00/214/2010	June 4, 2010	Valid till commissioning of the project of five (5) years whichever is earlier
44.	Office of Electrical Inspector, Nagpur	Interim No Objection certificate for supply of 13KW 1/3 Phase electricity	307	February 16, 2010	May 15, 2010*
**Our Company has made an application dated September 27, 2009 for renewal of the same.*					

III. Approvals obtained by our Company for the new manufacturing facility at M.I.D.C, Umred, Nagpur

We have not yet applied for the approvals and licenses for the setting up of the new USFDA/UKMHRA/WHO cGMP compliant manufacturing facility at M.I.D.C, Umred, Nagpur. Applications for the required approvals will be applied for at an appropriate time.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Board of Directors has, pursuant to a resolution passed at its meeting held on August 9, 2010, authorized the Issue subject to the approval by the shareholders of our Company under Section 81(1A) of the Companies Act, and such other authorities as may be necessary.

Our shareholders have authorised the Issue by a special resolution adopted under to Section 81(1A) of the Companies Act, passed at the Extra Ordinary General Meeting held on August 31, 2010.

The National Stock Exchange of India Limited and the Bombay Stock Exchange Limited have given in-principle approval for the Issue on [●] and [●] respectively.

Prohibition by SEBI, RBI or other Governmental Authorities

We confirm that our Company, Promoter, Directors, Promoter Group, Group Companies and persons in control of our Company, have not been prohibited from accessing or operating in capital markets 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.

The companies, with which any of our Promoter, Directors or persons in control of our Company or any natural person behind our Promoter are or were associated as promoters, directors or persons in control have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or the RBI or any other regulatory or governmental authority.

None of our Directors are associated in any manner with any entities, which are engaged in securities market related business and are registered with the SEBI for the same.

Other than as disclosed in the section titled "Risk Factors", "History and Corporate Structure" and "Outstanding Litigation and Material Developments" beginning on pages 16, 178 and 357 of the Draft Red Herring Prospectus, neither our Company, its Directors, Promoter, Promoter Group, Group Companies and the relatives of our Promoter (as defined under the Companies Act) have been identified as wilful defaulters by the RBI or any other governmental authority. There are no violations of securities laws committed by any of them in the past or are pending against them.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Regulation 26(1) of the SEBI (ICDR) Regulations, as explained under the eligibility criteria calculated in accordance with financial statements under Indian GAAP.

a) Our Company has net tangible assets of atleast Rs. 300.00 Lakhs in each of the three (3) preceding full years (of 12 months each) of which not more than 50% is held in monetary assets.

b) Our Company has a track record of distributable profits as per Section 205 of the Companies Act, 1956, for atleast three (3) out of the immediately preceding five (5) years.
(Extraordinary items are not considered for calculating distributable profits in terms of Section 205 of Companies Act, 1956)

c) Our Company has a pre-issue net worth of not less than Rs.100.00 Lakhs in each of the three (3) preceding full years (of 12 months each).

d) The proposed Issue size, including all previous public issues in the same financial year, would not exceed five (5) times the pre-issue net worth of our Company as per the audited accounts for the year ended March 31, 2010.

e) Our Company has not changed its name within the last one (1) year.

The net profit, net worth, net tangible assets and monetary assets derived from the restated standalone financial statements prepared in accordance with SEBI (ICDR) Regulations, for the last five (5) financial years ended March 31, 2010, 2009, 2008, 2007 and 2006 as per our Statutory Auditor, Ali Hatim S. Husain, Chartered Accountant, dated September 27, 2010 are set forth below:

(Rs. in Lakhs)

Particulars	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006
Distributable Profit *	1,379.89	891.35	719.56	12.98	-
Net Worth **	6,194.77	4,136.31	2,177.54	1,321.83	0.71
Net Tangible Assets ***	13,781.42	9,174.38	5,963.49	2,933.74	916.27
Monetary Assets ****	468.86	430.20	1,204.74	470.73	1.55
Monetary Assets as a percentage of net tangible assets (%)	3.40%	4.69%	20.20%	16.05%	0.17%

The monetary asset in each of the three (3) years does not exceed 50% of the net tangible assets amount.

* Distributable profits have been computed in terms section 205 of the Companies Act, 1956.

** Net Worth has been computed as the aggregate of equity shares capital and reserves (excluding revaluation reserves) and after deducting miscellaneous expenditure not written off, if any.

*** Net Tangible Assets" are defined as the sum of fixed assets (including capital work in-progress and excluding revaluation reserve) investments, current assets (excluding deferred tax assets) less current liabilities (excluding deferred tax liabilities and secured as well as unsecured long term liabilities) excluding intangible assets as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India.

**** Monetary Assets are defined as the sum of cash in hand, non trade Investments, balance with scheduled bank in current accounts, fixed deposits and public deposit account with the Government, if any.

Further we shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted shall not be less than 1,000 otherwise the entire application money will be refunded forthwith. In case of delay, if any, in refund our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE 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 MANAGER, ANAND RATHI ADVISORS LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK

RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, ANAND RATHI ADVISORS LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 29, 2010 WHICH READS AS FOLLOWS:

"WE, THE BOOK RUNNING LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:

(I) **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE CIVIL CASES, COMMERCIAL DISPUTES, INTELLECTUAL PROPERTY CASES, CRIMINAL CASES, SECURITIES RELATED PROCEEDINGS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE.**

(II) **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY,**

WE CONFIRM THAT:

a. **THE DRAFT RED HERRING PROSPECTUS FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**

b. **ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE, AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

c. **THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

(III) **WE CONFIRM THAT BESIDE OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND TILL DATE SUCH REGISTRATION IS VALID.**

(IV) **WHEN UNDERWRITTEN, WE SHALL SATISFY OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. – <u>NOTED FOR COMPLIANCE</u>**

(V) **WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF THE PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF THE PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN WILL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH SEBI UNTIL THE DATE OF COMMENCEMENT OF THE LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.**

(VI) WE CERTIFY THAT REGULATION 33 OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTER'S CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.

(VII) WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE – <u>NOT APPLICABLE</u>

(VIII) WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY 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 COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.

(IX) 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 SECTION 73(3) 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 COMPANY SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE.

(X) 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. - <u>NOT APPLICABLE, AS THE ISSUE SIZE IS MORE THAN RUPEES 1000 LAKHS. THE ALLOTMENT OF EQUITY SHARES IS TO BE MADE COMPULSORILY IN DEMATERIALIZED FORM ONLY, PURSUANT TO SECTION 68B OF THE COMPANIES ACT, 1956</u>.

(XI) 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.

(XII) WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:

(a) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE SHARES OF OUR COMPANY; AND

(b) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE SEBI FROM TIME TO TIME."

(XIII) 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.

(XIV) WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER'S EXPERIENCE, ETC.

(XV) 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."

The filing of the draft red herring prospectus does not, however, absolve our company from any liabilities under section 63 or section 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 BRLM any irregularities or lapses in the Draft Red Herring Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 60B of the Companies Act.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of Section 56, Section 60 and Section 60B of the Companies Act.

Disclaimer Statement of our Company and the BRLM

Our Company and the BRLM accept no responsibility for statements made otherwise than in the Draft Red Herring Prospectus or in the advertisement or any other material issued by or at our Company's instance and that anyone placing reliance on any other source of information, including our Company's website www.unijules.com, or the website of any Promoter, Group Companies, or of any affiliate or associate of our Company, would be doing so at his or her own risk.

Caution

The BRLM accept no responsibility, save to the limited extent as provided in the Issue Agreement entered into among the BRLM, our Company, and the Underwriting Agreement to be entered into between the Underwriters and our Company.

All information shall be made available by our Company, and the BRLM 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, its Directors and officers nor their Directors and officers nor any Syndicate Member is liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

The BRLM and their associates and/or affiliates may engage in transactions with, and perform services for, our Company, their affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, or their affiliates or associates for which they have received and may in future receive, compensation.

Investors that Bid in the Issue will be required to confirm and will be deemed to have represented to our Company and the BRLM 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 and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the BRLM and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Issue.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with competent courts/authorities in Mumbai, Maharashtra, India.

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 majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 4A of the Companies Act, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of Rs.25 crore and pension funds with a minimum corpus of Rs.25 crore, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. The Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of the Issue will be subject to the jurisdiction of the competent court(s) in Mumbai, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus has been filed with the SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and the 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 the 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 from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

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 the 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.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, (the "Securities Act") 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, the Equity Shares will be offered and sold only outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

Disclaimer Clause of the NSE

As required, a copy of the Draft Red Herring Prospectus shall be submitted to the NSE. The disclaimer clause as intimated by the NSE to us, post scrutiny of the Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer Clause of the BSE

As required, a copy of the Draft Red Herring Prospectus shall be submitted to the BSE. The disclaimer clause as intimated by the BSE to us, post scrutiny of the Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Filing of Prospectus with SEBI and the RoC

A copy of the Draft Red Herring Prospectus has been filed with the Corporate Finance Department of SEBI at the Securities and Exchange Board of India, SEBI Bhavan, G Block, 3rd Floor, Bandra Kurla Complex, Bandra (E), Mumbai 400 051, India.

A copy of the Red Herring Prospectus, along with the other documents required to be filed under Section 60B of the Companies Act, will be delivered for registration to the RoC at the Office of the Registrar of Companies, 100, Everest building, Marine Drive, Mumbai 400 002, India atleast three (3) Working Days before the Bid/Issue Opening Date. The final prospectus would be filed with the Corporate Finance Department of SEBI and the RoC at the respective aforesaid addresses upon closure of the Issue and on finalisation of the Issue Price.

Listing

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on NSE and BSE. Pursuant to applications made to BSE and NSE, in-principle approval for listing of the Equity Shares of our Company from NSE and BSE have been received by their letters dated [●] and [●] respectively.

The NSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalized.

In case the permission for listing of the Equity Shares is not granted by any of the above mentioned Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within eight (8) Working Days from the date on which our Company has become liable to repay it (i.e. from the date of refusal or within ten (10) Working Days from the Bid/Issue Closing Date, whichever is earlier) then our Company and every Director of our Company who is an officer in default shall, on and from the expiry of such eight day period, be liable to repay such monies, together with interest at the rate of 15% per annum on the application monies, as prescribed under Section 73 of the Companies Act.

Our Company with the assistance of the BRLM shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges are taken within twelve (12) Working Days of the Bid/ Issue Closing Date.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

"***Any person who:***

(a) ***makes in a fictitious name, an application to a company for acquiring or 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."

Consents

Consents in writing of: (a) the Directors, the Company Secretary and the Compliance Officer, the Auditors, the legal advisors, the Bankers to our Company, lenders to our Company, the Bankers to the Issue*; and (b) the BRLM, the Syndicate Member*, the Escrow Collection Banks*, the Refund Banks*, the IPO Grading Agency* and the Registrar to the Issue to act in their respective capacities, have been obtained and filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 60 and 60B of the Companies Act and such consents will not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

**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.*

In accordance with the Companies Act and the SEBI (ICDR) Regulations, J.S. Uberoi & Co., Chartered Accountants, who hold a Peer Review Certificate, have given their written consent to the inclusion of their report on restated financial information of our Company dated September 27, 2010 in the form and context in which it appears in the Draft Red Herring Prospectus and such consent and report will not be withdrawn up to the time of delivery of the Red Herring Prospectus to the RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, Our Statutory Auditor, Ali Hatim S. Husain, Chartered Accountant, have given their written consent to inclusion of their report relating to the Statement of Tax Benefits dated September 27, 2010 accruing to our Company and its shareholders in the form and context in which it appears in the Draft Red Herring Prospectus and such consent and report will not be withdrawn up to the time of delivery of the Red Herring Prospectus to the RoC.

[●], IPO Grading Agency engaged by us for the purpose of IPO Grading have given their consent as experts, in respect of the Issue, and has given its written consent to the inclusion of its report dated [●] in the form and context in which it will appear in the Red Herring Prospectus and the Prospectus and such consent and report shall not be withdrawn up to the time of delivery of the Prospectus with the Designated Stock Exchange.

Expert Opinion

Except the report of [●] in respect of the IPO grading of the Issue annexed herewith and except as stated elsewhere in the Draft Red Herring Prospectus, our Company has not obtained any expert opinions.

Expenses of the Issue

The total expenses of the Issue are estimated to be approximately Rs. [●] Lakhs. The expenses of the Issue include, among others, brokerage, fees payable to the BRLM to the Issue and Registrar to the Issue, stamp duty, underwriting and management fees, SCSB's commission/fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees, and other miscellaneous expensesas follows:

Activity	Expenses* (Rs. in Lakhs)	Percentage of Issue Expenses*	Percentage of the Issue Size*
Lead management, underwriting and selling commission, brokerage	[●]	[●]	[●]
Registrar to the Issue	[●]	[●]	[●]
SCSB commission	[●]	[●]	[●]
Bankers to the Issue	[●]	[●]	[●]
Printing and Stationery expenses (including courier and transportation charges)	[●]	[●]	[●]
Advertising and Marketing expenses	[●]	[●]	[●]
Others (IPO grading fees, legal fee, listing fees, travelling & other miscellaneous expenses etc.)	[●]	[●]	[●]
Total estimated issue expenses	**[●]**	**[●]**	**[●]**

**Will be incorporated after finalization of Issue price*

Fees payable to the BRLM

The total fees payable to the BRLM will be as per the Issue Agreement dated September 27, 2010 executed between our Company and the BRLM, a copy of which is available for inspection at our Registered Office.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue will be as per the memorandum of understanding signed by our Company and the Registrar to the Issue dated March 10, 2010 a copy of which is available for inspection at our Company's Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to make refunds in any of the modes described in the Draft Red Herring Prospectus or send allotment advice by registered post/speed post/under certificate of posting.

Particulars regarding Public or Rights Issues during the last five (5) years

Our Company has not made any previous public or rights issue in the five years.

Previous issues of Equity Shares otherwise than for cash

Except as stated in section titled "Capital Structure" beginning on page 74 of the Draft Red Herring Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

Commission, brokerage and selling commission on Previous Issues

Since this is the initial public offering of our Company's Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's inception.

Particulars in regard to our Company and other listed companies under the same management within the meaning of Section 370(1B) of the Companies Act which made any public/rights/composite

issue during the last three (3) years.

Our Subsidiary, ZIM is listed on Over the Counter Exchange of India (OTCEI). However, there are no listed companies under the same management within the meaning of section 370(1B) of the Companies Act, 1956 which have made any public/right/composite issue during the last three (3) years. Our Company has not made any public/right/composite issue during the last three (3) years.

Performance vis-à-vis objects – Public/ Rights Issue of our Company and/ or listed Group Companies, Subsidiaries and Associates of our Company

Our Company has not undertaken any previous public or rights issue. Our Subsidiary, ZIM, is listed on Over the Counter Exchange of India (OTCEI). Neither our Subsidiaries nor any of our Group Companies have undertaken any issue during the period of ten (10) years immediately preceding the date of the Draft Red Herring Prospectus.

Outstanding Debentures or Bond Issues or Redeemable Preference Shares

As on the date of the Draft Red Herring Prospectus, our Company does not have any outstanding debentures or bonds and preference shares.

Stock Market Data of the Equity Shares

This being an initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges and hence no stock market data is available.

Mechanism for Redressal of Investor Grievances

The Memorandum of Understanding amongst the Registrar to the Issue and our Company entered on March 10, 2010 provides for retention of records with the Registrar to the Issue for a period of at least three (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 the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection 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 relevant Designated Branch or the collection centre of the SCSBs where the Bid-cum-Application Form was submitted by the ASBA Bidders.

Disposal of Investor Grievances by our Company

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders shall redress routine investor grievances within one (1) month 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. The Registrar shall provide a status report of investor complaints on a fortnightly basis to our Company. Similar status reports are also be provided to our Company as and when required by our Company.

Our Company has also constituted a Shareholders and Investor Grievance Committee to review and redress the shareholders and investor grievances such as transfer of shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares. For further details on this committee, please refer paragraph titled "Shareholders and Investors Grievance Committee" beginning on page 200 under the section titled "Our Management" beginning on page 188 of the Draft Red Herring Prospectus.

Our Board at its meeting held on March 31, 2010 has constituted a Shareholders and Investors Grievance Committee chaired by Dr. Veerendra Kumar Parashar and Mr. Dharampal Keshavdas Bellani and Mr. Vaibhav Despande as Member. The terms of reference of the said Committee are mentioned in the section titled "Our Management" beginning on page 188 of the Draft Red Herring Prospectus.

Our Company has appointed Ms. Shilpa Pawankar, Company Secretary, as the Compliance Officer who would directly deal with SEBI office with respect to implementation of various laws, rules, regulations and other directives issued by SEBI and to redress complaints, if any, of the investors participating in the Issue.

Ms. Shilpa Pawankar may be contacted in case of any pre-Issue or post-Issue related problems, at the following address at:

Ms. Shilpa Pawankar
Unijules Life Sciences Limited,
Universal Square
1505-1 Shantinagar
Nagpur 440 002,
Maharshtra, India.
Telephone: + 91 712 276 8512
Facsimile: +91 712 276 3212
E-mail: compliance@unijules.com

Change in Auditors during the last three (3) financial years and reasons thereof

There has been no change in Statutory Auditor of our Company in the last three (3) years.

Capitalization of Reserves or Profits

Except as disclosed in the Draft Red Herring Prospectus, we have not capitalised our reserves or profits at any time during the last five (5) years. On December 14, 2009 our Company has issued 6,69,745 Equity Shares as bonus shares to the existing shareholders of our Company in the ratio of 1:1. For details of the same, please refer to the section titled "Capital Structure" beginning on page 74 of the Draft Red Herring Prospectus.

Revaluation of Assets

Our Company has not revalued its assets since incorporation.

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, the SCRR, the Memorandum and Articles of Association of our Company, conditions of RBI approval, if any, the terms of the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus, Bid-cum-Application Form, the Revision Form, the Confirmation of Allocation Note ("**CAN**") and other terms and conditions as may be incorporated in the Allotment Advice, and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, 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, ROC and / or other authorities, as in force on the date of the Issue and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of the Memorandum and Articles of Association and shall rank pari passu in all respects with the other existing shares of our Company including in respect of the rights to receive dividends. The Allottees in respect of allotment of the Equity Shares in the Issue shall be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see the section "Main Provisions of the Articles of Association" beginning on page 431 of the Draft Red Herring Prospectus.

Mode of payment of dividend

We shall pay dividend to our shareholders as per the provisions of the Companies Act, the Articles and the provision of the Listing Agreements.

Face Value and Issue Price

The Equity Shares with a face value of Rs. 10 each are being issued in terms of the Draft Red Herring Prospectus at a Issue price of at the lower end of the Price Band is Rs. [●] per Equity Share and at the higher end of the Price Band is Rs. [●] per Equity Share. Anchor Investor Issue Price is Rs. [●] per Equity Share. At any given point of time there shall be only one denomination of Equity Shares, subject to applicable law.

Price Band

The Price Band shall be from Rs.[●] to Rs.[●] per Equity Share of face value of Rs.10 each.

Compliance with SEBI (ICDR) Regulations

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 shareholders 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; 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 provision of the Articles of Association of our Company" beginning on page 431 of the Draft Red Herring Prospectus.

Market Lot and Trading Lot

Under Section 68B of the Companies Act, the Equity Shares of our Company shall be allotted only in dematerialized form. Hence, the Equity Shares being offered through the Draft Red Herring Prospectus can be applied for in the dematerialised form only. 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 (1) Equity Share. Allocation and allotment of Equity Shares through the Issue will be done only in electronic form, in multiple of one (1) Equity Share, subject to a minimum allotment of [●] Equity Shares. For details of allocation and allotment, please refer to the section titled "Issue Procedure" beginning on page 392 of the Draft Red Herring Prospectus.

The Price Band and the minimum bid lot will be decided by our Company in consultation with the BRLM, including the relevant financial ratios computed for both the Cap Price and the Floor Price, which shall be published in English and Hindi national newspapers with wide circulation, and regional newspaper with wide circulation where the Registered Office of our Company is situated, being the newspapers in which the pre-Issue advertisements were published, at least two (2) Working Days prior to the Bid Opening Date.

Joint Holders

Where two 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.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts/authorities in Mumbai, India.

Nomination Facility to the Investor

In accordance with Section 109A of the Companies Act, the sole or first bidder, along with other joint bidder, may nominate any one person in whom, in the event of the death of sole bidder or in case of joint bidders, death of all the bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/ transfer/ alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Company’s Registered / Corporate Office or to our Registrar and Transfer Agents.

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 allotment 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 allot the Equity Shares, and if the notice is not complied with within a period of ninety (90) Working Days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the 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 would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Bidding Period

Bidders may submit their Bids only in the Bidding Period. The Bid/Issue Opening Date is [●] and the Bid/Issue Closing Date is [●].

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue through the Draft Red Herring Prospectus including devolvement of Underwriters within sixty (60) Working Days from the Bid/Issue Closing Date, our Company shall forthwith refund the entire subscription amount received, but not later than 10 weeks of the Bid/Issue Closing Date. If there is a delay beyond eight (8) Working 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 accordance with Clause 26(4) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

Withdrawal of the Issue

Our Company, in consultation with the BRLM reserves the right not to proceed with the Issue at any time, after the Bid/Issue Opening Date, but before Allotment of Equity Shares. In such an event our Company would issue a public notice in the newspapers, in which the pre Issue advertisements were published within two (2) Working Days of the Bid/Issue Closing Date /deciding not to proceed with the Issue, providing reasons for not proceeding with the Issue. Our Company shall also promptly inform the same to the Stock Exchanges on which our Equity Shares are proposed to be listed. Under the SEBI (ICDR) Regulations QIBs are not allowed to withdraw their Bids after the QIB Bid/Issue Closing Date. Any further issue of Equity Shares by our Company shall be in compliance with applicable laws. If the Issue is withdrawn after the Bid / Issue Closing date, our Company shall be required to file a fresh offer document with SEBI. The BRLM, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one (1) Working Day from the day of receipt of such notification.

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

Arrangement for disposal of odd lot

The Equity Shares will be traded in dematerialized form only and therefore the marketable lot is one (1) Equity Share. Since the market lot for our Equity Shares will be one (1), no arrangements for disposal of odd lots are required.

Application by Eligible NRIs, FIIs and Foreign Venture Capital Funds registered with SEBI

As per the extant policy of the Government of India, OCBs cannot participate in the Issue. The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, there exists a general permission for the NRIs, FIIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

It is to be distinctly understood that there is no reservation for NRIs, FIIs or FVCIs registered with SEBI, applicants will be treated on the same basis with other categories for the purpose of allocation. As per existing RBI regulations, OCBs cannot participate in the Issue. The allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

Sub accounts of FIIs registered with SEBI, being foreign corporate or foreign individuals are not eligible to participate in the Issue in the QIB Portion.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. The Bidders are advised to make their own enquiries about the limits applicable to them. Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the BRLM 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 the 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.

Restriction on transfer of Equity Shares

Except for lock-in of the pre-Issue Equity Shares and Promoter’s, minimum contribution and Anchor Investor lock-in in the Issue as detailed in the section titled "Capital Structure" beginning on page 74 of the Draft Red Herring Prospectus, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfers of debentures except as provided in the Articles of Association. There are no restrictions on transmission of Equity Shares and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer to the section titled "Main Provisions of the Articles of Association" beginning on page 431 of the Draft Red Herring Prospectus.

ISSUE STRUCTURE

Public Issue of 88,00,000 Equity Shares of Rs. 10 each at the Issue Price for cash at a price of Rs. [●] per Equity Share (including share premium of Rs. [●] per Equity Share) aggregating Rs. [●] Lakhs is being made through the Book Building Process (the "***Issue***"). The Issue will constitute 38.83% of the post Issue paid-up equity capital of our Company.

Our Company is considering a Pre-IPO Placement of upto 18,00,000 Equity Shares and aggregating upto Rs. 3,000 Lakhs with certain investors. 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 the Equity Shares proposed to be allotted in the Pre-IPO Placement, subject to the Issue being atleast 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 one (1) year from the date of the Allotment pursuant to the Issue.

The Issue is being made through a Book Building Process.

	QIBs	**Non-Institutional Bidders**	**Retail Individual Bidders**
Number of Equity Shares [(1)] #	Not more than 44,00,000 Equity Shares or Issue less allocation to Non-Institutional Bidders and Retail Individual Bidders	Not less than 13,20,000 Equity Shares shall be available for allocation	Not less than 30,80,000 Equity Shares shall be available for allocation
Percentage of Issue Size available for Allotment/allocation [(1)]	Not more than 50% of Issue Size shall be allocated to QIBs. However, not less than 5% of the Net QIB Portion shall be available for allocation proportionately to Mutual Funds only. 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 to domestic Mutual Funds.	Not less than 15% of the Issue shall be available for allocation	Not less than 35% of the Issue shall be available for allocation
Basis of Allocation or	Proportionate as	Proportionate	Proportionate

	QIBs	Non-Institutional Bidders	Retail Individual Bidders
allotment if respective category is oversubscribed	follows: (a) 1,54,000 Equity Shares, constituting 5% of the Net QIB portion, shall be available for allocation on a proportionate basis to Mutual Funds; (b) 29,26,000 Equity Shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above		
Minimum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds Rs. 1,00,000.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds Rs. 1,00,000.	[●]Equity Shares and in multiples of [●] Equity Shares thereafter.
Maximum Bid	Not exceeding the size of the Issue subject to regulations as applicable to the Bidder	Not exceeding the size of the Issue subject to regulations as applicable to the Bidder	Such number of Equity Shares so as to ensure that the Bid Amount does not exceed Rs. 1,00,000.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Allotment Lot	[●] Equity Shares and in multiples of one (1) Equity Share thereafter.	[●] Equity Shares and in multiples of one (1) Equity Share thereafter.	[●] Equity Shares and in multiples of one (1) Equity Share thereafter.
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Who can Apply (2)	Public financial institution as defined in section 4A of the Companies Act, 1956, scheduled commercial bank, mutual fund, venture capital fund and foreign venture capital investor	Resident Indian individuals, Eligible NRIs, HUF (applying through the Karta), companies, corporate bodies, scientific institutions, societies, trusts, sub accounts of FIIs registered with	Resident Indian Individuals Eligible NRIs, HUF (applying through the Karta) applying for Equity Shares such that the Bid Amount does not exceed Rs. 1,00,000 in value.

	QIBs	Non-Institutional Bidders	Retail Individual Bidders
	registered with the SEBI, foreign institutional investor and sub-account registered with SEBI (*other than a sub-account which is a foreign corporate or foreign individual*), multilateral and bilateral development financial institution, state industrial development corporation, insurance company registered with the Insurance Regulatory and Development Authority, provident fund with minimum corpus of Rs. 2,500 lakhs, pension fund with minimum corpus of Rs. 2,500 Lakhs, National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India and insurance funds set up and managed by army, navy or air force of Union of India.	SEBI, which are foreign corporate or foreign individuals.	
Terms of Payment	The entire Bid Amount shall be payable at the time of submission of Bid-cum-Application Form to the members of the Syndicate. In case of ASBA Bidders, the SCSBs shall be authorised to block the Bid Amount in the ASBA Accounts that are specified in the ASBA Form.# #		

\# *Our Company may allocate 30% of the QIB Portion to Anchor Investors on descritionary basis. The QIB Portion includes Anchor Investor Portion, as per the SEBI (ICDR) Regulations. Anchor Investor Margin Amount shall be payable at the time of submission of the application form by the Anchor Investor. 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. For further details, please refer to section titled "Issue Procedure" beginning on page 392 of the Draft Red Herring Prospectus.*

\## *In case of ASBA Bidders, the SCSB 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.

1) Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in QIBs, Non-Institutional and Retail Individual categories would be allowed to be met with spill over inter-se from any other categories, at the sole discretion of our Company in consultation with the BRLM and the Designated Stock Exchange and subject to applicable provisions of SEBI (ICDR) Regulations. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines. For further details, please refer to section titled "Issue Procedure" beginning on page 392 of the Draft Red Herring Prospectus.

   If the Pre-IPO Placement is completed, the number of Equity Shares to be allotted to QIBs, Retail Individual Bidders and Non-Institutional Bidders will be reduced to the extent of the Equity Shares proposed to be allotted in the Pre-IPO Placement, subject to the Issue being atleast 25% of the fully diluted post-Issue paid up capital of our Company.

2) 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 the names are in the same sequence in which they appear in the Bid-cum-Application Form.

ISSUE PROCEDURE

This section applies to all Bidders. Please note that all Bidders, other than Anchor Investors can participate in the Issue through the ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to 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 the full Bid Amount or instruct the relevant SCSB to block the full Bid Amount along with the Bid-cum-Application Form.

Our Company and the BRLM are not liable for any amendments, modifications or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus.

Book Building Procedure

The Issue is being made through the Book Building Process wherein not more than 50% of the Issue shall be available for allocation to Qualified Institutional Buyers on a proportionate basis. Out of the Net QIB Portion 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for Allotment on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue would be available for allocation to Non-Institutional Bidders and not less than 35% of the Issue would be available for allocation to Retail Individual Bidders on a proportionate basis, subject to valid bids being received from them at or above the Issue Price.

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. Only QIBs can participate in the Anchor Investor Portion. Allocation to Anchor Investors will be discretionary and not on a proportionate basis. For further details in relation to participation in the Anchor Investor Portion, please refer to "Bids under the Anchor Investor Portion" beginning on page 396 of the Draft Red Herring Prospectus.

All Bidders other than ASBA Bidders are required to submit their Bids through the Syndicate. ASBA Bidders are required to submit their Bids to the SCSBs. Bids by QIBs will only have to be submitted through the BRLM or its affiliates or the Syndicate Members. The QIBs who bid through the ASBA process shall submit their Bids to the designated branch of the SCSBs and should intimate the BRLM. In case of QIB Bidders, our Company, in consultation with the BRLM may reject Bids at the time of acceptance of the Bid-cum-Application Form for reasons to recorded in writing and the reasons thereof shall be disclosed to such Bidder. In the cases of Non-Institutional Bidders and Retail Individual Bidders, our Company will have a right to reject the Bids only on technical grounds.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid-cum-Application Forms which do not have the details of the Bidders' depository account, including the DP ID Numbers and the beneficiary account number, shall be treated as incomplete and rejected. Bid-cum-Application Forms which do not have the details of the Bidders' PAN, (other than Bids made on behalf of the Central and the State Governments, residents of the state of Sikkim and official appointed by the courts) shall be treated as incomplete and are liable to be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Bid-cum-Application Form

Bidders (other than the ASBA Bidders) shall only use the specified Bid-cum-Application Form bearing the stamp of a Syndicate for the purpose of making a Bid. The Bidders shall have the option to make a maximum of three (3) Bids in the Bid-cum-Application Form and such options shall not be considered as multiple Bids. The Bid-Cum-Application Form shall be serially numbered and date and time stamped at the Bidding Centres and such form shall be issued in duplicate signed by the Bidder and countersigned by the relevant Syndicate.

ASBA Bidders shall submit an ASBA Bid-cum-Application Form either in physical or electronic form to the SCSB with whom the ASBA Account is maintained. The QIBs who bid through the ASBA process shall submit their Bids to the designated branch of the SCSBs and should intimate the BRLM.

Upon the allocation of Equity Shares, dispatch of the CAN and filing of the Prospectus with the RoC, the Bid-cum-Application Form shall be considered as the Application Form. Upon completion and submission the Bid-cum-Application Form to the Syndicate (and in the case of an ASBA Bid-cum-Application form, to the SCSB) the Bidder is deemed to have authorized us to make the necessary changes in the Red Herring Prospectus and the Bid-cum-Application Form as would be required 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.

The prescribed colour of the Bid-cum-Application Form for the various categories is as follows:

Category	Colour of Bid-cum-Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis	[●]
Eligible NRIs, FIIs or Foreign Venture Capital Funds, registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis	[●]
ASBA Bidders	
Residential ASBA Bidders	[●]
Non-resident ASBA Bidders	[●]
Anchor Investors*	[●]

* *Bid-cum-Application forms for Anchor Investors shall be made available at the office of the BRLM and at the Syndicate Members.*

Who can Bid?

1. Indian nationals resident in India who are majors, in single or joint names (not more than three);
2. 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 the Karta XYZ”, where XYZ is the name of the Karta. Bids by HUFs would be considered at par with those from individuals;
3. Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in equity shares;
4. Mutual Funds registered with SEBI;
5. Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI regulations and SEBI regulations, as applicable);
6. Multilateral and bilateral development financial institution;
7. Venture capital funds registered with SEBI;
8. Foreign venture capital investors registered with SEBI subject to compliance with applicable laws, rules, regulations, guidelines and approvals in the Issue;
9. FIIs and sub-accounts registered with SEBI other than a sub-account which is a foreign corporate or foreign individual subject to compliance with applicable laws, rules, regulations, guidelines and approvals in the Issue;
10. Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Bidders category;
11. State Industrial Development Corporations;

12. Insurance companies registered with the Insurance Regulatory and Development Authority;
13. Provident funds with a minimum corpus of Rs. 2,500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
14. Pension funds a with minimum corpus of Rs. 2,500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
15. National Investment Fund set up by resolution F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
16. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts and who are authorized under their respective constitutions to hold and invest in equity shares;
17. Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to applicable local laws. NRIs other than Eligible NRIs are not eligible to participate in the Issue;
18. Scientific and/or industrial research organizations authorized under their constitution to invest in equity shares;
19. Insurance funds set up and managed by army, navy or air force of the Union of India; and
20. Any other QIBs permitted to invest, subject to compliance with applicable laws, rules, regulations, guidelines and approvals in the Issue.

As per the existing regulations, OCBs are not eligible to participate in the 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.

The information below is given for the benefit of the Bidders. Our Company and the BRLM do not accept responsibility for the completeness and accuracy of the information stated. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus..

Participation by associates and affiliates of BRLM and the Syndicate Member

The BRLM and the Syndicate Member shall not be allowed to subscribe to the Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLM and the Syndicate Member may subscribe for Equity Shares in the Issue, including in the Net QIB Portion and Non-Institutional Portion as may be applicable to such Bidder. Allotment to all investors including associates/affiliates of the BRLM and Syndicate Members respectively shall be on a proportionate basis.Such bidding and subscription may be on their own account or on behalf of their clients.

The BRLM and any persons related to the BRLM or the Syndicate Members, the Promoter and the Promoter Group cannot apply in the Issue under the Anchor Investor Portion in any manner.

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 Draft Red Herring Prospectus.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand is greater than [●] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion.

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.

In accordance with current regulations, the following restrictions are applicable for investments by Mutual Funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the equity shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights. These limits would have to be adhered to by the mutual funds for investment in the Issue. 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 Eligible NRIs

Bid-cum-Application forms ([●] in colour) have been made available for Eligible NRIs at the Registered and Corporate Office of our Company, BRLM with Syndicate Members and with select Members of the Syndicate and Registrar to the Issue. .

Eligible NRIs may please note that only such applications as are accompanied by payment in free foreign exchange or by debit to their Non Resident External (NRE) / Foreign Currency Non Resident (FCNR) accounts shall be considered for Allotment under the Eligible NRI category on repatriable basis. Eligible NRIs intending to participate in the bidding process shall ensure that their foreign address is registered with their depository participant or furnished on the Bid-cum-Application form. Post Allotment, if any, on repatriable basis, our Company is required to file FC-GPR with the Reserve Bank of India through an authorised dealer along with a KYC (Know Your Client) report issued by their banker. Eligible NRIs who may be Allotted Equity Shares of our Company in the Issue are required to facilitate the issue of the above said report to be furnished to RBI. The NRIs who intend to make payment through Non-Resident Ordinary (NRO) i.e. on non repatriation basis accounts shall use the Bid-cum-Application Form meant for Resident Indians ([●] in colour) and shall not use the forms meant for Eligible NRIs ([●] in colour). All instruments accompanying bids shall be payable in Mumbai only.

Bids by Eligible NRIs for a Bid Amount of up to Rs. 1,00,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than Rs. 1,00,000 would be considered under Non- Institutional Portion for the purposes of allocation.

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The Issue of Equity Shares to a single FII should not exceed 10% of the total post-Issue paid-up share capital of our Company. In respect of a FII investing in Equity Shares of our Company on behalf of its sub-accounts (other than Sub-Accounts which are foreign corporate or foreign individuals bidding under the QIB Portion), the investment on behalf of each sub-account shall not exceed 10% of the total post Issue paid-up share capital of our Company or 5% of our total post-Issue paid up share capital in case such sub-account is a foreign corporate or foreign individual. As of now, in accordance with the foreign investment limits applicable to us, and pursuant to a resolution passed by our Shareholders in the EGM held on August 31, 2010, the aggregate FII holding can go up to 100% of the total post-Issue paid-up share capital of our Company.

A sub account of a FII which is a foreign corporate or foreign individual shall not be considered to be a Qualified Institutional Buyer, as defined under the SEBI Regulations, for the Issue.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended (the "SEBI FII Regulations"), an FII or its sub-account may issue, deal or hold, 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 or sub-account is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII Regulations. Associates and affiliates of the underwriters including the BRLM and the Syndicate Member that are FIIs may issue offshore derivative instruments against Equity Shares allocated to them in the Issue. Any such offshore derivative instrument does not constitute any obligation of, claim on or an interest in our Company.

Bids by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 *inter alia* prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, the holding by any individual venture capital fund registered with SEBI should not exceed 25% of its corpus. However, venture capital funds or foreign venture capital investors can invest only upto 33.33% of their respective investible funds in various prescribed instruments, including in initial public offers.

Bids under the Anchor Investor Portion

Our Company may, in consultation with the BRLM, consider participation by Anchor Investors in the Issue for upto 13,20,000 Equity Shares in accordance with the applicable SEBI (ICDR) Regulations. The QIB Portion shall be reduced in proportion to the allocation under the Anchor Investor category. 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. The key terms for participation in the Anchor Investor Portion are as follows:

a. Anchor Investors shall be QIBs as defined in the SEBI (ICDR) Regulations;

b. A Bid by an Anchor Investor must be for a minimum of such number of Equity Shares that the Bid Amount exceeds Rs. 1,000 Lakhs and in multiples of [●] Equity Shares thereafter. Anchor Investors cannot submit a Bid 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 Rs. 1000 Lakhs.

c. One-third of the Anchor Investor Portion (i.e., 4,40,000 Equity Shares) shall be reserved for allocation to domestic Mutual Funds.

d. The minimum number of allotees in the Anchor Investor Portion shall not be less than:
   - Two, where the allocation under Anchor Investor Portion is upto Rs. 25,000 Lakhs; and
   - Five, where the allocation under Anchor Investor Portion is more than Rs. 25,000 Lakhs.

e. Anchor Investors shall be allowed to Bid under the Anchor Investor only on the Anchor Investor Bidding Date (i.e., one (1) working day prior to the Bid / Issue Opening Date). Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date.

f. Our Company shall, in consultation with the BRLM, finalise allocation to the Anchor Investors on a discretionary basis, subject to compliance with requirements regarding minimum number of Allottees under the Anchor Investor Portion.

g. Allocation to Anchor Investors shall be completed on the day of bidding by Anchor Investors.

h. The number of Equity Shares allocated to successful Anchor Investors and the price at which the allocation is made, shall be made available in public domain by the BRLM before opening of Bidding on the Bid/Issue Opening Date.

i. Anchor Investors shall pay the entire Bid Amount at the time of submission of their Bid. In case the Issue Price is greater than the Anchor Investor Price, any additional amount being the difference between the Issue Price and Anchor Investor Price shall be payable by the Anchor Investors. In the event the Issue Price is lower than the Anchor Investor Price, the allotment to Anchor Investors shall be at Anchor Investor Price.

j. The Equity Shares allotted in the Anchor Investor Portion shall be locked-in for a period of thiry (30) days from the date of Allotment in the Issue.

k. Neither the BRLM, nor any person related to the BRLM, our Promoter, members of our Promoter Group or Group Companies, shall participate in the Anchor Investor Portion.

l. Bids made by QIBs under both the Anchor Investor Portion and the Net QIB Portion shall not be considered as multiple Bids.

m. The instruments for payment into the Escrow Account should be drawn in favour of:
   - In case of Resident Anchor Investors: "**Unijules Public Issue – Escrow Account – Anchor Investor – R**";
   - In case of Non-Resident Anchor Investor: "**Unijules Public Issue – Escrow Account – Anchor Investor – NR**"

Additional details, if any, regarding participation in the Issue under the Anchor Investor Portion shall be disclosed in the advertisement for the Price Band published by our Company, in one English national daily newspaper, one Hindi national daily newspaper and one regional daily newspaper with wide circulation, where the Registered Office of our Company is situated, at least two (2) Working Days prior to the Bid / Issue Opening Date.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and 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 Draft Red Herring Prospectus.

Maximum and Minimum Bid Size

1) **For Retail Individual Bidders:** The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs.100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs.100,000. Where the Bid Amount is over Rs.100,000 due to a revision in the Bid or a revision in the Price Band or upon exercise of the option to bid at Cut-off Price, the Bid would be considered for allocation under the Non-Institutional Portion. The Cut-off Price option is given only to Retail Individual Bidders indicating their agreement to the Bid and to acquire the Equity Shares at the Issue Price as determined at the end of the Book Building Process.

2) **For Non-Institutional Bidders and QIBs Bidders:** The Bid must be for a minimum of such Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than the size of the Issue. However, the maximum Bid by a QIB should not exceed the investment limits prescribed for them by the regulatory or statutory authorities governing them. Under SEBI (ICDR) Regulations, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date, as applicable and is required to pay the entire Bid Amount upon submission of Bid.

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 100,000 to be considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 100,000 or less due to a revision in the Bids or a revision in the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Non-Institutional Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIB Bidders are not allowed to Bid at Cut-off Price.

3) **For Bidders in the Anchor Investor Portion:** Only QIBs can participate in the Anchor Investor Portion. The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount is for Rs. 1,000 Lakhs or more and in multiples of [●] Equity Shares thereafter. Bids by Anchor Investors under the Anchor Investor Portion and in the Net QIB Portion shall not be considered as multiple Bids. A Bid cannot be submitted for more than 30% of the QIB Portion. **Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/ Issue Period and are required to pay the entire Bid amount at the time of submission of the Bid.**

   If the Issue Price is higher 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. If the Issue Price is lower than the Anchor Investor Issue Price, the Allotment to Anchor Investors shall be at the Anchor Investor Issue Price.

The maximum and minimum bid size applicable to a QIB, Retail Individual Bidder or a Non-Institutional Bidder shall be applicable to an ASBA Bidder in accordance with the category that such ASBA Bidder falls under.

Bidders are advised to make independent queries 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 Draft Red Herring Prospectus.

Refund amounts following a permitted withdrawal of a Bid shall be paid in the manner described in the section "Issue Procedure - Payment of Refund" beginning on page 392 of the Draft Red Herring Prospectus.

Information for Bidders

1. Our Company and the BRLM shall declare the Bid/Issue Opening Date and the Bid/Issue Closing Date in the Red Herring Prospectus to be registered with the RoC and also publish the same in two national daily newspapers (one each in English and Hindi) and in one regional daily newspaper with wide circulation, where the Registered Office of our Company is situated. This advertisement shall be in the prescribed format.

2. Our Company will file the Red Herring Prospectus with the ROC at least three (3) Working Days prior to the Bid/ Issue Opening Date.

3. The BRLM shall dispatch the Red Herring Prospectus and other issue material including ASBA Forms, to the Designated Stock Exchange, members of the Syndicate, Bankers to the Issue, investors' associations and SCSBs in advance.

4. The Bidding Period shall be for a minimum of three (3) Working Days. In case the Price Band is revised, the Bidding Period shall be extended, by an atleast additional three (3) Working Days, subject to the total Bidding Period not exceeding ten (10) Working Days. The revised Price Band and Bidding Period will be widely disseminated by notification to the SCSBs and Stock Exchanges, and by publishing in two (2) national newspapers (one each in English and Hindi) and one (1) regional newspaper, each with wide circulation in the place where our regsitered Office is situated and also by indicating the change on the websites of the BRLM and at the terminals of the members of the Syndicate.

5. The Syndicate and the SCSBs, as applicable, will circulate copies of the the Bid-cum-Application Form to potential investors and at the request of potential investors, copies of the Red Herring Prospectus. The SCSB shall ensure that the abridged prospectus is made available on its website.

6. Any Bidder (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and / or the Bid-cum-Application Form can obtain the same from our Registered Office or Corporate Office or from the members of the Syndicate or the SCSBs.

7. Eligible Bidders who are interested in subscribing the Equity Shares should approach the members of the Syndicate or the SCSBs (as applicable) to register their Bid. The Members of the Syndicate shall accept Bids from the Bidder during the Issue Period in accordance with the terms of the Syndicate Agreement. The Bids should be submitted on the prescribed Bid-Cum-Application Form only. Bid-cum-Application Forms should bear the stamp of the members of the Syndicate. Bid-cum-Application Forms, which do not bear the stamp of the members of the Syndicate, will be rejected.

8. Bidders can also approach the Designated Branch of the SCSBs to register their Bids under the ASBA process.

9. ASBA Bidders who would like to obtain the Red Herring Prospectus and / or the ASBA Form can obtain the same from the Designated Branches or the BRLM. ASBA Bidders can also obtain a copy of the Red Herring Prospectus on the website of our Company and the website of the BRLM as also the website of SEBI and / or the ASBA Form in electronic form on the websites of the SCSBs.

10. The ASBA Bid-cum-Application form shall be available on the websites of the Stock Exchanges, BRLM and SCSBs atleast one (1) Working Day befor the Bid/Issue Opening Date.

11. The BRLM shall ensure that adequate arrangements are made to circulate copies of the Red Herring Prospectus and ASBA Forms to the SCSBs. The SCSBs will then make available such copies to investors intending to apply in the Issue through the ASBA process. Additionally, the BRLM shall ensure that the SCSBs are provided with soft copies of the abridged prospectus as well as the ASBA Forms and that the same are made available on the websites of the SCSBs.

12. ASBA Bidders shall correctly mention the bank account number in the ASBA Bid-cum-Application Form and ensure that funds equal to the Bid Amount are available in the bank account maintained with the SCSBs before submitting the ASBA Bid-cum-Application Form to the respective Designated Branch.

13. The Bids should be submitted to the SCSBs on the prescribed ASBA Form if applied in physical mode. SCSBs may provide the electronic mode of bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the ASBA Account.

14. The SCSBs shall accept Bids only during the Bidding Period and only from the ASBA Bidders.

15. The Bids should be submitted on the prescribed Bid-cum-Application Form only. Bid-cum-Application Forms (other than the ASBA Bid-cum-Application Form) should bear the stamp of the BRLM or Syndicate Member otherwise they will be rejected. Bid-cum-Application Forms which do not bear the stamp of a Syndicate Member will be rejected. ASBA Form should bear the code of the Syndicate Member and/or Designated Branch of the SCSB. Bids by ASBA Bidders shall be accepted by the Designated Branches of SCSBs in accordance with the SEBI (ICDR) Regulations and any circulars issued by SEBI in this regard. Bidders applying through the ASBA process also have an option to submit the ASBA Bid-cum-Application Form in electronic form.

16. ASBA Bidders shall correctly mention their DP ID and Client ID in the ASBA Form. For the purpose of evaluating the validity of Bids, the demographic details of ASBA Bidders shall be derived from the DP ID and Client ID mentioned in the ASBA Form.

17. The Bids should be submitted to the SCSBs on the prescribed ASBA Form if applied in physical mode. SCSBs may provide the electronic mode of bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the ASBA Account.

18. The Price Band will be decided by our Company in consultation with the BRLM at least two (2) Working Days prior to the opening of the Issue and shall be published in two (2) national newspapers (one each in English and Hindi) and one (1) regional daily newspaper, with wide circulation in the place where our Registered Office is situated. Further, it shall also be displayed on the website of our Company, www.unijules.com. The Bidders can Bid at any price within the Price Band, in multiples of [●] Equity Shares. In accordance with the SEBI (ICDR) Regulations, our Company, in consultation with the BRLM, and without prior intimation or approval from the Bidders, reserves the right to revise the Price Band during the Bidding/Issue Period. The cap on the Price Band will not be more than 120% of the floor of the Price Band.

19. In case the Price Band is revised, the Bidding/Issue Period shall be extended, by an additional three (3) Working Days, subject to the total Bidding/Issue Period not exceeding ten (10) Business Days. The revised Price Band and Bidding/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, and by publishing in two (2) national newspapers (one each in English and Hindi) and one (1) regional daily newspaper, with wide circulation in the place where our Registered Office is situated and also by indicating the change on the websites of the BRLM and at the terminals of the Members of Syndicate.

20. Our Company in consultation with the BRLM, shall finalise the Anchor Investor Allocation Price within the Price Band, without the prior approval of the Anchor Investors.

21. Our Company in consultation with the BRLM, shall finalise the Issue Price within the Price Band, without the prior approval of, or intimation to, the Bidders.

Bidders may note that in case the Depository Participant identification number, client identification number of the demat account of the Bidder, and PAN mentioned in the Bid-cum-Application Form or the ASBA Form, as the case may be and entered into the electronic bidding system of the Stock Exchanges by the Members of Syndicate do not match with the Depository Participant identification number, client identification number of the demat account of the Bidder, and PAN available in the Depository database, the application Bid-cum-Application Form or the ASBA Form, as the case may be is liable to be rejected. With effect from August 16, 2010, the demat accounts for Bidders for which PAN details have not been verified shall be "suspended credit" and no credit of Equity Shares pursuant to the Issue shall be made into accounts of such Bidders.

Method and Process of Bidding

1. Our Company in consultation with the BRLM shall decide and declare the Bid/Issue Opening Date, the Bid/Issue Closing Date and the Price Band, the minimum Bid lot size for the Issue in the Red Herring Prospectus to be filed with the RoC and also publish the same in national newspapers i.e. one English national daily newspaper, one Hindi national daily newspaper and one regional daily newspaper with wide circulation, where the Registered Office of our Company is situated. The Price Band and the minimum Bid lot size for the Issue will be decided by our Company, in consultation with the BRLM, and published in national newspapers (one each in English and Hindi) and in a regional daily newspaper with wide circulation where the Registered Office of our Company is situated, at least two (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. The Price Band and the minimum Bid Lot for the

Issue will be decided by our Company in consultation with the BRLM including the relevant financial ratios computed for both the Cap Price and Floor Price. The Syndicate and the SCSBs shall accept Bids from the Bidders during the Bid/Issue Period. The BRLM and Syndicate Members shall accept Bids from the Bidders during the Bid/Issue Period in accordance with the terms of the Syndicate Agreement.

2. The Bid/Issue Period shall be a minimum of three (3) Working Days and not exceeding ten (10) Working Days (including the days for which the Issue is open in case of revision in Price Band). In case the Price Band is revised, the revised Price Band and Bid/Issue Period will be published in one English national daily, one Hindi national daily and one regional daily newspaper with wide circulation where the Registered Office of our Company is situated and also by indicating the change on the websites of the BRLM and at the terminals of the members of the Syndicate. The Bid/Issue Period may be extended, if required, by an additional three (3) Working Days, subject to the total Bid/Issue Period not exceeding ten Working Days.

3. Each Bid-cum-Application Form will give the Bidder the choice to bid for upto three optional prices (for details refer to the paragraph entitled "Bids at Different Price Levels" below) and specify the demand (i.e. the number of Equity Shares bid for) in each option. The price and demand options submitted by the Bidder in the Bid-cum-Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.

   The Bidder cannot Bid on another Bid-cum-Application Form after his or her Bids on one (1) Bid-cum-Application Form have been submitted to any member of the Syndicate or the SCSBs. Submission of a second Bid-cum-Application Form to either the same or to another member of the Syndicate or SCSBs will be treated as multiple Bids and is 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 Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph titled "Build up of the Book and Revision of Bids".

4. Except in relation to Bids received from the Anchor Investors, the members of the Syndicate/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 give the same to the Bidder. Therefore, a Bidder can receive upto three (3) TRSs for each Bid-cum-Application Form.

5. The BRLM shall accept Bids from the Anchor Investors during the Anchor Investor Bid/Issue Period i.e. one (1) Working Day prior to the Bid/ Issue Opening Date. Bids by QIBs under the Anchor Investor Portion and in the Net QIB Portion shall not be considered as multiple Bids.

6. During the Bid/Issue Period, Bidders (other than QIBs) may approach any of the member of the Syndicate to submit their Bid. The member of the Syndicate shall accept Bids from all the Bidders and shall have the right to vet the Bids in accordance with the terms of the Syndicate Agreement and the Red Herring Prospectus. Bidders (other than Anchor Investors) who wish to use the ASBA process should approach the Designated Branches of the SCSBs to register their Bids.

7. Along with the Bid-cum-Application Form, all Bidders (other than ASBA Bidders) will make payment in the manner described under the paragraph titled 'Payment Instructions' beginning on page 413 of the Draft Red Herring Prospectus.

8. Upon 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.

9. 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.

10. 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 and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.

11. The Designated Branches of the SCSBs shall give an acknowledgment specifying the application number to the ASBA Bidders as a proof of acceptance of the ASBA Form. Such acknowledgment does not in any manner guarantee that the Equity Shares Bid for shall be Allocated to the ASBA Bidders.

12. The ASBA Form should not be accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account.

13. The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis 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 SCSBs 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.

14. Not more than five (5) ASBA Forms can be submitted when utilizing an ASBA Account.

15. The identity of the QIB Bidders shall not be made public.

Bids at Different Price Levels and Revision of Bids

The Bidders can Bid at any price within the Price Band, in multiples of Re. 1. The Price Band and the minimum Bid Lot Size for the Issue shall be decided by our Company, in consultation with the BRLM, and advertised in three (3) national newspapers (one in English, one in Hindi, and in one regional daily newspaper, with wide circulation, where the Registered Office of our Company is situated,) at least two (2) Working Days prior to the Bid/Issue Opening Date.

1. The Price Band has been fixed at Rs. [●] to Rs. [●] per Equity Share, Rs.[●] being the Floor Price and Rs.[●] being the Cap Price. The Bidders can Bid at any price within the Price Band in multiples of Re.1.

2. In accordance with SEBI (ICDR) Regulations, our Company, in consultation with the BRLM, and without the prior approval reserves the right to revise the Price Band during the Bid/Issue Period, provided the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price disclosed at least two (2) Working Days prior to the Bid/ Issue Opening Date and the Cap Price will be revised accordingly.

3. In case of a revision of the Price Band (the Floor Price can move up or down to the extent of 20% of the Floor Price), the Bidding/Issue Period shall be extended for atleast three (3) additional working Days, subject to a maximum of ten (10) Working Days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to the NSE and the BSE, by issuing a public notice in two (2) widely circulated national newspapers (one each in English and Hindi) and one (1) regional daily newspaper each of wide circulation where the

Registered Office of our Company is situated and also by indicating the change on the websites of the BRLM and at the terminals of the Members of Syndicate.

4. Our Company in consultation with the BRLM can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.

5. Our Company, in consultation with the BRLM, can finalise the Anchor Investor Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Anchor Investors.

6. Bidders can bid at any price within the Price Band. Bidders have to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders applying for a maximum Bid in any of the bidding options not exceeding Rs. 100,000 may bid at Cut-off Price. However, bidding at Cut-off Price is prohibited for QIBs and Non-Institutional Bidders and such Bids from QIBs and Non-Institutional Bidders shall be rejected.

7. Retail Individual Bidders who Bid at the Cut-off Price agree that they shall acquire the 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. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders who Bid at Cut-off Price (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), the Retail Individual Bidders, who Bid at Cut-off Price, shall receive the refund of the excess amounts from the Refund Account(s). In case of ASBA Bidder bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block amount based on the Cap Price.

8. 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) make additional payment based on the cap of the revised Price Band, with the members of the Syndicate or the SCSBs to whom the original Bid was submitted. In case the total amount (i.e. original Bid Amount plus additional payment) exceeds Rs. 100,000, the Bid will be considered for allocation under the Non Institutional Bidders category in terms of the Draft 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 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.

9. In case of a downward revision in the Price Band, 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 Refund Account(s) or unblocked by the SCSBs, as applicable.

10. Our Company, in consultation with the BRLM, shall decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of Rs. 5,000 to Rs. 7,000.

11. 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 Syndicate. It is the Bidder's responsibility to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.

IN ACCORDANCE WITH THE SEBI (ICDR) REGULATIONS, EQUITY SHARES WILL BE ISSUED, TRANSFERRED AND ALLOTMENT SHALL BE MADE ONLY IN THE DEMATERIALISED FORM TO THE ALLOTTEES. ALLOTTEES WILL HAVE THE OPTION TO RE-MATERIALISE THE EQUITY SHARES, IF THEY SO DESIRE, AS PER THE PROVISIONS OF THE COMPANIES ACT AND THE DEPOSITORIES ACT IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND

BENEFICIARY ACCOUNT NUMBER IN THE BID-CUM-APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID-CUM-APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID-CUM-APPLICATION FORM IS SUBMITTED IN JOINT NAMES, 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.

The trading of the Equity Shares of our Company would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges. 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 the relevant laws, rules, regulations, guidelines and approvals.

Escrow Mechanism, terms of payment and payment into the Escrow Accounts

For details of the escrow mechanism and payment instructions, please refer to section titled "Issue Procedure – Payment Instructions" beginning on page 392 of the Draft Red Herring Prospectus.

Electronic Registration of Bids

(a) The members of the Syndicate and the SCSBs will register the Bids using the on-line facilities of the Stock Exchanges. There will be at least one on-line connectivity to each city where a stock exchange is located in India and where the Bids are being accepted. The BRLM, our Company and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the members of the Syndicate and the SCSBs, (ii) the Bids uploaded by the members of the Syndicate and the SCSBs, (iii) the Bids accepted but not uploaded by the members of the Syndicate and the SCSBs or (iv) with respect to ASBA Bids, Bids accepted and uploaded without blocking funds in the ASBA Accounts. However, the respective member of the Syndicate and / or the SCSBs shall be responsible for any errors in the Bid details uploaded by them. It shall be presumed that for the Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant ASBA Account.

(b) The Syndicate and the SCSBs will undertake modification of selected fields in the Bid details already uploaded within one Working Day from the Bid/Issue Closing Date.

(c) The Stock Exchanges will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate, their authorized agents and the SCSBs during the Bid/Issue Period. The Syndicate Member and the Designated Branches can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently download the off-line data file into the on-line facilities for book building on a regular basis. On the Bid/Issue Closing Date, the members of the Syndicate and the Designated Branches of the SCSBs shall upload the Bids till such time as may be permitted by the Stock Exchanges. This information will be available with the BRLM on a regular basis. Bidders are cautioned that a high inflow of bids typically experienced on the last day of the bidding may lead to some Bids received on the last day not being uploaded due to lack of sufficient uploading time, and such bids that could not 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 aggregate demand and price for Bids registered on the electronic facilities of NSE and BSE will be downloaded on a regular basis, consolidated and displayed on-line at all bidding centers. A graphical representation of the consolidated demand and price would be made available at the bidding centers and the websites of the Stock Exchanges during the Bid/Issue Period along with category wise details.

(e) At the time of registering each Bid (other than ASBA Bidder), the member of the Syndicate shall enter the following details of the Bidder in the on-line system:

- Name of the Bidder(s): Bidders should ensure that the name given in the Bid-cum-Application Form is exactly the same as the name in which the Depository Account is held. In case the Bid-cum-Application Form is submitted in joint names, Bidders should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid-cum-Application Form;
- Investor Category such as Individual, Corporate, NRI, FII or Mutual Fund, etc.;
- Numbers of Equity Shares Bid for;
- Bid Amount;
- Price option;
- Cheque Amount;
- Cheque Number;
- Bid-cum-Application Form number;
- Depository Participant Identification Number and Client Identification Number of the Demat Account of the Bidder; and
- PAN, except for Bids on behalf of the Central and State Governments, residents of the state of Sikkim and officials appointed by the courts

With respect to ASBA Bids, at the time of registering each Bid, the Designated Branches of the SCSBs shall enter the following information pertaining to the Bidder into the electronic bidding system:

- Name of the Bidder(s).
- ASBA Bid-cum-Application Form Number.
- PAN (of First Bidder if more than one Bidder)
- Investor Category and Sub-Category:

Retail	Non-institutional	QIBs
(No sub category)	-Individual - Corporate - Other	- Mutual Funds - Financial Institutions - Insurance companies - Foreign Institutional Investors other than corporate and individual - Sub- accounts

- DP ID and client identification number
- Quantity
- Price
- Bank Account Number
- Cheque Number
- Cheque Amount

(f) A system generated TRS 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 request and obtain the TRS from the member of the Syndicate or the Designated Branches of the SCSBs.** The registration of the Bid by the member of the Syndicate or the Designated Braches of the SCSBs does not guarantee that the Equity Shares shall be allocated either by the BRLM or the Syndicate Member or our Company.

(g) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(h) In case of QIB Bidders, bidding in the Net QIB Portion, the BRLM or Syndicate Members can reject the Bids at the time of accepting the Bid provided that the reason for such rejection is provided in writing. Bids under the Non-Institutional Portion and Bids under the Retail Individual Portion would not be rejected except on the technical grounds listed in the Draft Red Herring Prospectus. The members of the Syndicate may also reject Bids if all the information required is not provided and the Bid-cum-Application Form is incomplete in any respect. The SCSB shall have no right to reject Bids except on technical grounds.

(i) It is to be distinctly understood that 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 the BRLM 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 Promoter, 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 Draft Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

(j) 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 will be given upto one day after the Bid/Issue Closing Date to verify DP ID and Client ID uploaded in the online IPO system during the Bid/Issue Period after which the data will be sent to the Registrar to the Issue for reconciliation and Allotment of Equity Shares. In case of discrepancy of data between BSE or NSE and the members of the Syndicate or the Designated Branches of the SCSBs, the decision of our Company, in consultation with the BRLM and the Registrar to the Issue, shall be final and binding on all concerned.

(k) Details of Bids in the Anchor Investor Portion will not be registered on the on-line facilities of electronic facilities of BSE and NSE. In the event such Bid Amount has not been blocked, the Anchor Investor's Bid shall be rejected.

Build Up of the Book and Revision of Bids

(a) Bids registered by various Bidders through the members of the Syndicate and SCSBs shall be electronically transmitted to the NSE or BSE mainframe on a regular basis.

(b) The book gets built up at various price levels. This information will be available with the BRLM on a regular basis at the end of the Bid/Issue Period.

(c) During the Bidding Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the price band using the printed Revision Form, which is a part of the Bid-cum-Application Form.

(d) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid-cum-Application Form or earlier Revision Form. For example, if a Bidder has bid for three options in the Bid-cum-Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed, in the Revision Form. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate and the Designated Branches of the SCSBs.

(e) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) of the Bid, the Bidders will have to use the services of the same members of the Syndicate or the SCSB through whom the Bidder had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

(f) 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 Rs. 1,00,000 if the Bidder wants to continue to Bid at Cut-off Price), with the members of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 1,00,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the Draft 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.

(g) 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 Refund Account.

(h) Our Company in consultation with the BRLM, shall decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of Rs. 5,000 to Rs. 7,000.

(i) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of the Red Herring Prospectus. With respect to the ASBA Bids, if revision of the Bids results in an incremental amount, the relevant SCSB shall block the additional Bid amount. 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 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 to the Issue will reconcile the Bid data and consider the revised Bid data for preparing the Basis of Allotment.

(j) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the member of the Syndicate or SCSBs, 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) The Syndicate Members may modify selected fields (viz. DP ID and Client ID) in the Bid details already uploaded within one working day post the Bid/Issue Closing Date.

Price Discovery and Allocation

After the Bid/Issue Closing Date, the BRLM will analyze the demand generated at various price levels and discuss pricing strategy with our Company. Our Company, in consultation with BRLM, shall finalise the Issue Price, the number of Equity Shares to be allotted and the allocation to successful Bidders.

(a) Not more than 50% of the Issue (including 5% of Net QIB Portion specifically reserved for Mutual Funds) would be available for allocation on a proportionate basis to QIBs after consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price. Upto 30% of the QIB Portion shall be available for allocation to Anchor Investors and one-third of the Anchor Investor Portion shall be available for allocation to domestic Mutual Funds.

(b) Not less than 15% and not less than 35% of the Issue, would be available for allocation on a proportionate basis to Non-Institutional Bidders and Retail Individual Bidders, respectively, in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.

(c) Undersubscription, 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 in consultation with the BRLM and the Designated Stock Exchange. However, if the aggregate demand by Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the Net QIB Portion and be allocated proportionately to the QIB Bidders. In the event that the aggregate demand in the Net QIB Portion has not 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 BRLM.

(d) Allocation to Anchor Investors shall be at the discretion of our Company in consultation with the BRLM, subject to compliance with the SEBI (ICDR) Regulations. In the event of undersubscription in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion.

(e) Allocation to Eligible NRIs or FIIs or Foreign Venture Capital Investor registered with SEBI, Multilateral and Bilateral Development Financial Institutions applying on repatriation basis will be subject to applicable laws, rules, regulations, guidelines and approvals.

(f) Our Company reserves the right to cancel the Issue any time after the Bid/Issue Closing Date but before Allotment and the reasons thereof shall be given as a public notice within two days of the cancellation of the Bid/Issue Closing Date. The public notice will be issued in the same newspapers where the statutory pre-Issue advertisements had appeared. Further the Stock Exchanges will also be informed promptly.

(g) In terms of SEBI (ICDR) Regulations, QIB Bidders bidding in the Net QIB Portion shall not be allowed to withdraw their Bid after the Bid/ Issue Closing Date.

(h) If the Issue Price is higher than the Anchor Investor Allocation Price, the additional amount shall be paid by the Anchor Investors. However, if the Issue Price is lower than the Anchor Investor Allocation Price, the difference shall not be payable to the Anchor Investors.

(i) The Basis of Allotment details shall be put up on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and RoC Filing

(a) Our Company, the BRLM and the Syndicate Members shall enter into an Underwriting Agreement on finalization of the Issue Price and allocation(s) to the Bidders.

(b) After signing the Underwriting Agreement, our Company and the BRLM would update and file the updated Red Herring Prospectus with RoC, 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.

Filing with the ROC

We will file a copy of the Red Herring Prospectus and Prospectus with the RoC in terms of Section 56, Section 60 and Section 60B of the Companies Act.

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 SEBI (ICDR) Regulations, in one English language national daily newspaper, one Hindi language national daily newspaper and one regional language newspaper with wide circulation, where the Registered Office of our Company is situated.

Advertisement regarding Issue Price and Prospectus

A statutory advertisement will be issued by our Company after the filing of the Prospectus with the RoC in an English national daily newspaper, a Hindi national daily newspaper and a regional daily newspaper, each with wide circulation, where the Registered Office of our Company is situated. 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 Red Herring Prospectus and the Prospectus will be included in such statutory advertisement.

Issuance of Confirmation of Allocation Note ("CAN")

(a) Upon approval of Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the BRLM and Syndicate Members a list of their Bidders who have been allocated Equity Shares in the Issue. The approval of the Basis of Allocation by the Designated Stock Exchange for QIB Bidders (including Anchor Investors) may be done simultaneously with or prior to the approval of the Basis of Allocation for the Retail and Non-Institutional Bidders. However, Bidders should note that our Company shall ensure that (i) the Allotment of the Equity Shares and (ii) the instructions by our Company for the demat credit of the Equity Shares, to all Bidders in the Issue shall be done on the same date.

(b) The Registrar to the Issue will then dispatch the CAN to the Bidders who have been allocated Equity Shares in the Issue. The dispatch of CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for the Allotment to such Bidder.

(c) The Issuance of CAN shall be deemed a valid, binding and irrevocable contract for the Allotment of Equity Shares to such Bidder.

(d) Bidders who have been allocated Equity Shares and who have already paid the Bid Amount into the Escrow Account(s) at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of his or her cheque or demand draft paid into the Escrow Account(s). The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

The Issuance of CAN is subject to "Notice to Anchor Investors - Allotment Reconciliation and Revised CANs" as set forth below.

Notice to Anchor Investors: Allotment Reconciliation and Revised CANs

A physical book will be prepared by the Registrar to the Issue on the basis of the Bid-cum-Application Forms received from Anchor Investors. Based on the physical book and at the discretion of our Company and the BRLM, select Anchor Investors may be sent a CAN, within two (2) Working Days of the Anchor Investor Bid/ Issue Period, indicating the number of Equity Shares that may be allocated to them. This provisional CAN and the final allocation is subject to the physical application being valid in all respect along with receipt of stipulated documents, the Issue Price being finalised at a price not higher than the Anchor Investor Issue Price and Allotment by the Board of Directors. In the event that the Issue Price is higher than the Anchor Investor Issue Price, a 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 additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within two Working Days after the Bid/ Issue Closing Date. Any revised CAN, if issued, will supersede in entirety the earlier CAN.

Notice to QIBs bidding in the Net QIB Portion: Allotment Reconciliation and Revised CANs

QIBs bidding in the Net QIB Portion will be sent a CAN, indicating the number of Equity Shares that may be allocated to them after the final Basis of Allotment, as approved by the Designated Stock Exchange and reflected in the reconciled physical book prepared by the Registrar to the Issue. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN, if any) for the QIB to pay the entire Issue Price for all the Equity Shares allocated to such QIB. Any revised CAN, if issued, will supersede in its entirety the earlier CAN.

Designated Date and Allotment of Equity Shares

1. Our Company will ensure that (i) Allotment of Equity Shares; and (ii) credit to the successful Bidder's depository account will be completed within ten Working Days of the Bid/Issue Closing Date.

2. As per SEBI (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 the Equity Shares, if they so desire, in the manner stated in the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

General Instructions

Do's:

a) Check if you are eligible to apply;
b) Read all the instructions carefully and complete the Bid-cum-Application Form;
c) Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialized form only;
d) Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a the BRLM or Syndicate Member or with respect to ASBA Bidders ensure that your Bid is submitted at a Designated Branch of the SCSB where the ASBA Bidders or the person whose bank account will be utilised by the ASBA Bidder for bidding has a bank account;
e) With respect to ASBA Bids ensure that the ASBA Bid-cum-Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the ASBA Bid-cum-Application Form;
f) Ensure that you have requested for and receive a TRS for all your Bid options;
g) Ensure that you have funds equal to the Bid Amount in your bank account maintained with the SCSB before submitting the ASBA Bid-cum-Application Form to the respective Designated Branch of the SCSB;
h) Instruct your respective banks to not release the funds blocked in the bank account under the ASBA process;
i) Ensure that the full Bid Amount is paid for the Bids submitted to the members of the Syndicate and funds equivalent to the Bid Amount are blocked in case of any Bids submitted though the SCSBs;
j) Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;
k) Ensure that the Bid is within the Price Band;
l) Ensure that you mention your PAN allotted under the I.T. Act with the Bid-cum-Application Form, except for Bids on behalf of the Central and State Governments, residents of the state of Sikkim and officials appointed by the courts;
m) Ensure that the Demographic Details (as defined hereinbelow) 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. In case 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.

Dont's:

a) Do not Bid for lower than the minimum Bid size;
b) Do not Bid/ revise Bid price to less than the Floor Price or higher than the Cap Price;
c) Do not Bid on another Bid-cum-Application Form after you have submitted a Bid to the member of the Syndicate or the SCSB, as applicable;
d) Do not pay the Bid amount in cash, by money order or by postal order;
e) Do not provide your GIR number instead of your PAN number.

f) Do not send Bid-cum-Application Forms by post; instead submit the same to members of the Syndicate or the SCSBs, as applicable;
g) Do not Bid at Cut-off price (for QIBs and Non-Institutional Bidders);
h) Do not Bid for a Bid Amount exceeding Rs. 1,00,000 (for Bids by Retail Individual Bidders);
i) Do not fill up the Bid-cum-Application Form such that the Equity Shares bid for exceeds the Issue size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations; and
j) Do not submit Bid accompanied with Stock invest.

Instructions for completing the Bid-cum-Application Form

Bidders can obtain Bid-cum-Application Forms and / or Revision Forms from the any of the member of the Syndicate or from our Registered Office or our Corporate Office. ASBA **Bid-cum-Application Forms can be obtained from the Designated Branches of the SCSBs. ASBA Bid-cum-Application Forms shall also be available at the website of the respective stock exchanges at www.bseindia.com and www.nseindia.com.**

Bids and Revisions of Bids

Bids and revisions of Bids must be:

(a) Made only in the prescribed Bid-cum-Application Form or Revision Form, as applicable.
(b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid-cum-Application Form or in the Revision Form. Incomplete Bid-cum-Application Forms or Revision Forms 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.
(c) Information provided by the Bidders will be uploaded in the online IPO system by the members of the Syndicate and SCSBs, as the case may be, and the electronic data will be used to make allocation/Allotment. Please ensure that the details are correct are legible.
(d) The Bids from the Retail Individual Bidders must be for a minimum of [●] Equity Shares and in multiples of [●] thereafter subject to a maximum Bid amount of Rs. 100,000.
(e) For Non-institutional and QIB Bidders, bidding under the Net QIB Portion, Bids must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of [●] Equity Shares thereafter. All Individual Bidders whose maximum bid amount exceeds Rs. 100,000 would be considered under this category. Bids cannot be made for more than 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.
(f) For Anchor Investors, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds or equal to Rs. 1,000 Lakhs and in multiples of [●] Equity Shares thereafter.
(g) In single name or in joint names (not more than three and in the same order as their Depository Participant details).
(h) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bidder's PAN, Depository Account and Bank Account Details

Bidders should note that on the basis of the Permanent Account Number of the Sole/First Bidder, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid-cum-Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including category, age, address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds (including through physical refund warrants, direct credit, NECS, NEFT and RTGS) to the Bidders or unblocking the ASBA account.

Hence, Bidders are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in despatch/ credit of refunds to Bidders at the Bidders sole risk and neither the BRLM or 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 GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID-CUM-APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID-CUM-APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID-CUM-APPLICATION FORM IS SUBMITTED IN JOINT NAMES, 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.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs/Allocation Advice and making refunds as per the modes disclosed and the Demographic Details given by Bidders in the Bid-cum-Application Form would not be used for any other purposes by the Registrar to the Issue. Hence, Bidders are advised to update their Demographic Details as provided to their Depository Participants and ensure that they are true and correct.

By signing the Bid-cum-Application Form, Bidder would have deemed to authorize the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund orders (where refunds are not being made electronically)/Allocation Advice/CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Such communication 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 (other than ASBA Bidders) in the Bid-cum-Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk and neither our Company, the Registrar to the Issue, Escrow Collection Bank(s) nor the BRLM 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 no corresponding record is available with the Depositories that matches three parameters, namely, PAN of the sole/first Bidder, the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected.

Bids under Power of Attorney

In case of Bids (including ASBA Bids) made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds and pension funds, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum and articles of association and/or bye laws must be lodged along with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason.

In addition to the above, certain additional documents are required to be submitted by the following entities:

(a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid-cum-Application Form.

(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 along with the Bid-cum-Application Form.

(c) With respect to Bids made by provident funds with a minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lakhs, 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. Our Company, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid-cum-Application Form, subject to such terms and conditions that our Company and the BRLM may deem fit. Our Company in our absolute discretion, reserve the right to permit the holder of the power of attorney to request the Registrar to the Issue that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice, the Demographic Details given on the Bid-cum-Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar to the Issue shall use Demographic Details as given in the Bid-cum-Application Form instead of those obtained from the depositories.

Bids by Non-Residents, NRIs, FIIs and Foreign Venture Capital Investors registered with SEBI on a repatriation basis.

Bids and revision to Bids must be made in the following manner:

1. On the Bid-cum-Application Form or the Revision Form, as applicable ([●] in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
2. In a single name or joint names (not more than three and in the same order as their Depository Participant Details).
3. Bids on a repatriation basis shall be in the names of individuals, or in the name of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

Bids by Eligible NRIs for a Bid Amount of upto Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into 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 or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid-cum-Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

As per the existing policy of the Government of India, OCBs are not permitted to participate in the Issue.

There is no reservation for Eligible NRIs and FIIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

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 favor the Bidders shall make out the cheque or demand draft in respect of their Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders in a certain category would be deposited in the Escrow Account.

The Escrow Collection Bank(s) will act in terms of the Red Herring Prospectus and an Escrow Agreement to be entered into amongst our Company, the BRLM, Escrow Collection Bank(s) and Registrar to the Issue. The monies in the Escrow Account shall be maintained by the Escrow Collection Bank(s) for and on behalf of the Bidders. The Escrow Collection Bank(s) 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 Bank(s) shall transfer the monies from the Escrow Account to the Public Issue Account with the Bankers to the Issue as per the terms of the Escrow Agreement. The balance amount after transfer to the Public Issue account shall be transferred to the Refund Account. Payments of refunds 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 the Escrow Collection Bank(s), our Company, Registrar to the Issue and BRLM to facilitate collection from the Bidders.

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 ASBA Bid-cum-Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until receipt of instructions from the Registrar to the Issue to unblock the Bid Amount. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the Public Issue Account or until withdrawal/ failure of the Issue or until rejection of the Bid by the ASBA Bidder, as the case may be.

Payment into Escrow Account for Bidders other than ASBA Bidders:

Each Bidder shall draw a cheque or demand draft or remit the funds electronically through the RTGS mechanism for the amount payable on the Bid and/or on allocation/Allotment as per the following terms:

All Bidders would be required to pay the full Bid Amount at the time of the submission of the Bid-cum-Application Form.

1. QIB, Non-Institutional Bidders and Retail Individual 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 members of the Syndicate, as applicable. If the payment is not made favouring the Escrow Account along with the Bid-cum-Application Form, the Bid of the Bidder shall be liable to be rejected.

2. Anchor Investors would be required to pay the Bid Amount at the time of submission of the application form through RTGS mechanism. 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. 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.

3. The payment instruments for payment into the Escrow Account should be drawn in favor of:

    a. In case of Resident QIB Bidders: "**Escrow Account – Unijules Public Issue - QIB - R**";
    b. In case of Non-Resident QIB Bidders: "**Escrow Account – Unijules Public Issue - QIB - NR**";
    c. In case of Resident Retail and Non Institutional Bidders: "**Escrow Account – Unijules - Public Issue - R**";

d. In case of Non Resident Retail and Non Institutional Bidders: "**Escrow Account – Unijules - Public Issue - NR**";

4. In case of bids by NRIs applying on a repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in the Non-Resident External (NRE) Accounts or the Foreign Currency Non-Resident Accounts (FCNR), 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 Non-Resident Ordinary (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 to the NRE Account or the Foreign Currency Non- Resident Account.

5. In case of Bids by 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.

6. In case of Bids by FIIs, the payment should be made out of funds held in Special Non Resident Rupee Account 'SPNR' along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to Special Non Resident Rupee Account 'SPNR'.

7. Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Equity Shares allocated, will be refunded to the Bidder from the Refund Accounts.

8. The monies deposited in the Escrow Account will be held for the benefit of the Bidders (other thea ASBA Bidders) till the Designated Date.

9. 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 with the Banker to the Issue.

10. No later than ten working days from the Bid/Issue Closing Date, the Refund Bank shall refund all amounts payable to unsuccessful Bidders (other than ASBA Bidders) and also the excess amount paid on Bidding, if any, after adjusting for allocation to the successful Bidders payments should be made by cheque, or a demand draft drawn on any bank (including a Co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the center 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/ stock invest/money orders/ postal orders will not be accepted.

11. Bidders are advised to mention the number of application form on the reverse of the cheque / demand draft to avoid misuse of instruments submitted along with the Bid-cum-Application Form.

12. In case clear funds are not available in the Escrow Accounts as per final certificates from the Escrow Collection Bank(s), such Bids are liable to be rejected.

Payment by Stock invest

In terms of Reserve Bank of India Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of bid money has been withdrawn. Hence, payment through stockinvest would not be accepted in the Issue.

Payment by cash / money order

Payment through cash/ money order shall not be accepted in the Issue.

Submission of Bid-cum-Application Form

All Bid-cum-Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid. With respect to ASBA Bidders, the ASBA Bid-cum-Application Form or the ASBA Revision Form shall be submitted to the Designated Branches of the SCSBs.

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 will acknowledge the receipt of the Bid-cum-Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid-cum-Application Form for the records of the Bidder.

Other Instructions

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments / refunds will be made out in favor of the Bidder whose name appears first in the Bid-cum-Application Form or Revision Form (‘First Bidder’). All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories. It is clarified, however, that 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.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- All Bids will be checked for common PAN and Bids with common PAN will be accumulated and taken to a separate process file which would serve as a multiple master In this master, a check will be carried out for the same PAN. In cases where the PAN is different, the same will be deleted from this master.

- The Bids will be scrutinized for DP ID and Beneficiary Account Numbers. In case applications bear the same DP ID and Beneficiary Account Numbers, these will be treated as multiple applications.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Funds registered with SEBI and such Bids in respect of more than one scheme will not be treated as multiple Bids provided that the Bids clearly indicates the scheme for which the Bid has been made. Bids by QIBs under the Anchor Investor Portion and in Net QIB Portion will not be considered as multiple Bids.

ASBA Bids made by duplicate copies of the same ASBA Bid-cum-Application Form (i.e. two ASBA Bid-cum-Application Forms bearing the same unique identification number) shall be treated as multiple Bids and shall be rejected.

Permanent Account Number ("PAN")

The Bidder or in the case of a Bid in joint names, each of the Bidders, should mention his/her PAN allotted under the I.T. Act. Applications without this information and documents will be considered incomplete and are liable to be rejected. **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.** This requirement is not applicable to Bids received on behalf of the Central and State Governments, from residents of the state of Sikkim and from officials appointed by the courts. With effect from August 16, 2010, the demat accounts for Bidders for which PAN details have not been verified shall be "suspended credit" and no credit of Equity Shares pursuant to the Issue shall be made into accounts of such Bidders.

Right to Reject Bids

In case of QIB Bidders, bidding under the Net QIB Portion, our Company, in consultation with the BRLM may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders and Retail Individual Bidders our Company has a right to reject Bids on technical grounds. Consequent refunds shall be made by RTGS/NEFT/ECS/NECS/Direct Credit / cheque or pay order or draft 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 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.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected among others on the following technical grounds:

1. Amount paid does not tally with the highest number 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 the Equity Shares Bid for;

2. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;

3. Bids by Persons not competent to contract under the Indian Contract Act, 1872, including minors, insane persons;

4. Age of the First Bidder

5. PAN number not stated and GIR number given instead of PAN number, except for Bids on behalf of the Central and State Governments, residents of the state of Sikkim and officials appointed by the courts;

6. Bids for lower number of Equity Shares than specified for that category of investors;

7. Bids at a price less than the Floor Price;

8. Bids at a price more than the Cap Price;

9. Submission of more than five ASBA Bid-cum-Application forms per bank account;

10. Bids at cut-off price by Non-Institutional and QIB Bidders;

11. Bids for number of Equity Shares which are not in multiples of [●];

12. Category not ticked;

13. Multiple bids as defined in the Draft Red Herring Prospectus;

14. In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;

15. Bids accompanied by Stock invest/ money order/postal order/cash;

16. Signature of sole and / or joint bidders missing. 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;

17. Bid-cum-Application Form does not have the stamp of the BRLM or Syndicate Member;

18. ASBA Bid-cum-Application Form does not have the stamp of the SCSB, except for ASBA Bid-cum-Application Forms downloaded from the websites of the Stock Exchanges, in which case the ASBA Bid-cum-Application Forms shall bear an unique application number;

19. Bids by QIBs not submitted through the BRLM / Syndicate Members or in case of ASBA Bids for QIBs, not intimated to the BRLM / Syndicate Members;

20. Bid-cum-Application Form does not have Bidder's depository account details;

21. In case no corresponding record is available with the Depository that matches three parameters: PAN of the sole name of the Bidder, Depository Participant's identity (DP ID) and beneficiary's account number;

22. Bid-cum-Application Forms are not delivered by the Bidders within the time prescribed as per the Bid-cum-Application Form, 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 Form;

23. 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;

24. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations. For further details, please refer to the paragraph titled 'Issue Procedure - Maximum and Minimum Bid Size' beginning on page 392 of the Draft Red Herring Prospectus;

25. Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Bank(s);

26. Bids by persons in the United States;

27. Bids by any person outside India if not in compliance with applicable foreign and Indian Laws;

28. Bids not uploaded on the terminals of the Stock Exchanges;

29. Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

30. Bids by OCBs;

31. 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 members of the Syndicate do not match with the DP ID, client ID and PAN available in the records with the depositories. Non-submissions of bank account details in the space provided in the application form; and

32. ASBA Applications made by using duplicate copy of ASBA Bid-cum-Application Form downloaded from the website of the Stock Exchanges (i.e. two ASBA Bid-cum-Application Forms bearing the same unique identification number).
33. Bids or revision thereof by QIB Bidders and Non-Institutional Bidders where the Bid amount is in excess of Rs. 1,00,000 uploaded after 4.00 p.m. on the Bid/ Issue Closing Date.

34. Bids by NRIs not disclosing their residential status

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 OR THE SYNDICATE/THE SCSBs DO NOT MATCH WITH THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE RECORDS WITH THE DEPOSITARIES, THE APPLICATION IS LIABLE TO BE REJECTED.

Basis of Allotment or Allocation

For Retail Individual Bidders

1. Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

2. The Issue less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

3. If the aggregate demand in this category is less than or equal to [●] 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.

4. If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis not less than [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

For Non-Institutional Bidders

1. Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.

2. The Issue Size less Allotment to QIBs and Retail Portion shall be available for Allotment to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

3. If the aggregate demand in this category is less than or equal to [●]Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

4. In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis not less than [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

For Qualified Institutional Bidders in the Net QIB Portion

1. Bids received from the QIB Bidders bidding in the Net QIB Portion at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all the QIB Bidders will be made at the Issue Price.

2. The Net QIB Portion shall be available for Allotment to QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

3. Allotment shall be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for upto 5% of the Net QIB Portion shall be determined as follows:

   (i) In the event that Mutual Fund Bids exceeds 5% of the Net QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for upto 5% of the Net QIB Portion.

   (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid bids received above the Issue Price.

   (iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;

(b) In the second instance Allotment to all QIBs bidding in the Net QIB portion shall be determined as follows:

   i. Under-subscription below 5% of the Net QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

   ii. In the event that the oversubscription in the Net QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for upto 95% of the Net QIB Portion.

   iii. Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.

The aggregate Allotment available for allocation to QIB Bidders bidding in the Net QIB Portion shall not be more than [●] Equity Shares.

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 BRLM, subject to compliance with the following requirements:

- not more than 30% of the QIB Portion will be allocated to Anchor Investors;
- 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;
- allocation to Anchor Investors shall be on a discretionary basis and subject to a minimum number of two Anchor Investors for allocation upto Rs. 25,000 Lakhs and minimum number of five Anchor Investors for allocation more than Rs. 25,000 Lakhs.

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 BRLM before the Bid/ Issue Opening Date by intimating the Stock Exchanges.

Method of proportionate Basis of Allotment in the Issue

Except in relation to Anchor Investors, in the event of the Issue being over-subscribed, we 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 BRLM and the Registrar to the Issue shall be responsible for ensuring that the Basis of Allotment is finalised in a fair and proper manner.

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. Each successful Bidder shall be allotted a minimum of [●] Equity Shares; and

    ii. 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 equal to the number of Equity Shares calculated in accordance with (b) above.

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 number in excess of the multiple of one would be rounded off to the higher multiple of one if that number is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower multiple of one. All Bidders in such categories would be Allotted Equity Shares arrived at after such rounding off.

f. If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for Allotment 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 BRLM**.**

Illustration of Allotment to QIBs and Mutual Funds ("MF") in the Net QIB Portion

A. Issue Details

No.	Particulars	Issue details
1.	Issue size	20,000 Lakhs Equity Shares

No.	Particulars	Issue details
2.	Allocation to QIB (50%)	10,000 Lakhs Equity Shares
3.	Anchor Investor Portion	3000 Lakhs Equity Shares
4.	Portion available to QIBs other than Anchor Investors [(2) minus (3)]	7000 Lakhs Equity Shares
	Of which:	
1.	a. Allocation to MF (5%)	350 Lakhs Equity Shares
2.	b. Balance for all QIBs including MFs	6650 Lakhs Equity Shares
3.	No. of QIB applicants	10
4.	No. of shares applied for	50,000 Lakhs Equity Shares

B. Details of QIB Bids in the Net QIB Portion

No.	Type of QIB bidders#	No. of Equity Shares bid for (in Lakhs)
1.	A1	5000
2.	A2	2000
3.	A3	13,000
4.	A4	5,000
5.	A5	5,000
6.	MF1	4,000
7.	MF2	4,000
8.	MF3	8,000
9.	MF4	2,000
10.	MF5	2,000
	Total	50,000

A1-A5: (QIB bidders other than MFs), MF1-MF5 (QIB bidders which are Mutual Funds)

C. Details of Allotment to QIB Bidders/ Applicants

(Number of Equity Shares in Lakhs)

Type of QIB bidders	Equity Shares bid for (in Lakhs)	Allocation of 350 Lakhs Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 6650 Lakhs Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	(II)	(III)	(IV)	(V)
A1	5,000	0	670	0
A2	2,000	0	268	0
A3	13,000	0	1741	0
A4	5,000	0	670	0
A5	5,000	0	670	0
MF1	4,000	70	526	596
MF2	4,000	70	526	596
MF3	8,000	140	1053	1193
MF4	2,000	35	263	298
MF5	2,000	35	263	298
	50,000	**350**	**6650**	**2982**

Please note:

1. The illustration presumes compliance with the requirements specified in the Draft Red Herring Prospectus in the section titled "Issue Structure" beginning on page 388 of the Draft Red Herring Prospectus.

2. Out of 7000 Lakhs Equity Shares allocated to QIBs, 350 Lakhs (i.e. 5%) will be allocated on proportionate basis among five Mutual Fund applicants who applied for 2,000 Lakhs Equity Shares in QIB category.

3. The balance 6,650 Lakhs Equity Shares (i.e. 7000-350 (available for MFs)) will be allocated on proportionate basis among 10 QIB applicants who have applied for 50,000 Lakhs Equity Shares (including five MF applicants who applied for 20,000 Lakhs Equity Shares).

4. The figures in the fourth column entitled "Allocation of balance 6,650 Lakhs Equity Shares to QIBs proportionately" in the above illustration are arrived as under:

   - For QIBs other than Mutual Funds (A1 to A5) = No. of shares bid for (i.e. in column II) X 6,650 / 49,650.

   - For Mutual Funds (MF1 to MF5) = [(No. of shares bid for (i.e. in column II of the table above) less Equity Shares allotted (i.e., column III of the table above)] X 6,650 / 49,650.

The numerator and denominator for arriving at allocation of 7,000 Lakhs Equity Shares to the 10 QIBs are reduced by 350 lahs Equity Shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.

Equity Shares in Dematerialized Form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Equity Shares in the Issue shall be allotted only in a dematerialized 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, two agreements have been signed among us, the respective Depositories and the Registrar to the Issue:

a. a tripartite agreement dated March 26, 2010 with NSDL, our Company and Registrar to the Issue;

b. a tripartite agreement dated July 14, 2010 with CDSL, our Company and Registrar to the Issue.

All bidders can seek Allotment only in dematerialized mode. 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 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 Beneficiary Account Number and Depository Participant’s Identification number) appearing in the Bid-cum-Application Form or Revision Form.

(c) Equity Shares allotted 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 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 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 their Depository Participant.

(g) It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

(h) The trading of the Equity Shares of our Company would be only be in dematerialized form only for all investors.

Communications

All future communications in connection with Bids made in the Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid-cum-Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid form, name and address of the member of the Syndicate or the Designated Branch of the SCSBs where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, bank account number in which the amount equivalent to the Bid Amount was blocked.

Bidders can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, credit of allotted Equity Shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders can contact the Designated Branches of the SCSBs.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

"***Any person who:***

(a) ***makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein; or***

(b) ***otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name,***

shall be punishable with imprisonment for a term which may extend to five years".

PAYMENT OF REFUND

Bidders other than ASBA Bidders must note that on the basis of the names of the Bidders, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Bid-cum-Application Form, the Registrar to the Issue will obtain, from the Depositories, the Bidders' bank account details, including the nine digit Magnetic Ink Character Recognition ("**MICR**") code as appearing on a cheque leaf. Hence Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in 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 the Issue, Escrow Collection Bank(s), Bankers to the Issue nor the BRLM 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.

Mode of making refunds

The payment of refund, if any, for Bidders other than ASBA Bidders would be done through various modes in the following order of preference:

1. Direct Credit – Applicants having bank accounts with the Refund Bank (s), as mentioned in the Bid-cum-Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company.

2. NECS – Payment of refund would be done through NECS for applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of the centres where such facility is made available, except where the applicant, being eligible, opts to receive refund through direct credit or RTGS.

3. RTGS – Applicants having a bank account at any of the centres where such facility is available and whose refund amount exceeds Rs.1 Lakh, has the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid-cum-Application Form. In the event the same is not provided, refund shall be made through ECS / NECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

4. NEFT – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit 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 applicants 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. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.

For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched under certificate of posting for value upto Rs. 1,500 and through Speed Post/ Registered Post for refund orders of Rs. 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Bank(s) 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 centres will be payable by the Bidders.

Mode of making refunds for ASBA Bidders

In case of ASBA Bidders, the Registrar to the 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 nine (9) Working Days of the Bid/Issue Closing Date.

Disposal of Applications and Application Moneys

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 within ten (10) Working Days of the Bid/Issue Closing Date.

In case of applicants who receive refunds through NECS, direct credit or RTGS, the refund instructions will be given to the clearing system within twelve (12) Working Days from the Bid/ Issue Closing Date. A suitable communication shall be sent to the Bidders receiving refunds through this mode within ten (10)

Working Days of Bid/ Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within twelve (12) Working Days of the Bid/Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI 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 twelve (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 ten (10) Working Days of 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 ten (10) Working Days from the Bid/Issue Closing Date.

Our Company shall pay interest at 15% p.a. for any delay beyond the fifteen (15) Working Days from the Bid/Issue Closing Date 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 ten (10) Working Days from the day our Company becomes liable to repay (i.e. ten (10) Working Days after the Bid / Issue Closing Date or the date of refusal by the Stock Exchange(s), whichever is earlier). If such money is not repaid within ten (10) Working Days from the day our Company becomes liable to repay it, our Company and every officer in default shall, on and from expiry of ten (10) Working Days, be liable to repay the money with interest at the rate of 15% as prescribed under 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 the Issue.

No separate receipts shall be issued for the money payable on the submission of Bid-cum-Application Forms or Revision Forms. However, the collection centre of the Members of Syndicate will acknowledge the receipt of the Bid-cum-Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid-cum-Application Form for the records of the Bidder.

Save and except 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 an Escrow Collection Bank and payable at par at places where Bids are received, except for Bidders who have opted to receive refunds through the ECS facility. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Letters of Allotment or Refund Orders or instructions to the SCSBs

We shall give credit to the beneficiary account with Depository Participants within twelve (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 ECS / NECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit and / or RTGS. Our Company shall ensure dispatch of refund orders, if any, of value upto Rs. 1,500, by ― "Under Certificate of Posting", and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or First Bidder's sole risk within fifteen (15) 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 fifteen (15) Working Days of the Bid/ Issue Closing Date. In case of ASBA Bidders, the Registrar to the Issue shall instruct the relevant SCSBs 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 ten (10) Working Days of the Bid/Issue Closing Date, which shall be completed within one (1) Working Day after the receipt of such instruction from the Registrar to the Issue.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within twelve (12) Working Days from the Bid/Issue Closing Date.

Interest in case of delay in dispatch of Allotment Letters or Refund Orders/ instruction to SCSBs by the Registrar to the Issue

Our Company agrees that the Allotment of Equity Shares in the Issue shall be made not later than twelve (12) Working Days of the Bid / Issue Closing Date. Our Company further agrees that it shall pay interest at the rate of 15% p.a. if the Allotment letters or refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given in the disclosed manner within ten (10) Working days from the Bid / Issue Closing Date or instructions to SCSBs to unblock funds in the ASBA Accounts shall be given within eight (8) Working Days of the Bid/Issue Closing Date, as the case may be.

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.

Undertaking by our Company

We undertake as follows:

1. that the complaints received in respect of the Issue shall be attended to expeditiously and satisfactorily;

2. that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within twelve (12) Working days of the Bid/Issue Closing Date;

3. that the funds required for making refunds as per the modes disclosed or dispatch of Allotment advice by registered post or speed post shall be made available to the Registrar to the Issue by us;

4. That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within twelve (12) Working days of the Bid/ Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

5. Instructions to SCSBs to unblock funds in the ASBA Accounts shall be given within eight (8) Working Days of the Bid/Issue Closing Date.

6. That the instruction for electronic credit of Equity Shares / refund orders / intimation about the refund to non-resident Indians shall be completed within the specified time;

7. That no further Issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.; and

8. That adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalizing the Basis of Allotment.

Withdrawal of the Issue

Our Company in consultation with the BRLM, reserves the right not to proceed with the Issue within a period of two (2) Working Days after the Bid/Issue Opening Date but before the allotment of Equity Shares. In such an event, a public notice would be issued in the newspapers, in which the pre-issue advertisements were published, within two (2) Working Days of the Bid/Issue Closing Date in English national newspaper, Hindi national newspaper and a regional daily newspaper each with wide circulation where the Registered Office of our Company is situated. The BRLM through the Registrar to the Issue, shall notify the SCSBs to unblock the bank account of the ASBA Bidders within one (1) Working Day from the day of receipt of such notification and the Stock Exchanges shall be informed promptly. Further, in the event of withdrawal of the Issue and subsequently, plans of an Initial Public Offering by our Company, a Draft Red Herring Prospectus will be submitted again for observations of SEBI. If our Company withdraws the Issue after the Bid/Issue Closing Date, our Company shall state the reasons thereof in a public notice within two (2) Working Days of the closure of the Issue. The public notice shall be issued in the same newspapers where the pre-issue advertisement had appeared. The Stock Exchanges shall also be informed of such withdrawal.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. In terms of the SEBI (ICDR) Regulations, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.

Utilization of the Issue proceeds

The Board of Directors of our Company certifies that:

(a) all monies received out of the Issue shall be transferred to a separate Bank Account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;

(b) details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the Issue proceeds remains unutilized under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

(c) Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested;and

(d) Our Company shall comply with the requirements of Clause 49 of the listing agreement in relation to the disclosure and monitoring of the utilization of the Net Proceeds.

Our Company shall not have recourse to the Issue Proceeds until the approval for listing and Trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Under the current foreign investment policy applicable to us foreign equity participation up to 100% is permissible under the automatic route.

Subscription by foreign investors (NRIs/FIIs)

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA.

While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The Comprehensive Manual for Foreign Direct Investment- Policy & Procedures dated November 2005 issued by the Department of Industry Policy and Promotion, Ministry of Commerce and Industry does not prescribe any cap on the foreign investments in the sector in which our Company operates. Therefore, foreign investment up to 100% is permitted in our Company under the automatic route.

Transfers of Equity Shares previously required the prior approval of the FIPB. However, by a RBI circular dated October 4, 2004 issued by the RBI, the transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended, (ii) the non-resident shareholding is within the sectoral limits under the FDI policy, and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

Representation from the Bidders

No person shall make a Bid in Issue, unless such person is eligible to acquire Equity Shares of our Company in accordance with applicable laws, rules, regulations, guidelines and approvals.

Investors that Bid in the Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters, and their respective directors, officers, agents, affiliates and representatives, as applicable, 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 the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

There is no reservation for Non Residents, NRIs, FIIs, foreign venture capital funds, multi-lateral and bilateral development financial institutions and any other foreign investor. All Non Residents, NRIs, FIIs and foreign venture capital funds, multi-lateral and bilateral development financial institutions and any other foreign investor applicants will be treated on the same basis with other categories for the purpose of allocation.

As per existing regulations, OCBs cannot participate in the Issue.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning given to such terms in the Articles of our Company. Pursuant to Schedule II of the Companies Act, 1956 and the SEBI (ICDR) Regulations, the main provisions of the Articles of Association of our Company relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares and or their consolidation/splitting are required to be stated. The regulations contained in Table A of Schedule I of the Companies Act, 1956, shall apply to our Company in so far as they are not inconsistent with or repugnant to any of the regulations contained in the Articles of Association of our Company.

INCREASE, REDUCTION AND ALTERATION OF CAPITAL

6. The Company may from time to time in general meeting increase its share capital by the issue of new shares of such amounts as it thinks expedient.

On what conditions the new shares may be issued

(a) Subject to the provisions of sections 80, 81, and 85 to 90 of the Act, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto by the general meeting creating the same as shall be directed and if no direction be given as the Directors shall determine and in particular such shares may be issued subject to the provisions of the said Sections with a preferential or qualified right to dividends and in distribution of assets of the Company and to the provisions of the said Sections with special or without any right of voting and subject to the provisions of Section 80 of the Act any preference shares may be issued on the terms that they are or at the option of the Company are liable to be redeemed.

Further Issue of Shares

(b) Where at the time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares whether out of the unissued capital out of the increased share capital then:

(i) Such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as near as circumstances admit, to the capital paid up on those shares at the date.

(ii) The offer aforesaid 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 and the offer within which if not accepted, will be deemed to have been declined.

(iii) unless the articles of the company otherwise provide, the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in clause (b) shall contain a statement of this right.

(iv) 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 declines to accept the shares offered, the Board of directors may dispose of them in such manner as they think most beneficial to the Company.

(c) Notwithstanding anything contained in the preceding sub-clause (1), the further shares aforesaid may be offered to any persons [whether or not those persons include the persons referred to in clause sub-clause (1)] in any manner whatsoever:

(i) If a special resolution to that effect is passed by the Company in General Meeting, or

(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.

(d) Nothing in clause (c) above shall be deemed:

(i) to extend the time within which the offer should be accepted, or

(ii) to authorise any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

(e) Nothing in this Article shall apply:

to the increase of the subscribed capital of the company caused by the exercise of an option attached to the debentures issued or loans raised by the company:

(i) to convert such debentures or loans into shares in the company, or

(ii) to subscribe for shares in the company;

Provided that the terms of issue of such debentures or the terms of such loans includes a term providing for such option and such term:

(a) either has been approved by the Central Government before the issue of debentures or the raising of the loans, or is in conformity with the rules 197, if any, made by that Government in this behalf; and

(b) in the case of debentures or loans other than debentures issued to, or loans obtained from, the Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the company in general meeting before the issue of the debentures or the raising of the loans.

Shares at the disposal of the Directors

(f) Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the company in the General Meeting.

Same as Original Capital

(g) 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, installments, transfers, transmission, forfeiture, lien, surrender, voting and otherwise.

7. **Power to issue Redeemable Preference Shares**

(a) Subject to the provisions of Section 80 of the Act and subject to the provisions on which any shares may have been issued, the Company may issue preference shares which are or at the option of the Company are liable to be redeemed;

Provided that:

(i) no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of Shares made for the purpose of redemption

(ii) no such shares shall be redeemed unless they are fully paid;

(iii) the premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's share premium account before the shares are redeemed;

(iv) where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the capital redemption reserve account", a sum equal to the nominal amount of the shares redeemed; and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act, apply as if the capital redemption reserve account were paid up share capital of the Company.

(b) Subject to the provisions of Section 80 of the Act and subject to the provisions on which any shares may have been issued, the redemption of preference shares may be effected on such terms and in such manner as may be provided in these Articles or by the terms and conditions of their issue and subject thereto in such manner as the Directors may think fit.

(c) The redemption of preference shares under these provisions by the Company shall not be taken as reducing the amount of its Authorised Share Capital.

(d) Where in pursuance of this Article, the Company has redeemed or is about to redeem any preference shares, it shall have power to issue shares upto the nominal amount of the shares redeemed or to be redeemed as if those shares had never been issued; and accordingly the Share Capital of the Company shall not, for the purpose of calculating the fees payable under Section 611 of the Act, be deemed to be increased by the issue of shares in pursuance of this clause.

Provided that where new shares are issued before the redemption of the old shares, the new shares shall not so far as relates to stamp duty be deemed to have been issued in pursuance of this clause unless the old shares are redeemed within one month after the issue of the new shares.

(e) The Capital Redemption Reserve Account may, notwithstanding anything in this Article, be applied by the Company, in paying up unissued shares of the Company to be issued to members of the Company as fully paid up bonus shares.

Provision in case of Redemption of preference Shares

8. The Company shall be at liberty at any time, either at one time or from time to time as the Company shall think fit, by giving not less than six months previous notice in writing to the holders of the preference shares to redeem at par the whole or part of the preference shares for the time being outstanding, by payment of the nominal amount thereof with dividend calculated upto the date or dates notified for payment (and for this purpose the dividend shall be deemed to accrue and due from day to day) and in the case of redemption of part of the preference shares the following provisions shall take effect:

(a) The shares to be redeemed shall be determined by drawing of lots which the Company shall cause to be made at its registered office in the presence of one Director at least; and

(b) Forthwith after every such drawing, the Company shall notify the shareholders whose shares have been drawn for redemption its intention to redeem such shares by payment at the registered office of the Company at the time and on the date to be named against surrender of the Certificates in respect of the shares to be so redeemed and at the time and date so notified each such shareholder shall be bound to surrender to the Company the Shares Certificates in respect of the Shares to be redeemed and thereupon the Company shall pay the amount payable to such shareholders in respect of such redemption. The shares to be redeemed shall cease to carry dividend from the date named for payment as aforesaid. Where any such certificate comprises any shares which have not been drawn for redemption, the Company shall issue to the holder thereof a fresh certificate therefor.

Reduction of capital

9. The Company may from time to time by special resolution, subject to confirmation by the Court and subject to the provisions of Sections 78, 80 and 100 to 104 of the Act, reduce its Share Capital and any Capital Redemption Reserve Account or Premium Account in any manner for the time being authorised by law and in particular without prejudice to the generality of the foregoing power may be:

(a) extinguishing or reducing the liability on any of its shares in respect of Share Capital not paid up;

(b) either with or without extinguishing or reducing liability on any of its shares, cancel paid up Share Capital which is lost or is unrepresented by available assets; or

(c) either with or without extinguishing or reducing liability on any of its shares, pay off any paid up Share Capital which is in excess of the wants of the Company;

and may, if and so far as is necessary, alter its Memorandum, by reducing the amount of its Share Capital and of its shares accordingly.

Division, Sub-Division, Consolidation, Conversion and Cancellation of Shares

10. Subject to the provisions of Section 94 of the Act, the Company in general meeting may by an ordinary resolution alter the conditions of its Memorandum as follows, that is to say, it may:

(a) consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares;

(b) sub-divide its shares or any of them into shares of smaller amount than originally fixed by the Memorandum subject nevertheless to the provisions of the Act in that behalf and so however that in the sub-division the proportion between the amount paid and the amount if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived and so that as between the holders of the shares resulting from such sub-division one or more of such shares may, subject to the provisions of the Act, be given any preference or advantage over the others or any other such shares;

(c) covert, all or any of its fully paid up shares into stock, and re-convert that stock into fully paid up shares of any denomination;

(d) cancel, shares which at the date of such General Meeting 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.

Notice to Registrar of Consolidation of Share Capital, Conversion of shares into stocks etc

11. (a) If the Company has:

(i) consolidated and divided its Share Capital into shares of larger amount than its existing shares;

(ii) converted any shares into stock;

(iii) reconverted any stock into shares;

(iv) sub-divided its share or any of them;

(v) redeemed any redeemable preference shares; or

(vi) cancelled any shares otherwise than in connection with a reduction of Share Capital under Sections 100 to 104 of the Act,

the Company shall within one month after doing so, give notice thereof to the Registrar specifying as the case may be, the shares consolidated, divided, converted, sub-divided, redeemed or cancelled or the stocks reconverted.

(b) The Company shall thereupon request the Registrar to record the notice and make anyalterations which may be necessary in the Company's Memorandum or Articles or both.

Modifications of rights

12. If at any time the Share Capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Sections 106 and 107 of the Act and whether or not the Company is being would up, be varied, modified, commuted, affected or abrogated with the consent in writing of the holders of three-fourths in nominal value 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 shares of that class. This Article shall not derogate from any power which the Company would have if this Article were omitted. The provisions of these Articles relating to General Meetings shall mutatis mutandis apply to every such separate meeting but so that if at any adjourned meeting of such holders a quorum as defined in Article 102 is not present, those persons who are present shall be quorum.

SHARES AND CERTIFICATES

Issue of further shares not to affect right of existing share holders

13. The rights or privileges conferred upon the holders of the shares of any class issued with preference or other rights, shall not unless otherwise be deemed to be varied or modified or affected by the creation or issue of further shares ranking pari passu therewith.

Provisions of Sections 85 to 88 of the Act to apply

14. The provisions of Sections 85 to 88 of the Act in so far as the same may be applicable shall be observed by the Company.

15. **Register of Members and Debenture holders**

(a) The Company shall cause to be kept a Register of Members and an Index of Members in accordance with Sections 150 and 151 of the Act and Register and Index of Debenture holders in accordance with Section 152 of the Act. The Company may also keep a foreign Register of Members and Debenture holders in accordance with Section 157 of the Act.

(b) The Company shall also comply with the provisions of Sections 159 and 161 of the Act as to filling of Annual Returns.

(c) The Company shall duly comply with the provisions of Section 163 of the Act in regard to keeping of the Registers, Indexes, Copies of Annual Returns and giving inspection thereof and furnishing copies thereof.

Commencement of business

16. The Company shall comply with the provisions of Section 149 of the Act.

Restriction on allotment

17. The Board shall observe the restriction as to allotment of shares to the public contained in Sections 69 and 70 of the Act and shall cause to be made the return as to allotment provided for in Section 75 of the Act.

Shares to be numbered progressively and no shares to be sub-divided

18. The shares in the Capital shall be numbered progressively according to the several denominations and except in the manner hereinbefore mentioned no share shall be subdivided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.

Shares at the disposal of the Directors

19. Subject to the provisions of Section 81 of the Act and these Articles the shares in the Capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in General Meeting to give to any person the option to call for any shares either at par or at a premium during such time and for such option to call for any shares either at par or at a premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the Capital of the Company on payment in full or part for any property sold and transferred or for services rendered to the Company in the

conduct of its business and any shares which may be so allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.

Every share transferable etc

20. (i) The shares or other interest of any member in the Company shall be a movable property, transferable in the manner provided by the Articles.

(ii) Each share in the Company shall be distinguished by its appropriate number.

(iii) A Certificate under the Common Seal of the Company, specifying any shares held by any member shall be prima facie, evidence of the title of the member of such shares.

Application of premium received on issue of shares

21. (a) Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on those shares shall be transferred to an account to be called "the share premium account" and the provisions of the Act relating to the reduction of the Share Capital of the Company shall, except as provided in this Article, apply as if the share premium account were paid-up share capital of the Company.

(b) The share premium account may, notwithstanding, anything in clause (a) above, be applied by the Company.

(i) in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares;

(ii) in writing off the preliminary expenses of the Company;

(iii) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the Company; or

(iv) in providing for the premium payable on the redemption of any redeemable preference shares or of any debenture of the Company.

Sale of fractional shares

22. If and whenever, as the result of issue of new or further shares or any consolidation or sub-division of shares, any shares are held by members in fractions, the Directors shall, subject to the provisions of the Act and these Articles and to the directions of the Company in General Meeting, if any, sell those shares, which members hold in fractions, for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion, the net proceeds of the sale thereof. For the purpose of giving effect to any such sale the Directors may authorise any person to transfer the shares sold to the purchaser thereof, comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Buy back of Shares

22A. Notwithstanding anything contained in any other Article of the Articles of Association, but subject to the provisions of Section 77 A and 77 B of the Act and Securities & Exchange Board of India (Buy back of Securities) Regulations 1998 as may be in force at any time and from time to time, the Company may acquire, purchase, own, resell any of its own fully/partly paid or redeemable Preference Shares or Equity Shares and any other security as may be specified under the Act, Rules and regulations from time to time and may make payment thereof out of funds at its disposal or in any manner as may be permissible or in respect of such acquisition/purchase on such terms and conditions and at such time or times in one or more installments as the Board may in its discretion decide and deem fit. Such Shares which are so bought back by the Company may either be extinguished and destroyed or reissued as may be permitted under the Act or the Regulations as may be in force at the relevant time subject to such terms and conditions as may be decided by the Board and subject further to the rules & regulations governing such issue.

Acceptance of Shares

23. An 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 purpose of these Articles be a member. The Director shall comply with the provisions of Sections 69, 70, 71, 72 and 73 of the Act in so far as they are applicable.

Deposits and calls etc. to be a debt payable immediately

24. 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, immediately, on the insertation 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.

Trusts not recognised

25. Save as herein provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holders of any share as the absolute owner thereof, and accordingly shall not (except as ordered by a Court of Competent jurisdiction or as by law required) be bound to recognise any benami, trust of equity or equitable, contingent, future, or partial or other claim or claims or right to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof and the provisions of Section 153 of the Act shall apply.

Issue of Certificates of Shares to be governed by Section 84 of the Act etc.

26. (a) The issue of certificates of shares or of duplicate or renewal of certificates of Shares shall be governed by the provisions of Section 84 and other provisions of the Act, as may be applicable and by the Rules or notifications or orders, if any, which may be prescribed or made by competent authority under the Act or Rules or any other law. The Directors may also comply with the provisions of such rules or regulations of any Stock Exchange where the shares of the Company may be listed for the time being.

Certificate of Shares

(b) The Certificate of title to shares shall be issued under the Seal of the Company and shall be signed by such Directors or Officers or other authorised persons as may be prescribed by the Rules made under the Act from time to time and subject thereto shall be signed in such manner and by such persons as the Directors may determine from time to time.

(c) The Company shall comply with all rules and regulations and other directions which may be made by any competent authority under Section 84 of the Act.

Limitation of time for issue of certificate

27. (a) Every member shall be entitled, without payment, to one or more Certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every Certificate of shares shall be under the seal of the company and shall specify the numbers and distinctive numbers of shares in respect of which it is issued and amount paid up thereon and shall be in such form as the Directors may prescribe or approve, provide that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares of one of several joint holders shall deliver to all such holders.

(b) The Company shall not entertain any application for split of share/debenture certificate for less than 10 (Ten) Equity shares / 10 (Ten) debentures (all relating to the same series) in market lots as the case may be.

Provided however this restriction shall not apply to an application made by the existing members or debenture holders for split of share / debenture certificates with a view to make an odd lot holding into a marketable lot subject to verification by the Company.

(c) Notwithstanding anything contained in Clause (a) above the Directors shall, however, comply with such requirements of the Stock Exchange where Shares of the Company may be listed or such requirements of any rules made under the Act or such requirements of the Securities Contracts (Regulations) Act, 1956 as may be applicable.

Issue of new certificate in place, lost or destroyed

28. If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any Certificate be lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under these Articles shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Re. 2/- for each Certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulations or requirements of any Stock Exchange or the Rules made under the Act or the Rules made under Securities Contracts (Regulations) Act, 1956 or any other Act, or Rules applicable in this behalf.

29. The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

LIEN

Company's lien on Shares/Debentures

44. The Company shall have first and paramount lien upon all the shares/debentures (other than fully paid up shares/debentures) 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/debentures and no equitable interest in any shares/debentures shall be created except upon the footing and condition that this Article will

have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this Clause.

As to enforcing lien by sale

45. For the purpose of enforcing such lien, the Board may sell the shares / debentures subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and / or debentures and may authorize one of their member or appoint any officer or agent to execute a transfer thereof on behalf of and in the name of such member / debenture holder. No sale shall be made until such period, as may be stipulated by the Board from time to time, and until notice in writing of the intention to sell shall have been served on such member and / or debenture holder or his legal representatives and default shall have been made by him or them in payment, fulfillment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.

Application of proceeds of sale

46. (a) 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 and/or debenture at the date of the sale.

Outsiders lien not to affect Company's lien

(b) The Company shall be entitled to treat the registered holder of any share or debenture as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or by statute required) be bound to recognise equitable or other claim to, or interest in, such shares or debentures on the part of any other person. The Company's lien shall prevail notwithstanding that it has received notice of any such claims.

FORFEITURE

47. **If call or instalment not paid notice must be given**

(a) If any member or debenture holder fails to pay the whole or any part of any call or instalment or any money due in respect of any share or debentures either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Directors may at any time thereafter, during such time as the call or any instalment or any part thereof or other moneys remain unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such member or debentureholder or on the person (if any) entitled to the share by transmission requiring him to pay such call or instalment or such part thereof or other moneys as remain unpaid 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

(b) The notice shall name a day not being less than One Month from the date of the notice and a place or places, on and at which such call, or instalment or such part or other moneys as aforesaid and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non payment of call amount with interest at or before the time and at the place appointed, the shares or debentures in respect of which the call was made or instalment or such part or other moneys is or are payable will be liable to be forfeited.

In default of payment, shares or debentures to be forfeited

48. If the requirements of any such notice as aforesaid are not complied with any share/debenture in respect of which such notice has been given, may at any time thereafter before payment of all calls or instalments, interest and expenses or other moneys due in respect thereof, be forfeited by a resolution of the Directors to that effect. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member of 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 herein provided. Such forfeiture shall include all dividends declared or interest paid or any other moneys payable in respect of the forfeited shares or debenture and not actually paid before the forfeiture.

Entry of forfeiture in Register of members/debenture holders

49. When any shares/debenture shall have been so forfeited, notice of the forfeiture shall be given to the member or debenture holder 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 or debenture holders but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.

Forfeited share/debenture to be property of Company and may be sold

50. Any share or debenture so forfeited shall be deemed to be the property of the Company, and may be sold, re-allotted or otherwise disposed off either to the original holder or to any other person upon such terms and in such manner as the Directors shall think fit.

Power to annul forfeiture

51. The Directors may, at any time, before any share or debenture so forfeited shall have been sold, re-allotted or otherwise disposed off, annul forfeiture thereof upon such conditions as they think fit.

Shareholders or Debenture holders still liable to pay money owing at time of forfeiture and interest

52. Any member or debenture holder whose shares or debenture have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, all calls, instalments, interest expenses and other money owing upon or in respect of such shares or debentures at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Directors may determine, and the Directors may enforce the payment of the whole or a portion thereof, if they think fit, but shall not be under any obligation to do so.

Effect of forfeiture

53. The forfeiture of a share or debenture shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share or debenture and all other rights incidental to the share or debenture, except only such of those rights and by these Articles are expressly saved.

Certificate of forfeiture

54. A Certificate in writing under the hand of one Director and counter signed by the Secretary or any other officer authorised by the Directors for the purpose, that the call in respect of a share or debenture was made and notice thereof given and that default in payment of the call was made and that the forfeiture of the share or debenture was made by the resolution of Directors to that effect shall be conclusive evidence of the facts stated therein as against all persons entitled to such share or debenture.

Validity of sales under Articles 45 and 50

55. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinabove given, the Directors may, if necessary, appoint some person to execute an instrument of transfer of the shares or debentures sold and cause the purchaser's name to be entered in the Register of members or Register of debenture holders in respect of the shares or debentures sold, and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money and after his name has been entered in the Register of members or debentureholders in respect of such shares or debenture the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be for damages only and against the Company exclusively.

Cancellation of share/debenture Certificate in respect of forfeited shares/debentures

56. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate/s originally issued in respect of the relative shares or debentures shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member or debentureholder) stand cancelled and become null and void and be of no effect, and the Directors shall be entitled to issue a duplicate certificate/s in respect of the said share or debenture to the person/s entitled thereto.

Title of purchaser and allottee of forfeited shares/debentures

57. The Company may receive the consideration, if any, given for the share or debenture on any sale, re-allotment or other disposition thereof, and the person to whom such share or debenture is sold, re-allotted or disposed off, may be registered as the holder of the share or debenture and shall not be bound to see to the application of the consideration, if any, nor shall his title to the share or debenture be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the share or debenture.

Surrender of Shares or Debentures

58. The Directors may, subject to the provisions of the Act, accept a surrender of any share or debenture from or by any member or debenture holder desirous of surrendering them on such terms as they think fit.

TRANSFER AND TRANSMISSION OF SHARES AND DEBENTURES

Register of transfers

59. The Company shall keep a book to be called the "Register of transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share.

Form of transfer

60. The instrument of transfer shall be in writing and all provisions of Section 108 of the Companies ACT, 1956 and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.

Dematerialisation of Securities

60A.(1) The provisions of this Article shall apply notwithstanding any thing to the contrary contained in any other Article of these Articles.

(2) (i) The Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depository Act, 1996.

(ii) Option for Investors:

Every holder of or subscriber to securities of 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 the 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 for the Securities.

If a person opts to hold its Security with a Depository, the Company shall intimate such depository the details of allotment of the Security.

(iii) Securities in Depository to be in fungible form:-

All Securities of the Company held by the Depository shall be dematerialised and be in fungible form.

Nothing contained in Sections 153, 153A, 153B, 187B, 187C & 372A of the Act shall apply to a Depository in respect of the Securities of the Company held by it on behalf of the beneficial owners.

(iv) Rights of Depositories & Beneficial Owners

(a) Notwithstanding anything to the contrary contained in the Act a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Security of the Company on behalf of the beneficial owner.

(b) Save as otherwise provided in (a) above, the depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.

(c) Every person holding Securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a depository.

(v) Service of Documents:-

Notwithstanding anything contained in the Act to the contrary, where Securities of the Company are held in a depository, the records of the beneficial ownership may be served by such depository to the Company by means of electronic mode or by delivery of floppies or discs.

(vi) Transfer of Securities:-

Nothing contained in Section 108 of the Act, shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

(vii) Allotment of Securities dealt with in a depository:-

Notwithstanding anything contained in the Act, where Securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

(viii) Register and Index of Members:-

The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Section 150 and 151 and other applicable provisions of the Act and the Depositories Act, 1996 with the details of Shares held in physical and dematerialised forms in any media as may be permitted by law including in any form of electronic media.

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 Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or Country.

Instrument of transfer to be executed by transferor and transferee

61. Every such instrument of transfer shall be signed both by the transferor and transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of members in respect thereof.

Directors may refuse to register transfer

62. (a) Subject to the provisions of Section 111 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, at their own absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases, the Directors shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the company has a lien on the shares. Transfer of shares/debentures in whatever lot shall not be refused.

(b) Nothing in Sections 108, 109 and 110 of the Act shall prejudice this power to refuse to register the transfer of, or the transmission on legal documents by operations of law of the rights to, any shares or interest of a member in, any shares or debentures of the Company.

Transfer to shares

63. (a) An application of registration of the transfer of shares may be made either by the transferor or the transferee provided that where such application is made by the transferor, no registration shall in the case of partly paid shares be effected unless the Company gives notice of the application to the transferee and subject to the provisions of Clause (d) of this Article, the Company shall unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the Register of members

the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.

(b) For the purpose of clause (a) above notice to the transferee shall be deemed to have been duly given if sent 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 to him in the ordinary course of post.

(c) It shall not be lawful for the Company to register a transfer of any shares unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee has been delivered to the Company alongwith the Certificate relating to the shares and if no such Certificate is in existence, alongwith the letter of allotment of shares. The Directors may also call for such other evidence as may reasonably be required to show the right of the transferor to make the transfer provided that where it is proved to the satisfaction of the Directors of the Company that an instrument of transfer register the transfer on such terms as to indemnity as the Directors may think fit.

(d) Nothing in clause (c) above shall prejudice any power of the company to register as share holder any person to whom the right to any share has been transmitted by operation of law.

(e) The company shall accept all applications for transfer of shares/debentures, however, this condition shall not apply to requests received by the company;

(A) for splitting of a share or debenture certificate into several scripts of very small denominations;

(B) proposals for transfer of shares/debentures comprised in a share/debenture certificate to several parties involving, splitting of a share/debenture certificate into small denominations and that such split/transfer appears to be unreasonable or without any genuine need.

(i) transfer of Equity shares/debentures made in pursuance of any statutory provision or an order of a competent court of law;

(ii) the transfer of the entire Equity shares/debentures by an existing shareholder/ debenture holder of the Company holding under one folio less than 10 (ten) Equity Shares or 10 (ten) debentures (all relating to the same series) less than in market lots by a single transfer to a single or joint transferee.

(iii) the transfer of not less than 10 (ten) Equity shares or 10 (ten) debentures (all relating to the same series) in favour of the same transferee(s) under two or more transfer deeds, out of which one or more relate(s) to the transfer of less than 10 (ten) Equity Shares/10 (ten) debentures.

(iv) the transfer of less than 10 (ten) Equity shares or 10 (ten) debentures (all relating to the same series) to the existing share holder/debenture holder subject to verification by the Company.

Provided that the Board may in its absolute discretion waive the aforesaid Conditions in a fit and proper case (s) and the decision of the Board shall be final in such case(s).

(f) Nothing in this Article shall prejudice any power of the Company to refuse to register the transfer of any share.

Custody of instrument of transfer

64. The instrument of transfer shall after registration be retained by the Company and shall remain in their custody. All instruments of transfer which the Directors may decline to register, shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company after such period as they may determine.

Transfer books and Register of members when closed

65. The Board shall have power on giving not less than seven days previous notice by advertisement in some newspaper circulating in the district in which the office of the Company is situated, to close the Transfer books, the Register of members or Register of debenture holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty five days in each year.

Transfer to Minors etc.

66. Only fully paid shares or debentures shall be transferred to a minor acting through his/her legal or natural guardian. Under no circumstances, shares or debentures be transferred to any insolvent or a person of unsound mind.

Title to shares of deceased holder

67. The executors or administrators of a deceased member (not being one or two or more joint holders) or the holder of a deceased member (not being one or two or more joint holders) shall be the only persons whom the Company will be bound to recognise as having any title to the shares registered in the name of such member, and the Company shall not be bound to recognise such executors or administrators or the legal representatives unless they shall have first obtained Probate or Letters of Administration or the legal representatives unless they shall have first obtained probate or Letters of Administration or a Succession Certificate, as the case may be, from a duly constituted competent court in India, provided that in any case where the Directors in their absolute discretion think fit, the Directors may dispense with the production of probate or Letters of Administration or a Succession Certificate upon such terms as to indemnity or otherwise as the Directors in their absolute discretion may think necessary and under Article 70 register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member.

Registration of persons entitled to share otherwise than by transfer

68. (a) Subject to the provisions of Articles 67 and 77(d), any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such titles as the Directors shall think sufficient, either be registered himself 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 as in respect of such shares. Provided nevertheless that if such person 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 the provisions herein contained and until he does so, he shall not be free from any liability in respect of such shares.

(b) A transfer of the shares or other interest in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member be as valid as if he had been a member at the time of the execution of the instrument of transfer.

Nominations

(c) (1) Every Share holder or Debentureholder or depositholder of the Company, may at any time, nominate a person to whom his Shares or Debentures or Deposit shall vest in the event of his death in such manner as may be prescribed under the Act.

(2) Where the Shares or Debentures or Deposits of the Company are held by more than one person jointly, joint holders may together nominate a person to whom all the rights in the Shares or Debentures or Deposits, as the case may be, shall vest in the event of death of all the joint holders in such a manner as may be prescribed under Section 58A(11) and 109 of the Act.

(3) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, where a nomination made in the manner aforesaid purpose to confer on any person the right to vest the Shares or Debentures or Deposits, the nominee shall, on the death of the Shareholder or Debentureholder or Depositholder, as the case may be on the death of the joint holders become entitled to all the rights in such Shares or Debentures or Deposits as the case may be, all the joint holders, in relation to such Shares or Debentures or Deposits, to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner as may be prescribed under the Act.

(4) Where the nominee is a minor, it shall be lawful for the holder of the Shares or Debentures or Deposits, to make the nomination to appoint any person to become entitled to Share in, or Debentures or Deposits of, the Company, in the manner prescribed under the Act, in the event of his death during the minority.

Transmission of Shares or Debentures

(d) (1) A nominee, upon production of such evidence as may be required by the Board and subject to provisions of Section 109B of the Act and as hereinafter provided, elect, either –

(a) to register himself as holder of the Share or Debenture, as the case may be; or

(b) to make such transfer of the Share or Debenture, as the deceased Shareholder or Debenture holder, as the case may be, could have made.

(2) if the nominee elects to be registered as holder of the Share or Debenture himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased Shareholder or Debenture holder, as the case may be.

(3) a nominee shall be entitled to the share dividend and other advantages to which he would be entitled if he were the registered holder of the Share or Debenture. Provided that he shall not, before being registered as a member, be entitled to exercise any right conferred by membership in relation to meeting of the Company.

provided further that Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Share or Debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Share or Debenture, until the requirements of the notice have been complied with.

Claimant to be entitled to same advantage

69. The person becoming entitled to a share by reason of the death, lunacy, bankruptcy or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled as if he were registered holder of the shares except that he shall not before being registered as a member in respect of the share, be entitled in respect of it, to exercise any right conferred by membership in relation to the meeting of the Company provided that the Board may at any time give notice requiring any such persons to elect either to be registered himself or to transfer shares and if the notice is not complied within sixty days, the Board may thereafter withhold payment of all dividends, interests, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with.

Persons entitled may receive dividend without being registered as member

70. A person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends, bonuses or moneys as hereinafter provided be entitled to receive, and may give a discharge for any dividends, bonuses or other moneys payable in respect of the share/debenture.

71. Article 70 shall not prejudice the provisions of Articles 44 and 55.

Refusal to register nominee

72. The Directors shall have the same right to refuse on legal ground to register a person entitled by transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.

Directors may require evidence of transmission

73. Every transmission of a share shall be verified in such manner as the Directors may require, and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.

No fee on transfer or transmission

74. No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and Letters of Administration, Certificate of Death or Marriage, Power of Attorney or similar other document.

The Company not liable for disregard of a notice prohibiting registration of transfer

75. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Directors shall so think fit.

76. The provisions of these Articles shall mutatis mutandis apply to the transfer or transmission by operation of law, of debentures of the Company.

JOINT HOLDERS

Joint-holders

77. Where two or more persons are registered as the holders of any share/debentures, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles.

No transfer to more than four persons as joint holders

(a) The joint holders of any share/debenture shall be liable severally four persons as the holders of any share/debenture.

Transfer by joint holders

(b) In the case of a transfer of shares/debentures held by joint holders, the transfer will be effective only if it is made by all the joint holders.

Liability of joint holders

(c) The joint holders of any share/debenture shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share/debenture.

Death of one or more joint holders

(d) On the death of any one or more of such joint holders the survivor/survivors shall be the only person or persons recognised by the Company as having any title to the share/debenture, 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 a deceased joint holder from any liability on shares/debentures held by him jointly with any other person.

Receipt of one sufficient

(e) Any one of such joint holders may give effectual receipts of any dividends, interest or other moneys payable in respect of such share/debenture.

Delivery of certificate and giving of notices to first named holder

(f) Only the person whose name stands first in the Register of Members/debenture holders as one of the joint holder of any shares/debentures shall be entitled to the delivery of the certificate relating to such share/debenture or to receive notice (which expression shall be deemed to include all documents as defined in Article (2) (a) hereof and any document served on or sent to such person shall be deemed service on all the joint holders.

Vote of joint holders

(g) (i) Any one of two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the Register in respect of such share shall alone be entitled to vote in respect thereof 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 by proxy although the name of such joint holder present by Attorney or by proxy stands first or higher (as the case may be) in the Register in respect of such shares.

(ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands shall for the purpose of this clause be deemed joint holders.

BORROWING POWERS

Restriction on powers of the Board

78. The Board of Director shall not, except with the consent of the Company in general meeting and subject to Article 172 of the Articles of Association of the Company:

(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, or 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 alter the commencement of this Act, 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 can not 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 of the company and its free reserves, that is to say, reserves not set apart for any specific purpose.

(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 percent, of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial years immediately preceding, whichever is greater.

Explanation: Every resolution passed by the Company in general meeting in relation to the exercise of the power referred to in clause (d) or in clause (e) shall specify the total amount upto which money may be borrowed by the Board of Director under clause (d) or as the case may be, the total amount which may be contributed to charitable and other funds in any financial year under clause (e).

Condition on which money may be borrowed

79. The Directors may raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit, and in particular by the issue of bonds, perpetual or redeemable, debenture or debenture stock or any mortgage or charge or other security on the undertaking of the whole or any part of the property of the company (both present and future) including its uncalled capital for the time being.

Bonds, Debentures etc. to be subject to the control of Directors

80 Any bonds, debentures, debenture stocks or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions

and in such manner and for such considerations they shall consider to be for the benefit of the Company.

Provided that bonds, debentures, debenture stock or other securities so issued or to be issued by the Company with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in general meeting by a special resolution.

Securities may be assignable free from equities

81. Debentures, debenture stocks, bonds or other securities may be made assignable free from any equities between the company and the person to whom the same may be issued.

Issue at discount etc. or with special privileges

82. Any bonds, debenture stocks, or other securities may be issued, subject to the provisions of the Act, at a discount premium or otherwise and with any special privileges as to redemption, surrender, drawings, appointment of Directors and otherwise and subject to the following:

Debentures with voting rights not to be issued

(a) The Company shall not issue any debentures carrying voting rights at any meeting of the Company whether generally or in respect of particular classes of business.

(b) The Company shall have power to reissue redeemed debentures in certain cases in accordance with Section 121 of the Act.

(c) Payments of certain debts out of assets subject to floating charge in priority to claims under the charge may be made in accordance with the provisions of Section 123 of the Act.

(d) Certain charges mentioned in Section 125 of the Act shall be void against the liquidators or creditors unless registered as provided in Section 125 of the Act.

(e) The term ‘charge’ shall include mortgage in these Articles.

(f) A contract with the Company to take up and pay for any debentures of the Company may be enforced by a decree for specific performance.

Limitation of time for issue of Certificate

(g) The Company shall, within three months after the allotment of any of its debentures or debenture stock, and within one month after the application for the registration of the transfer of any such debenture stocks have complete and have ready for delivery the Certificate of all the debentures and the Certificates of all debenture stocks allotted or transferred unless the conditions of issue of the debentures or debenture stocks otherwise provide.

The expression ‘transfer’ for the purpose of this clause means a transfer duly stamped and otherwise valid and does not include any transfer which the Company is for any reason entitled to refuse to register and does not register.

Right to obtain copies and inspect Trust Deed

(h) (i) A copy of any Trust Deed for securing any issue of debentures shall be forwarded to the holder of any such debentures or any member of the Company at his request and within seven days of the making thereof on payment.

(1) In the case of a printed Trust Deed of the sum of Rupee One and

(2) In the case of a Trust Deed which has not been printed of thirty seven paise for every one hundred words or fractional part thereof required to be copied.

(ii) The Trust Deed referred to in item (i) above shall also be open to inspection by any member or debenture holder of the Company in the same manner, to the same extent, and on payment of the same fees, as if it were the Register of members of the Company.

Mortgage of uncalled capital

83. If any uncalled capital of the Company is included on or charged by any mortgage or other security the Directors shall, subject to the provisions of the Act and these Articles, make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.

Indemnity may be given

84. If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the 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 person so becoming liable as aforesaid from any loss in respect of such liability.

Registration of charges

85 (a) The provisions of the Act relating to registration of charges shall be complied with.

(b) In the case of a charge created out of India and comprising solely property situated outside India, the provisions of Section 125 of the Act shall also be complied with.

(c) Where a charge is created in India but comprises property outside India, the instrument creating or purporting to create the charge under Section 125 of the Act or a copy thereof verified in the prescribing manner, may be filed for registration, notwithstanding that further proceedings may be necessary to make the charge valid or effectual according to the law of the country in which the property is situated, as provided by Section 125 of the Act.

(d) Where any charge on any property of the Company required to be registered under Section 125 of the Act has been so registered any person acquiring such property or any part thereof or any share or interest therein shall be deemed to have notice of the charge as from the date of such registration

(e) In respect of registration of charges on properties acquired subject to charge, the provisions of Section 127 of Act shall be complied with.

(f) The Company shall comply with the provisions of Section 128 of the Act in relating to particulars in case of series of debentures entitling holders pari passu.

(g) The Company shall comply with the provisions of Section 129 of the Act in regard to registration of particulars of commission, allowance or discount paid or made, directly or indirectly, in connection with the debentures.

(h) The provisions of Section 133 of the Act as to endorsement of Certificate of registration on debenture or Certificate of debenture stock shall be complied with by the Company.

(i) The Company shall comply with the provisions of Section 134 of the Act as regards registration of particulars of every charge and of every series of debentures.

(j) As to modification of charges, the Company shall comply with the provisions of Section 135 of the Act.

(k) The Company shall comply with the provisions of Section 136 of the Act regarding keeping a copy of instrument creation charge at the registered office of the Company and comply with the provisions 137 of the Act in entering in the register of charges any appointment of Receiver or Manager as therein provided.

(l) The Company shall also comply with the provisions of Section 138 of the Act as to reporting satisfaction of any charge and procedure thereafter.

(m) The Company shall keep at its registered office a Register of charges and enter therein all charges specifically affecting any property of the Company and all floating charges on the undertaking or on any property of the company giving in each case:

(i) a short description of the property charged;

(ii) the amount of the charge; and

(iii) except in the case of securities to bearer, the names of persons entitled to the charge.

(n) Any creditor or member of the Company and any other person shall have the right to inspect copies of instruments creating charges and the Company's Register of charges in accordance with and subject to the provisions of Section 144 of the Act.

Trust not recognised

86. No notice of any trust, expressed or implied or constructive, shall be entered on the Register of Debenture holders.

SHARE WARRANTS

Powers to issue share warrants

87. The Company may issue share warrants 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 upon application in writing signed by the persons registered as holder of the share and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the person signing the application, and 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 to issue a share warrant.

Deposit of share warrants

88. (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 deposit, as if his name were

inserted in the Register of members as the holder of the share included in the deposited warrant.

(b) Not more than one person shall be recognised as depositor of the Share Warrant.

(c) The Company shall on two days' written notice return the deposited share warrant to the depositor.

Privileges and disabilities of the holders of share warrant

89. (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 of the privileges of member at a meeting of the Company, or be entitled to receive any notice from the Company.

(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 holder of the shares included in the warrant and he shall be a member of the Company.

Issue of new share warrant or coupon

90. 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

Shares may be converted into stock

91. 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 thenceforth transfer their respective interest therein or any part of such interests, in the same manner and subject to the same regulations as, and subject to which shares from which the stock arise might have been transferred, if 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

92. The holders of stock shall, according to the amount of stock, held by them have the same right, privileges and advantages as regards dividends, voting at meeting of the Company and other matters, as if they held the share from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and 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.

VOTES OF MEMBERS

Restrictions on exercise of voting rights of members who have not paid calls

104. (a) No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has and has exercised any right of lien.

(b) Where the shares of the Company are held in trust, the voting power in respect of such shares shall be regulated by the provisions of Section 187 B of the Act.

Restriction on exercise of voting right in other cases to be void

105. A member is not prohibited for exercising his voting right on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in Article 104.

Equal rights of share holders

106. Any shareholder whose name is entered in the Register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other shareholders of the same class.

Voting to be by show of hands in first instance

107. At any general meeting a resolution put to vote at the meeting shall unless a poll is demanded under Section 179 of the Act be decided on a show of hands.

108. (a) Subject to the provisions of the Act, upon show of hands every member entitled to vote and present in person shall have one vote, and upon a poll every member entitled to vote and present in person or by proxy shall have one vote, for every share held by him.

No voting by proxy on show of hands

(b) No member not personally present shall be entitled to vote on a show of hands unless such member is a body corporate present by proxy or by a representative duly authorised under Sections 187 or 187A of the Act, in which case such proxy or representative may vote on a show of hands as if he were a member of the Company.

How members non compos minutes and minor may vote

(c) 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 by his committee or other legal guardian and any such committee or guardian may on poll vote by proxy; if any member be a minor the vote in respect of his share or shares shall be by his guardians or any one of his guardians, if more than one, to be selected in case of dispute by the Chairman of the meeting.

Votes in respect of shares of deceased or insolvent members etc.

(d) Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the transmission clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours 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 of his right to such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

(e) **Custody of Instrument**

If any such instrument of appointment be confined to the object of appointing proxy or substitute for voting at meetings of the Company, it shall remain permanently or for such time as the Directors may determine in the custody of the Company; if embracing other objects a copy thereof examined with the original, shall be delivered to the Company to remain in the custody of the Company.

(f) **Validity of votes given by proxy notwithstanding death of members etc.**

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the registered office of the Company before the meeting.

(g) **Time for objections for vote**

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 an agent or proxy or representative not disallowed at such meeting or poll shall be deemed valid for all purpose of such meeting or poll whatsoever.

(h) **Chairman of any meeting to be the judge of any vote**

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.

Chairman's declaration of result of voting by show of hands to be conclusive

109. A declaration by the Chairman in pursuance of Section 177 of the Act that on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.

Demand for poll

110. (a) Before or on the declaration of the result of the voting on any resolution of a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than fifty thousand rupees has been paid up.
(b) The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

Time of taking poll

111. (a) A poll demanded on a question of adjournment shall be taken forthwith.
(b) A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for in Section 175 of the Act) shall be taken at such time not being later than 48 (forty eight) hours from the time when the demand was made, as the Chairman may direct.

Right of a member to use his votes differently

112. On a poll taken at a meeting of the Company a member 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.

Scrutineers at poll

113. (a) 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.
(b) The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutineer from office and to fill vacancies in the office of scrutineer arising from such removal or from any other cause.

(c) Of the two scrutineers appointed under this article, one 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.

Manner of taking poll and result thereof

114. (a) Subject to the provisions of the Act, the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken.

(b) The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

Casting Vote

115. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the polls is demanded shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.

Representation of Body Corporate

116. A body corporate (whether a Company within the meaning of the Act or not) if it is a member or creditor (including a holder of debentures) of the Company may in accordance with the provisions of Section 187 of the Act authorise such person by a resolution of its Board of Directors as it thinks fit, to act as its representative at any meeting of the Company or of any class of members of the Company or at any meeting of creditors of the Company.

Representation of the President of India or Governors

117. (a) The President of India or the Governor of a State if he is a member of the Company may appoint such person as he thinks fit to act as his representative at any meeting of the Company or at any meeting of any class of members of the Company in accordance with provisions of Section 187A of the Act or any other statutory provision governing the same.

(b) A person appointed to act as aforesaid shall for the purposes of the Act be deemed to be a member of such a Company and shall be entitled to exercise the same rights and powers (including the right to vote by proxy) as the President or as the case may be the Governor could exercise, as a member of the Company.

(c) **Public Trustee**

The Company shall observe the provisions of Section 187B of the Act, in regard to the Public Trustee.

Circulation of member's resolution

118. The Company shall comply with provisions of Section 188 of the Act, relating to circulation of member's resolution.

Resolution requiring special notice

119. The Company shall comply with provisions of Section 190 of the Act relating to resolution requiring special notice.

Resolutions passed at adjourned meeting

120. The provisions of Section 191 of the Act shall apply to resolutions passed at an adjourned meeting of the Company, or of the holders of any class of shares in the Company and of the Board of Directors of the Company and the resolutions shall be deemed for all purposes as having been passed on the date on which in fact they were passed and shall not be deemed to have been passed on any earlier date.

Registration of resolutions and agreements

121. The Company shall comply with the provisions of Section 192 of the Act relating to registration of certain resolutions and agreements.

Minutes of proceedings of general meeting and of Board and other meetings

122. (a) The Company shall cause minutes of all proceedings of general meetings, and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for the 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 books shall be dated and signed :

(i) in the case of minutes of proceedings of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.

(ii) in the case of minutes of proceedings of the general meeting by Chairman of the said 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.

(c) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by 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) In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain:

(i) the names of the Directors present at the meetings, and

(ii) in the case of each resolution passed at the meeting, the names of the Directors, if any dissenting from or not concurring in the resolution.

(g) Nothing contained in Clauses (a) to (d) hereof 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) in 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 clause.

Minutes to be considered to be evidence

(h) The minutes of meetings kept in accordance with the provisions of Section 193 of the Act shall be evidence of the proceedings recorded therein.

Presumptions to be drawn where minutes duly drawn and signed

123. Where minutes of the proceedings of any general meeting of the Company or of any meeting of its Board of Directors or of a Committee of the Board have been kept in accordance with the provisions of Section 193 of the Act then, until the contrary is proved, the meeting shall be deemed to have been duly called and held, and all proceedings thereat to have duly taken placed and in particular all appointments of Directors or Liquidators made at the meeting shall be deemed to be valid and the minutes shall be evidence of the proceedings recorded therein.

Inspection of Minutes Books of General Meetings

124. (a) The books containing the minutes of the proceedings of any general meeting of the Company shall;

(i) be kept at the registered office of the Company, and
(ii) be open, during the business hours to the inspection of any member without charge subject such reasonable restrictions as the Company may, in general meeting impose so however that not less than two hours in each day are allowed for inspection.

(b) Any member shall be entitled to be furnished, within seven days after he has made a request in that behalf of the Company, with a copy of any minutes referred to in Clause (a) above, on payment of thirty seven paise for every one hundred words or fractional part thereof required to be copied.

Publication of reports of proceeding of general meetings

125. No document purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by Section 193 of the Act to be contained in the Minutes of the proceedings of such meeting.

DIVIDENDS

Division of Profits

179. The profits of the Company subject to any special rights relating thereto created or authorised to be created by these presents 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.

Dividend payable to registered holder

180. No dividend shall be paid by the Company in respect of any share except to the registered holder of such share or to his order or to his banker.

Time of payment of dividend

181. Where a dividend has been declared by the Company it shall be paid within the period provided in Section 207 of the Act.

Capital paid up in advance and interest not to earn dividend

182. Where the Capital is paid up in advance of calls upon the footing that the same shall carry interest, such Capital shall not, whilst carrying interest confer a right to dividend or to participate in profits.

Dividends in proportion to amount paid up

183. (a) The Company shall pay dividends in proportion to the amounts paid up or credited as paid up on each share, when a larger amount is paid up or credited as paid up on some shares than on others. Nothing in this Article shall be deemed to affect in any manner the operation of Section 208 of the Act.

(b) Provided always that any Capital paid up on a share during the period in respect of which a dividend is declared, shall unless the terms of issue otherwise provide, only entitle the holder of such share to an apportioned amount of such dividend proportionate to the capital from time to time paid during such period on such share.

Company in General Meeting may declare dividends

184. The Company in general meeting may declare a dividend to be paid to the members according to their respective rights and interests in the profits and may fix the time for payment.

Power of Directors to limit dividend

185. No larger dividend shall be declared than is recommended by the Directors but the Company in general meeting may declare a smaller dividend.

Dividends only to be paid out of profits

186. No dividend shall be declared or paid by the Company otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both or out of moneys provided by the Central Government or a State Government for the payment of dividend in pursuance of the guarantee given by that Government provided that:

(a) If the Company has not provided for depreciation for any previous financial year or years, it shall before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of that financial year or out of the profits of any other previous financial year or years;

(b) If the Company has incurred any loss in any previous financial year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of the Act or against both.

Provided further that, no dividend shall be declared or paid for any financial year out of the profits of the Company for that year arrived at after providing for depreciation as above, except after the transfer to the reserves of the Company of such percentage of its profits for that year as may be prescribed in accordance with Section 205 of the Act or such higher percentage of its profits as may be allowed in accordance with that Section.

Nothing contained in this Article shall be deemed to affect in any manner the operation of Section 208 of the Act.

Directors' declaration as to net profits conclusive

187. The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.

Interim Dividends

188. The Directors may, from time to time, pay to the members such interim dividends as in their judgement the position of the Company justifies.

Retention of Dividend until completion of transfer under Article

189. The Directors may retain the Dividends payable upon shares in respect of which any person is under the Transmission clause of these Articles entitled to become a member or which any person under the clause is entitled to transfer until such person shall become a member in respect of such shares or shall duly transfer the same.

No member to receive Dividend whilst indebted to the Company and Company's right to reimbursement therefrom

190. Subject to the provisions of the Act, no member shall be entitled to receive payment of any interest or dividend in respect of his share(s) whilst any money may be due or owing from him to the Company in respect of such share(s) or debenture(s) or otherwise however either alone or jointly with any other person or persons and the Directors may deduct from the interest or dividend payable to any member, all sums of moneys so due from him to the Company.

Transferred shares must be registered

191. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

Dividend how remitted

192. Unless otherwise directed any dividend may be paid by cheque or warrant or a pay-slip or receipt having the force of a cheque or warrant sent through ordinary post to the registered address of the member or person entitled or in the case of joint holders to that one of them first named in the Register of Members in respect of the joint holding. Every such cheque or warrant so sent shall be made payable to the registered holder of shares or to his order or to his bankers. The Company shall not be liable or responsible for any cheque or warrant 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 fraudulent or improper recovery thereof by any other means.

Unpaid or Unclaimed Dividend

193. (a) Where the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration, to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank called "Unpaid Dividend Account of "Unijules Life Sciences Limited" and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.

(b) 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 the Investor Education and Protection Fund account of the Central Government.
No claim for such transferred amount will lie against the Company or Central Government.

(c) No unpaid or unclaimed dividend shall be forfeited by the Board.

Dividend and call together

194. Any general meeting declaring a dividend may on the recommendation of the Directors make a call on the members for such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the members, be set off against the calls.

Dividend to be payable in cash

195. No dividend shall be payable except in cash. Provided that nothing in this Article shall be deemed to prohibit the capitalisation of profit or reserves of the Company for the purpose of issuing fully paid up bonus shares or paying up any amount for the time being unpaid on any shares held by the members of the Company.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two (2) years before the date of the Draft Red Herring Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which have been attached to the copy of the Red Herring Prospectus, delivered to the Registrar of Companies, Maharashtra, Mumbai for registration and also the documents for inspection referred to hereunder, may be inspected at the Corporate Office of our Company at Universal Square, 1505-1 Shantinagar, Nagpur 440 002, India, from 10.00 a.m. to 4.00 p.m. on Working Days from the date of the Draft Red Herring Prospectus until the Bid/Issue Closing Date.

Material Contracts

1. Issue Agreement dated September 27, 2010 entered into between our Company and the BRLM.
2. Memorandum of Understanding dated March 10, 2010 executed by our Company with Registrar to the Issue.
3. Escrow Agreement dated [●] between our Company, the BRLM, Escrow Collection Banks, and the Registrar to the Issue.
4. Syndicate Agreement dated [●] between our Company, the BRLM and Syndicate Members.
5. Underwriting Agreement dated [●] between our Company, the BRLM and Syndicate Members.
6. Agreement dated [●] with the IPO grading agency.

Material Documents

1. Our Company's Memorandum of Association and Articles of Association, as amended.
2. Our Company's Certificate of Incorporation dated January 16, 2006.
3. Board Resolution dated August 9, 2010 authorizing the Issue and related matters.
4. Shareholders' resolutions dated August 31, 2010 authorizing the Issue and related matters.
5. Shareholder's resolution for appointment of, Mr. Faiz Vali as Chairman and Managing Director, Mr. Ishwarlal Ambaram Trivedi and Mr. Dharampal Keshawdas Bellani as Whole Time Directors dated August 31, 2010.
6. Employment Agreement for determination of the remuneration and other terms and conditions of Mr. Faiz Vali, Managing Director, Mr. Ishwarlal Ambaram Trivedi and Mr. Dharampal Keshawdas Bellani, Wholetime Directors of even date i.e. September 25, 2010.
7. Copies of Annual Reports and Audited Financials of our Company for the years ended March 31, 2010, 2009, 2008, 2007 and 2006.
8. Copies of Annual Reports and Audited Financials of ZIM Laboratories Limited for the years ended March 31, 2010, 2009, 2008, 2007 and 2006.
9. Copy of Annual Report and Audited Financials of RevAyur Beauty Care India Private Limited for the period ended March 31, 2010.

10. Copies of Annual Reports and Audited Financials of and Universal Medicaments Private Limited for the years ended March 31, 2008 and 2007.

11. Report of the Peer Review Auditor, J. S. Uberoi & Co., Chartered Accountants, dated September 27, 2010 on our Company's Restated Standalone and Consolidated Financial Statements as of and for the F.Y. ended March 31, 2010, 2009, 2008, 2007 and 2006 prepared as per Indian GAAP and mentioned in the Draft Red Herring Prospectus including their consent.

12. Certificate dated August 31, 2010, Ali Hatim S. Husain, Chartered Accountant, certifying the expenditure incurred until August 31, 2010 and the deployment of funds in respect of the projects included in the Objects of the Issue.

13. Copy of the tax benefit statement dated September 27, 2010 from the Statutory Auditor in this case being Ali Hatim S. Husain, Chartered Accountant.

14. Consents of the Bankers to our Company, the BRLM, the Syndicate Members, the Registrar to the Issue, the Escrow Collection Bank(s), the Bankers to the Issue, Refund Bankers, the Lenders to our Company, IPO Grading Agency, the Legal Advisors, the Statutory Auditor and the Underwriters, the Directors of our Company, the Company Secretary and the Compliance Officer of our Company, as referred to, in their respective capacities.

15. IPO grading report dated [●] issued by [●], an IPO Grading Agency registered with SEBI.

16. Initial listing applications dated [●] and [●] filed with NSE and BSE respectively.

17. Applications dated [●] and [●] for in-principle listing approval from NSE and BSE, respectively.

18. In-principle listing approvals dated [●] and [●] from the NSE and the BSE, respectively.

19. Tripartite Agreement amongst NSDL, our Company and the Registrar to the Issue dated March 26, 2010.

20. Tripartite Agreement among CDSL, our Company and the Registrar to the Issue dated July 14, 2010.

21. Due diligence certificate dated September 29, 2010 to SEBI from the BRLM.

22. SEBI observation letter No. [●] dated [●].

Any of the contracts or documents mentioned in the Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We, the Directors, hereby certify and declare that, all relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the regulations/guidelines issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or the rules made thereunder or regulations/guidelines issued, as the case may be. We further certify that all statements in the Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Name & Designation	Signature
Mr. Faiz Vali *Chairman & Managing Director*	
Mr. Ishwarlal Ambaram Trivedi *Wholetime Director*	
Mr. Dharampal Keshawdas Bellani *Wholetime Director*	
Mr. Anwar Siraj Daud *Non-Independent & Non-Executive Director*	
Mr. Naresh Janardan Gaikwad *Independent Director*	
Mr. Vaibhav Deshpande *Independent Director*	
Mr. Manoj Kumar Sahoo *Independent Director*	
Dr. Veerendra Kumar Parashar *Independent Director*	
Mr. Minhaj Majid Khan *Independent Director*	

SIGNED BY THE CHIEF FINANCIAL OFFICER

Mr. Murtaza Ali

SIGNED BY THE COMPANY SECRETARY AND COMPLIANCE OFFICER

Ms. Shilpa Pawankar

Date: September 29, 2010
Place: Nagpur