



BROOKS LABORATORIES LIMITED

(Our Company was originally incorporated as Brooks Laboratories Limited on January 23, 2002 under the Companies Act, 1956, vide Certification of Incorporation bearing registration number 24910 issued by the Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh. There has been no change in the name of our Company since incorporation. Our Company has been allocated Corporate Identification Number U24232PB2002PLC024910 For details of change in our Registered Office, please refer to the chapter titled **"History and Certain Corporate Matters"** on page 138 of the Draft Red Herring Prospectus.)

Registered Office: G-101, Ivory Tower, Sector 70, Mohali, Punjab - 160055, India.

Tel: + (91 172) 509 7355 **Fax:** + (91 172) 509 7355; **Email:** cs@brookslabs.net, **Website:** www.brookslabs.net.

Contact Person: Ms. Parvinder Kaur, Company Secretary and Compliance Officer

Promoters of Our Company: Mr. Atul Ranchal and Mr. Rajesh Mahajan

PUBLIC ISSUE OF [●] EQUITY SHARES OF FACE VALUE RS. 10 EACH (THE "EQUITY SHARES") OF BROOKS LABORATORIES LIMITED ("OUR COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE) AGGREGATING TO UP TO RS. 6300 LACS (THE "ISSUE"). THE ISSUE COMPRISES A NET ISSUE OF UP TO [●] EQUITY SHARES (THE "NET ISSUE"). THE ISSUE WILL CONSTITUTE [●] % OF THE FULLY DILUTED POST ISSUE PAID-UP CAPITAL OF OUR COMPANY.

Price Band: Rs. [●] To Rs. [●] Per Equity Share of Face Value of Rs. 10 Each

The issue price is [●] times the Face Value at the lower end of the Price Band and [●] times the Face Value of the higher end of the Face Value

The Price Band and the minimum bid lot size will be decided by our Company, in consultation with the Book Running Lead Manager and advertised at least two working days prior to the bid opening date.

In case of revision in the Price Band, the Bidding/Issue Period shall be extended for three additional Working Days after such revision, subject to the Bidding/Issue Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bidding/Issue Period, if applicable, shall be widely disseminated by notification to the Bombay Stock Exchange Limited (the "BSE") and the National Stock Exchange of India Limited (the "NSE") whose online IPO system will be available for bidding, by issuing a press release, and by indicating the change on the websites of the Book Running Lead Manager (the "BRLM") and the terminals of the member(s) of the Syndicate.

The Issue is being made through the book building process (the **"Book Building Process"**) wherein not more than 50% of the Issue will be allocated to Qualified Institutional Buyers ("QIBs") on a proportionate basis, subject to valid bids being received at or above the Issue Price. Out of the portion available for allocation to the QIBs, 5% will be available for allocation to Mutual Funds only. Mutual Fund Bidders shall also be eligible for proportionate allocation under the balance available for the QIBs. 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 at or above the Issue Price. Any Bidder may participate in the Issue through the Application Supported by Blocked Amount ("ASBA") process by providing the details of their respective bank accounts in which the corresponding Bid amounts will be blocked by Self Certified Syndicate Banks (the "SCSBs"). For details in this regard, specific attention is invited to **"Issue Procedure"** on page 237.

RISK IN RELATION TO FIRST ISSUE

This being the first issue of Equity Shares of our Company, there has been no formal market for our Equity Shares. The face value of our Equity Shares is Rs. 10 and the Floor Price is [●] times of the face value and the Cap Price is [●] times of the face value. The price band (has been determined and justified by the BRLM and the issuer as stated under the chapter on **"Basis for Issue Price"** beginning on page 80 of the Draft Red Herring Prospectus, should not be taken to be indicative of the market price of our Equity Shares after our Equity Shares are listed. No assurance can be given regarding an active and / or sustained trading in the Equity Shares of our Company nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their 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 risk involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India (the "SEBI"), nor does the SEBI guarantee the accuracy or adequacy of this document. Specific attention of the investors is invited to the statement of **"Risk Factors"** beginning on page 14 of the Draft Red Herring Prospectus.

IPO GRADING

This Issue has been graded by [●] and has been assigned the [●] as indicating [●] vide their letter dated [●]. For more information on the IPO Grading, see **"General Information"** on page [●] and **Annexure [●]**.

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 this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING ARRANGEMENT

The Equity Shares issued through this Draft Red Herring Prospectus are proposed to be listed on Bombay Stock Exchange Limited (BSE) and the National Stock Exchange Limited (NSE). In-principle approvals have been received from BSE and NSE for the listing of the Equity Shares vide their letters dated [●] and [●], respectively. For the purpose of this Issue, BSE shall be the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGER

D & A
D & A FINANCIAL SERVICES PRIVATE LIMITED
71, 7th floor, Mittal Chamber, Nariman Point,
Mumbai - 400 021, Maharashtra, India.
Tel : +91 22 3267 7738
Fax: +91 22 2283 1569
Email Id: brooks.ipo@dnafinserv.com
Investor Grievance e-mail: investorgrievance@dnafinserv.com
Website: www.dnafinserv.com
Contact Person: Mr. Balakrishnan Iyer
SEBI Registration INM000011484

REGISTRAR

LINK INTIME
INDIA PVT LTD
(Formerly INTIME SPECTRUM REGISTRY LTD.)
LINK INTIME INDIA PRIVATE LIMITED
C-13, Pannalal Silk Mills Compound, L.B.S. Marg,
Bhandup (West), Mumbai 400 078,
Maharashtra, India
Tel: + (91 22) 2596 0320
Fax: + (91 22) 2596 0329
Email: brooks.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Mr. Sanjog Sud
SEBI Registration No: INR000004058

BIDDING PROGRAM

BID OPENS ON	FOR ALL BIDDERS	[●]
BID CLOSES ON	FOR QIB BIDDERS	[●]
	FOR RETAIL AND NON-INSTITUTIONAL BIDDERS	[●]

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SECTION 1 – DEFINITIONS AND ABBREVIATIONS

CONVENTIONAL/ GENERAL TERMS

Term	Description
Act/ Companies Act	The Companies Act, 1956, as amended from time to time
Equity Shares	The Equity Shares of face value of Rs. 10 each of Brooks Laboratories Limited
Indian GAAP	Generally Accepted Accounting Principles in India
Non Resident	A person who is not an NRI, FII and is not a person resident in India
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 as defined under FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
Quarter	A period of three continuous months
RBI Act	The Reserve Bank of India Act, 1934
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992 as amended from time to time.
SEBI (ICDR) Regulations, 2009	Means the regulations for Issue of Capital and Disclosure Requirements issued by Securities and Exchange Board of India, constituted in exercise of powers conferred by Section 30 of the Securities and Exchange Board of India Act, 1992 (as amended), called Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
Stock Exchanges	Bombay Stock Exchange Limited (BSE) and The National Stock Exchange of India Limited (NSE)

ISSUE RELATED TERMS

Term	Description
Allotment/ Allotment of Equity Shares	Unless the context otherwise requires, Allotment of Equity Shares pursuant to this Issue
Allottee	The successful Bidder to whom the Equity Shares are being/have been allotted
Applications Supported by Blocked Amount (ASBA)	Application Supported by Blocked Amount means an application (whether physical or electronic) subscribing to an Issue containing an authorization to block the Bid Amount in their specified bank account with Self Certified Syndicate Bank
ASBA Bidders/Investor	A Bidder / an Investor, who intends to apply through ASBA process

ASBA Form / ASBA BCAF	The Bid-cum-Application Form, whether physical or electronic, used by an ASBA Bidder to make a Bid, which will be considered as the application for Allotment for the purpose of Red Herring Prospectus and Prospectus
ASBA Bid Revision Form	The form used by 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)
Banker(s) to the Issue / Escrow Collection Banks	The banks which are clearing members and registered with SEBI as Banker to the Issue at which the Escrow Account for the Issue will be opened and in this case being [?]
Bid	An indication to make an offer made during the Bidding Period by a prospective investor pursuant to submission of a Bid-cum-Application Form to subscribe to the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto For the purposes of ASBA Bidders, it means an indication to make an offer during the Bidding Period by any Bidder pursuant to the submission of an ASBA Bid-cum-Application Form to subscribe to the Equity Shares
Bid Lot/ Minimum bid lot	[?] Equity Shares and in multiples of [?] Equity Shares thereafter.
Bid Amount	The highest value of the optional Bids indicated in the Bid-cum-Application Form and payable by the Bidder on submission of the Bid for this Issue
Bid/ Issue Closing Date	The date after which the Syndicate will not accept any Bids for the Issue, which shall be notified in a widely circulated English and Hindi national newspapers, and a regional language newspaper.
Bid-cum-Application Form / Bid Form	The form in terms of which the Bidder shall make an offer to subscribe to the Equity Shares of our Company and which will be considered as the application for allotment in terms of the Prospectus.
Bid/ Issue Opening Date	The date on which the Syndicate shall start accepting Bids for the Issue, which shall be the date notified in widely circulated English and Hindi national newspapers and a regional language newspaper.
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.
Bid/ Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids including any revisions thereof.
Book Building Process	Book Building Process as provided under Schedule XI of SEBI (ICDR) Regulations, 2009, in terms of which this Issue is being made.
Brokers to this Issue	Brokers registered with any recognized Stock Exchange, appointed by the Members of the Syndicate.

BRLM	Book Running Lead Manager to this Issue, in this case being D & A Financial Services (P) Ltd.
CAN/ Confirmation of Allocation Note	The note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process, 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 in this case being [?]
Cut-off /Cut-off Price	Any price within the Price Band finalized by our Company in consultation with the BRLM. A bid submitted at the Cut-off Price is a valid Bid at all price levels within the Price Band.
Controlling Branches	Such branches of the SCSBs which co-ordinate Bids received under this Issue by the ASBA Bidders with the BRLM, the Registrar to the Issue and the Stock Exchange(s) and a list of which is available at www.sebi.gov.in
Depository	A body corporate registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996
Designated Branches	Branch offices of the SCSBs which the respective SCSB has identified as a designated branch at which the physical ASBA Form can be submitted by an ASBA Investor.
Designated Date	The date on which funds are transferred from the Escrow Account of our Company to the Public Issue Account after the Prospectus is filed with the RoC, following which the Board of Directors shall allot Equity Shares to successful bidders
Designated Stock Exchange	Bombay Stock Exchange Limited (BSE)
Draft Red Herring Prospectus/ DRHP	The Draft Red Herring Prospectus dated [?], which does not have complete particulars on the price at which the Equity Shares are offered and size of the Issue, which was filed with the SEBI and Stock Exchanges. It will become a Red Herring Prospectus issued in accordance with the provisions of Section 60B of the Companies Act after filing with the RoC at least three days before the opening of the Issue. It will become a Prospectus after filing with the RoC after determination of the Issue Price
Electronic ASBA	Submission of ASBA Bid-cum-Application Form electronically, by an ASBA Investor, through the internet banking facility offered by the SCSBs.

Eligible NRI	NRI from such jurisdiction outside India where it is not unlawful for our Company to make this Issue or an invitation under this Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein.
Equity Shares	Equity shares of our Company of face value of Rs. 10 each unless otherwise specified in the context thereof
Escrow Account	An Account opened with Escrow Collection Bank(s) and in whose favour the Bidder will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement entered into amongst our Company, the Registrar to this Issue, the Escrow Collection Banks, the BRLM and the Syndicate Member(s) in relation to the collection of the Bid Amounts and dispatch of the refunds (if any) of the amounts collected, to the Bidders
First Bidder	The Bidder whose name appears first in the Bid -cum-Application Form or Revision Form
Floor Price	The lower end of the Price Band, below which the Issue Price will not be finalized and below which no Bids will be accepted in this case being Rs . [?]
Issue	Public Issue of [?] Equity Shares of Rs.10/- each for cash at a Price of Rs.[?] per Equity Share (including a premium of Rs. [?] per Equity Share) aggregating upto Rs.6300 Lacs (the “Issue”), by Brooks Laboratories Limited (the “Company” Or The “Issuer”). The Issue will constitute [?] % of the fully diluted post Issue paid-up capital of our Company.
Issue Management Team	The team managing this Issue as set out in the chapter titled ‘General Information’ in the Prospectus
Issue Price	The final price at which Equity Shares will be issued and allotted in term of the Prospectus. The Issue Price will be decided by our Company in consultation with the BRLM on the Pricing Date
Issue Period	The Issue period shall be [?]being the Bid/Issue Opening date, to[?]being the Bid/Issue Closing date
Issue Proceeds	The proceeds of the Issue that will be available to our Company being upto Rs. 6300 Lacs
Margin Amount	The amount paid by the Bidder (except ASBA Investor) at the time of submission of his/her Bid, which is 100% of the Bid Amount as applicable.
Mutual Funds	Mutual funds registered with SEBI under the SEBI (Mutual Funds) Regulations,1996, as amended from time to time.

Mutual Fund Portion	That portion of the Net Issue, being [?]% of the QIB Portion or [?] Equity.
Net QIB Portion	The portion of the QIB , being a minimum of [?]Equity Shares to be allotted to QIB's on a proportionate basis.
Non Institutional Bidders	All Bidders that are not Qualified Institutional Buyers or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs.2,00,000.
Non Institutional Portion	The portion of the Net Issue being not less than 15% of the Issue i.e. [?] Equity Shares of Rs.10 each available for allocation to Non Institutional Bidders on a proportionate basis, subject to receipt of valid Bids at or above the Issue Price.
Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 03, 2003 and immediately before such date had taken benefits under the general permission granted to Overseas Corporate Bodies under the FEMA. Overseas Corporate Bodies are not permitted to invest in this Issue.
Pay-in Date	Bid/Issue Closing Date or the last date specified in the CAN sent to Bidders receiving allocation who pay less than 100% Margin Amount at the time of bidding, as applicable.
Physical ASBA Application / Bid	ASBA Bid-cum-Application Forms submitted by an ASBA Investor physically with the designated branches of the SCSBs.
Price Band	Being the Price Band of a minimum price (Floor Price) of Rs. [?] and the maximum price (Cap Price) of Rs. [?] and includes revisions thereof. Revised Price Band: Rs. [?] to Rs. [?] per Equity Share
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 terms of 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 accounts of ASBA Investors for this Issue on the Designated Date.

Qualified Institutional Buyers or QIBs	<p>“Qualified Institutional Buyer” means:</p> <ul style="list-style-type: none"> (i) a mutual fund, venture capital fund and foreign venture capital investor registered with the Board; (ii) a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with the Board; (iii) a public financial institution as defined in section 4A of the Companies Act, 1956; (iv) a scheduled commercial bank; (v) a multilateral and bilateral development financial institution; (vi) a state industrial development corporation; (vii) an insurance company registered with the Insurance Regulatory and Development Authority; (viii) a provident fund with minimum corpus of twenty five crore rupees; (ix) a pension fund with minimum corpus of twenty five crore rupees; (x) 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; (xi) Insurance funds set up and managed by Army, Navy or Air Force of the Union of India (xii) insurance funds set up and managed by the Department of Posts, India.
Retail Individual Bidders	Individual Bidders (including HUFs and NRIs) who have not Bid for an amount more than Rs. 2,00,000 in any of the bidding options in this Issue
Retail Portion	The portion of this Issue being not less than 35% of the Issue i.e. [?] Equity Shares of Rs. 10 each available for allocation to Retail Individual Bidder(s).
Revision Form	The form used by the 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)
Red Herring Prospectus/ RHP	The Red Herring Prospectus to be issued in accordance with Section 60B of the Companies Act, which will not have complete particular 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 days before the bid/ Issue Opening date and will become Prospectus after filing with the RoC after determination of the Issue Price
Registrar to the Issue or Registrar	In this case being, Link Intime India Private Limited

Self-Certified Syndicate Bank (SCSB)	Self-Certified Syndicate Bank (SCSB) is a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994 and which offers the service of ASBA, including blocking of bank account and a list of which is available on http://www.sebi.gov.in
Syndicate	The BRLM and the Syndicate Member(s)
Syndicate Agreement	The agreement to be entered into between our Company, BRLM and the Syndicate Member(s), in relation to the collection of Bids in this Issue
Syndicate Member(s)	Intermediaries registered with SEBI and eligible to act as underwriters. Syndicate Member(s) are appointed by the BRLM in this case being [?].
TRS or Transaction Registration Slip	The slip or document issued by the Syndicate Member(s) to the Bidder as proof of registration of the Bid on the online system of BSE/NSE.
Underwriters	The BRLM and the Syndicate Member(s).
Underwriting Agreement	The Agreement among the Underwriters and our Company to be entered into on or after the Pricing Date.

ISSUER RELATED TERMS

TERM	DESCRIPTION
“Brooks Laboratories Limited”, “Brooks Laboratories ”, “our Company”, “the Company”, “the Issuer Company”, “the Issuer” “we”, “us”, and “our”	Unless the context otherwise requires, refers to Brooks Laboratories Limited, a public limited company incorporated under the Companies Act, 1956.
Articles/ Articles of Association	The Articles of Association of Brooks Laboratories Limited
Auditors	The Statutory Auditors of our Company namely, J.K. Jain & Associates, Chartered Accountants.
Board / Board of Directors	The Board of Directors of Brooks Laboratories Limited unless otherwise specified or any committee constituted thereof
CIN	Corporate Identification Number
DIN	Directors Identification Number
Memorandum/ Memorandum of Association	The Memorandum of Association of Brooks Laboratories Limited
Objects of the Issue /Project	<p>The present issue is being made to raise the funds for the following purposes:</p> <ol style="list-style-type: none"> 1. To set up a new manufacturing unit at JB SEZ Panoli for manufacturing various pharmaceutical formulations. 2. To meet long term working Capital Requirements 3. To meet Public Issue expenses and listing of shares on stock exchanges 4. General Corporate Purposes

Promoter(s)	Unless the context otherwise requires, refers to • Mr. Rajesh Mahajan, • Mr. Atul Ranchal
Promoter-Director (s)	Unless the context otherwise requires, refers to Mr. Rajesh Mahajan, Mr. Atul Ranchal,
Registered Office of our Company	G-101, Ivory Tower, Sector 70, Mohali, Punjab India
RoC	Punjab Himachal Pradesh and Chandigarh, Corporate Bhawan, Plot No. 4 B, Sector 27 B, Madhya Marg, Chandigarh-160026, India

INDUSTRY RELATED TERMS

TERM	DESCRIPTION
CAGR	Compound Annual Growth Rate
CRAMS	Contract Research And Manufacturing Services
DPCO	Drug Price Control Order
GDP	Gross Domestic Product
GMP	Good Manufacturing Practices
IIP	Index of Industrial Production
IMaCS	ICRA Management And Consultancy Services
IPR	Intellectual Property Rights
ISO	International Organisation for Standardization
IT	Information Technology
MHRA	Medicines and Healthcare products Regulatory Agency (UK)
PFCE	Private Final Consumption Expenditure
R&D	Research and Development
TRIPS	Trade Related Aspects of Intellectual Property Rights
UK	United Kingdom
US	United States of America
USFDA	U S Food and Drug Administration
WHO	World Health Organisation
WTO	World Trade Organisation

BUSINESS RELATED TERMS

TERM	DESCRIPTION
BD	Book Debts
BSR	Bounded Stores Room
CIS	Commonwealth of Independent States
FBD	Fluid Bed Dryer
FCL	Foreign Currency Loan
Gm	Gram
HP	Himachal Pradesh
ILC	International Letter of Credit

IPA	Iso Propyle Alcohol
IPQC	In Process Quality Control
ISO	International Organization for Standardization
KM	Kilo Meter
KVA	Kilovoltampare
LC	Letter of Credit
LIBOR	London Inter Bank Offer Rate
LOD	Loss on Drying
M.Sc.	Master of Science
Mg	Mili Gram
PAT	Profit After Tax
PCB	Pollution Control Board
Ph.D	Doctor of Philosophy
PVC	Polyvinyl Chloride
QC	Quality Control
RMG	Rapid Mixer Granulator
SOP	Standard Operating Procedure
Sq. Mts	Square Meter
SVP	Small Volume Parenterals
WHO GMP	World Health Organization- Good Manufacturing Practices

ABBREVIATIONS

ABBREVIATION	FULL FORM
AY	Assessment Year
BRLM	Book Running Lead Manager
BSE	Bombay Stock Exchange
CAN	Confirmation of Allocation Note
CBDT	Central Board of Direct Taxes
CDSL	Central Depository Services (India) Limited
CJM	Chief Judicial Magistrate
Cr.	Crore
CY	Current Year
DB	Designated Branches
DD	Demand Draft
DP ID	Depository Participant
ECS	Electronic Clearing Services
EPS	Earnings per Share
FBT	Fringe Benefit Tax
FCNR	Foreign Currency Non-Resident
FEMA	Foreign Exchange Management Act
FIIs	Foreign Institutional Investors
FIPB	Foreign Investment Promotion Board
FY	Financial Year

GIR	General Index Registry Number
HNI	High Networth Individuals
HUF	Hindu Undivided Family
IFSC	Indian Financial System Code
IPO	Initial Public Offering
MICR	Magnetic Ink Character Recognition
MoH	Ministry of Health
MoST	Ministry of Science and Technology
NAV	Net Asset Value
NEFT	National Electronic Funds Transfer
NR	Non Resident
NRE	Non-Resident External
NRO	Non-Resident Ordinary
NSDL	National Securities Depository Limited
NSE	National Stock Exchange
OCB	Overseas Corporate Body
OCBs	Overseas Corporate Bodies
PAN	Permanent Account Number
R	Resident
RBI	Reserve Bank of India
RoNW	Return on Net Worth
Rs.	Indian Rupees
RTGS	Real Time Gross Settlement
TDS	Tax Deducted at Source
TRS	Transaction Registration Slip
UIN	Unique Identification Number
VAT	Value Added Tax

SECTION II – GENERAL

PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA

Financial Data

Unless stated otherwise, the financial information used in the Draft Red Herring Prospectus is derived from our Company's restated financial statements as of and for the financial years ended March 31, 2006, 2007, 2008, 2009 and 2010 prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with SEBI (ICDR) Regulations, 2009, as stated in the report of our Auditors, J.K.Jain & Associates, Chartered Accountants, *beginning on page 166 of the Draft Red Herring Prospectus*.

Our Financial Year commences on April 1 and ends on March 31 of the ensuing calendar year. Unless stated otherwise, references herein to a Financial Year (e.g., Financial Year 2008), are to the Financial Year ended March 31 of that particular year.

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

There are significant differences between Indian GAAP and U.S. GAAP; accordingly, the degree to which the Indian GAAP financial statements included in the Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Indian GAAP, Companies Act and SEBI (ICDR) Regulations, 2009. 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.

Our Company has not attempted to explain these differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on financial data.

Market and Industry Data

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

FORWARD LOOKING STATEMENTS

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. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

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

For a further discussion of factors that could cause our actual results to differ, *please refer Section titled “Risk Factors” beginning on page 14 of the Draft Red Herring Prospectus, and Chapters titled “Business Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations as Reflected in the Financial Statements” beginning on pages 105 and 196, 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. Neither our Company nor the BRLM, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the BRLM will ensure that investors in India are informed of material developments until the time of grant of listing and trading permissions by the Stock Exchanges.

SECTION III - RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a complete understanding you should read this section in conjunction with “Business Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operation” on pages 106 and 196 respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus.

The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations and financial condition. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the merits and risks involved. This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. See “Forward-Looking Statements” on page 13. Unless otherwise stated, the financial information of our Company used in this section is derived from our audited restated consolidated financial statements under Indian GAAP, as restated.

Materiality

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

- a) Some events may not be material individually but may be found material collectively.
- b) Some events may have material impact qualitatively instead of quantitatively.
- c) Some events may not be material at present but may be having material impacts in future.

Risks relating to our Business

1. There are outstanding litigations of our Company

We are accused/defendants in following legal proceedings incidental to our business and operations. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. In the event of rulings against us by courts or tribunals in these proceedings or levy of penalties by any statutory authorities, we may need to make payment to others or book provisions against probable future payments, which could increase our expenses and our current liabilities.

A summary of these cases is as follows:

Nature of Case	Number of total case	Amount (Rs.in Lacs)	Nature of the Case
Under Criminal Laws			
Cases filed against our	NIL	NA	NA

Company			
Cases filed by the Company	NIL	NA	NA
Under Civil Laws			
Cases filed against our Company	NIL	NA	NA
Cases filed by the Company	NIL	NA	NA
Under Labour Laws			
Cases filed against our Company	NIL	NA	NA
Others			
Drugs and Cosmetics Act 1940	3	Not Quantifiable	Certain batches of medicine manufactured by us were found to be of substandard quality.
Potential	1	2.75 Lacs	Commercial Dispute of improper execution/non-completion of printing assignment

For additional information regarding litigations, please refer to section titled "Outstanding Litigation, Material Developments and other Disclosures" beginning on page 205 of this Draft Red Herring Prospectus.

2. We have certain contingent liabilities not provided for that may affect our financial condition.

Our Company has following contingent liabilities not provided for in the books of accounts for the period ended September 30, 2010, under Indian Accounting Standards, which may adversely affect our financial condition.

(USD. in Lacs)

Particulars	September 30, 2010
Unexpired Letter of Credits	USD 5.34
Total	USD 5.34

In the event that any of these contingent liabilities materialize, our financial condition may be adversely affected.

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

We have entered into transactions with related parties i.e. relatives of Directors/Promoters amounting to Rs. 5.76 Lacs as on September 30, 2010 in the nature of remuneration payable to Mrs. Rajni Ranchal and Mrs Saras Gupta, wives of Mr Atul Ranchal & Mr. Rajesh Mahajan. For detailed information on our related party transactions for the last 5 years, please refer to "Related Party Disclosures" appearing on page 188 of this Draft Red Herring Prospectus.

4. **Two of our senior management personnel are related to our Promoter Directors and they may influence our decisions relating to our business and financial operations.**

Two of our senior managerial personnel viz. Mrs. Rajni Ranchal and Mrs. Saras Gupta are related to Promoter Directors viz. Mr. Atul Ranchal and Mr. Rajesh Mahajan. These two senior managerial personnel along with our promoters may influence any or all decisions, which may have a material impact on our business or financial operations, which could adversely affect us.

5. **The name and logo of 'Brooks' are not registered trademarks in the name of our Company.**

The name and logo of 'Brooks' are not registered trademarks in the name of our Company. In the event the intellectual property rights in respect of our Company's trademarks and associated logos either infringe the intellectual property rights of another person or bodies corporates or any application to register such intellectual property rights is contested or refused, our Company's ability to use our intellectual property rights may be restricted or lost and can cause damages to the company. Any such restriction under those circumstances could have an adverse effect on our business, financial condition and results of operations.

6. **Our sustained growth depends on our ability to attract and retain skilled manpower, particularly for R&D which is a key component of our business model. Failure to attract and retain skilled manpower or to effectively manage our growth could adversely affect our business, and increased employee compensation costs could adversely affect our financial condition.**

As at October 2010 we have a total of 143 employees, including a team of 16 scientists, with one holding Doctorate Degree (Ph.D). Our ability to sustain the existing growth depends largely, on our ability to attract, train, motivate and retain skilled personnel, particularly for R&D and commercial functions. It may be particularly difficult to recruit appropriately skilled and qualified employees who would relocate from large metropolitan cities to our facilities at Baddi, Himachal Pradesh, where our operations are primarily based at present, or to our proposed facility at Panoli, Gujarat.

Our inability to recruit skilled employees or to manage attrition for our experienced employees would adversely affect our growth strategy. If some of our key employees were to join a competitor or form a competing company, some of our customers may choose to shift their business to such a competitor. In the event we are unable to retain such employees, we may find it difficult to replace or redeploy key employees, and to such extent, our operations may be adversely affected.

7. **As on September 30, 2010, we have following unsecured loan outstanding. These Loans are taken by us from others and are payable on Call and may be recalled by the lenders at any point of time.**

(Rs. In Lacs)

Sr.No.	Name of the party	Relation with Promoters, if any	Amount
1	Om Prakash	Unrelated	2.00
2	Sardar Masiah	Unrelated	1.00
	Total		3.00

8. **Our existing secured loan aggregating to Rs. 1117.86 Lacs, are at floating rates of interest and therefore exposes us to an interest risk and carry certain restrictive covenants.**

Many of our financing agreements include conditions and restrictive covenants that require us to obtain consent from the respective lenders prior to carrying out certain activities and entering into certain transactions. Specifically, in some of the financing agreements, we must seek, and may be unable to obtain, lenders' consents to amend our Memorandum and Articles of Association, incur additional debt, issue new equity securities, change our capital structure, change our management structure or pre-pay our loans. Any failure to service our indebtedness, comply with a requirement to obtain a consent or satisfy any other condition or covenant could lead to a termination of one or more of our financing agreements, default and acceleration of amounts due under the facilities governed by such agreements and cross-default under certain of our other financing agreements, or may affect credit ratings issued to us, any of which may adversely affect our ability to conduct our business and may have an adverse effect on our financial condition and results of operations.

9. **Our Company has, in the past, made preferential allotments to various persons and entities, including our Promoters and Promoter Group, at prices lower than the issue price on different date in last twelve months.**

Some of our existing shareholders have received preferential allotments, on different date in the last twelve months. The details of these issuances are provided below. No independent valuations were carried out in respect of our Equity Shares, in connection with such preferential allotments.

Date of allotment	Sr. No.	Name of Allottee	No. of Equity Shares allotted	Issue price per Equity Share (in Rs.)
October 6, 2010	1	Atul Ranchal	16405	10
October 6, 2010	2	Rajesh Mahajan	16405	10
November 1, 2010	1	Employees	50000	10

For further information, see "Capital Structure" beginning on page 52. The prices at which these Equity Shares were issued are not indicative of the price at which the Equity Shares may be offered in the Issue, or the price at which they will trade upon listing.

10. **Some of our premises are leased, and in the event any of our lessors allege breach or delay in performance, we may be required to incur additional costs in resolving such claims or acquiring new facilities.**

Our premises of Corporate office in Mumbai at Maharashtra and Registered office at Mohali in Punjab are taken on long term lease. The lease is for a period of 5 years and 10 years respectively. There is no assurance that we will be able to renew the lease with the existing lessors on the same or similar terms on which we currently occupy the premises. If we will be unable to continue our operations at these sites, there may be increase in cost to set up these facility at new location which may affect our financial position.

For further information on our owned and leased properties, see "Business Overview" beginning on page 105.

11. **Our Company operates under several statutory and regulatory permits, licenses and approvals. Our failure to obtain and/or renew any approvals or licenses in future may have an adverse impact on our business operations.**

Our Company requires several statutory and regulatory permits, licenses and approvals to operate the business. Many of these approvals are granted for fixed periods of time and need renewal from time to time. There can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all. Further, these permits, licenses and approvals are subject to several conditions, and our Company cannot assure that it shall be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, and this may lead to cancellation, revocation or suspension of relevant permits/ licenses/ approvals. Failure by our Company to renew, maintain or obtain the required permits, licenses or approvals, or cancellation, suspension or revocation of any of the permits, licenses or approvals which may result in the interruption of our Company's operations and may have a material adverse effect on the business. For details please refer to Chapter titled "Government and Other Statutory Approvals" beginning on page 213 of the Draft Red Herring Prospectus.

RISKS RELATING TO THIS ISSUE

1. **The projects for which we intend to use the Net Proceeds of the Issue have not been appraised by any bank or financial institution.**

The projects, for which we intend to use our Issue proceeds as mentioned in the "Objects of the Issue" beginning on page 68, have not been appraised by any bank or financial institution. The total cost of project as assessed by the management is based on the quotations received from various vendors and architect's estimations. The cost of the project is subject to changes in external circumstances or costs. Any increase in the cost of the project may require us to reschedule our project and may have an adverse impact on our business, financial condition and results of operations.

2. **We have not yet entered into definitive agreements to utilize the Net Proceeds of the Issue.**

The projects intended to be financed from the Net Proceeds of this Issue are currently in initial stages of implementation. Our Company has not entered into any definitive contracts or placed any orders for such project. Whilst the quotations obtained by us for certain equipments, installations or civil works in connection with the project is described in "Objects of the Issue" beginning on page 68, such costs are subject to change in the light of various factors beyond our control, including delays or increase in quoted prices by identified vendors. Our inability to complete the identified project as per the stated schedule of implementation may lead to cost overrun and may impact our future profitability.

Further, pending utilization for the identified projects, the Net Proceeds of the Issue are proposed to be invested in high quality interest/dividend bearing liquid instruments including money market mutual funds and deposits with the banks or for reducing overdraft, for the interim and applicable period. Our management will have discretion in accordance with the approval of the Board of Directors; will have the flexibility in deploying the issue proceeds received by us.

3. **Monitoring of utilization of issue proceeds will be done internally by our company**

Further we have not appointed any outside monitoring agency for monitoring the utilization of issue proceeds. The deployment of funds arising from the proceeds of the issue will be monitored by the Board of Directors of our Company.

4. **We are yet to obtain certain approvals from various statutory agencies that are required for setting up a new project at Panoli, Gujarat.**

We have made applications to various government agencies and departments for seeking their approval for the proposed project. Any delay in obtaining or refusal to grant such approvals by the relevant statutory authorities in future may significantly impact our business and strategy.

For further information on the list of approvals for the proposed project, please refer to chapter titled “Government and Other Statutory Approvals” beginning on page 213 of the Draft Red Herring Prospectus.

5. **Expansion plans of our company are dependent on Issue proceeds and any delay in raising funds from IPO could adversely impact the implementation of the project.**

The proposed capital expenditure as specified under "Objects of the Issue" beginning on page 68 will be funded through the proceeds of the issue. Any delay / failure in public issue process may disrupt the implementation of these proposed plans which could have a material adverse effect on our financial condition and results of operations.

6. **We may face difficulties in executing our strategy including our expansion plans for our manufacturing facilities, and there can be no assurance that our planned capital expenditures will result in growth and / or additional profitability for our Company.**

We may make substantial investments in the future for establishing new manufacturing facilities so that they comply with the standards set by the EU-GMP and WHO-cGMP and other regulatory authorities. Delays in the construction and equipping or expansion of any of our facilities could result in loss or delayed receipt of earnings, increase in financing and construction costs, and our failure to meet profit and earnings budgets may require us to reschedule or reconsider our planned capacity expansions and accordingly would have an adverse effect on our financial condition and results of operations. Further, in case we are unable to utilize fully our expanded manufacturing capacities, our results of operations could be adversely affected. There is no assurance that our present and planned initiatives will yield the expected or desired benefits, in terms of process efficiencies, product innovation or an expansion in our business.

For further information, see “Objects of the Issue” and “Business Overview” beginning on pages 68 and 105 respectively.

Business Related

1. **Our Company is promoted by first generation entrepreneurs and investors in the Equity Shares will be subject to all consequential risk associated with such ventures.**

Our promoters Mr. Atul Ranchal and Mr. Rajesh Mahajan are professionally qualified and have been managing our Company since inception. They are first generation entrepreneurs. Further, while our Promoters and the members of our senior management team have professional experience but healthcare domain knowledge of our promoters, in development and production of certain niche products in particular, is relatively limited at present. As a result, we may not be able to efficiently manage or sustain our growth, as our operations expand.

If our Promoters become unable or unwilling for any reason to continue their association with our Company, we may find it difficult to replace them and our future performance would be materially and adversely affected.

2. **The Active Pharmaceutical Ingredients (APIs) consumed by our Company are susceptible to price volatility. There are no supply agreements for the raw materials required for manufacturing of our products. Fluctuation in the prices of the raw material may have an adverse impact on our business and financial operations.**

The volatility in prices of the major API's viz. Ceftriaxone Sodium, Amoxycillin Trihydrate, Clavulanate Potassium, Cefoperazone, Hydrocortisone Sodium Succinate Pantoprazole etc can fluctuate in future, depending upon, among other factors, the number of producers and their production volumes and changes in demand in the principal drug markets. Price & availability of APIs have significant impact on profitability of our Company and there are factors affecting API prices which are beyond our control. We do not have any agreement with suppliers to supply of raw materials purchased from them. Though we cover purchases to a certain extent in anticipation of any price increases, we are still exposed to and will have to absorb any fluctuations in the prices of APIs, which may adversely affect the financials of our Company.

3. **Our business has experienced growth in the past, which we may not be able to sustain in the future.**

As per our audited restated financial statements, our Total Income has increased from Rs. 2381.21 Lacs in fiscal 2007 to Rs. 4545.30 Lacs in fiscal 2010, and our Profit after Tax has increased from Rs. 112.49 Lacs to Rs. 519.57 Lacs during the same period. Our Total Income and Profit after Tax as at September 30, 2010 were Rs. 2485.06 Lacs and Rs. 316.66 Lacs, respectively. Our Net Sales have increased at a CAGR of 24 % from fiscal 2007 to fiscal 2010. Our PAT has increased at a CAGR of 70 % from fiscal 2007 to fiscal 2010. We may not be able to sustain such growth in revenues and profits or maintain a similar rate of growth in the future.

Further, we are now intending to expand our operations significantly i.e. total expansion project cost is more than our total revenue of Rs. 4545.30 Lacs during financial year 2009-10. Such a growth strategy will place significant demands on our management as well as our financial, accounting and operating systems. Further, as we scale-up and expand our operations, we may not be able to focus on existing operations efficiently, which could result in delays, increased costs and diminished quality and may adversely affect our reputation. Any inability to manage our growth may have an adverse effect on our business and results of operations.

4. **Our top ten customers accounted for more than 50% of our turnover in the past and loss of any one or more of clients could adversely affect our business and financial operations.**

The percentage of revenues derived from our Company's top customers is more than 50%, details of which are as under:

Particulars	2009-10	2008-09	2007-08	2006-07
Top10 Customers	65.53%	64.08%	48.95%	79.79%

Loss of any one or more of these clientele for any reason whatsoever, could adversely affect our financial operations.

5. **We do not have long term contracts with customers and typically operate on the basis of purchase orders, which could adversely impact our revenues and profitability.**

We may or may not enter into any formal agreement or contract for sale of our products as we prefer not to be dictated by the terms and conditions of any of contracts / agreements. Our business is dependent on the decisions and actions of our customers, and there are number of factors relating to our customers that are outside our control that might result in the termination of contract or the loss of any customer. Any of these factors could adversely affect our business operations and in turn adversely affect our financial operations.

6. **Our Company's inability to fulfill export obligations could result in custom duty liability, which in turn could adversely affect our financial operations to that extent.**

Our Company has obtained Advance licenses under EPCG scheme for import of Capital Goods without payment of Import Duty. Our Company is required to fulfill the export obligation of USD 76755 of exports on FOB basis within a period of 6 years from the date of issue of EPCG License i.e. from September & October 2010. Our Company has not yet fulfilled the export obligation. In case we fail to fulfill the export obligation within the stipulated period we will be liable to refund the duty saved i.e. Rs. 54,954/- along with interest @ 15% p.a. from the date of authorization under the scheme i.e. August 22, 2010 which could adversely affect our financial operations to that extent.

7. **Our business depends on our manufacturing facility and the loss of or shutdown of operations of the manufacturing facility on any grounds could adversely affect our business or results of operations**

Our manufacturing facility is subject to operating risks, such as breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. Manufacturing of the pharmaceutical formulations requires expensive and delicate machines which is subject to normal wear and tear and therefore require lots of maintenance. Breakdown of any of the machines may also affect our business or results of operation.

8. **Our operations may be subject to labour unrest, slowdowns and increased wage costs, which could adversely impact our operations and financial condition.**

India has stringent labour legislation to protect the interest of workers and also the legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes certain financial obligations on employers during employment and upon retrenchment. Although our employees are not currently and have never been unionized, it is not sure that they will not unionise in future under the Trade Union Act. Moreover, whether or not our employee unionise, we may be subject to industrial unrest or slowdowns. In future, our employees might unionise we might experience unrest or slowdowns, and it may become difficult for us to maintain flexible labor policies and we may experience increased wage costs and employee numbers.

9. **Our business is subject to regulation by several authorities, which could have an adverse effect on our business and our results of operation.**

Our Company has to comply with the regulations under the Drug and Cosmetics Act, 1940; Drugs and Cosmetics Act Rules, 1945; The Drugs (Prices Control) Order, 1995, Drugs and Magic Remedies Act, 1954; Patent Regulation etc.. Further, our business operations are subject to strict regulations by environmental regulations, Trade Mark Act, Factories Act, etc. We incur costs to comply with requirements of environmental laws and regulations. Any lapses or non-compliance of any laws or regulations or rules or acts or policies by us may adversely affect our business and / or financial operations. For more details on the regulations and policies, please refer to the section titled "Regulations and Policies" beginning on page 129 of this Draft Red Herring Prospectus.

10. **We take advantage of certain tax benefits under the various provisions, which if withdrawn, may adversely affect our financial condition and results of operations.**

We benefit from certain tax incentives. For example, the net profit of the company derived from the operations of the Baddi unit of the company is subject to a 100% tax holiday for a continuous period of 1st five years starting from year 2006-07 and 30% for next five years and Full excise duty exemption is available to the company for its manufacturing operations at its Baddi manufacturing Unit for first ten years starting from 2006-07. If in the future the same benefits are withdrawn or amended which are onerous in nature to the company, our results would be impacted and our profitability would decline.

11. **Our business and future results of operations also depend, upon our ability to successfully commercialize our R&D efforts by way of cost and time efficiencies or the development of new products.**

To develop our product pipeline, we commit substantial time, efforts, funds and other resources for R&D. The R&D process is often time consuming and cost intensive. Our processes and products currently under development, if and when fully developed and tested, may not perform as we expect, necessary regulatory approvals or registrations may not be obtained in a timely manner, if at all, and we may not be able to successfully and profitably produce and utilize such products or processes. Further, even if we are successful in obtaining approval for such processes or products, such process or product may become subject to litigation by third parties claiming our process infringes on their patent, or may be otherwise unsuccessful in the market place due to the introduction of superior or more cost effective processes or products by competitors. Therefore, our investments in R&D and new product launches could result in higher costs without a proportionate increase in revenues.

12. **Our manufacturing facilities are subject to risks, including disruptions in or lack of basic infrastructure such as our electricity and water supply, which could increase our manufacturing costs or interrupt our operations.**

We currently own and operate a manufacturing facility at Baddi, Himachal Pradesh and are developing another manufacturing facility at Panoli, Gujarat, expected to be commissioned in fiscal 2012. As our operations are presently concentrated in the states of Himachal Pradesh in Northern India, we are exposed to risks including disruptions in infrastructural facilities such as electricity and water supply to such units, which could require us to incur additional costs or disrupt our operations to the extent that we would be required to find alternative sources of supply of such infrastructural facilities.

Further, as manufacturers, we may encounter difficulties including in relation to 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, any interruption in the manufacturing process could cause delays in the entire production cycle. In addition, material labour problems, such as a work stoppage or mechanical failure or malfunction could likewise lead to delay or suspension of production and may entail unforeseen expenses. Further, if our suppliers fail to deliver necessary manufacturing equipment, raw materials or adequately perform the services outsourced by us to them, production deadlines may not be met. Any such developments could have a material adverse effect on our business, financial condition and results of operations.

13. Changes in technology may render our current technologies obsolete or require us to make substantial capital investments. In particular, any failure to keep abreast with the latest trends in chemical and process technologies may adversely affect our ability to compete and obtain contracts for contract research and contract manufacturing.

Our industry, in particular in respect of chemical and process technologies, is characterized by rapid changes resulting from technological advances and scientific discoveries. Furthermore, as we seek to develop new non infringing processes and expand our product range, we would be required to keep pace with technological changes in the industry. This results in frequent introduction of new products and significant price competition. Although we strive to keep our technologies, plants and machinery current with international technological standards, the technologies, plants and machinery currently employed by us may become obsolete. The cost of implementing new technologies and upgrading our manufacturing facilities could be significant and could adversely affect our financial condition and results of operations.

14. Our operations are subject to the risk of loss due to fire as pharmaceutical raw materials are typically flammable. We are also subject to the risk of other natural calamities or general disruptions affecting its production facilities and distribution chain.

We use flammable chemicals, such as acetone, ethyl alcohol, methanol, isopropanol and di-isopropyl in our manufacturing processes and our operations are therefore subject to the risk of loss arising from fires. We never had any incident of loss due to fire in the past but the risk of fire associated with these materials cannot be eliminated. In addition to fire, natural calamities such as floods, earthquakes, rains and heavy downpours could disrupt our operations and damage our storage facilities. Although we maintain insurance policies to guard against losses caused by fire and other natural calamities, our insurance coverage for damages to properties and disruption of business due to these events may not be sufficient to cover all potential losses. If any manufacturing facilities were to be damaged as a result of fire or other natural calamities, it would temporarily reduce our manufacturing capacities. In addition, unanticipated mechanical and electrical failures may also require shutdowns of production facilities for a significant period, any of which factors could have a material adverse effect on our business, results of operations and financial condition.

15. **If we fail to accurately project demand for our products, we may encounter problems of inadequate supply or oversupply, which would adversely affect our financial condition and results of operations, as well as damage our goodwill.**

We estimate future demand for our products based on orders received from our customers and our understanding of customer inventory levels. If we overestimate demand in any future periods, we may purchase more raw materials or components than required. If we underestimate demand, our third party suppliers may have inadequate raw material or product component inventories, which could interrupt our manufacturing and delay shipments, and could result in loss of business. If we under-stock one or more of our products, we may not be able to obtain additional units in a timely manner, which could adversely affect our goodwill and results of operations.

16. **The pharmaceutical industry is highly regulated and furthermore, the success of our strategy of entering regulated markets is dependent on a number of factors beyond our control. Any failure to obtain or renew required regulatory approvals or any change in the regulatory environment in relation to manufacturing within the country or for marketing our products within and outside the country may significantly impact our business and strategy.**

The pharmaceutical industry is highly regulated, including in relation to quality standards and pricing of drugs and intermediates. Further, entry barriers in many regulated markets in which we currently operate and seek to expand are very high. The research, testing, manufacturing, selling and marketing of pharmaceutical products are subject to extensive regulation by regulatory authorities, and regulations differ from country to country. There is no assurance that the Dossier applications exactly filed or to be filled by us with the relevant regulatory authorities will be approved, Further, we may file certain applications for renewal of certain required regulatory approvals, as and when they become due for renewal, in the ordinary course, in respect of our facility at Village Kishanpura, Tehsil Nalagarh, Distt.Solan, H.P. There is no assurance that such applications will be renewed by the concerned regulatory authorities in a timely manner or at all.

Further, any adverse change in the regulatory policies in terms of margins or prices of formulations sold would affect our customers' sales and strategy, which would also impact our sales. Further, there is no assurance or guarantee that any government or statutory authority will not ban a formulation manufactured by us. In such an event our business and profitability may be affected.

17. **Failure to manage legal and regulatory risk properly can impact Our Company adversely**

Our Company is subject to a wide variety of Drugs related laws and regulations and is supervised by a large number of regulatory and enforcement authorities in the jurisdictions in which it operates. As a result, we are exposed to many forms of legal and regulatory risks, which may arise in a number of ways, primarily due to :

- losses that may be caused by changes in applicable laws;
- risk from manufacturing and supply of substandard drugs;
- we may be liable for damages to third parties where legal proceedings are brought against it and in a given case can result even in conviction. The outcome of legal proceedings is inherently uncertain and could result in financial loss.

Although Our Company has processes and controls to manage legal and regulatory risks, failure to manage such risks properly can impact us adversely or result in administrative actions, penalties or penalties leading to prosecution or other proceedings involving our company, our Directors,

Promoters, which may have a material adverse effect on our business and reputation and ultimately the sales, profitability and the value of the Shares may be effected.

In addition, a failure to comply with the applicable laws or regulations in various jurisdictions by our employees, representatives, agents and third party service providers either in or outside the course of their services, or suspected or perceived failures by them, may result in enquiries or investigations by regulatory and enforcement authorities, resulting in action against us, our promoters, our Directors, or such employees, representatives, agents and third party service providers. Such actions may adversely impact the reputation of our Company, result in adverse media reports, lead to increased or enhanced regulatory or supervisory concerns, additional costs, penalties, claims and expenses being incurred by the company or impact adversely our goodwill and ability to conduct our business.

We cannot predict the timing or form of any current or future regulatory or law enforcement initiatives which are increasing day by day. We expect to cooperate with any concerned authority/authorities in connection with any such regulatory investigation or proceeding.

18. We may be sued for defects in our products and this may harm our reputation and our profits

Our business (pharmaceutical formulations) inherently exposes us to potential liability. The product liabilities and claims could require us to spend money on litigation, divert our management's time, damage our reputation and affect the marketability of our products.

19. The P/E ratio based on the higher and lower end of the price band of the Company may be above the industry average.

The price to earnings ratios, based on the higher and lower ends of the Price Band of the Company (as decided by our Company in consultation with the Book Running Lead Manager and advertised in all editions of [●] in English language, [●] in Hindi language and [●] in Punjabi language at least two Working Days prior to the Bid Opening Date), may be above the industry average. Our Equity Shares have not been listed on any stock exchange prior to the Issue, and the Floor Price and Cap Price as well as the price to earnings ratios determined on those bases may not be comparable to those of our peers, and should not be considered as indicative of the price of our Equity Shares and the price to earnings ratio once our Equity Shares commence trading on the Stock Exchanges.

20. We cannot guarantee the accuracy of certain market and industry data contained in this Draft Red Herring Prospectus.

Certain statistical data relating to the Indian economy and the Indian pharmaceutical industry have been extracted from data available on the websites prepared by independent third parties. Neither the BRLM nor any of their respective affiliates and advisors nor we or any of our affiliates and advisors have independently verified the accuracy of the data derived from such reports. We make no representation as to the accuracy of such data and you should not place undue reliance on such data as a basis for making an investment in our Equity Shares.

21. Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.

The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. There can be no

assurance that we will be able to pay dividends. Investors will not be able to sell immediately any of the Equity Shares they purchase in the Issue until the Issue receives the appropriate trading approvals.

22. Our Equity Shares are proposed to be listed on the BSE and the 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 Working Days of the date on which the basis of allotment is approved by the BSE or the NSE. In addition, in accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after those Equity Shares have been allotted. Approval requires all other relevant documents authorizing the issuance and allotment of the Equity Shares to be submitted. Thereafter, upon receipt of final listing approval from the BSE and the NSE, trading in the Equity Shares is expected to commence within 7 Working Days from the Bid Closing Date on which the basis of allotment is approved by the Designated Stock Exchange. There could be a failure or delay in listing the Equity Shares on the BSE and the NSE. We cannot assure the investors that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, in a timely manner or at all. Any failure or delay in obtaining the approvals would restrict the investor's ability to dispose of their Equity Shares.

23. After the Issue, the price of our Equity Shares may be volatile, and investors may be unable to resell their Equity Shares at or above the Issue Price, or at all.

Prior to the Issue, there has been no public market for our Equity Shares, and an active trading market on the Indian Stock Exchanges may not develop or be sustained after the Issue. The Issue Price of the Equity Shares may bear no relationship to the market price of the Equity Shares after the Issue. The market price of the Equity Shares after the Issue may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the pharmaceutical sector in India, developments relating to India and volatility in the BSE and the NSE and securities markets elsewhere in the world.

24. We will continue to be controlled by our Promoter Group following the Issue, for as long as they hold a majority of our Equity Shares.

Our Promoters, together with our Promoter Group own nearly 100% of our existing paid-up capital. After the completion of the Issue, our Promoter Group will hold a majority of our issued Equity Share capital. As a result, acting together, they will continue to have the ability to exercise significant control over many matters affecting us, including the appointment and removal of directors, our business strategy and policies, any determinations with respect to business alliances, acquisition, restructuring, disposition of assets, dividend pay-out, capital structure and financing, and other significant corporate transactions, regardless of whether such a transaction may be beneficial to our other shareholders.

This control could delay, defer or prevent a change in control of us, impede a merger, consolidation, takeover or other business combination, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us, even if that were in our best interests. In addition, sales of a large number of our Equity Shares by our Promoter Group could adversely affect the market price of our Equity Shares. Similarly, the perception that any such primary or secondary sale may occur could adversely affect the market price of our Equity Shares. So long as our Promoter Group holds a majority of our equity shares, they will be able to control many matters affecting us, including the appointment and removal of directors.

25. Any future issuance of Equity Shares by us may dilute investors' shareholding and adversely affect the trading price of our Equity Shares.

Any future issuance of Equity Shares by us may lead to the dilution of investors' shareholding in our Company, and adversely affect the trading price of our Equity Shares and our ability to raise capital through an issue of securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares. Additionally the disposal, pledge or encumbrance of Equity Shares by any of our major shareholders, or the perception that such transactions may occur may affect the trading price of the Equity Shares. There is no assurance that we will not issue Equity Shares or that any major shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

26. There are restrictions on fluctuations in the prices of listed securities, which may adversely affect the trading price and liquidity of the Equity Shares.

Subsequent to listing, we will be subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India which does not allow transactions beyond certain 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 are not required to inform us of the percentage limit of the circuit breaker from time to time, and may change it without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

Further, the Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities, and have also imposed restrictions on trading in certain securities, limitations on price movements and margin requirements, and have experienced problems, including temporary exchange closures, broker defaults, settlements delays and strikes by brokerage firm employees, which, if continuing or recurring, could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares, in both domestic and international markets. Further, disputes have occurred on occasions 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.

Risks relating to India

1. Economic developments and volatility in securities markets in the global market, including financial instability in Indian financial markets, may cause the price of our Equity Shares to decline and adversely affect our results of operations and financial condition.

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. For instance, the economic downturn globally has adversely affected market prices in the world's securities markets, including the Indian securities markets. Negative economic developments, such as rising fiscal or trade deficits, or a default on sovereign debt, in other emerging market countries

may affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Indian financial markets have experienced the contagion effect of the global financial turmoil, evident from substantial fluctuations in the prices of listed securities and a sharp decline in the SENSEX, BSE's benchmark index. Any prolonged financial crisis may have an adverse impact on the Indian economy, thereby resulting in a decline in the price of our Equity Shares, which may not necessarily be directly or indirectly related to our financial performance.

The global financial crisis and economic downturn that occurred in 2008 or similar financial crisis in the future, especially in the US, Europe or China, and an increase in interest rates or other fiscal or monetary policies implemented by the Government to control the rate of economic recovery and curb inflation, may materially and adversely impact our business, financial condition, results of operations and prospects in a number of ways, such as, decrease in demand for our exports, delay or deference or cancellation of purchases from us by distributors, non-availability of financing and other sources of liquidity on reasonable terms, reduction of discretionary spending by consumers on formulations, and fall in price of our Equity Shares.

2. Political, economic and social developments in India could adversely affect our business.

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

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

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

3. The extent and reliability of Indian infrastructure could adversely affect our results of operations and financial condition.

India's physical infrastructure is less developed than that of many developed nations. Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our business operations, which could have an adverse effect on our results of operations and financial condition.

4. Our failure to successfully adopt IFRS effective April 2011 could have a material adverse effect on the price of our Equity Shares.

The Institute of Chartered Accountants of India (the “ICAI”), the accounting body that regulates accounting firms in India, has announced a road map for the adoption of, and convergence with, IFRS, pursuant to which all public companies in India, including ours, will be required to prepare their annual and interim financial statements under IFRS beginning with the fiscal period commencing April 1, 2011. Because there is lack of clarity on the adoption of and convergence with IFRS and there is not yet a significant body of established practice on which to draw in respect of forming judgments regarding the implementation and application of IFRS, we have not determined with any degree of certainty the impact that such adoption will have on our financial reporting. There can be no assurance that our financial condition, results of operations, cash flows or changes in shareholder’s equity will not appear materially worse under IFRS than under Indian GAAP. As we transition to IFRS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems and internal controls. Moreover, there is increasing competition for the small number of IFRS-experienced accounting personnel available as more Indian companies begin to prepare IFRS financial statements. There can be no assurance that our adoption of IFRS will not adversely affect our reported results of operations or financial condition and any failure to successfully adopt IFRS by April 2011 could have a material adverse effect on the price of our Equity Shares.

5. Indian dividend taxes or surcharges could adversely affect our tax liability.

The Finance Act, 2009 has fixed the tax on dividends declared, distributed or paid by Indian companies at 15%, and levied a surcharge of 10% on tax and education cess of 3% on tax and surcharge. The dividends are taxable in the hands of the companies at the rates applicable to them. The corporate tax rate presently applied to our income in India is 30% plus a surcharge 10% of such tax and education cess of 3% on tax and surcharge, aggregating to 33.99%. If we declare or distribute a dividend, we are required to pay additional income tax at a rate of 16.995% (including a surcharge of 10% and education cess of 3% on tax and surcharge) on the dividend so declared or distributed. The Finance Bill, 2010, currently pending notification, proposes no increase in these rates. However, any future changes in tax rates in India on income or the imposition of any additional taxes or surcharges could adversely affect our tax liability.

6. Volatility of the Rupee against foreign currencies may have an adverse effect on our results of operations.

While all our future income will be denominated in Rupees, volatility of the Rupee against foreign currencies may increase the Rupee cost to us of servicing and repaying our foreign currency payables in future, and increase our exposure under any hedging contracts we may enter into with a view to managing foreign exchange fluctuation risks. For example, the US\$ / Rupee exchange rate was US\$ 1 = Rs. 39.97 as of March 31, 2008 and depreciated to US\$ 1 = Rs. 50.95 as of March 31, 2010. If we are unable to recover the costs of foreign exchange variations through our tariffs, volatility of the Rupee against foreign currencies may adversely affect our results of operations and financial condition.

7. Terrorist attacks, civil unrests and other acts of violence in India and around the region could adversely affect the financial markets, result in a loss of customer confidence and adversely affect our business, results of operations, financial condition and cash flows.

Terrorist attacks, civil unrests and other acts of violence or war in India and around the region may adversely affect worldwide financial markets and result in a loss of business confidence and ultimately adversely affect our business, results of operations, financial condition and cash flows. India has, from time to time, experienced instances of civil unrest and political tensions and hostilities among neighbouring countries. Political tensions could create a perception that an investment in Indian companies involves higher degrees of risk and on our business and price of our Equity Shares.

8. Natural calamities could have a negative effect on the Indian economy and cause our business to suffer.

India has experienced natural calamities such as earthquakes, a tsunami, floods and drought in the past few years. The extent and severity of these natural disasters determines their effect on the Indian economy. For example, as a result of drought conditions in the country during fiscal 2003, the agricultural sector recorded negative growth for that period. The erratic progress of the monsoon in 2004 and 2009 affected sowing operations for certain crops. Further, prolonged spells of below normal rainfall or other natural calamities could have a negative effect on the Indian economy, adversely affecting our business and the price of our Equity Shares.

9. An outbreak of an infectious disease or any other serious public health concerns in Asia or elsewhere could have a material adverse effect on our business and results of operations.

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

10. Our business and activities will be regulated by the Competition Act, 2002, as amended (the “Competition Act”).

The Indian Parliament has enacted the Competition Act for the purpose of preventing business practices that have an appreciable adverse effect on competition in India under the auspices of the Competition Commission of India (the “CCI”), which (other than for certain provisions relating to the regulation of combinations) has recently become effective. Under the Competition Act, any arrangement, understanding or action in concert between enterprises or persons, whether or not formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India is void and attracts substantial monetary penalties. Any agreement which directly or indirectly determines purchase or sale prices, limits or controls production, shares the market by way of geographical area or market or number of customers in the market is presumed to have an appreciable adverse effect on competition. The effect of the Competition Act and the CCI on the business environment in India is as yet unclear. Any application of the Competition Act to us may be unfavourable and may have a material adverse effect on our business, financial condition and results of operations.

Prominent Notes:

1. Investors may contact the BRLM or the Compliance officer for any complaint/clarification/information pertaining to the issue. For contact details of the BRLM and the Compliance Officer, please refer to Chapter titled “General Information” beginning on page 43 of the Draft Red Herring Prospectus.
2. The Pre Issue net worth of our Company as of March 31, 2010 and as of September 30, 2010 is Rs. 1356.94 Lacs and Rs. 1674.42 Lacs, respectively, based on the audited restated financial statements included in this Draft Red Herring Prospectus.
3. Public issue of [?] Equity Shares of face value Rs. 10 each (the “Equity Shares”) of our company for cash at a price of Rs. [?] per equity share (including a share premium of Rs. [?] per Equity Share) aggregating to Rs. 6300 Lacs (the “issue”). The issue will constitute [?] % of the fully diluted post issue Share Capital of our company.
4. The book value per share of our Company as of March 31, 2010 and as of September 30, 2010 is Rs. 29.17 and Rs. 36.00 respectively based on the audited restated financial statements included in this Draft Red Herring Prospectus.
5. The average cost of acquisition of or subscription to Equity Shares by our Promoters after adjusting for bonus issue is set forth in the table below

Name of the Promoter	No. of Equity Shares held	Average price per Equity Share (in Rs.)
Mr. Atul Ranchal	3939191	0.74
Mr. Rajesh Mahajan	3493151	0.76

The average cost of acquisition of Equity Shares by our Promoters has been calculated by taking the average of the amount paid for the total number of Equity Shares held by them. For more information, please refer to the section titled “Capital Structure” beginning on page 52 of this Draft Red Herring Prospectus

5. Except as disclosed in the sections titled “Our Promoters and their background” or “Our Management” beginning on pages 161 and 142 of this Draft Red Herring Prospectus, respectively, none of our Promoters, our Directors and our other key managerial employees have any interest in the Company except to the extent of remuneration and reimbursement of expenses and to the extent of the Equity Shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as directors, member, partner or trustee and to the extent of the benefits arising out of such shareholding.
6. For details of business interest of our group companies are appearing under Related Party Transactions in Fiscal 2010 please refer to the section titled “Financial Information of Group Companies” beginning on page 195 of this Draft Red Herring Prospectus
7. No part of the Issue proceeds will be paid as consideration to Promoters, Promoter Company, Directors, Key Managerial Personnel, Associate Companies or Group Companies.

8. For details of liens and hypothecation on the movable and immovable properties and assets of our Company please refer “Annexure X” beginning on page 184 under Chapter titled “Auditors’ Report and Financial Information of our Company” beginning on page 166 of the Draft Red Herring Prospectus.
9. There are no contingent liabilities as on March 31, 2010, except as mentioned in “Annexure XIV” beginning on page 187 under Chapter titled “Auditors’ Report and Financial Information of our Company” beginning on page 166 of the Draft Red Herring Prospectus.
10. Investors may please note that in the event of over-subscription, allotment shall be made on a proportionate basis in consultation with BSE, the Designated Stock Exchange.
11. Our Company and the BRLM shall update the Draft Red Herring Prospectus in accordance with the Companies Act, 1956. 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 shows, presentations, in research or sales reports, at bidding centers etc.
12. Trading in Equity Shares for all investors shall be in dematerialized form only.
13. There have been no transactions or financings of transactions in the securities of the Company by our Promoters, the Promoter Group and directors in the last six months.
14. The Issue is being made through the 100% Book Building Process wherein up to 50% of the Issue Size shall be allocated on a proportionate basis to Qualified Institutional Buyers, out of which 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all Qualified Institutional Buyers, including Mutual Funds, subject to valid Bids being received at or above Issue Price. Further, at least 15% of the Issue Size shall be available for allocation on a proportionate basis to Non-Institutional Bidders and at least 35% of the Issue Size 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.

SECTION IV – INTRODUCTION

SUMMARY

You should read the following summary together with the Risk Factors and the more detailed information about us and our financial data included in the Draft Red Herring Prospectus. Unless otherwise indicated, all financial and statistical data relating to the industry in the following discussion is derived from internal Company reports & data, industry publication and estimates.

This data has been reclassified in certain respects for purposes of presentation. For more information, please refer to Chapter titled “Presentation of Financial Information and Use of Market Data” and “Forward Looking Statements” beginning on pages 12 and 13 respectively of this Draft Red Herring Prospectus.

SUMMARY OF INDUSTRY

All information contained in the report has been obtained by ICRA Management Consulting Services (IMaCS) from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information therein 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 therein 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. For further details refer the chapter titled “Industry Overview”.

Indian Economy Overview

The Indian economy grew at an average rate of 9% during the period, 2006-08. In 2010-11, the expected real GDP growth is slightly over 8%. Industrial GDP recovered sharply from 0.6% in fourth quarter of 2008-09 to 13.8% in the third quarter of 2009-2010, because of substantially higher growth in manufacturing. The Indian index of industrial production (IIP) increased 10.4% in 2009-2010, compared with 2.7% in 2008-09. With a revival in exports growth, business investment is expected to rebound by September 2011. Concerns include increase in long-term interest rates, widening fiscal gap, and inflationary pressure affecting investments adversely.

The Global pharmaceuticals industry

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. 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

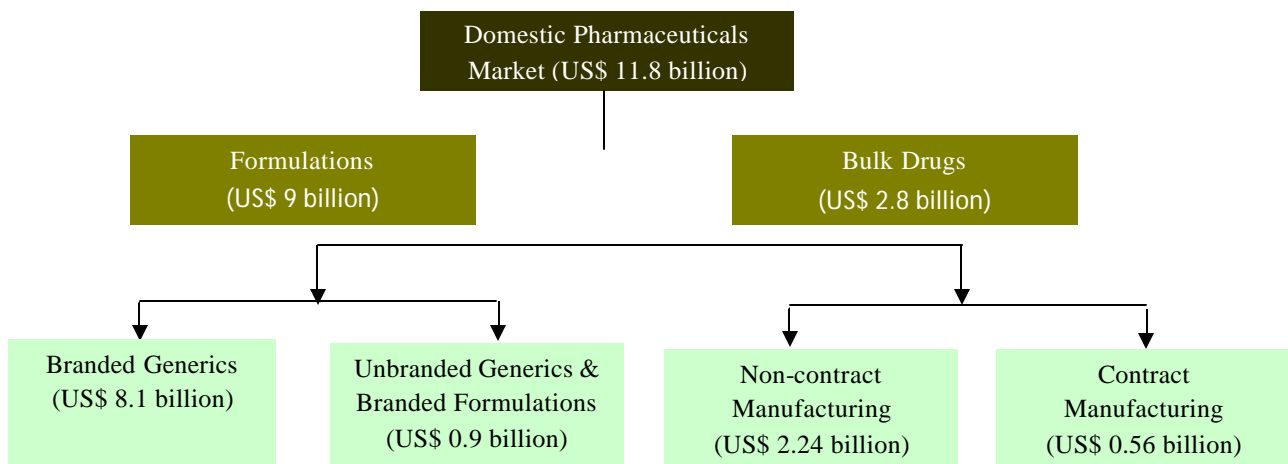
The Indian pharmaceuticals industry

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 in 2008-09. Imports were about Rs. 85.5 billion.

India joined the World Trade Organisation (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 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.

Indian pharmaceuticals market segmentation



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.

The Indian formulations market is dominated by branded 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.

The formulations account 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. The formulations market is expected to grow at 16% to 17% CAGR in the next four to five years.

India's competitive advantage arises from the following factors:

- Complex synthesis capabilities
- Increasing endorsement of good manufacturing practices (GMP)
- Lower-cost production.

Contract Research and Manufacturing Services (CRAMS)

Companies worldwide are increasingly outsourcing their research and manufacturing services to improve R&D productivity and profit margins. Outsourcing manufacturing is primarily a cost function, while outsourcing research allows a company to focus more on core products and drug discovery.

The key reasons why India has emerged as a significant destination for contract manufacturing are as follows:

- Increase in technically skilled personnel, particularly in basic sciences.
- Introduction of product patents in 2005, which has led to greater interest from multinational companies.
- The industry has invested recently in upgrading manufacturing facilities
- Greater number of plants with WHO and multiple-country accreditations and certifications.
- Compliance of intellectual property rights (IPR).
- Comparatively lower manufacturing costs.

The key drivers of the contract research industry in India include the following:

- Specialised scientific and technical knowledge.
- Greater chemical synthesis capabilities.
- Laboratory capabilities such as instruments and equipment needed in laboratory for tests, investigations, research, analysis, experimentations, evaluations, and developments.
- Considerable savings in initial set up and maintenance costs for the outsourcer.
- Comparatively lower R&D costs.
- Greater use of IT and telecommunications.
- Product patent regime, which has stimulated Indian companies to undertake research.

Industry outlook

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

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.

The US market is expected to continue to be the growth driver as its economy improves. 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 because of their rising disposable income, several health insurance schemes and greater 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.

SUMMARY ABOUT OUR COMPANY'S BUSINESS

Investors should note that this is only a summary and does not contain all information that you should consider before investing in our Equity Shares. You should read the entire Draft Red Herring Prospectus, including the information in sections titled “Risk Factors” and our “Financial Information” and related notes on pages 14 and 166, respectively, before deciding to invest in our Equity Shares.

Our Company was incorporated on January 23, 2002 by Mr. Atul Ranchal & Mr. Rajesh Mahajan to set up facility to manufacture Tablets, Injections & Dry Syrups. We are a Pharmaceutical Contract Research & Manufacturing Services company having wide range of products catering to critical care segment in Parental Section like Beta Lactam, Cephalosporin & General Dry powder Injectables, Ampoules and Liquid vials, Dry Syrups and Tablets etc.

We set up a well equipped manufacturing unit at Baddi, Himachal Pradesh in the year 2006. We started our operations in May 2006 and our Commercial production started on June 3rd, 2006. We have been awarded a G.M.P Certification for following Good Manufacturing Practices under “Revised Schedule M” of Drugs & Cosmetics Rules, 1945 in respect of various categories of Tablets, Capsules, Liquid Orals, Dry Syrups, SVP (Liquid & Dry) and Ophthalmic Section by The Health & Family Welfare Department, Himachal

Our manufacturing facility at Baddi is capable of manufacturing products conforming to TRS 908 of 2003 (WHO GMP) standards. Our Quality Management System at our factory at Baddi is certified as complying to ISO 9001:2008.

Following is our annual manufacturing capacity for different products

Product Segment	Installed Capacity (lacs)
Injections	300
Tablets	1200
Dry Syrup	120

We seek to establish long term relationships with our customers and expand our business opportunities with them. As at September 2010, we catered to **115** customers. Our major clients are companies like Zydus Cadila, Aristo Pharmaceuticals Pvt. Ltd, FDC Ltd, Nectar Lifesciences Ltd, Sanat Products Ltd, Hetero Healthcare Ltd, Medley Pharmaceuticals, Wockhardt Ltd, Parental Drugs, Chanderbhatat Pharma and Alembic Ltd etc.

Our product portfolio presently comprises of 26 Dry Powder Injections, 31 Liquid Injections, 5Tablets and 2 Dry Syrups which are marketed domestically.

As per our audited restated financial statements, our Total Income has increased from Rs. 2381.31 Lacs in fiscal 2007 to Rs. 4545.30 Lacs in fiscal 2010, and our Profit after Tax has increased from Rs. 112.49 Lacs to Rs. 519.57 Lacs during the same period. Our Total Income and Profit after Tax for Half year ended September 30, 2010 were Rs. 2485.06 Lacs and Rs. 316.66 Lacs, respectively. Our Net Sales have increased at a CAGR of 24 % from fiscal 2007 to fiscal 2010. Our PAT has increased at a CAGR of 70 % from fiscal 2007 to fiscal 2010.

STRENGTHS AND STRATEGIES

Our Competitive Strengths

1. In house Research Facility
2. Diversified customer base
3. Variety of products in Formulation segment
4. Quality Infrastructure to serve regulated markets and manufacture multiple products
5. Quality Management with Pharma domain knowledge and experience
6. Locational Advantage and Incentives

KEY BUSINESS STRATEGIES

- Increase our penetration into international markets with a focus on regulated markets
- Increase the Product Range
- Be cost competitive by increasing our capacity to benefit from economies of scale

BRIEF DETAILS OF THE ISSUE

Equity Shares offered: Issue by our Company	[•] Equity Shares of face value of Rs.10 each aggregating upto Rs. 6300Lacs
Issue Price	Rs. [?] per Equity Share
The Public Issue * <u>Of which:</u>	[•] Equity Shares of face value of Rs.10 each aggregating upto Rs. 6300 Lacs
(A) Qualified Institutional Buyers portion (QIBs) **	[?] Equity Shares of face value of Rs. 10 each constituting not more than 50% of the Net Issue to the Public (Allocation on a proportionate basis) Of the above [?] Equity Shares, [?] Equity Shares shall be available for allocation on proportionate basis to Mutual Funds only The balance [?] Equity Shares shall be available for allocation on proportionate basis to all QIBs, including Mutual Funds
(B) Non-Institutional Portion	[?] Equity Shares of face value of Rs 10 each constituting not less than 15% of the Net Issue to the Public (Allocation on a proportionate basis)
(C) Retail Portion	[?] Equity Shares of face value of Rs 10 each constituting not less than 35% of the Net Issue to the Public (Allocation on a proportionate basis)

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

Equity Shares outstanding prior to the Issue	98,86,422 Equity Shares of face value of Rs.10 each
Equity Shares outstanding after the Issue	[•] Equity Shares of face value of Rs.10 each
Use of Issue proceeds	Please refer to the Section titled “Objects of the Issue” beginning on page 68 of the Draft Red Herring Prospectus for additional information.

SUMMARY OF FINANCIAL INFORMATION

The following summary of financial data has been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations, 2009 and restated as described in the Auditor's Report of our statutory auditor's J.K Jain & Associates, Chartered Accountants dated November 10, 2010 in the section titled 'Financial Information'. You should read this financial data in conjunction with our financial statements for each of Financial Years 2006, 2007, 2008, 2009, 2010 and audited results for a Half year ended September 30, 2010 including the notes thereto and the reports thereon, which appears under the Section titled "Financial Information" and Chapter titled "Management's Discussion and Analysis of Financial Condition and Results of Operations as reflected in the Financial Statements" beginning on pages 166 and 196 of the Draft Red Herring Prospectus.

Statement of Assets and Liabilities (As Restated)

	Particulars	For the Year Ended March 31					For period ended Sep 30, 2010
		2006	2007	2008	2009	2010	
A	FIXED ASSETS						
	Gross Block	40.32	874.26	999.19	1818.57	2102.14	2160.82
	Less: Depreciation Reserve	0.36	30.6	69.38	113.09	164.12	193.35
	Net Block	39.96	843.66	929.81	1705.48	1938.02	1967.47
	Less : Revaluation Reserve	-	-	-	-	-	-
	Net Block after adjustment for Revaluation Reserve	39.96	843.66	929.81	1705.48	1938.02	1967.47
	Capital work in Progress	477.46	0.00	0.00	6.49	1.84	3.73
	Total Fixed Assets (A)	517.42	843.66	929.81	1711.97	1939.86	1971.20
B	INVESTMENTS (B)	0.00	0.00	0.00	2.00	2.00	2.00
C	CURRENT ASSETS, LOANS AND ADVANCES						
	Inventories	0.00	192.92	469.8	347.09	472.58	348.16
	Sundry Debtors	0.00	242.86	405.71	716.83	855.56	1067.77
	Cash and bank Balance	0.0042	15.44	522.58	219.98	85.83	123.31
	Loans and Advances	7.39	199.59	258.94	205.65	373.25	482.86
	Total (C)	7.39	650.81	1657.03	1489.55	1787.21	2022.10
D	LIABILITIES AND PROVISIONS						
	Secured Loans	410.38	801.49	1232.22	1457.18	1179.09	1117.86
	Unsecured Loans	33.00	3.00	3.00	149.23	3.00	3.00
	Current Liabilities	56.58	473.09	717.82	650.64	1004.93	1005.34
	Provisions	-	13.5	46.39	32.09	88.83	71.38
	Provision for leave & gratuity	0	4.42	8.45	8.8	10.66	11.78
	Deffered tax liabilities	0	26.47	47.61	69.06	85.63	111.52
	Total (D)	499.96	1321.97	2055.49	2367	2372.14	2320.88
E	Deferred Tax Assets (E)	0.00	0.00	0.00	0.00	0.00	0.00
F	NET WORTH (A+B+C+E-D)	24.85	172.51	531.35	836.53	1356.94	1674.42
	REPRESENTED BY:						

	Share Capital	63.35	63.35	63.35	258.40	465.12	465.12
	Share Application Money	0.00	0.00	0.00	3.28	3.28	3.28
	Reserve and Surplus	0.00	112.49	470.50	576.51	889.36	1206.02
	Reserve and Surplus after adjustment for reserve	0.00	112.49	470.50	576.51	889.36	1206.02
	Misc. Expenses (not w/o)	2.54	3.33	2.50	1.66	0.83	0.00
	Pre Operative Expenses	35.96	0.00	0.00	0.00	0.00	0.00
	NET WORTH	24.85	172.51	531.35	836.53	1356.93	1674.42

Summary Statement of Profit and Loss, As Restated

(Rs. in Lacs)

Particulars	For the Year Ended March 31					for the period ended
	2006	2007	2008	2009	2010	30-Sep-
INCOME						
SALES-						
Of products manufactured by the issuer	0.00	2331.97	2816.53	4492.61	4506.85	2505.58
Of products traded by the issuer	0.00	0.00	0.00	0.00	0.00	0.00
Total	0.00	2331.97	2816.53	4492.61	4506.85	2505.58
Other Income/ Job Work	0.00	3.53	0.13	4.15	14.51	6.01
Increase/(Decrease) in Stock	0.00	45.81	37.57	-113.6	23.94	-26.53
Total	0.00	2381.31	2854.23	4383.16	4545.3	2485.06
EXPENDITURE-						
Raw Material Consumed/Purchases	0.00	1776.49	1886.1	3354.8	3309.84	1748.56
Staff Cost	5.68	121.57	167.15	164.67	209.8	63.56
Other Manufacturing Expenses	0.00	140	137.86	163.09	166.98	106.59
Depreciation	0.00	30.24	38.79	43.71	51.03	29.22
Administration Expenses	13.28	79.1	96.32	107.9	87.38	105.41
Selling & Distribution Expenses	0.00	18.14	24.52	16.78	20.42	12.89
Interest & Finance Charges	17.00	74.33	114.48	211.24	151.9	67.39
Preliminary Exp/Preoperative	0.00	0.83	0.83	0.83	0.83	0.83
Total	35.96	2240.7	2466.05	4063.02	3998.18	2134.45
Net Profit/(Loss) before Tax & Extra	0.00	140.61	388.18	320.14	547.12	350.61
Provision for Income Tax for Current Year	0.00	12.00	45.00	36.29	93.29	71.38
Provision for FBT for Current Year	0.00	1.50	3.38	2.38	0	0
MAT credit	0.00	-11.85	-39.35	-36.04	-82.34	-63.31
Deferred Tax for Current Year	0.00	26.47	21.14	21.45	16.58	25.88

Net Profit/(Loss) after Tax & Extra ordinary items	0.00	112.49	358.01	296.06	519.57	316.66
Bonus Share Issue	0.00			190.05	206.72	0
Net Profit/(loss) after Tax & Extra ordinary items	0.00	112.49	358.01	106.01	312.85	316.66
Balance brought forward from the last	0.00	-	112.49	470.5	576.51	889.36
Net Profit/(Loss) carried over to Balance Sheet	0.00	112.49	470.5	576.51	889.36	1206.02

Note: Expenditure incurred in the financial year 2005-06 has been transferred to Preoperative Expenditure and claimed in the year of commercial production i.e 2006-2007.

GENERAL INFORMATION

Our Company, Brooks Laboratories Limited, was incorporated on January 23, 2002 under the Companies Act with the Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh (the “RoC”). There has been no change in the name of our Company since incorporation. For details of change in our Registered Office, see “History and Other Corporate Matters” on page 138.

Registration Number	024910
Corporate Identification Number (CIN)	U24232PB2002PLC024910

Registered Office of our Company

Brooks Laboratories Limited

G-101, Ivory Tower,

Sector 70, Mohali, Punjab - 160055

India

Tel: + (91 172) 509 7355

Fax: + (91 172) 509 7355

Contact Person: Ms. Parvinder Kaur, Company Secretary & Compliance Officer

E mail: cs@brookslabs.net

Website: www.brookslabs.net

Corporate Office of our Company

203/204, ECO House, Vishveshwar Nagar,

Off Aarey Road, Goregaon East, Mumbai,

India. 400 063

Tel: + (91 022) 29275901/02/03

Fax: + (91 022) 29275905

Address of the Registrar of Companies

Our Company is registered at the office of:

The Registrar of Companies

Punjab Himachal Pradesh and Chandigarh

Corporate Bhawan, Plot No. 4 B

Sector 27 B, Madhya Marg

Chandigarh-160026

India

Board of Directors

The following table sets out the current details regarding our Board as on the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Name, Designation	Age (years)	DIN	Address
1	Mr. Atul Ranchal, Chairman	43	01998361	1080, Sector 69, Mohali, Punjab 160071, India
2	Mr. Rajesh Mahajan, Managing Director	41	02000634	1119, Sector 69, Mohali, Punjab 160071, India
3	Dr. Durga Sankar Maity, Technical Director	46	03136361	V.P.O., Ballichalk, Distt. Midnapur, West Bengal
4	Mrs. Monika Sabharwal, Independent Director	42	03270936	Flat No. C 204, Aakashganga, Pimpal Saudagar, Pune-411017.
5	Mr. Vivek Sharma, Independent Director	41	03271456	Flat No. C 1013, Maple Leaf-Bldg No 15, CTS F/1A of Tungwa Village, Opp Chandivili Studio, Raheja Vihar, Powai, Andheri (E), Mumbai-400076
6	Mr. Lalit Mahajan, Independent Director	45	03270819	C/o Tilak Raj Gupta & Sons, Sangalpur Road, Gurdaspur.

For further details of our Directors, see “*Our Management*” on page 142.

Company Secretary and Compliance Officer

Ms. Parvinder Kaur,
Brooks Laboratories Limited
G-101, Ivory Tower,
Sector 70, Mohali, Punjab - 160055
India
Tel: + (91 172) 509 7355
Fax: + (91 172) 509 7355
Email: cs@brookslabs.net
Website: www.brookslabs.net

Investors can contact our Company Secretary and Compliance Officer, the BRLM 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 account and refund orders.

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

Bankers to our Company

State Bank of India
SSI Branch, Phase VII,
Mohali , Punjab 160070
Tel: [•]
Fax: [•]
Email: [•]
Contact Person: [•]

Statutory Auditors to our Company***J.K. Jain & Associates***

Chartered Accountants
S.C.O. 1132-33, Sector 22-B,
Chandigarh 160 022
India
Tel: + (91 172) 270 4536 / 270 4537
Fax: + (91 172) 270 4536
Email Id: jkjcaps@rediffmail.com
Contact Person: Mr. J. K. Jain
Firm Registration Number: 004025N

Issue Management Team**Book Running Lead Manager****D&A Financial Services Private Limited**

71, 7th Floor, Mittal Chambers
Nariman Point,
Mumbai 400 021
Tel: + 91 22 3267 7738
Email Id: brooks.ipo@dnafinserv.com
Investor Grievance email:investorgrievance@dnafinserv.com
Website: www.dnafinserv.com
Contact Person: Mr. Balakrishnan Iyer
SEBI Registration Number: INM000011484

Registrar to the Issue

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound, L.B.S.Marg
Bhandup West, Mumbai 400 078
Tel: + (91 22) 2596 0320
Fax :+(91 22) 2596 0329
E-Mail: brooks.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Mr. Sanjog Sud
SEBI Registration Number: INR000004058

Legal Advisor to the Issue**Bhardwaj & Associates**

438, Lawyers Chambers,

Delhi High Court,

Delhi – 110003

Telephone: +91 11 23383537

Email: lalitbhardwaj@bhardwajandassociates.net

Contact Person: Mr.Lalit Bhardwaj

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 and Escrow Collection Banks shall be appointed prior to filing of the Red Herring Prospectus with RoC.

Refund Bank

[•]

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

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA Process is provided at <http://www.sebi.gov.in/pmd/scsb.html>. For details on designated branches of SCSBs collecting the ASBA Bid cum Application Forms, please refer to the above SEBI link.

Statement of Inter-se allocation of responsibility

Since D & A Financial Services Pvt. Limited is the sole BRLM to this issue, Inter-se allocation of responsibility is not applicable.

Credit Rating

As this is an Issue comprising only Equity Shares, credit rating is not required.

IPO Grading Agency

[?]

IPO Grading

This Issue has been graded by [•] SEBI-registered credit rating agency, as [•], indicating [•] pursuant to Regulation 26(7) and Schedule VIII - Part A (I)(m) and (VI)(10) I(10) of the ICDR Regulations. The IPO

Grading is assigned on a five point scale from 1 to 5, with IPO Grade 5/ 5 indicating strong fundamentals and IPO Grade 1/ 5 indicating poor fundamentals. For details in relation to the rationale furnished by [●], see “Annexures [●]”.

Copies of the reports provided by [●], furnishing the rationale for their grading, will be annexed to this Red Herring Prospectus and will be made available for inspection at our Registered Office from 10.00 a.m. to 4.00 p.m. on Working Days during the Bidding Period.

Trustees

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

Experts

Except for the reports of [●] in respect of the IPO Grading of this Issue (a copy of which will be annexed to the Red Herring Prospectus as Annexures I and II), furnishing the rationale for their grading which will be provided to the Designated Stock Exchange and the report of our Auditor, J. K. Jain & Associates, Chartered Accountants, dated November 10, 2010, in respect of the information in the section “Financial Information” on page 166 and “Statement of Tax Benefits” dated November 10, 2010 on page 83 our Company has not obtained any expert opinions.

Monitoring Agency

As this is an Issue of less than Rs. 50,000.00 Lacs, there is no requirement for the appointment of a monitoring agency, in terms of Regulation 16(1) of the ICDR Regulations.

We will disclose the details of the utilization of the Net Proceeds, including interim use, under a separate head in our financial statements specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements of our equity listing agreements with the Stock Exchanges. As per the requirements of Clause 49 of the Equity Listing Agreement, we will disclose to the Audit Committee the uses/applications of funds on a quarterly basis as part of our quarterly declaration of results. Further, on an annual basis, we shall prepare a statement of funds utilized for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee. The said disclosure shall be made until such time that the full proceeds raised through the Fresh Issue have been fully spent. The statement shall be certified by our statutory auditors. Further, in terms of Clause 43A of the Equity Listing Agreement, we will furnish to the Stock Exchanges on a quarterly basis, a statement indicating material deviations, if any, in the use of proceeds from the Objects stated in this Draft Red Herring Prospectus. Further, this information shall be furnished to the Stock Exchanges along with the interim or annual financial results submitted under Clause 41 of the Equity Listing Agreement and published in the newspapers simultaneously with the interim or annual financial results, after placing it before the Audit Committee in terms of Clause 49 of the Equity Listing Agreement.

There are no material existing or anticipated transactions in relation to the utilization of the Net Proceeds of the Fresh Issue or estimated cost as above with the Promoter, the Directors, the Company’s key management personnel or companies promoted by the Promoter. Further, no part of the proceeds of the Fresh Issue will be paid by us as consideration to our Promoters, Directors, key management personnel, associates or Group Companies except in the usual course of business.

Appraisal

None of the Objects of the Issue has been appraised by an independent agency.

Withdrawal of this Issue

Our Company, in consultation with Book Running Lead Manager, reserves the right not to proceed with this Issue at any time after the Bid Opening Date, but before our Board meeting for Allotment, without assigning the reasons therefor. However, if our Company withdraws the Issue after the Bid Closing Date, we will give the reason thereof within two days of the Bid Closing Date by way of a public notice which shall be published within two days of the Bid Closing Date in the same newspapers where the pre-Issue advertisements were published. Further, the Stock Exchanges shall be informed promptly in this regard and the Book Running Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the Bank Accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. In the event of withdrawal of the Issue and subsequently, plans of an initial public issue by our Company, a draft red herring prospectus will be submitted again for observations of the SEBI.

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 only after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

Book Building Process

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

- Our Company;
- BRLM, in this case being D & A Financial Services Pvt. Ltd.
- Syndicate Member(s) who are intermediaries registered with SEBI or registered as brokers with the Stock Exchange(s) and eligible to act as underwriters. Syndicate members are appointed by the BRLM;
- Registrar to the issue, in this case being Link Intime India Private Limited ,
- Banker(s) to the issue, Refund Bank(s), and
- Self Certified Syndicate Banks

Regulation 43(2) of the SEBI (ICDR) Regulations, 2009 has permitted an issue of securities to the public through the 100% Book Building Process, wherein not more than 50% of the Net Issue shall be available for allocation to QIBs on a proportionate basis out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Qualified Institutional Buyers' portion shall be available for allocation on a proportionate basis to all Qualified Institutional Buyers, including Mutual Funds, subject to valid Bids being received at or above Issue price. Further, not less than 15% of the Net Issue shall be available for allotment to Non Institutional Bidders and not less than 35% of the Net Issue shall be available for allotment to Retail Individual Bidders on a proportionate basis, subject to valid Bids being received at or above the Issue Price.

We will comply with the SEBI (ICDR) Regulations, 2009 for this Issue. In this regard, we have appointed D & A Financial Services Pvt. Ltd. as the BRLM to manage the Issue and procure subscriptions to the Issue.

The process of Book Building under the SEBI (ICDR) Regulations, 2009 is subject to change from time to time and Investors are advised to make their own judgment about investment through this process prior to making a Bid or Application in the Issue.

QIBs are not allowed to withdraw their Bid after the Bid/Issue Closing Date. In addition, QIBs are required to pay 10% Margin Amount upon submission of their Bid. Allocation to QIBs will be on a proportionate basis. *For further details please refer paragraph titled “Maximum and Minimum Bid Size” beginning on page 242 under Chapter titled “Issue Procedure” beginning on page 237 of the Draft Red Herring Prospectus.*

Resident Retail Individual 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 transfer of funds to the respective Escrow Accounts. *For further details, please refer to the Chapter titled “Issue Procedure” beginning on page 237 of the Draft Red Herring Prospectus.*

Steps to be taken by the Bidders for bidding:

1. Check eligibility for making a Bid (*For details please refer to the paragraph titled “Who Can Bid” beginning on page 238 under Chapter titled “Issue Procedure” beginning on page 237 of the Draft Red Herring Prospectus*);
2. Ensure that the Bidder has a demat account and the demat account details are correctly mentioned in the Bid cum Application Form including ASBA Form;
3. Ensure that the Bid-cum-Application Form including ASBA Forms is duly completed as per instructions given in the Draft Red Herring Prospectus and in the Bid-cum-Application Form including ASBA Forms; and
4. Ensure that the Permanent Account Number is mentioned on Bid-cum-Application Form/ASBA Form. Bidders are specifically requested not to mention their General Index Register number instead of the Permanent Account Number as the Bid is liable to be rejected on this ground.

BID/ISSUE PROGRAM

Bid/Issue opens on	Bid/Issue closes on
[?]	[?]

Bids and any revision in Bids shall be accepted only between 10.00 am and 3.00 pm (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centers mentioned on the Bid cum Application Form. Standardized cut-off time for uploading of bids on the bid/issue closing date is as under:

1. A standard cut-off time of 3.00 pm for acceptance of bids
2. A standard cut-off time of 4.00 pm for uploading of bids received from non retail applicants i.e. QIBs and HNIs.
3. A standard cut-off time of 5.00 pm for uploading of bids received from retail applicants, where the Bid Amount is up to Rs. 200,000 which may be extended up to such time as deemed fit by Stock

Exchanges. Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the BSE and the NSE.

In case of discrepancy in the data entered in the electronic book vis -à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment. In case of discrepancy in the data entered in the electronic book vis -à-vis the data contained in the physical or electronic Bid cum Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask for rectified data from the SCSB.

Due to limitation of time available for uploading the Bids on the Bid/ Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, not later than the times mentioned above. All times mentioned in the Draft Red Herring Prospectus are Indian Standard Time. Bidders are cautioned that due to clustering of last day applications, as is typically experienced in public offerings, some Bids may not get uploaded on the last day. 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 and the Syndicate Member shall not be responsible. On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received from Retail Individual Bidders after taking into account the total number of Bids received upto the closure of timings 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.

Investors please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101-6 dated July 6, 2006 issued by BSE and NSE respectively, bids and any revision in Bids shall not be accepted on Saturdays and holidays as declared by the Exchanges.

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 working days prior to the Bid/Issue Opening Date. The announcement on the Price Band shall also be made available on the websites of the BRLM and at the terminals of the Syndicate.

We reserve the right to revise the Price band during the Bidding Period in accordance with SEBI (ICDR) Regulations, 2009. The cap on the Price Band should not be more than 20% of the floor of the Price band. Subject to compliance with the immediately preceding sentence, the floor of the Price band can move up or down to the extent of 20%.

In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional days after revision of Price Band subject to the Bidding/Issue Period not exceeding 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 BSE and the NSE, by issuing a press release, and also by indicating the change on the web sites of the BRLM and at the terminals of the Syndicate and to the SCSBs.

Underwriting Agreement

After the determination of the Issue Price but prior to filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be issued in the Issue. Pursuant to the terms of the Underwriting Agreement, the BRLMs shall be responsible for bringing in the amount devolved in the event the Syndicate Members do not fulfill their underwriting obligations. Pursuant to the terms of the Underwriting Agreement dated [?], the obligations of the Underwriters are several and are subject to certain conditions to closing, as specified therein.

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

(This portion has been intentionally left blank and will be completed prior to filing the Prospectus with RoC)

Name and Address of the Underwriters	Indicative Number of Equity shares to be Underwritten	Amount Underwritten (Rs. in Lacs)
[?]	[?]	[?]
Total	[?]	[?]

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

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

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

The underwriting arrangements mentioned above shall not apply to the subscriptions by the ASBA bidders in this issue. The underwriting agreement shall list out the role and obligations of each syndicate member.

CAPITAL STRUCTURE

The equity share capital of our Company, as of the date of this Draft Red Herring Prospectus, before and after the proposed Issue, is set forth below:-.

(in Rs.)		
Particulars	Aggregate nominal value	Aggregate Value at Issue Price
A. Authorized Capital		
20,000,000 Equity Shares of Rs. 10 each	200,000,000	
B. Issued, Subscribed and Paid-Up Capital before the Issue		
9,886,422 Equity Shares of Rs. 10 each	98,864,220	
C. Present Issue in terms of this Draft Red Herring Prospectus		
[?] Equity Shares of Rs. 10 each at a premium of Rs. [?] Per Share	[●]	630,000,000
D. Of Which:	[●]	[●]
QIB Portion of up to [?] Equity Shares:	[●]	[●]
Non-Institutional Portion of not less than [?] Equity Shares:	[●]	[●]
Retail Portion of not less than [?] Equity Shares:	[●]	[●]
E. Equity Capital after the Issue	[●]	[●]
[?] Equity Shares of Rs. 10 each	[●]	[●]
F. Share Premium Account	[●]	[●]
Before the Issue	Nil	Nil
After the Issue	[●]	[●]

The Issue has been authorized by our Board of Directors at its meeting on October 6, 2010 and our shareholders at their Extra Ordinary General Meeting on October 30, 2010. The shareholders of our Company have approved this Issue under section 81 (1A) of the Companies Act, 1956 vide a Special Resolution passed at our Company's Extra Ordinary General Meeting held on October 30, 2010.

Notes to Capital Structure

1. Details of Increase in Authorised Equity Share Capital

S.No.	Particulars of Increase / Modification	Cumulative Number of Shares	Cumulative Authorised Capital(Rs.)	Date of Meeting	Whether AGM/EGM
1	Incorporation	150,000	1,500,000	-	-
2	Increased from 15 Lacs to 150 Lacs	1,500,000	15,000,000	February 3, 2005	EGM
3	Increased from 150 Lacs to 200 Lacs	2,000,000	20,000,000	September 8, 2005	EGM
4	Increased from 200 Lacs to 500 Lacs	5,000,000	50,000,000	September 29, 2006	AGM
5.	Increased from 500 Lacs to 2000 Lacs	20,000,000	200,000,000	September 10, 2010	EGM

2. **Equity Share capital history of our Company:** Our existing Equity Share Capital has been subscribed and allotted as under

Date of issue/ allotment of the Equity Shares	No. of Equity Shares allotted	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Nature of allotment	Cumulative Equity Share Capital (Rs.)	Cumulative Share Premium (Rs)
January 23, 2002	15,500	10.00	10.00	Cash	Subscription to the Memorandum of Association	155,000	0
March 31, 2005	105,500	10.00	10.00	Cash	Preferential allotment to Promoter, Promoter Group and other individuals	1,210,000	0
March 31, 2006	512,500	10.00	10.00	Cash	Preferential allotment to Promoter, Promoter Group and other individuals	6,335,000	0
August 7, 2008	1,900,500	10.00	0.00	Other Than Cash-Bonus	Bonus Issue in the ratio of 3:1	25,340,000	0
September 18, 2008	50,000	10.00	10.00	Cash	Preferential allotment to Promoters	25,840,000	0
March 5, 2010	2,067,200	10.00	0.00	Other than Cash-Bonus	Bonus Issue in the ratio of 4:5	46,512,000	0
October 6, 2010	32,810	10.00	0.00	Cash	Preferential Allotment to Promoters	46,840,100	0
November 1, 2010	5,152,412	10.00	0.00	Other than Cash-Bonus	Bonus Issue in the ratio of 11:10	98,364,220	0
November 1, 2010	50,000	10.00	0.00	Cash	Preferential allotment to Employees	98,864,220	0

Bonus issue made from the capitalization of the Profit and loss account of our Company.

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

Except as stated in note 2 above and reiterated in the below mentioned table our Company has not issued any Equity Shares for consideration other than Cash.

Date of Allotment	Persons to whom allotted	Number of Equity Shares allotted	Face Value (Rs.)	Reasons	Whether benefits have accrued to the issuer
August 07, 2008	Existing Shareholders as on that date	1,900,500	10	Bonus issue made in the ratio of 3:1	No
March 05, 2010	Existing Shareholders as on that date	2,067,200	10	Bonus Issue made in the ratio of 4:5	No
November 01, 2010	Existing Shareholders as on that date	5,152,412	10	Bonus Issue made in the ratio of 11:10	No

4. **Preference Share capital history of our Company:** The Company has no Preference Share Capital.
5. **Issue of Equity Shares in the preceding one year:** Except as stated below, our Company has not made any issue of Equity Shares during preceding one year.

Date of Issue	Name of Persons	No. of Equity Shares	Allotment	Face value (Rs.)	Issue price (Rs.)
November 01, 2010	Employees of the Company *	50,000	Preferential issue of Shares	10.00	10.00
November 01, 2010	Existing Shareholders as on that date.	5,152,412	Bonus Issue**	10.00	N.A
October 06, 2010	Mr.Atul Ranchal & Mr.Rajesh Mahajan	328,100	Preferential Issue of shares to Promoters	10.00	10.00
March 05, 2010	Existing Shareholders as on that date.	2,067,200	Bonus Issue**	10.00	N.A.

*Shares were issued to 49 Employees of the Company

**Bonus issue made from the capitalization of the Profit & Loss Account to existing shareholders as on that date.

6. **Build-up of Promoters' shareholding, Promoters' Contribution and Lock-in, in respect of Promoters, whose names figure in the Draft Red Herring Prospectus as Promoters in the paragraph on 'Promoters and their Background' are as under:**

Pursuant to the ICDR Regulations, an aggregate of 20% of the post-Issue Equity Share Capital of our Company shall be locked in by the Promoters for a period of three years from the date of Allotment.

a) **Details of the build-up of our Promoters' shareholding in our Company:**

Name of the Promoter: Mr. Atul Ranchal

Date on which the equity shares were allotted / acquired and made fully paid up or transferred	Nature of allotment	Number of Equity shares	Nature of payment of consideration	Face value Rs.	Issue Price Rs.	% of Pre-issue Capital	% of Post-issue Capital
January 23, 2002	Subscription to the Memorandum of Association	1,500	Cash	10.00	10.00	0.02	[●]
March 31, 2005	Preferential Allotment	50,000	Cash	10.00	10.00	0.51	[●]
March 31, 2006	Preferential Allotment	200,500	Cash	10.00	10.00	2.03	[●]
August 07, 2008	Bonus Issue	756,000	Consideration other than Cash	10.00	10.00	7.65	[●]
September 18, 2008	Preferential Allotment	25,000	Cash	10.00	10.00	0.25	[●]
March 05, 2010	Bonus Issue	826,400	Consideration other than Cash	10.00	10.00	8.35	[●]
October 06, 2010	Preferential Allotment	16,405	Cash	10.00	10.00	0.17	[●]
November 1, 2010	Bonus Issue	2,063, 886	Consideration other than Cash	10.00	10.00	20.88	[●]
	Total	3,939,191				39.84	[●]

Name of the Promoter: Mr. Rajesh Mahajan

Date on which the equity shares were allotted / acquired and made fully paid up or transferred	Nature of allotment	Number of Equity shares	Nature of payment of consideration	Face value Rs.	Issue Price Rs.	% of Pre-issue Capital	% of Post-issue Capital
January 23, 2002	Subscription to the Memorandum of Association	1,500	Cash	10.00	10.00	0.02	[●]
March 31, 2005	Preferential Allotment	20,000	Cash	10.00	10.00	0.20	[●]

March 31, 2006	Preferential Allotment	1,91,000	Cash	10.00	10.00	1.93	[●]
September 02, 2007	Transferred from Manita Mahajan	10,000	Cash	10.00	10.00	0.10	[●]
August 07, 2008	Bonus Issue	6,67,500	Consideration other than Cash	10.00	10.00	6.75	[●]
September 18, 2008	Preferential Allotment	25,000	Cash	10.00	10.00	0.25	[●]
March 05, 2010	Bonus Issue	732,000	Consideration other than Cash	10.00	10.00	7.40	[●]
October 06, 2010	Preferential Allotment	16,405	Cash	10.00	10.00	0.17	[●]
November 1, 2010	Bonus Issue	1,829,746	Consideration other than Cash	10.00	10.00	18.51	[●]
	Total	3,493,151				35.33	[●]

*Bonus issue made from the capitalization of the Profit & Loss account of our Company.

b) Details of Promoter Contribution and Lock-in:

[●] Equity Shares, aggregating to 20% of the post-Issue equity capital of our Company, held by our Promoters shall be locked in for a period of three years from the date of Allotment in the Issue. The Equity Shares that are being locked-in are not ineligible for computation of Promoters contribution under Regulation 33 of the ICDR Regulations. In this connection, as per Regulation 33 of the ICDR Regulations, we confirm the following:

- Equity Shares acquired within three years before the filing of the Draft Red Herring Prospectus with SEBI for consideration other than cash and revaluation of assets or capitalisation of intangible assets or resulting from a bonus issued by utilization of revaluation reserves or unrealized profits of our Company or from bonus issue against Equity Shares which are ineligible for minimum Promoter's contribution.
- Securities acquired by our Promoters, during the preceding one year, at a price lower than the price at which Equity Shares are being offered to the public in the Issue.
- Private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.
- Equity Shares issued to our Promoters on conversion of partnership firms into limited company.
- Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as Promoters under SEBI (ICDR) Regulations, 2009.
- Equity Shares for which specific written consent has not been obtained from the respective shareholders for inclusion of their subscription in the minimum Promoter's contribution subject to lock-in.
- Pledged Equity Shares held by our Promoters.

The lock-in for Equity Shares towards Promoters' contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchanges before listing of the Equity Shares.

Mr. Atul Ranchal has by a written undertaking dated [●], granted his consent to include such number of Equity Shares, out of [●] Equity Shares held by him, as may constitute 20% of the post-Issue equity share capital of our Company, to be considered as promoter's contribution and locked-in for a period of three years from the date of Allotment ("Promoters' Contribution"). Pursuant to this undertaking, promoters have, also agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters' contribution from the date of filing of this Draft Red Herring Prospectus until the commencement of the lock-in period specified above.

Mr. Rajesh Mahajan has by a written undertaking dated [●], granted his consent to include such number of Equity Shares, out of [●] Equity Shares held by him, as may constitute 20% of the post-Issue equity share capital of our Company, to be considered as promoter's contribution and locked-in for a period of three years from the date of Allotment ("Promoters' Contribution"). Pursuant to this undertaking, promoters have, also agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters' contribution from the date of filing of this Draft Red Herring Prospectus until the commencement of the lock-in period specified above.

The Equity Shares which are eligible for being locked in for three years as per SEBI (ICDR) Regulations, 2009

Name of Promoter	Date of allotment/ transfer	Consideration (Cash other than Cash etc.)	Nature of allotment / acquisition	No. of Equity Shares	Face Value (Rs.)	Issue /Transfer Price	No. of Equity Shares locked in	% of Post Issue Paid Up Capital
Mr. Atul Ranchal	January 23, 2002	Cash	Subscription to Memorandum	1,500	10	10	[●]	[●]
	March 31, 2005	Cash	Preferential Allotment	50,000	10	10	[●]	[●]
	March 31, 2006	Cash	Preferential Allotment	200,500	10	10	[●]	[●]
	August 07, 2008	Other than Cash	Bonus on eligible shares in the ratio of 3:1	756,000	10	10	[●]	[●]
	September 18, 2008	Cash	Preferential Allotment	25,000	10	10	[●]	[●]
	March 05,	Other than Cash	Bonus issue on eligible	826,400	10	10	[●]	[●]

Name of Promoter	Date of allotment/ transfer	Consideration (Cash other than Cash etc.)	Nature of allotment / acquisition	No. of Equity Shares	Face Value (Rs.)	Issue /Transfer Price	No. of Equity Shares locked in	% of Post Issue Paid Up Capital
	2010		shares in the ratio of 4:5					
	October 06, 2010	Cash	Preferential Allotment	16,405	10	10	[●]	[●]
	November 01, 2010	Other than Cash	Bonus issue on eligible shares in the ratio of 11:10	2,063,886	10	10	[●]	[●]
Total –A				3,939,191			[●]	
Mr.Rajesh Mahajan	January 23, 2002	Cash	Subscription to Memorandum	1,500	10	10	[●]	[●]
	March 31, 2005	Cash	Preferential Allotment	20,000	10	10	[●]	[●]
	March 31, 2006	Cash	Preferential Allotment	191,000	10	10	[●]	[●]
	September 02, 2007	Cash	Transferred from Manita Mahajan	10,000	10	10	[●]	[●]
	August 07, 2008	Other Than Cash	Bonus issue on eligible shares in the ratio of 3:1	667,500	10	10	[●]	[●]
	September 18, 2008	Cash	Preferential Allotment	25,000	10	10	[●]	[●]
	March 05, 2010	Other Than Cash	Bonus Issue on eligible shares in the ratio of 4:5	732,000	10	10	[●]	[●]
	October 06, 2010	Cash	Preferential Allotment	16,405	10	10	[●]	[●]
	November 01, 2010	Other Than Cash	Bonus Issue on eligible shares in the ratio of 11:10	1,829,746	10	10		

Name of Promoter	Date of allotment/ transfer	Consideration (Cash other than Cash etc.)	Nature of allotment / acquisition	No. of Equity Shares	Face Value (Rs.)	Issue /Transfer Price	No. of Equity Shares locked in	% of Post Issue Paid Up Capital
Total – B				3,493,151			[●]	[●]
Total (A) + (B)				7,432,342			[●]	[●]

Note: All the Equity Shares which are being locked in for three years are eligible for computation of Promoters' contribution and lock in as per SEBI (ICDR) Regulations, 2009.

The entire pre-issue Equity Share Capital of our Company other than the minimum Promoter's contribution, which is locked-in for a period of three years, shall be locked-in for a period of one year from the date of allotment in the present Public Issue.

c) Other requirements in respect of lock-in

As per Regulation 39 read with Regulation 36 of the ICDR Regulations, the locked in Equity Shares held by the Promoters, as specified above, may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or financial institutions, provided that the pledge of the Equity Shares is one of the terms of the sanction of the loan, provided that if any Equity Shares are locked in as minimum Promoters contribution under Regulation 39(a) of the ICDR Regulations, the same may be pledged, only if, in addition to fulfilling the above requirement, the loan has been granted by such banks or financial institutions for the purpose of financing one or more of the Objects of the Issue.

As per Regulation 40 of the ICDR Regulations, the Equity Shares held by persons other than Promoters prior to the Issue may be transferred to any other person holding Equity Shares which are locked-in as per Regulation 37 of the ICDR Regulations, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

In terms of Regulation 40 of the ICDR Regulations, the Equity Shares held by the Promoters may be transferred inter-se or to new promoters 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 SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

The Equity Shares which are subject to lock-in shall carry the inscription 'non-transferable' and the non-transferability details shall be informed to the depositories. The details of lock-in shall also be provided to the Stock Exchanges, where the shares are to be listed, before the listing of the securities.

d) Shareholding Pattern of our Company as per clause 35 of the listing agreement is as under

(I) Cate-gory code	(II) Category of shareholder	(III) Number of share-holders	(IV) Total number of shares	(V) Number of shares held in demat-erIALIZED form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a per-centage of (A+B) (VI)	As a per-centage of (A+B+C) (VII)	Number of Shares (VIII)	As a percentage (IX) = (VIII) / (IV) * 100
(A)	Promoter and Promoter Group							
(1)	Indian							
(a)	Individuals/ Hindu Undivided Family	11	9,836,422	Nil	99.50	99.50	N.A	N.A
(b)	Central Government/ State Government(s)	0	0	Nil	Nil	Nil	N.A	N.A
(c)	Bodies Corporate	0	0	Nil	Nil	Nil	N.A	N.A
(d)	Financial Institutions/ Banks	0	0	Nil	Nil	Nil	N.A	N.A
(e)	Any Other (specify)	0	0	Nil	Nil	Nil	N.A	N.A
	Sub-Total (A)(1)	11	9,836,422	Nil	99.50	99.50	N.A	N.A
(2)	Foreign						N.A	N.A
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	Nil	Nil	Nil	N.A	N.A
(b)	Bodies Corporate	0	0	Nil	Nil	Nil	N.A	N.A
(c)	Institutions	0	0	Nil	Nil	Nil	N.A	N.A
(d)	Any Other (specify)	0	0	Nil	Nil	Nil	N.A	N.A
	Sub-Total (A)(2)	0	0	Nil	Nil	Nil	N.A	N.A

Cate-gory code (I)	Category of shareholder (II)	Number of share-holders (III)	Total number of shares (IV)	Number of shares held in demat-erialized form (V)	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a per-centage of (A+B) (VI)	As a per-centage of (A+B+C) (VII)	Number of Shares (VIII)	As a percentage (IX) = (VIII) / (IV) * 100
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	11	9,836,422	Nil	99.50	99.50	N.A	N.A
(B)	Public shareholding							
(1)	Institutions							
(a)	Mutual Funds/UTI	0	0	Nil	Nil	Nil	N.A	N.A
(b)	Financial Institutions/ Banks	0	0	Nil	Nil	Nil	N.A	N.A
(c)	Central Government/ State Government(s)	0	0	Nil	Nil	Nil	N.A	N.A
(d)	Venture Capital Funds	0	0	Nil	Nil	Nil	N.A	N.A
(e)	Insurance Companies	0	0	Nil	Nil	Nil	N.A	N.A
(f)	Foreign Institutional Investors	0	0	Nil	Nil	Nil	N.A	N.A
(g)	Foreign Venture Capital Investors	0	0	Nil	Nil	Nil	N.A	N.A
(h)	Any Other (specify) – Employees of Company	49	50,000	Nil	0.50	0.50	N.A	N.A
	Sub-Total (B)(1)	49	50,000	Nil	0.50	0.50	N.A	N.A
(2)	Non-institutions							

(I) Category code	(II) Category of shareholder	(III) Number of share-holders	(IV) Total number of shares	(V) Number of shares held in demat-erIALIZED form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a per-centage of (A+B) (VI)	As a per-centage of (A+B+C) (VII)	Number of Shares (VIII)	As a percentage (IX) = (VIII) / (IV) * 100
(a)	Bodies Corporate	0	0	Nil	Nil	Nil	N.A	N.A
(b)	Individuals - i. Individual shareholders holding nominal share capital up to Rs. 1 lakh. ii. Individual share holders holding nominal share capital in excess of Rs. 1 lakh.	0	0	Nil	Nil	Nil	N.A	N.A
(c)	Any Other (specify)	0	0	Nil	Nil	Nil	N.A	N.A
	Sub-Total (B)(2)	0	0	Nil	Nil	Nil	N.A	N.A
	Total Public Shareholding (B)= (B)(1)+(B)(2)	11	50,000	Nil	0.50	0.50	N.A	N.A
	TOTAL (A)+(B)	60	9,886,422	Nil	100	100	N.A	N.A
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	Nil	Nil	Nil	N.A	N.A
	GRAND TOTAL (A)+(B)+(C)	60	9,886,422	Nil	100	100	N.A	N.A

7. Shareholding pattern

The Pre-Issue & Post-Issue shareholding pattern of our Promoter & Promoter Group is as under:

Sr. No	Particulars	Pre Issue		Post Issue	
		No.Of Shares	%age Holding	No.Of Shares	%age Holding
1	Promoters				
	Mr.Atul Ranchal	3,939,191	39.84	3,939,191	[?]
	Mr. Rajesh Mahajan	3,493,151	35.33	3,493,151	[?]
	Total Promoter Holding - A	7,432,342	75.18	7,432,342	[?]
2	Promoter Group				
	Mr.Manmohan Lal Mahajan	491,400	4.97	491,400	[?]
	Mr.Ram Partap	173,880	1.76	173,880	[?]
	Mrs.Davinder Kumari	22,680	0.23	22,680	[?]
	Mrs.Rajni Ranchal	328,860	3.33	328,860	[?]
	Mrs.Saras Gupta	317,520	3.21	317,520	[?]
	Mast.Aryan Mahajan	313,740	3.17	313,740	[?]
	Mast.Erwin Mahajan	302,400	3.06	302,400	[?]
	Miss.Selina Ranchal	226,800	2.29	226,800	[?]
	Mast.Savvy Ranchal	226,800	2.29	226,800	[?]
	Total Promoter Group Holding – B	2,404,080	24.32	2,404,080	[?]
	Total Promoter and Promoter Group Holding A+B	9,836,422	99.50	9,836,422	
	Employees	50,000	0.50	50,000	[?]
	Public	0	0.00	[?]	[?]
	Total	9,886,422	100.00	[?]	100.00

Note: *The final Post Issue Shareholding pattern will be determined after the Book-Building Process.

8. *Particulars of top ten shareholding is as follows:*

a) As on the date of filing the Draft Red Herring Prospectus

S.No.	Name of Shareholders	Number of Equity Shares	Shareholding (%)
1.	Mr.Atul Ranchal	3,939,191	39.84
2.	Mr.Rajesh Mahajan	3,493,151	35.33
3.	Mr.Manmohan Lal Mahajan	491,400	4.97
4.	Mrs.Rajni Ranchal	328,860	3.33
5.	Mrs.Saras Gupta	317,520	3.21
6.	Mast.Aryan Mahajan	313,740	3.17
7.	Mast.Erwin Mahajan	302,400	3.06
8.	Miss.Selina Ranchal	226,800	2.29
9.	Mast.Savvy Ranchal	226,800	2.29
10.	Mr.Ram Partap	173,880	1.76
	Total	9,813,742	99.26

b) 10 days prior to the date of filing of the Draft Red Herring Prospectus

Sr. No.	Name of Shareholders	Number of Equity Shares	Shareholding (%)
1.	Mr.Atul Ranchal	3,939,191	39.84
2.	Mr.Rajesh Mahajan	3,493,151	35.33
3.	Mr.Manmohan Lal Mahajan	491,400	4.97
4.	Mrs.Rajni Ranchal	328,860	3.33
5.	Mrs.Saras Gupta	317,520	3.21
6.	Mast.Aryan Mahajan	313,740	3.17
7.	Mast.Erwin Mahajan	302,400	3.06
8.	Miss.Selina Ranchal	226,800	2.29
9.	Mast.Savvy Ranchal	226,800	2.29
10.	Mr.Ram Partap	173,880	1.76
	Total	9,813,742	99.26

c) 2 years prior to the date of filing of the Draft Red Herring Prospectus

Sr. No.	Name of Shareholders	Number of Equity Shares	Shareholding (%)
1.	Mr.Atul Ranchal	1,033,000	39.98
2.	Mr.Rajesh Mahajan	915,000	35.41
3.	Mr.Manmohan Lal Mahajan	130,000	5.03
4.	Mrs.Rajni Ranchal	87,000	3.37
5.	Mrs.Saras Gupta	84,000	3.25
6.	Mast.Aryan Mahajan	83,000	3.21
7.	Mast.Erwin Mahajan	80,000	3.10
8.	Miss.Selina Ranchal	60,000	2.32
9.	Mast.Savvy Ranchal	60,000	2.32
10.	Mr.Ram Partap	46,000	1.78
	Total	2,578,000	99.77

9. Since the entire money of Rs. [●] per share (Rs. 10 face value + Rs. [●] premium) is being called on application, all the successful applicants will be issued fully paid-up Equity Shares only.
10. We have not issued any Equity Shares out of revaluation reserves.
11. Except as disclosed on page 53 of this section, we have not issued any Equity Shares for consideration other than cash at any point of time since our incorporation. Further, we have not allotted any shares in terms of any scheme approved under Sections 391-394 of the Companies Act.
12. Our Promoters, our Company, our Directors, and the BRLM have not entered into any buy-back or standby arrangements for purchase of Equity Shares from any person.
13. The BRLM and their associates currently do not hold any Equity Shares in our Company.
14. Except as disclosed in **‘Equity Share capital history of our Company’** on page 53 of this section, our Company does not have any Employee Stock Option Scheme /Employee Stock Purchase Plan for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Plan from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines 1999.
15. Except as disclosed in **‘Build-up of Promoters’ shareholding, Promoters’ Contribution and Lock-in - Details of the build-up of our Promoters’ shareholding in our Company’** on page 54 of this section, neither the members of our Promoter Group nor our Promoters our Directors and their immediate relatives have purchased or sold any Equity Shares or financed the purchase of Equity Shares by any other person, other than in the normal course of the business, within the six months preceding the date of filing of this Draft Red Herring Prospectus with SEBI.
16. Except as disclosed in **‘Our Management’** on page 142, none of our Directors and key management employees currently holds any Equity Shares in our Company.
17. We presently do not intend or propose to alter our capital structure for a period of six months from the Bid Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise, except if we enter into acquisitions, joint ventures or other arrangements, we may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisition or participation in such joint ventures.
18. In compliance with Regulation 26(5) of the ICDR Regulations and as stated in “Other Regulatory and Statutory Disclosures” on page 220, our Company has no outstanding convertible securities and has not provided any right which would entitle any person any option to receive Equity Shares after the initial public offer, which may restrict it from issuing securities.

19. We shall ensure that transactions in the Equity Shares by the Promoters and members of the Promoter Group between the date of registering the Red Herring Prospectus with the RoC and the Bid Closing Date shall be reported to the Stock Exchanges within 24 hours of such transaction.
20. Our Promoters and members of the Promoter Group will not participate in this Issue.
21. None of our sundry debtors is related to our Directors or Promoters or us.
22. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by the SEBI from time to time.
23. A Bidder cannot make a Bid for more than the number of Equity Shares offered through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of Bidder.
24. **Over Subscription:** An over-subscription to the extent of 10% of the net offer to public can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment being equal to [?] Equity Shares, which is the minimum bid lot in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Net Issue to Public, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to lock- in shall be suitably increased; so as to ensure that 20% of the Post Issue paid-up capital is locked in.
25. In case of over-subscription in all categories, not more than 50% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (including specific allocation of 5% within the category of QIBs for Indian Mutual Funds). Further a not less than 15% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.
26. **Under subscription:** Under subscription, if any, in the Qualified Institutional Buyers Portion, Non-institutional Portion and Retail Portion shall be allowed to be met with spill over from the other categories, at the sole discretion of our Company and BRLM. However, if the aggregate demand by Mutual Funds is less than 5% of QIB Portion, the balance share available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allocated proportionately to QIB Bidders.
27. **Shareholding of persons belonging to the category 'Public' and holding more than 1% of our Equity Shares**

There are no current shareholding of persons belonging to the category 'Public' and holding more than 1% of our Equity Shares, as per clause 35 of the Equity Listing Agreement.
28. Our Company has not raised any bridge loan against the proceeds of the Issue. For details on the use of proceeds, see "Objects of the Issue" on page 68.

29. No payment, direct or indirect in the nature of discount, commission, allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this issue.
30. As of the date of the filing of this Draft Red Herring Prospectus, the total number of holders of our Equity Shares is 60.

SECTION V-OBJECTS OF THE ISSUE

OBJECTS OF THE ISSUE

The objects of the Issue are set forth below:

1. To set up our new manufacturing unit at JB SEZ Pvt Ltd, Panoli, Gujarat for manufacturing of various pharmaceuticals formulations.
2. To meet Long Term Working Capital requirement
3. To meet General Corporate Purpose: and
4. To meet Issue Expenses and Listing of Shares on Stock Exchanges

The other Objects of the Issue also include creating a public trading market for the Equity Shares of our Company by listing them on BSE and NSE. We believe that the listing of our Equity Shares will enhance our visibility and brand name and enable us to avail of future growth opportunities.

The main objects clause of our Memorandum of Association enables us to undertake the activities proposed in terms of the objects of the Issue, for which the funds are being raised through this Issue. Our existing activities are within the ambit of the objects clause of the Memorandum of Association of our Company.

Cost of Project and Means of Finance

The cost of project and means of finance as estimated by our management are given below:

Cost of the Project

(Rs. In Lacs)

Sr. No.	Object	Total Estimated Cost
1	Land	635
2	Building Construction	1220
3	Plant & Machinery	1994
4	Utilities	1100
5	Misc. Fixed Assets	230
6	Long term working capital	500
7	General corporate purposes	[•]
8	Issue Expenses	[•]
	Total Cost of the Project	6300

MEANS OF FINANCE

(Rs. In Lacs)

Sr. No	Description	Amount
1.	Gross proceeds of the Issue	6300

In case the IPO does not go as planned, our Company will make alternative arrangements like availing of fresh loans from bank(s) and/or utilizing internal accruals. In case of excess funds remaining after deployment as per the Objects of the Issue, the same will be utilized for General Corporate Purposes. For further details please refer to the Paragraph titled “General Corporate Purposes” beginning on page 74 under Chapter titled “Objects of the Issue” beginning on page 68 of the Draft Red Herring Prospectus.

The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution or any independent organization. Our plans are subject to a number of variables, including possible cost overruns; receipt of critical governmental approvals; and changes in management’s views of the desirability of current plans, among others.

In case of any variations in the actual utilization of funds earmarked for the above activities, increased fund deployment for a particular activity may be met with by surplus funds, if any available in any other project and/or our Company’s internal accrual, and/ or the term loans/working capital loans that may be availed from the Banks/ Financial Institutions.

Appraisal

Our Company has not got its proposed requirements of funds as detailed in this chapter appraised by any bank or financial institution.

As our Company is arranging the funding for the objects of the issue through issue proceeds, Regulation 4 (2) (g) of the SEBI (ICDR) Regulations 2009 regarding confirmation for firm arrangements of finance through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised through proposed Public issue, is not applicable to the company.

OBJECTIVE OF THE PROJECT

We plan to create an ultra modern facility as per EU GMP and WHO-cGMP requirements for manufacture of cephalosporins & beta lactum products in injectable, tablets & dry syrup dosage form for a combined annual capacity of 3000 Lacs Tablets, 600 Lacs Dry Syrup Bottles & 600 Lacs Injectables.

PRODUCTION CAPACITY

We wish to create following facility in different segments namely Tablets, Dry Syrup & Injectables.

(Annual Capacity in Lacs)

Particulars	Beta Lactum	Cephalosporins	Total
Tablet	1500	1500	3000
Dry syrup	300	300	600
Injectables	300	300	600
Total	2100	2100	4200

* (Production Capacity assumed on 300 working days per year with per shift basis)

DETAIL OF THE COST OF THE PROJECT

We propose to set up our new manufacturing unit at JB SEZ Pvt Ltd, at Panoli in Gujarat for manufacturing of various pharmaceuticals formulations. The details mentioned hereunder are as per the estimates prepared by our management for setting up formulation manufacturing facility as per WHO, EU GMP Standards in JB SEZ at Panoli, in Gujarat.

Cost of Land

We are proposing to purchase a plot of land Plot No. 12 A, admeasuring 7.54 acres at JB SEZ Pvt. Ltd at Panoli, Gujarat. The total cost of the land is estimated at Rs.635 Lacs including registration charges and other incidental expenses. We have paid an amount of Rs 63.30 Lacs as the signing advance to JB SEZ Pvt. Ltd. for purchasing the aforesaid land .The balance amount will be paid in due course from the proceed of the issue. The land would be fully developed for construction by the JB SEZ Pvt. Ltd.

Building Construction

Particulars	Area(in Sq.meter)	Rate per Sq.Meter	Total Rs. in Lacs
Beta Lactum Block	4000	10000	400
Cephalosporin Block	4000	10000	400
Utility Block	1200	8000	96
Security Office/ Miscellaneous Building	450	6000	27
Admin Block/ QC/Product Development Lab	1400	8000	112
Central Ware House	1000	9000	90
Internal Road, Rain Water Channels, boundary Wall etc.		Lump Sum	95
Total Cost of Construction	12050		1220

Plant & Machinery

Sr. No	Particular of Machinery	Quantity	Rate (Rs in Lacs)	Total Cost (Rs. In Lacs)	Name of Supplier	Date of quotation
	INJECTABLE MACHINES					
1	Dry Powder Filling Machine Model 300S	2	63.87	127.75	Ambica	22.09.2010
2	Vial Caping Machine Model 350	2	13.28	26.56	Ambica	22.09.2010
3	Vial Washing Machine 250	2	14.77	29.53	Ambica	22.09.2010
4	Vial Inspection Machine	2	15.95	31.90	Ambica	22.09.2010
5	Self Adhesive Sticker Machine	2	14.47	28.94	Ambica	22.09.2010
6	Packing Conveyor	4	2.48	9.92	Ambica	22.09.2010
7	Glue Labelling Machine	4	6.26	25.04	Ambica	22.09.2010
8	Steam Sterlizer	2	46.07	92.14	Metalchem	25.09.2010
9	Pure Steam Generator	2	28.94	57.88	Metalchem	25.09.2010
10	Multi Column Water Still	1	46.07	46.07	Metalchem	25.09.2010
11	Steam Sterlizer Cum Bung Processor	2	40.16	80.33	Metalchem	25.09.2010
12	Sterlizing Tunnel	2	49.62	99.23	Metalchem	25.09.2010
13	Shrink Packing Machine	4	26.58	106.32	Shrink Packaging	25.09.2010
14	Ahu 5000 Cfm	10	3.19	31.90	Blue Star	28.09.2010

15	Dehumidifier	5	29.95	149.73	Bry Air	10.09.2010
16	Hepa Filters			9.66	Thermadyne	09.10.2010
17	M S Housing			10.93	Thermadyne	09.10.2010
18	Vertical Laminar Flow			28.32	Thermadyne	09.10.2010
19	Horizontal Laminar Flow			2.48	Thermadyne	09.10.2010
20	Pass Box			4.02	Thermadyne	09.10.2010
21	Sampling Booth			17.72	Thermadyne	09.10.2010
22	Microvee Filter			3.19	Thermadyne	09.10.2010
23	Pre Filter			0.77	Thermadyne	09.10.2010
	Total Cost			1020.32		
	TABLET & DRY SYRUP MACHINERY					
1	Strip Machine	2	5.73	11.46	Satellite	22.09.2010
2	Blister Machine	2	114.32	228.64	Elmach	22.09.2010
3	45 Station Vega Press Iv Machine	1	23.34	23.34	Cemach Machineries Ltd.	23.09.2010
4	37 Station Vega Press Machine	1	18.49	18.49	Cemach Machineries Ltd.	23.09.2010
5	Octaconal Blender 1500 Tr	8	3.96	31.66	Cemach Machineries Ltd.	23.09.2010
6	Rapid Mixer Granulator	2	21.03	42.05	Cemach Machineries Ltd.	23.09.2010
7	Fluid Bed Dryer	2	24.10	48.20	Cemach Machineries Ltd.	23.09.2010
8	Dust Extraction Machine	4	0.83	3.31	Cemach Machineries Ltd.	23.09.2010
9	Deburring & Dedusting Machine	4	1.14	4.56	Cemach Machineries Ltd.	23.09.2010
10	Multi Mill Machine	2	1.26	2.52	Cemach Machineries Ltd.	23.09.2010
11	Sifter Machine	2	1.17	2.34	Cemach Machineries Ltd.	23.09.2010
12	Colloid Mill	2	1.21	2.42	Cemach Machineries Ltd.	23.09.2010

13	Mass Mixer	2	6.96	13.92	Cemach Machineries Ltd.	23.09.2010
14	Tablet Inspection Machine	4	1.48	5.91	Cemach Machineries Ltd.	23.09.2010
15	Auto Coater 48"	2	50.21	100.42	Solace	22.09.2010
16	Auto Coater 66"	1	89.69	89.69	Solace	22.09.2010
17	Automatic Dry Syrup Filling & Sealing	2	47.32	94.63	Anchor Mark	23.09.2010
18	Ahu 5000 Cfm	10	3.19	31.90	Blue Star	28.09.2010
19	Dehumidifier	5	29.95	149.73	Bry Air	10.09.2010
	Total Cost			905.19		
	LAB EQUIPMENT					
1	Moisture Balance Mb 45	2	1.89	3.78	Effem Tech	14.09.2010
2	Moisture Balance Mb 35	2	1.56	3.12	Effem Tech	14.09.2010
3	Analytical Balance	5	1.11	5.55	Effem Tech	14.09.2010
4	Pioneer Top Loading Balances	9	0.65	5.83	Effem Tech	14.09.2010
5	Adventurer Pro	2	1.11	2.22	Effem Tech	14.09.2010
6	Ph.Meter	5	0.24	1.18	Effem Tech	14.09.2010
7	Bench Conductivity Meter	2	0.40	0.81	Effem Tech	14.09.2010
8	Abbe Refractrometer	5	0.43	2.14	Effem Tech	14.09.2010
9	Karl Fischer Moisture Anaz	2	2.00	4.00	Effem Tech	14.09.2010
10	Melting /Boiling Point Inst.	1	1.03	1.03	Effem Tech	14.09.2010
11	Tablet Disintegration Test Apparatus	2	0.88	1.76	Effem Tech	14.09.2010
12	Digital Disintegration Test Apparatus	2	0.69	1.38	Effem Tech	14.09.2010
13	Tablet Friability Test Apparatus	1	0.53	0.53	Effem Tech	14.09.2010
14	Tablet Dissolution Test Apparatus	2	2.30	4.60	Effem Tech	14.09.2010
15	Water Bath	3	0.42	1.26	Effem Tech	14.09.2010
16	Viscometer	1	2.92	2.92	Effem Tech	14.09.2010
17	Uv Visible Spectrophometer	2	6.02	12.05	Effem Tech	14.09.2010
18	Tintometer (Lovibond)	2	4.84	9.69	Effem Tech	14.09.2010
19	Refrigerated Centrifuge	2	2.56	5.12	Effem Tech	14.09.2010
	TOTAL COST			68.96		
	TOTAL COST OF MACHINERY			1994.47		

*Inclusive of excise duty, sales tax, packing, freight & forwarding charges etc.

We will be placing the order for the above machineries in due course

Utilities

Sr. No	Particular of Machinery	Quantity	Rate (Rs in Lacs)	Total Cost (Rs. In Lacs)	Name of Supplier	Date of quotation
1	ELECTRICAL PANELS	1	0.00	110.29	Samson	01.10.2010
2	TRANSFORMER	1	14.88	14.88	Gkm (Kirloskar)	29.09.2010
3	HVAC	1	431.18	431.18	Sterling Airconditioning	25.09.2010
4	Eco Cables			177.83	Eco Cables	28.09.2010
5	Air Compressor	1	31.68	31.68	Trice (Chicago)	09.09.2010
6	Screw Chiller 200 Tr	3	33.08	99.23	Blue Star	28.09.2010
7	Screw Chiller 85 Tr	20	16.77	50.32	BLUE STAR	28.09.2010
8	R.O Plant 5000 Lts/Hour	1	8.86	8.86	BLUE STAR	28.09.2010
9	Steam Boiler	2	27.00	54.01	THERMAX LTD	27.09.2010
10	1500 KVA DG SET	1	121.68	121.68	Sudhir Genset	09.10.2010
	Total Cost			1100.00		

Misc. Fixed Assets

Furniture fixture of different offices, conference rooms, laboratories [three in number – viz. Instrumental, Chemical & Microbiological Laboratories], cafeteria, recreation room, workers dining area, guest rooms totaling to Rs.230 Lacs.

Long term working capital

To meet Working Capital Requirements

Presently our company is availing the working capital facilities for the existing operations from the State Bank of India (SBI) as stated in the Section IV “Summary of Financial Information” of the Company beginning on page 40 of this Draft Red Herring Prospectus. These limits and our internal accruals are adequate to meet our existing working capital requirement. However, the Company will utilize a part of the Issue proceeds to meet long term working capital requirement for JB SEZ Unit, Panoli, Gujarat, which has been estimated as under:-

Particulars	Weeks	FY 2010 (Audited) Rs.In Lacs	Weeks	FY 2011 (Estimated) Rs in Lacs	FY 2012 (Projected) Rs in Lacs
Raw Material & Packing Materials	5	208.00	5	375.00	688.00
Work in Progress	1	58.00	2	171.00	304.00
Finished Goods	1	48.00	2	170.00	296.00
Other stores & spares	4	159.00	4	300.00	550.00
Total Inventories (A)		473.00		1016.00	1838.00
Receivables	10	856.00	10	1077.00	1942.00
Advances & Deposits					100.00
Total Receivables (B)	0	856.00		1077.00	1942.00

Other Current Assets (C)	4.7	421.00	4	431.00	777.00
Total Current Assets (D)=(A) + (B) + (C)	0	1750.00		2524.00	4557.00
LESS:					
(i) Creditors	15.8	950.00	6	450.00	825.00
(ii) Other Current Liabilities	5.2	230.00	5	375.00	688.00
Total Current Liabilities (E)		1180.00		825.00	1513.00
Net Working Capital Requirement (D-E)		570.00		1699.00	3044.00
Rounded off to		570.00		1700.00	3100.00
Funding Pattern					
Bank Borrowing		1015.00		1100.00	2000.00
Internal Accruals				600.00	600.00
Proposed to be funded from public					500.00
Total Funding		1015.00		1700.00	3100.00

General Corporate Purposes

We propose to use the balance amount of the Net Proceeds of the Issue, approximately Rs. [?] Lacs, towards general corporate purposes including but not restricted to, brand building exercises, strengthening of our marketing capabilities and meeting exigencies which we may face in the ordinary course of our business. This may also include rescheduling the proposed utilization of Issue Proceeds and increasing or decreasing expenditure for a particular object vis -à-vis the utilization of Issue Proceeds. Our management, in accordance with the competitive and dynamic nature of our business and the policies of the Board, will have the flexibility to revise its business plan from time to time and in utilizing the sum earmarked for general corporate purposes and any surplus amounts from the Net Proceeds of the Issue.

Issue Expenses

The total expenses of this Issue are estimated to be approximately Rs. [?] Lacs. The expenses of the Issue include, among others, Issue management fees, IPO grading expenses, selling commissions, underwriting commissions, printing and distribution expenses, advertisement expenses and listing fees payable to Stock Exchanges among others. All expenses with respect to the Issue will be allocated on the following basis:

Sr. No	Activity	Expenses (Rs.in Lacs)	% of Issue Size	% of Issue Expenses
1	Lead management fees, Syndicate fee, underwriting and selling commission* *(including commission to SCSBs for ASBA Applications *)	[?]	[?]	[?]
2	Advertising and marketing expenses*	[?]	[?]	[?]
3	Printing and stationery, including transportation costs*	[?]	[?]	[?]
4	Others (Filing fee with SEBI, BSE and NSE, Registrars fee, Legal fees, listing fees etc and Fees payable to Rating Agency*, bidding software expenses, depository charges etc.	[?]	[?]	[?]

	Total	[?]	[?]	[?]
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* will be incorporated after the issue price is finalised.

Estimated Schedule of Implementation

Sr. No	Particulars	Month of Commencement	Month of Completion
To set up our new manufacturing unit at JB SEZ			
1	Land Acquisition	January 2010	February 2011
2	Civil Works for: Factory building Administrative Building etc.	March 2011	September 2011
3	Delivery of machinery & various other equipments	July 2011	September 2011
4	Installation & Commissioning of plant	August 2011	October 2011
5	Trial Run	October 2011	November 2011
6	Commencement of commercial production	November 2011	December 2011

Details of funds already deployed & Sources of funds deployed

The funds deployed up to October 31, 2010 towards the object of this issue on the project as certified by the Statutory Auditors of our Company, M/s J K Jain & Associates, Chartered Accountants vide their certificate dated November 01, 2010 is given below:

(Rs. In Lacs)

Particulars	Amount
Funds Deployed	
Advance for Purchase of Land	63.30
Issue Expenses	5.22
Pre-Operative Expenses	4.02
Total	72.54
Source of Funds	
Internal accruals	72.54
Total	72.54

The above mentioned deployment has been financed out of the internal accruals. Since the objects of the issue stated are to be funded from the IPO. The amount spent till date on the objects, certified by the statutory auditors, shall be recouped from the public issue proceeds

Details of balance fund Deployment

(Rs in Lacs)

Sr. No	Object	Fund Deployed	Fund to be deployed	Total Estimated Cost
1	Land measuring 7.54 Acres	63.30	571.70	635
2	Building Construction	0	1220	1220
3	Plant & Machinery	0	1994	1994
4	Utilities	0	1100	1100
5	Misc. Assets & Pre Operative	4.02	225.98	230

	Expenses			
6	Long term working capital	[?]	[?]	500
7	General corporate purposes	0	[?]	[?]
8	Issue Expenses	5.22	[?]	[?]
	Total Cost of the Project	72.52	[?]	[?]

(Rs in Lacs)

Sr. No	Particulars	Expenses incurred as on October 31, 2010	Estimated schedule of deployment of funds		Total
			Fiscal 2011	Fiscal 2012	
(A) To set up our new manufacturing unit at JB SEZ PVT LTD					
1.	Acquisition of Land	63.30	571.17	-	635
2.	Civil Works for: Factory building Administrative Building etc.	[?]	185	1035	1220
3.	Plant & Machinery	[?]	310	2784	3094
(B) Misc. Fixed Assets		4.02	30	195.98	230
(C) Long term working capital		[?]	[?]	500	500
(D) General Corporate Purposes		[?]	[?]	[?]	[?]
(E) Public Issue Expenses		5.22	[?]	[?]	[?]
	Total	72.54	[•]	[•]	[•]

Bridge Loan

We have not entered into any bridge loan facility that will be repaid from the Issue Proceeds.

Interim use of Issue proceeds

Pending utilization of the Issue proceeds for the purposes described above, our management, in accordance with the approval of the Board of Directors, will have the flexibility in deploying the issue proceeds received by us. We intend to invest the funds in high quality interest/dividend bearing liquid instruments including money market mutual funds and deposits with the banks or for reducing overdraft, for the interim and applicable period.

Monitoring Utilization of Funds

As this is an Issue of less than Rs. 50,000.00 Lacs, there is no requirement for the appointment of a monitoring agency, in terms of Regulation 16(1) of the ICDR Regulations.

Our Board will monitor the utilization of the Issue proceeds. We will disclose the details of the utilization of the Issue proceeds, including interim use, under a separate head in our financial statements for Financial Years 2010-11 and 2011-12, specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements of our listing agreements with the Stock Exchanges and in particular Clause 49 of the Listing Agreement. The said disclosure shall be made till such time that the full money raised through the Issue has been fully spent.

No part of the proceeds of the Issue will be paid by us as consideration to our Promoters, our Directors, key management personnel or companies promoted by our Promoters except in the usual course of business.

BASIC TERMS OF ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, 2009, our Memorandum and Articles of Association, the terms of the Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, Bid-cum-Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws 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, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Terms of Payment

Applications should be for a minimum of [?] Equity Shares and in multiples of [?] Equity Shares thereafter. The entire price of the Equity Shares of Rs. [?] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the excess amount paid on application shall be refunded by us to the applicants.

Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of the rights to receive dividend. The allottees will be entitled to dividend, voting rights or any other corporate benefits, if any, declared by us after the date of Allotment.

Face Value and Issue Price per Share

The Equity Shares having a face value of Rs. 10 each. The Floor price of Equity Shares is Rs. [?] per Equity Share and the Cap Price is Rs. [?] per Equity Share. At any given point of time there shall be only one denomination for the Equity Shares.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, *please refer to Chapter titled “Main Provisions of Articles of Association” on page 272 of the Draft Red Herring Prospectus.*

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialised form. As per the existing SEBI (ICDR) Regulations, 2009, the trading in the Equity Shares shall only be in dematerialised form for all investors.

Since trading of our Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allocation and Allotment through this Issue will be done only in electronic form in multiples of one Equity Shares to the successful Bidders subject to a minimum Allotment of [?] Equity Shares. *For details of Allocation and Allotment, please refer to the paragraph titled “Basis of Allotment” beginning on page 262 under Chapter titled “Issue Procedure” beginning on page 237 of the Draft Red Herring Prospectus.*

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the offer through the offer document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days, after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under Section 73 of the Companies Act, 1956.

If the number of allottees in the proposed Issue is less than 1,000 allottees, we shall forthwith refund the entire subscription amount received. If there is a delay beyond 15 days after we become liable to pay the amount, we shall pay interest at the rate of 15% per annum for the delayed period.

BASIS FOR ISSUE PRICE

Investors should read the following summary along with the Sections titled “Risk Factors”, “About Us” and “Financial Information” beginning on pages 14, 90 and 166 respectively of the Draft Red Herring Prospectus. The trading price of the Equity Shares of our Company could decline due to these risks and you may lose all or part of your investments.

The Issue Price will be determined by our Company in consultation with the BRLM on the basis of assessment of market demand for the Equity Shares offered by way of Book building.

Qualitative Factors:

1. In house Research Facility

Our company is a research driven company with continuous efforts focused on developing latest molecules and achieving process improvements and production cost efficiencies. We have a team of 16 scientists working under the guidance of Dr. D.S.Maity a Ph.D in Analytical Chemistry, who leads the research efforts with expertise in a wide range of areas. Our laboratory is fully equipped to conduct pre formulation studies, prototype development, scale-up, optimization and technology transfer of oral solid dosage form as well as injectable dosage form.

2. Diversified customer base

We have established client relationships in domestic markets from whom we get orders for Manufacturing on a continuous basis. Our existing relationship with our clients represents a competitive advantage in gaining new clients and growing our business. Some of our clients include Zydus Cadila, Aristo Pharmaceuticals Pvt. Ltd, FDC Ltd, Sanat Products Ltd, Hetero Healthcare Ltd, Wockhardt Ltd; Parental Drugs, Alembic Ltd etc., Our Company is now planning to expand its business in the International Markets i.e Europe, CIS and African Countries. As on March 31, 2010, we catered to 115 customers domestically, including some of the leading companies in the country. We are constantly striving to increase our customer base and reduce dependence on any particular customer. The total number of our domestic customers has increased from 76 in fiscal 2007 to 115 during fiscal 2010. For further information, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and “*Financial Information*” on pages 196 and 166, respectively.

3. Variety of products in Formulation segment

We manufacture a wide range of products in the formulation segment encompassing Beta Lactam, Cephalosporin & General Injectables & Beta Lactam Tablets & Dry Syrups. We continuously focus on developing new products within our existing segments, with specific applications or taking customer specifications in view. Our current product portfolio comprises Dry Powder Injectables, 31 Liquid Injectable, 5 Tablets and 2 Dry Syrups which are marketed domestically.

4. Quality Infrastructure to serve overseas markets and manufacture multiple products

Our manufacturing facilities are designed to manufacture a variety of products in the formulation segment using a combination of processes. Our facility at Baddi, Himachal Pradesh is a WHO-GMP and ISO-9001:2008 certified, which allow us to market our products in overseas markets upon registration and approval of the products with the relevant authorities. Our proposed facility at JB SEZ Pvt Ltd, Panoli, Gujarat is being set up in compliance with EU GMP Standards to cater to high end market of Europe, CIS & South Africa.

Quality Management with Pharma domain knowledge and experience

Our operations are led by our Chairman, & Managing Director who have the expertise and vision to continue to expand our business. Our Promoters are professionally qualified first generation entrepreneurs with vast experience in production, quality control, procurement of inputs, sales, marketing and finance. Mr. Atul Ranchal holds a Post Graduate Diploma in Food and Microbial Technology and Mr. Rajesh Mahajan holds a Masters' in Business Administration with specialization in Marketing. Other members of our management team include Dr. D.S.Maity (Director-Technical) who is M.Sc (Chemistry) and Ph.D in Analytical Chemistry having a vast experience of Research & Development. A well qualified team of professionals support our Board.

Locational Advantage and Incentives

Our Unit at Baddi, Himachal Pradesh is around 40 KM from International Airport of Chandigarh and is well connected by Road. Our existing plant avails the advantage of Excise exemption for a period of 10 years and also 100% exemption from Income Tax for a period of 5 years and 30% exemption of Income Tax for a subsequent period of 5 years.

Quantitative Factors

Information presented in this section is derived from our Company's restated, financial statements.

1. Adjusted Earnings Per Share

Particulars	EPS (Rs)	Weights
2007-2008	56.51	1
2008-2009	11.46	2
2009-2010	11.17	3
Weighted Average EPS	18.82	

For the Half year ended September 30, 2010 (Non Annualized); Rs.6.81.

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

Particulars	P/E at the lower end of the price band (Rs. [?])	P/E at the higher end of the price (Rs. [?])
a. Based on 2009-10 EPS of Rs.11.17	[?]	[?]
b. Based on weighted average EPS of Rs.18.82	[?]	[?]

Industry P/E* - PHARMACEUTICALS – INDIAN - FORMULATIONS	
Highest – Parenteral Drugs	30.50
Lowest – Ankur Drugs	3.40
Average	10.80

Source: Capital Market, Volume XXV/19, November 15, 2010 - November 28, 2010

3. Return on Net Worth

Particulars	RONW (%)	Weights
2007-2008	67.38	1
2008-2009	35.39	2
2009-2010	38.29	3
Weighted Average RONW	42.17	

For the Six months period ending September 30, 2010 (Non Annualized); 18.91%

4. Minimum Return on Net Worth needed after the Issue to maintain pre-Issue EPS of Rs. 11.09 is

a) At the higher end of the price band	[?]%
b) At the lower end of the price band	[?]%

5. Net Asset Value (Rs.)

Particulars	At the lower end of the Price Band (Rs. [?])	At the higher end of the Price Band (Rs. [?])
As on March 31, 2010	[?]	[?]
After Issue	[?]	[?]

6. Peer Group

Name of Company	Standalone Sales (Rs. Lacs)	EPS (Rs.)	P/E Ratio	RONW (%)	NAV (Rs.)	Face Value (Rs.)
AMRUTANJAN HEALTH CARE LTD.	8976.97	33.10	29.30	11.3	322.00	10.00
BAFNA PHARMACEUTICALS LTD.	7440.00	1.60	24.50	6.20	26.00	10.00
BROOKS LABORATORIES LTD	4545.30	11.17	[?]	38.29	29.00	10.00

Source: Capital Market, Volume XXV/19, November 15, 2010 - November 28, 2010

7. The face value of our Equity Shares is Rs.10 per share and the Issue Price of Rs. [?] is [?] times of the face value of our Equity Shares. The final price would be determined on the basis of the demand from the investors.

The BRLM believes that the Issue Price of Rs. [?] per Equity Shares is justified in view of the above qualitative and quantitative parameters. The investors may also want to peruse the risk factors and our financials as set out in the Auditors Report in the Draft Red Herring Prospectus to have a more informed view about the investment proposition.

STATEMENT OF TAX BENEFITS

**The Board of Directors
Brooks Laboratories Ltd.
G-101, Ivory Tower, Sector-70,
Mohali**

Dear Sir,

Subject: - Statement of Possible Tax Benefits available to the company and its shareholders

We hereby report that enclosed statement as per “**Annexure-A**” states the possible tax benefits available to the company under the Income-tax Act, 1961 presently in force in India and to the shareholders of the Company under the Income tax Act, 1961 and other Direct 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 provisions of the statute. Hence, the ability of the company or its shareholders to drive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the company faces in the future, the company may or may not choose to 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 his or her own tax consultant with respect to the specific tax implications out of their participation in the issue.

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 have 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 our understanding of the business activities and operations of the company.

Our views expressed herein are based on the facts and assumptions indicated to us. No. assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. The views are exclusively for the use of Brooks Laboratories Limited. We shall not be liable to Brooks Laboratories Limited for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

**For J.K.Jain & Associates
Chartered Accountants**

(J.K.Jain)

Partner

M. No. 083140

Date: November 10, 2010

STATEMENT OF TAX BENEFITS FOR M/S BROOKS LABORATORIES LIMITED

As per current provisions of the Income Tax Act, 1961 and the existing laws for the time being in force, the following benefits, inter-alia, will be available to the company and its members:

Statement of Special Tax benefits:-

(A) DIRECT TAXES:

Under the Income Tax Act, 1961

1. Benefits available to the company

1. As per section 10(34) of the Income Tax Act 1961, any Income by way of dividends referred to in section 115-O (i.e. dividends declared, distributed or paid by domestic companies) received on the shares of any company is exempt from tax
2. Under Section 32 of the Act, the company is entitled to claim depreciation on tangible and intangible assets as explained in the said section. Further company is entitled depreciation @ 20% under clause (1) (iia), as additional depreciation on new plants and machinery acquired and installed after 31st March 2005, subject to conditions specified therein.
3. The company is eligible for amortization of preliminary expenses being expenditure on public issue of share under Section 35D (2) (c) (iv) of the Act , subject to limits specified in sub section (3).
4. Under section 54 EC 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(36) of the Act), arising on the transfer of shares of the company will be exempt from capital gains tax if the capital gains are invested within a period of 6 month after the date of such transfer for a period of at least 3 year in bonds issued by
 1. **National Highway Authority of India constituted under section 3 of the national Highway Authority of India Act, 1988.**
 2. **Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956**
5. Under the provision of section 48 of the Income Tax act, 1961 If the company's shares are sold after being held for not less than twelve months, the gains if any will be treated as long term capital gains and the gains shall be calculated by deducting from the gross consideration, the indexed cost of acquisition.
6. Under Section 112 of the Income Tax Act, 1961 and other relevant provisions of the Act, Long Term capital Gains (i.e. shares are held for a period exceeding 12 months) (in case not covered under section 10(36) of the Act), arising on transfer of shares in the company, shall be taxed at the rate of 20% (Plus applicable surcharge) after indexation as provided in the second proviso to section 48. the amount of such tax should however, be limited to 10% (Plus applicable surcharge) without indexation, at the option to the shareholder, if the transfer is made after listing shares.

7. Under section 111A of the Income Tax Act 1961 and other relevant provision of the Act, short term capital gains, (i.e., if shares are held for a period of less than 12 months) (in case not covered under section 10(38) of the Act), arising on transfer of shares of the company shall be taxed at a rate of 15% (plus applicable education cess) subject to conditions tax, is exempt from tax.
8. As per the provision of Section 10(38) of the Income Tax Act, as inserted by Finance (No.2) Act, 2004, any income arising from the transfer of a long term capital asset being an equity share in a company or a Unit of an Equity Oriented fund (held for more than 12 months) where the sale transaction is chargeable to securities transaction tax, is exempt from tax.
9. The company is entitled to a deduction under section 80 G of the Income tax Act in respect of amounts contributed as donations to various charitable institutions and funds covered under that section. Subject to fulfillment of conditions prescribed therein.
10. Under section 115JAA (1A) of the Income tax Act, credit is allowed in respect of any minimum Alternate Tax (MAT) paid under section 115JB of the Income TA Act for any assessment year commencing on or after April 1,2006. Tax credit eligible to be carried forward will be the difference between Mat paid and the tax computed as per the normal provisions of the Income Tax Act for that assessment year. Such MAT credit is allowed to be carried forward for set off purposes up to 10 years succeeding the year in which the MAT credit is allowable.

2 Benefits available to Resident Shareholders

1. Under Section 10(34) of the Income Tax Act, dividend on or after April, 2004 is exempted in the hands of individual and HUF and As per section 115(O) of the Income Tax Act any amount declared, distributed or paid by such company by way of dividend on or after the first day of April, 2003 shall be charged @ 15% by the company.
2. In term of section 10(23D) of the Income Tax Act all mutual funds setup by public sector bank or public financial institutions or Mutual Funds registered under the Securities and Exchange Board of India or authorized by the Reserve Bank of India, subject to the conditions specified therein are eligible for exemption from Income Tax on all their income, including income from investments in shares of the company.
3. Under the provisions of section 48 of the Income Tax Act, 1961 if the company's shares are sold after being held for not less than twelve month, the gains if any will be treated as long term capital gains and the gains shall be calculated by deducting from the gross consideration, the indexed cost of acquisition.
4. In according with and subject to the condition and to the extent specified in section 54 EC of the Income Tax Act, 1961, The Shareholders would be entitled to exemption from long term capital Gains arising from the sale of such shares in any specified Bonds issued by National Highways Authority of India (NHAI), Rural Electrification corporation of India (RECI).
5. In case of shareholder, being an individual or Hindu Undivided Family, in accordance with and subject to the conditions and to the extent specified in Section 54F of the Income Tax Act, 1961 the shareholders would be entitled to exemption from Long Term Capital Gains on sale of their shares in the company upon investment of Net consideration in purchase/ construction of a residential house.

6. Under section 111A of the Income Tax Act 1961 and other relevant provision of the Act, short term capital gains, (i.e., if shares are held for a period of less than 12 month) (in case not covered under section 10(38) of the Act), arising on transfer of shares of the company shall be taxed at a rate of 15% (Plus applicable education cess) if the following condition are satisfied.
 - a. The transaction of sale of such equity shares or unit is entered into on after October 1,2004.
 - b. Such transaction is chargeable to securities transaction tax.
7. As per the provision of Section 10(38) of the Income Tax Act, as inserted by finance (No.2) Act, 2004, any income arising from the transfer of a long term capital asset being an equity share in a company or a Unit of an Equity Oriented fund (held for more than 12 months) where the sale transaction is chargeable to securities transaction tax, is exempt from tax.

3. Benefits available to Non-Resident Indians / Non Resident Shareholders (other than Foreign Institutional Investors):

1. Under Section 115-I of the Income Tax Act, a non resident Indian (i.e. an individual being a citizen of India or a person of Indian origin who is not a resident may elect not to be governed by the provisions of chapter XII-A (Sections 115-C to Sections 115-I) for any Assessment year by declaring in writing in the return. In that case his income for that year shall be computed and tax on such total income shall be charged in accordance with the other provisions of the income Tax Act.
2. In case of Non Resident Shareholders, if the shares in the company have been acquired or purchased with, or subscribed to, in convertible foreign currency, the long term capital gain on sale of shares in the company (transfer of shares held for more than a period of 12 months) (in case not covered under section 10 (36) of the act) shall be concessional charged to tax at the rate of 10% (plus Surcharged as applicable) (without indexation benefit but with protection against foreign exchange fluctuation)without aggregating any other income earned in India, which is taxed separately as specified in clause (b) to section 115E.
3. The long term capital gains on sale of shares (in case not covered under section 10(36) of the Act) in the company shall be exempted from tax upon re-investment of net consideration in any specified assets as specified in sub section (1) to section 115F within six months from the date of transfer of shares. The amount so exempt from tax shall, however, be chargeable to tax, if the new asset is transferred or converted into money within three years from the date of acquisition of the specified new asset.

TAX ON CAPITAL GAINS:

As per newly inserted section 111-A by the finance (No.2) Act of 2004 w.e.f. 1.4.2005 (Assessment year 2005-2006) where the total income of an assessee includes any income chargeable under the head “ capital Gains” arising from the transfer of a short term capital asset (asset held for less than one year) being an equity share in a company or a unit of an equity oriented funds and such sale transaction is chargeable to Securities transaction tax the tax payable on such short term gain shall be charged to tax at the rate of 15%.

Provided that in the case of Individual or HUF being a resident, where the total income as reduced by such short term capital gain is below the maximum amount which is not chargeable to income tax then such short term capital gain shall be reduced by the amount by which the total income as so reduced fall short of the maximum amount which is not chargeable to income tax and the tax on the balance short term capital gains shall be computed @ 15%

Under section 115G of the Income Tax Act, a Non –Resident Indian is not obliged to file a return of Income under section 139(1) of the Income Tax Act, 1961, if his total income consists only of income from investments and/ or long term capital gains earned on transfer such investment and tax has been deducted at source from such income under the provision of chapter XVII- B of the Income Tax Act, 1961.

Under Section 115H of the Income Tax Act, where a Non Resident Indian becomes assessable to tax in India, in relation to any the previous year, as resident in India in respect of his total income of any subsequent year, he may furnish to the Assessing Officer a declaration in writing along with his return of Income under section 139 for the assessment year for which he is so assessable, to the effect that the provisions of chapter XII-A shall continue to apply to him in relation to the investment income derived from any foreign exchange asset, being asset of the nature referred to in sub clause (ii) to sub clause (v) of the clause (f) of section 115C of the Income tax Act, in which case the provisions of chapter Xii A shall continue shall continue to apply to him in relation to such income for that assessment year and for every subsequent assessment year until the transfer or conversion (otherwise than by transfer) into money of such assets.

In terms of section 10(34) of the Income Tax Act, 1961, any income by way of dividends referred to in section 115-o (ie dividends, distributed or paid on or after 1 April, 2003) received on the shares of the domestic company is exempted from the tax.

Under the provisions of section 48 of the Income Tax Act, 1961, Capital Gains arising to a Non Resident from the transfer of Capital Asset being shares in the company shall be computed by converting the cost of acquisition, expenditure in connection with such transfer and full value of the consideration received or accruing as a result of the transfer of the capital assets into the same foreign currency as was initially utilised in the purchase of the shares and the capital gains computed in terms of such foreign currency shall be reconverted into India currency, such that the aforesaid manner of computation of capital gains shall be applicable in respect of capital gains accruing / arising from every reinvestment thereafter and sale of share of the Company.

Under Section 54 EC of the Income Tax Act, 1961, and subject to the conditions and to the extent specified therein, long term capital gain (in cases not covered under section 10(36) of the Act), arising on the transfer of shares of the company will be exempt from capital gains tax if the capital gain are invested within a period of 6 months after the date of such transfer for a period of at least 3 years in bonds issued by.

- 1. National Highway Authority of India constituted under section 3 of the National Highway Authority of India Act, 1988.**
- 2. Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.**

Under Section 54F of the Income Tax Act, 1961 long term capital gains (in cases not under section 10(36) 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 consideration from such shares are used for purchase of residential house property within a period of one year before OR two

year after the date on which the transfer took place or for construction of residential house property within a period of three year after the date of transfer.

Under section 112 of the Income Tax Act, 1961 and other relevant provisions of the Act, Long Term Capital Gains (i.e. share are held for a period exceeding 12 months) (in case not covered under section 10(36) of the Act), arising on transfer of shares in the company, shall taxed at the rate of the 20% (plus applicable surcharge) after indexation on transfer of the second provision to section 48. The amount of such tax should however, be limited to 10% (plus applicable surcharge) without indexation, at the option to the shares.

4. Benefit available to Foreign Institutional Investors (FIIs)

- (a) In terms of section 10(34) of the Income Tax Act, 1961, any Income by way of dividends referred to in section 115-O (i.e. dividends declared or paid on or after 1st April, 2003) received on the shares of the company is exempted from the tax.
In our opinion, the equity share under this offer document constitute eligible shares and the benefit, as stated above, would be available provided the above conditions are complied with.
- (b) The Income by way of short term capital gains or long term capital gains (not covered under section 10(36) of the Act) realized by FIIs on sales of shares in the company would be taxed at the following rates as per section 115 AD of the Income Tax Act, 1961
 - Short Term Capital Gains - 30%.
 - Long Term Capital Gains – 10% (Without Cost Indexation and protection against Foreign Exchange Fluctuation (Shares held in a company could be for a period exceeding 12 months).
- (a) Under Section 54EC 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(36) of the Act), arising on the transfer of shares of the company will be exempt from capital gains tax if the capital gain are invested a period of 6 months after the date of such transfer for a period of at least 3 years in bonds issued by:
 - 1. National Highway Authority of India constituted under section 3 of the National Highway Authority of India Act, 1988.**
 - 2. Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.**
- (b) As per the provisions of section 10(38) of the Income Tax Act, as inserted by finance (No. 2) Act, 2004, any income arising from the transfer of the transfer of a long term capital asset being an Equity share in a Company or a unit of an equity Oriented Fund (held for more than 12 month) where the sale transaction is chargeable to securities transaction tax, is exempt from tax.
- (c) Under section 111A of the Income Tax Act 1961 and other relevant provision of the Act, Short term capital gains, (i.e. if shares are held for a period of less than 12 months) (in case not covered under section 10(38) of the Act), arising on transfer of shares of the company shall be taxed at a rate of 15% (plus applicable education cess) if the following condition are satisfied.

The transaction of sale of such equity share or unit is entered into on or after October 1, 2004, and such transaction is chargeable to securities transaction tax.

B. Benefit Available under the Wealth Tax Act, 1957

The member of the company will not be liable to pay any Wealth Tax in respect of shares held by them since the same are not covered under the definition of “ASSETS” under section 2(EA) of the Wealth Tax Act, 1957.

C. Benefit Available under the Gift Tax Act, 1958

With effect from 1st October 1998 no gift tax shall be levied on gift of shares of the Company.

NOTES:

1. The Company is running its unit (1) in Baddi which is excise free zone.
2. The stated benefit will be available only to the sole /first named holder in case the shares are held by joint holders
3. 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 Agreements, if any, between India and the Country in which the Resident has fiscal domicile.
4. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his /her participation in the scheme.

**For J. K. Jain & Associates
CHARTERED ACCOUNTANTS**

**(J. K. Jain)
Partner
Membership No: 083140**

Chandigarh
Dated: November 10, 2010

SECTION VI – ABOUT US

INDUSTRY OVERVIEW

Disclaimer: Pursuant to the requirements of the SEBI (ICDR) Regulations, 2009, the discussion on the business of Our Company in the Draft Red Herring Prospectus consists of disclosures pertaining to industry grouping and classification. The industry grouping and classification is based on our Company's own understanding and perception and such understanding and perception could be substantially different or at variance from the views and understanding of third parties. Our Company acknowledges that certain products described in the Draft Red Herring Prospectus could be trademarks, brand names and/ or generic names of products owned by third parties and the reference to such trademarks, brand names and/ or generic names in the Draft Red Herring Prospectus is only for the purpose of describing the products. The industry data has been collated from various industry and/ or research publications and from information available from the World Wide Web.

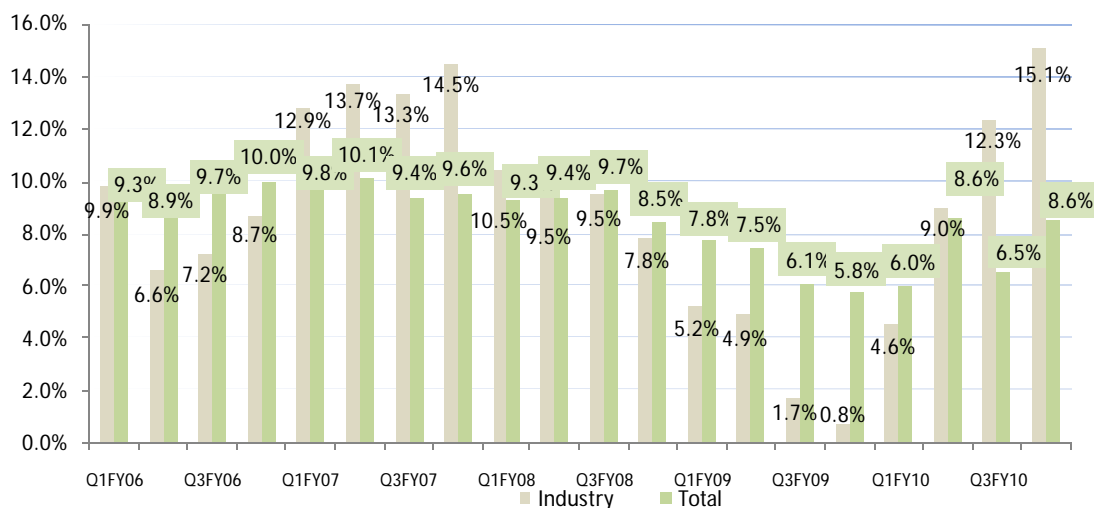
Disclaimer: All information contained in the content has been obtained by IMaCS from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and IMaCS 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 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.

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

Indian Economy

The Indian economy grew at an average rate of 9% during the period, 2006-08. Following signs of slowdown in late-2008 because of the global financial crisis, the Indian Government introduced stimulatory fiscal measures at the beginning of 2009 along with sizeable increase in public outlays. With a subsequent recovery, the real GDP increased 7.4% in 2009-2010. In 2010-11, the expected real GDP growth is slightly over 8%. As exports have started to grow once again, business investment is expected to rebound by September 2011. Concerns include increase in long-term interest rates, widening fiscal gap, and inflationary pressure affecting investments adversely.

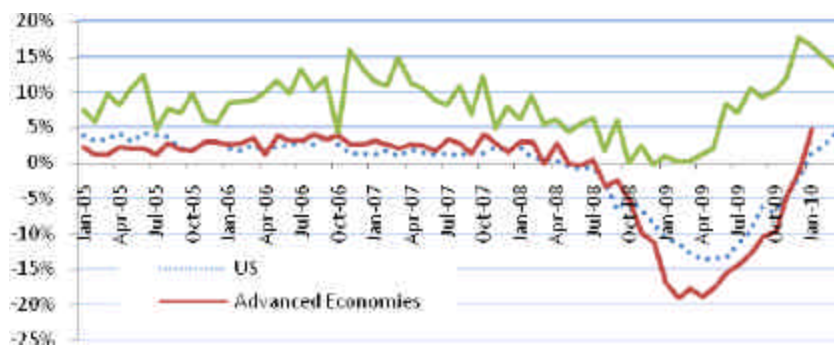
Figure 1: Quarterly Growth in GDP (%)



Source: IMaCS Research

Industrial GDP recovered sharply from 0.6% in fourth quarter of 2008-09 to 13.8% in the third quarter of 2009-2010, because of substantially higher growth in manufacturing. Global figures on industrial production, trade and employment also indicate that the rate of contraction may now be starting to moderate and point towards faster trade growth in 2010. The Indian index of industrial production (IIP) increased 10.4% in 2009-2010, compared with 2.7% in 2008-09.

Figure 2: Monthly Industrial Production Growth (%)



Source: IMaCS Research

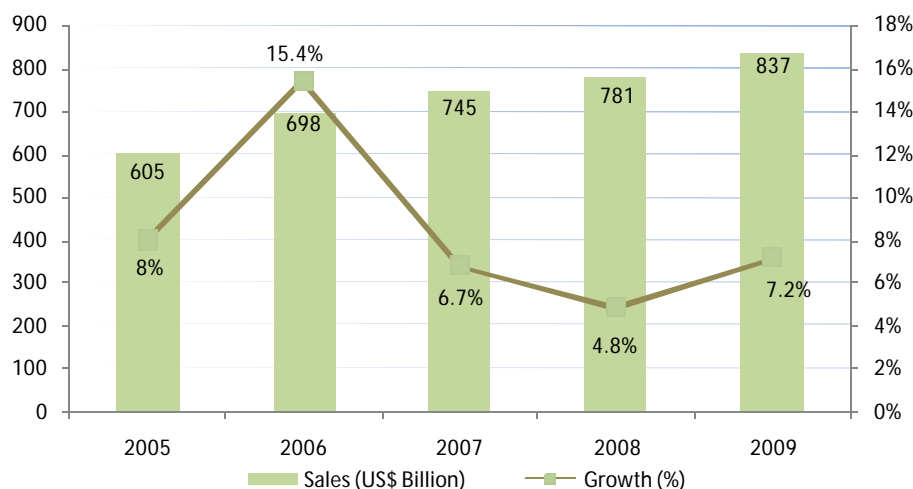
Investment flows in India have increased rapidly because of portfolio equity inflows from foreign institutional investors. Gross capital inflows increased from US\$ 59.37 billion in the fourth quarter of 2008-09 to US\$ 90.23 billion in the corresponding period of 2009-2010.

Exports increased 2.7% (year-on-year) in October 2009, representing the first increase in twelve months. Trade growth has rapidly accelerated since November 2009. Imports growth has been higher than exports reflecting increased crude oil and other commodity import prices.

Global Pharmaceuticals Industry Overview

The global pharmaceuticals 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 3: **World pharmaceuticals sales**



Source: IMaCS Research

In the 12-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.

Global trends and growth drivers

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

Table 1: Emerging global trends

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

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 2: Growth trends in emerging markets

(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.

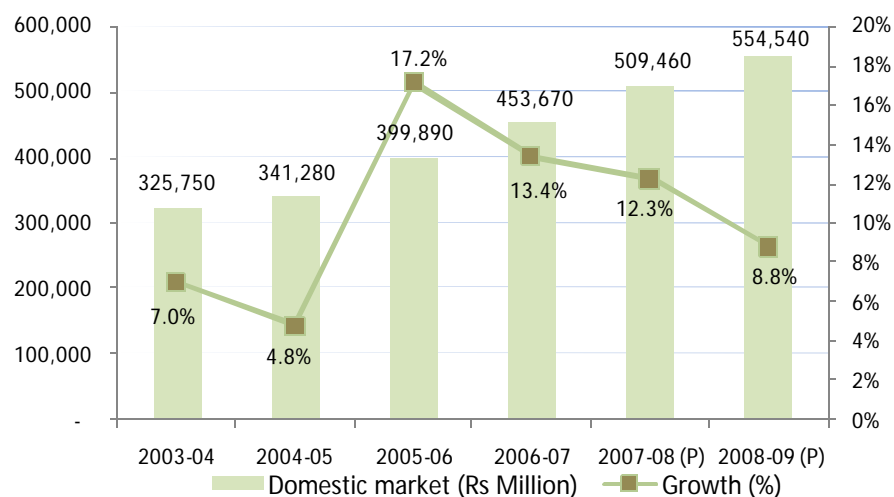
The Indian Pharmaceuticals Industry

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 4: Domestic market size



P: provisional

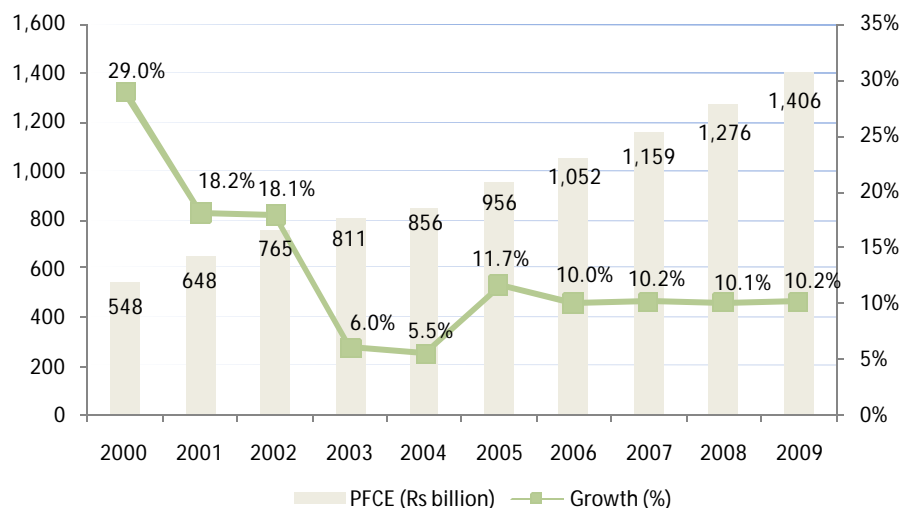
Source: IMAcS Research

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 5: 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.

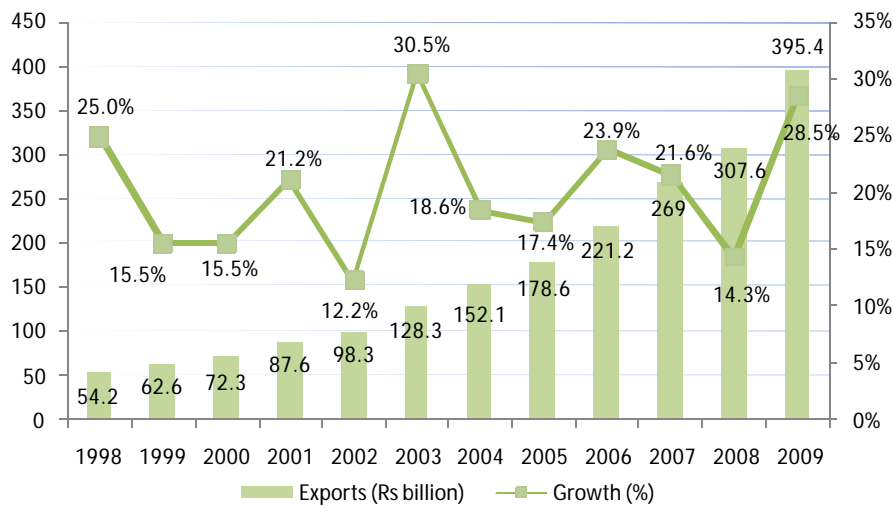
India's drugs and pharmaceuticals exports

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 6: 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 3: 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

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, competitive profit margins and overcapacity.

The Indian pharmaceuticals industry is governed by the Patent (Amendment) Act, 2005 which was brought into effect 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.

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 has decided to procure medicines from small and medium enterprises in the pharmaceuticals industry, which is likely to benefit 6,000 small enterprises in the private sector.

Formulations market in India

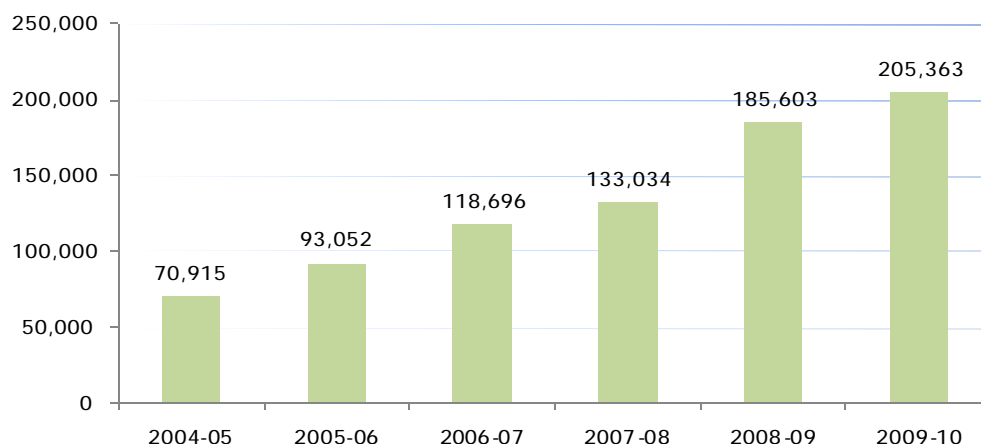
Formulations broadly fall under two categories:

- 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.

During the period 2004-2010, formulations exports increased consistently, at an average annual rate of 24.2%, from Rs 70.9 billion to 205.4 billion.

Figure 7: Formulations exports
(Rs. million)



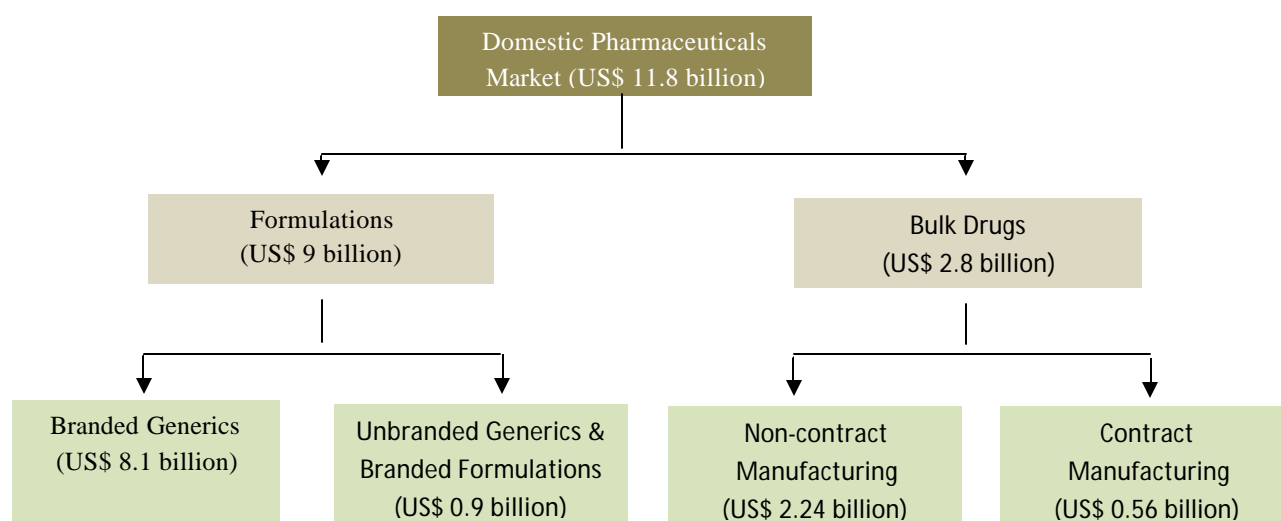
Source: IMaCS Research

India's competitive advantage arises from the following factors:

- Complex synthesis capabilities
- Increasing endorsement of good manufacturing practices (GMP)
- Lower-cost production.

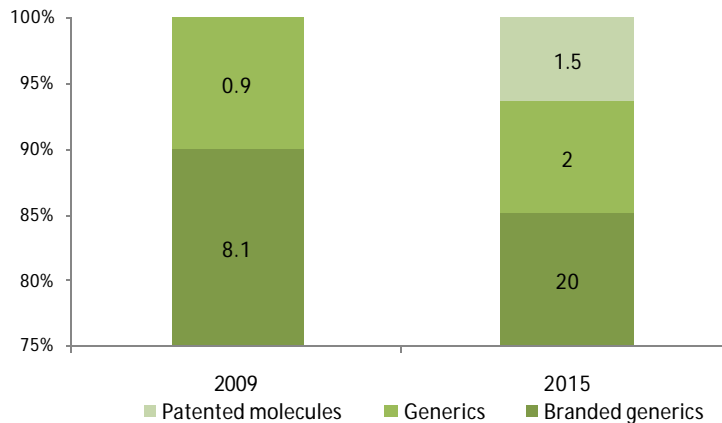
These factors enable exports of drugs and formulations to countries with relatively weaker patent laws, while gaining preference in the developed world as well. In the developed markets, the presence of select Indian players is restricted to the generics market. Introduction of price ceilings in the 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. However, companies that manufacture new medicines on the basis of indigenous technologies are eligible for price control exemption for a period of 15 years from the date of commencement of commercial production in the country.

Figure 8: 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.

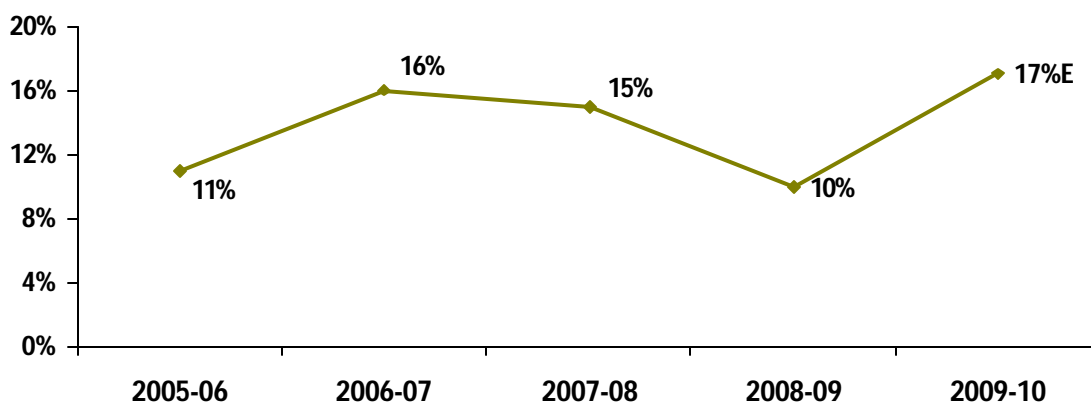
Figure 9: Indian formulations market - growth forecast
(US\$ Billion)



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.

Figure 10: Domestic formulations market growth



Source: IMaCS Research

Contract Research and Manufacturing Services (CRAMS)

Companies worldwide are increasingly outsourcing their research and manufacturing services to improve R&D productivity and profit margins. Outsourcing manufacturing is primarily a cost function, while outsourcing research allows a company to focus more on core products and drug discovery.

The key reasons why India has emerged as a significant destination for contract manufacturing are as follows:

- Increase in technically skilled personnel, particularly in basic sciences.
- The number of trained chemists in is over six times those in the US.
- Introduction of product patents in 2005, which has led to greater interest from multinational companies.
- The industry has invested recently in upgrading manufacturing facilities
- Greater number of plants with WHO and multiple -country accreditations and certifications.
- India has the highest number of US FDA approved plants outside the US.
- Compliance of intellectual property rights (IPR).
- Comparatively lower manufacturing costs.

The key drivers of the contract research industry in India include the following:

- Specialised scientific and technical knowledge.
- Greater chemical synthesis capabilities.
- Laboratory capabilities such as instruments and equipment needed in laboratory for tests, investigations, research, analysis, experimentations, evaluations, and developments.
- Considerable savings in initial set up and maintenance costs for the outsourcer.
- Use of new research tools
- Comparatively lower R&D costs.
- Greater use of IT and telecommunications.
- Product patent regime, which has stimulated Indian companies to undertake research.

Some of the large companies that are likely to drive the contract research outsourcing business in the coming years include AstraZeneca, Merck, Glaxo SmithKline, Dr. Reddy's Laboratories and Cipla. India is among the preferred destinations for outsourced contract research and manufacturing also because a large patient pool with varied ethnicities, which is significant for clinical trials.

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.

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 much cheaper cost even after they lose the patents.

Key challenges in the pharmaceuticals and formulations markets

- 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.

BUSINESS OVERVIEW

Our Company was incorporated on January 23, 2002 by Mr. Atul Ranchal & Mr. Rajesh Mahajan to set up facility to manufacture Tablets, Injections & Dry Syrups. We are a Pharmaceutical Contract Research & Manufacturing Services company having wide range of products catering to critical care segment in Parental Section like Beta Lactam, Cephalosporin & General Dry powder Injectables, Ampoules and Liquid vials, Dry Syrups and Tablets etc.

We set up a well equipped manufacturing unit at Baddi, Himachal Pradesh in the year 2006. We started our operations in May 2006 and our Commercial production started on June 3, 2006. We have been awarded a G.M.P Certification for following Good Manufacturing Practices under “Revised Schedule M” of Drugs & Cosmetics Rules, 1945 in respect of various category of Tablets, Capsules, Liquid Orals, Dry Syrups, SVP (Liquid & Dry) and Ophthalmic Section by The Health & Family Welfare Department, Himachal Pradesh.

Our manufacturing facility at Baddi is capable of manufacturing products conforming to TRS 908 of 2003 (WHO GMP) standards. Our Quality Management System at our factory at Baddi is certified as complying to ISO 9001:2008.

Following is our annual manufacturing capacity for different products

Product Segment	Installed Capacity (Lacs)
Injections	300
Tablets	1200
Dry Syrup	120

Our major clients are companies like Zydus Cadila, Aristo Pharmaceuticals Pvt. Ltd, FDC Ltd, Nectar Lifesciences Ltd, Sanat Products Ltd, Hetero Healthcare Ltd, Medley Pharmaceuticals, Wockhardt Ltd, Parental Drugs, Chanderbhatat Pharma and Alembic Ltd etc.

We are a Research & Development driven Pharmaceutical manufacturing company. We have a team of qualified professionals who are constantly working to stabilize new molecules in niche segments, thus serving our customers with stable latest products.

Our product portfolio presently comprises of 28 Injectables, 19 Tablets and 2 Dry Syrups which are marketed domestically.

We seek to establish long term relationships with our customers and expand our business opportunities with them. As at September 2010, we catered to **115** customers.

The manufacturing unit of our Company was set up in an Excise Free Zone at Baddi Himachal Pradesh due to the following reasons:

Nature of Benefit	Quantum of benefit
Excise exemption	100% Central Excise Exemption for a period of 10 year from the date of Commencement of commercial production.
Income Tax Exemption	1. For first 5 years from first assessment year - 100% 2. For subsequent 5 years - 30%

	3. MAT is payable by the company but is eligible for set off
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As per our audited restated financial statements, our Total Income has increased from Rs. 2381.31 Lacs in fiscal 2007 to Rs. 4545.30 Lacs in fiscal 2010, and our Profit after Tax has increased from Rs. 112.49 Lacs to Rs. 519.57 Lacs during the same period. Our Total Income and Profit after Tax as at September 30, 2010 were Rs. 2485.06 Lacs and Rs. 316.66 Lacs, respectively. Our Net Sales have increased at a CAGR of 26 % from fiscal 2007 to fiscal 2010. Our PAT have increased at a CAGR of 70 % from fiscal 2007 to fiscal 2010.

OUR STRENGTHS

Our Competitive Strengths

1. In house Research Facility

Our company is a research driven company with continuous efforts focused on developing latest molecules and achieving process improvements and production cost efficiencies. We have a team of 16 scientists working under the guidance of Dr. D. S. Maity a Ph.D in Analytical Chemistry, who leads the research efforts with expertise in a wide range of areas. Our laboratory is a fully equipped to conduct pre formulation studies, prototype development, scale-up, optimization and technology transfer of oral solid dosage form as well as injectable dosage form.

2. Diversified customer base

We have established client relationships in domestic markets from whom we get orders for Manufacturing on a continuous basis. Our existing relationship with our clients represents a competitive advantage in gaining new clients and growing our business. Our list of top notch clients includes Zydus Cadila, Aristo Pharmaceuticals Pvt. Ltd, FDC Ltd, Nectar Lifesciences Ltd, Sanat Products Ltd, Hetero Healthcare Ltd, Medley Pharmaceuticals, Wockhardt Ltd, Parental Drugs, Chanderbhatagat Pharma and Alembic Ltd etc., to name a few. With the proposed expansion, our Company is now planning to expand its business in the International Markets i.e. Europe, CIS and African Countries. As on September 30, 2010, we catered to 115 customers domestically, including some of the leading companies in the country. We are constantly striving to increase our customer base and reduce dependence on any particular customer. The total number of our domestic customers has increased from 76 in fiscal 2007 to 115 during fiscal 2010. For further information, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and “*Financial Information*” on pages 196 and 166, respectively.

3. Variety of products in Formulation segment

We manufacture a wide range of products in the formulation segment encompassing Beta Lactam, Cephalosporin, & General Injectables & Beta Lactam Tablets & Dry Syrups. We specialize in developing latest molecules in the niche segments. Our current product portfolio comprises 26 Dry Powder Injections, 31 Liquid Injections, 5 Tablets and 2 Dry Syrups which are marketed domestically. We continuously focus on developing new products within our existing segments, with specific applications or taking customer specifications in view.

4. Quality Infrastructure to serve regulated markets and manufacture multiple products

Our manufacturing facilities are designed to manufacture a variety of products in the formulation segment using a combination of processes. Our facility at Baddi, Himachal Pradesh is a WHO-GMP and ISO-9001:2008 certified. At Baddi we manufacture wide range of products under the formulation segment for various top notch Companies of India. Our WHO-GMP certifications allow us to market our products in overseas markets on registration and approval of the products with the relevant authorities. Our proposed facility at JB SEZ, Panoli, Gujarat is being set up in compliance with EU GMP Standards to cater to high end market of Europe, CIS & South Africa. We have already set up systems in the existing business which not only meet the present environment norms but are also geared to face the strict environmental norms and thereby enabling us to leverage newer business opportunities.

5. Quality Management with Pharma domain knowledge and experience

Our Promoter and Chairman, Mr. Atul Ranchal, and our other Promoter and Managing Director, Mr. Rajesh Mahajan, are professionally qualified first generation entrepreneurs with vast experience in production, quality control, procurement of inputs, sales, marketing and finance. Mr. Atul Ranchal holds a Post Graduate Diploma in Food and Microbial Technology from Guru Nanak Dev University, Amritsar and Mr. Rajesh Mahajan holds a Masters' in Business Administration with specialization in Marketing from University of Jammu. Both the promoters have been instrumental in driving our domestic operations & expansion and are involved in day to day management of our Company. Other members of our management team include Dr. D.S.Maity(Director-Technical) who is M.Sc.(Chemistry) and Ph.D in Analytical Chemistry having a vast experience of Research & Development. A well qualified team of professionals support our Board.

6. Locational Advantage and Incentives

Our Unit at Baddi, Himachal Pradesh has various Locational Advantages such as:

- It is around 40 KM from International Airport of Chandigarh and is well connected by Road to various parts of country.
- Government has created various infrastructural facilities conducive for growth of Pharmaceutical companies.
- Manpower- The skilled manpower is easily available in and around the area where our plant is situated thereby fulfilling our human resource requirements.
- The existing plant is located in the State of Himachal Pradesh and availing advantage of Excise exemption for a period of 10 years and also 100% exemption of Income Tax for a period of 5 years and 30% exemption of Income Tax for a subsequent period of 5 years.

DETAILS OF THE BUSINESS OF THE COMPANY

Location

The **Registered Office** of our company is currently situated at G- 101, Ivory Tower, Sector 70, Mohali. This property is owned by Mr. Ram Partap, father of one of our promoters Mr. Atul Ranchal & our company has entered into a Lease Agreement dated January 1, 2008.

The Corporate Office of our Company is situated at Unit no. 203-204, Eco House, Vishweshwar Nagar, Off Aarey Road, Goregaon East, Mumbai 400063. This property is taken on lease vide a Lease Agreement dated August 11, 2010 from Mr. Deepak Darne & Mrs. Ranjana Darne for a period of 60 months w.e.f. September 16, 2010.

Our Company has a **manufacturing facility** at Baddi, Kishanpura, Tehsil Nalagarh, Dist. Solan, Himachal Pradesh. 174101. The manufacturing facility was set up on a land admeasuring app. 5100 Sq. Mts, which is registered in the name of Brooks Laboratories Limited vide sale deed no. 1112 dated May 6, 2005 with Sub Registrar, Nalagarh, Dist Solan, Himachal Pradesh to set up manufacturing facility.

PLANT, MACHINERY, TECHNOLOGY AND PROCESS

Plant & Machinery

We have following machineries for an Installed annual capacity of Tablets of 1200 Lacs.

Sr.No	Particulars	No of Machines
1	Octogen Blender	1
2	AHU	3
3	Auto Coater	1
4	Rotary Tab compression Machine	1
5	Blister Packaging Machine	3
6	Pre Filter	1
9	Auto Coater	1
10	Cold Room	1
11	Fluid Bed Dryer	1
12	Rapid Mixture Granulators	1
13	Dehumidifier	1
14	High Speed Semi Automatic Capsule filling	1
15	Inspection Table	1
17	Basket Filter	1
19	Tray Dryer	1
20	Demudifier	1
21	Deumudifier	2
22	Strip Machine	1

We have following machineries for an Installed annual capacity of Dry Syrups to 120 Lacs

Sr.No	Particulars	No of Machines
1	Syrup Manufacturing Plant	1
2	Sugar Storage tank	1
3	Automatic Bottle Orienting & Feeding Machine	1
4	Dry Powder syrup Filling Machine	1

We have following machineries for an Installed annual capacity of Injections to 300 Lacs

Sr.No	Particulars	No of Machines
1	Sealing machine	1
2	Rubber stoppering Machine	1
3	Powder Filling Machine	1
4	Carton Sealing machine	1
5	Filter Housing	1
6	Six head cap sealing machine	1
7	Manual Vial Inspection	1
8	vial liquid filling	1
9	DHS	1
10	AHU	3
11	Linear Vial Washing Machine	1
12	DSA	1
13	Multi Needle Jet	1
14	HEPA Filter Housing	1
15	Rottary Washing Machine	1
16	Air Compressor	1
17	Monoblock Pump	1
18	Vaccum Pump	1
19	Laminar Flow	2
20	Multicoloum Distilled Water	1
21	Air Curtain	1
22	Hepa Filter	2
23	Filtration Plant	1
24	Dry Heat Sterilizer	1
25	Automatic Sticker Labelling	1
26	Electronic Weighing Scale	1
27	Auto Rotary Vertichle Amp	1
28	Laminar Flow Dispensing	1
29	Jet Ampoule and vial washing	2
30	S.S.Filling Vessel	1
31	Vacum Pump	1
32	Nitrogen Gas Generators	1
32	Packing Conveyer	1
33	Automatic High Speed wet Glue Labelling machine	1
34	Injection Sealing Machine	1
35	Dry Powder Filling Machine	2
36	Dry Powder Filling Machine (change parts)	1

Other Machineries

Utilities

Sr.No	Particulars	No of Machines
1	Hermetic Chiller	1
2	Revomax Boiler	1
3	Dehumidifier	1
4	L.T.Panel	1
5	R.O.Plant	1
6	Transformer	1
7	Genset	1
8	Voltage Controller	1
9	Vaccum Pump	1
10	Lifts	1
11	Mopping Trolley	1
12	Libert UPS	1
13	Grandpul Pump	1
14	Air Compressor	1

Lab Equipments

Sr.No	Particulars	No of Machines
1	HPLC	1
2	Leak Test Apparatus	1
3	Libert UPS	1

Manufacturing Process

The manufacturing process of Formulations differs from product to product. However, it typically involves a series of reaction steps under controlled conditions of temperature, relative humidity and specific classified conditions (For Oral products – Class 100000 and for Injectables Class – 100, Class 10000 and Class – 100000) to manufacture the finished products. Each of these processes vary depending on the product. The specification of each steps may vary from product to product.

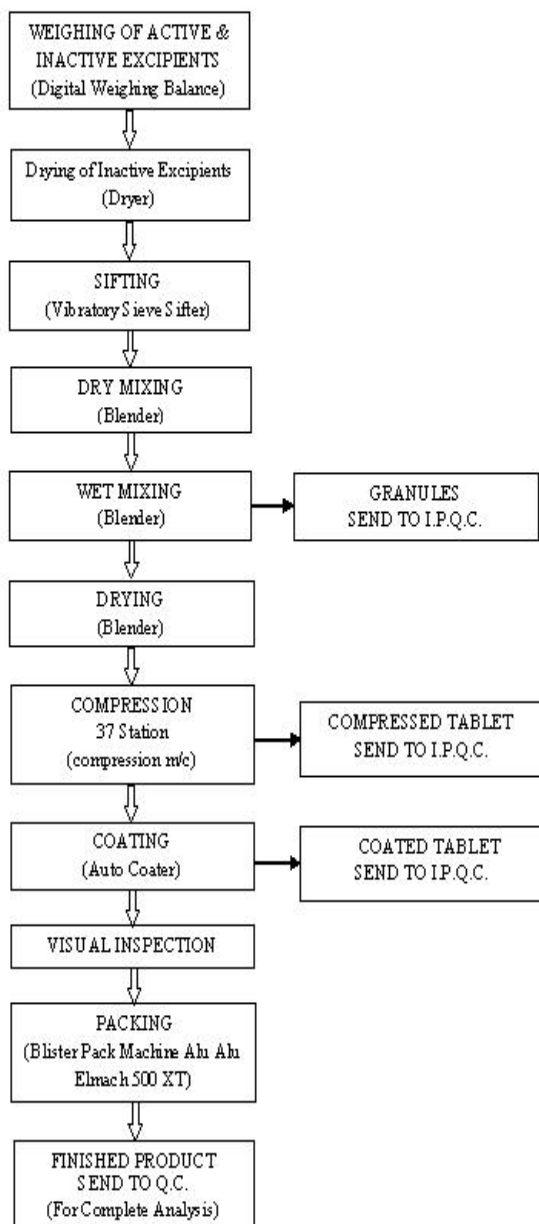
For each product, we identify several alternative specification of manufacturing process and choose the most appropriate for the situation, viz., Stability during shelf life, economic, patent non-infringing, achieving a desired quality standard, environment impact, etc. It is then suitably packed in different packaging material depending on the requirements of the customer. We use technology and processes developed by our in-house R&D. Improving yields and cost efficiency in processes is a continuous agenda with the R&D team.

FLOW PROCESS CHARTS

Manufacturing process of various products of the Company is as under:

1. COATED TABLETS

PROCESS FLOW CHART (COATED TABLET)

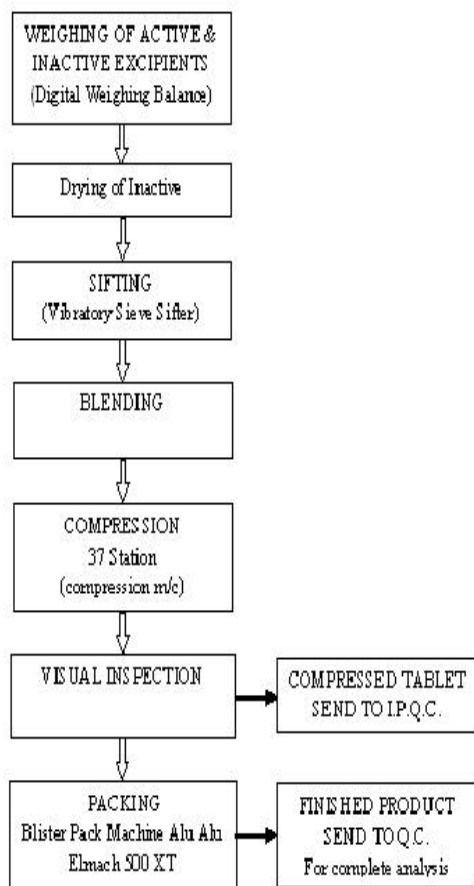


1. **Weighing Of Active & Inactive Excipients** - In this step we weigh the active and inactive recipients for particular product on the basis of Raw material sheet.
2. **Drying the Inactive Excipients**
3. **Sifting:** One by one we shift all the raw material (Active and Excipients) through the different type of mesh.
4. **Dry Mixing:** In RMG, we mix the raw materials.
5. **Wet Mixing:** We prepare the binder solution and pour it into the dry mixed powder and run the

- RMG until it mixed properly.
6. **Drying:** After finishing of wet mixing process, dried the granules in FBD with fixed temp and check the LOD.
 7. **Compression :** After approval from QC, we start the compression of above materials with a suitable Die and Punches. During compression all the standard parameter should follow with the help of in-process testing and sample send to QC for testing.
 8. **Coating :** If coating is required prepared the coating solution and coat the compressed tablets according to parameter.
 9. **Visual Inspection:** Finally blistering process take place with using proper change part, foil and PVC. In this process Leak test and Physical observations are important.
 10. **Packing:** Start packing all the blister in appropriate carton, inner and Shipper and send the sample for final testing. After approval from QC, transfer the final packed material to BSR.

2. DISPERSIBLE TABLET

PROCESS FLOW CHART (DISPERSIBLE TABLET)



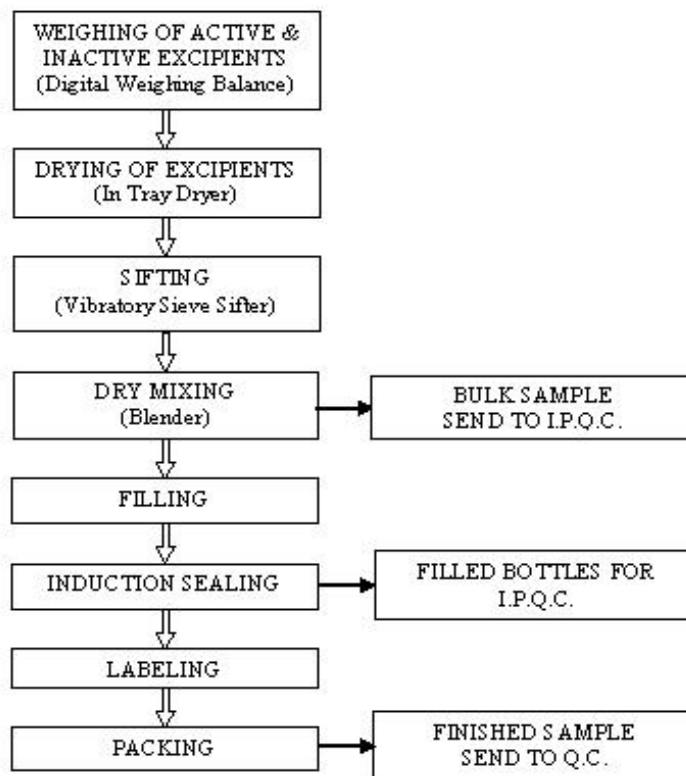
Manufacturing Process:

1. **Dispensing:** In this step we dispense all the raw materials (Active and Excipients) for particular product on the basis of Raw material sheet.
2. **Sifting:** One by one, we shift all the raw material (Active and Excipients) through the different type of mesh.
3. **Blending:** In this process, excipients, lubricants and Active materials are mixed properly for a fixed time. Bulk sample is then given to the QC department for testing. If result complies with standard data then start next step otherwise blend the materials again for a few minutes.
4. **Compression :** After approval from QC, we start the compression of above materials with a suitable Die and Punches. During compression all the standard parameter should follow with the help of in-process testing and sample send to QC for testing.
5. **Visual Inspection:** Finally blistering process take place with using proper change part, foil and PVC. In this process Leak test and Physical observations are important.

6. **Blistering /stripping:** Finally blistering / stripping process takes place using proper change parts, foil and PVC. In this process Leak test and Physical observation of the strips / blisters are tested.
7. **Packing:** We start packing all the blisters/strips in appropriate carton, inner and Shipper and send the sample for final testing and after approval from QC, transfer the final packed material to BSR.

3. DRY SYRUP

PROCESS FLOW CHART (DRY SYRUP)

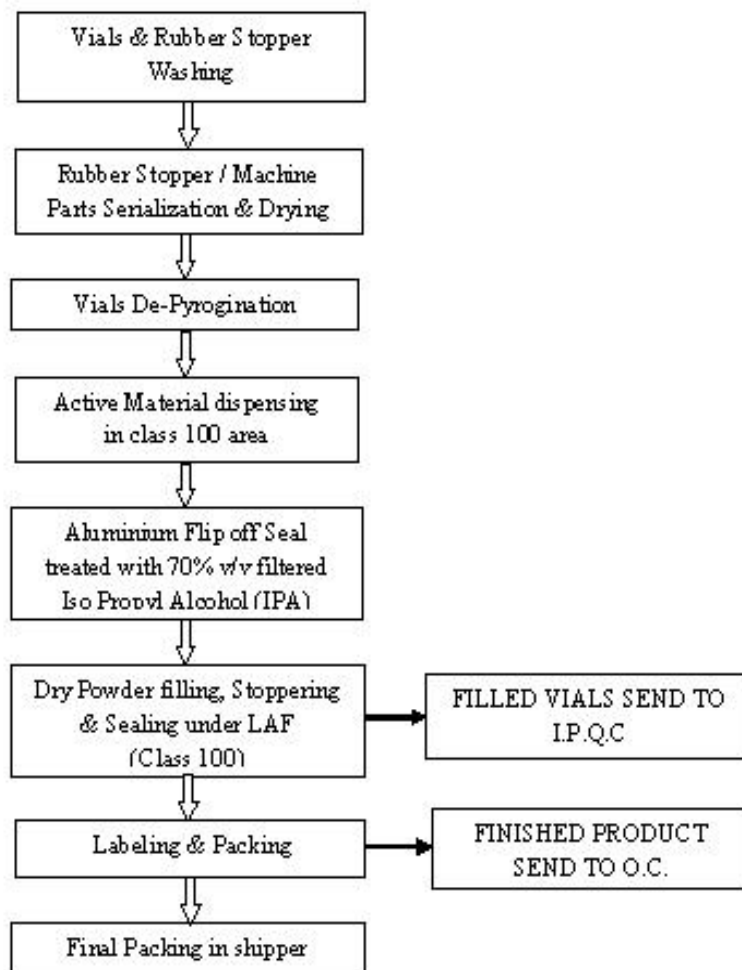


Manufacturing Process

1. **Dispensing:** In this step we dispense all the raw materials (Active and Excipients) for particular product on the basis of Raw material sheet.
2. **Sifting:** One by one, we shift all the raw material (Active and Excipients) through the different type of mesh.
3. **Blending:** In this process, excipients, lubricants and Active materials are mixed properly for a fixed time. Bulk sample is then given to the QC department for testing. If result complies with standard data then start next step otherwise blend the materials again for a few minutes.
4. **Filling:** After approval from QC, we start filling in empty tubes
5. **Inspection:** Time to time, we inspect the fill tube, weight, Crimping, Text matter according to Standard Parameters.
6. **Final Packing:** We start packing all the tubes in appropriate carton, inner and Shipper and send the sample for final testing and after approval from QC, transfer the final packed material to BSR.

4. DRY INJECTION MANUFACTURING

PROCESS FLOW CHART DRY INJECTION MANUFACTURING

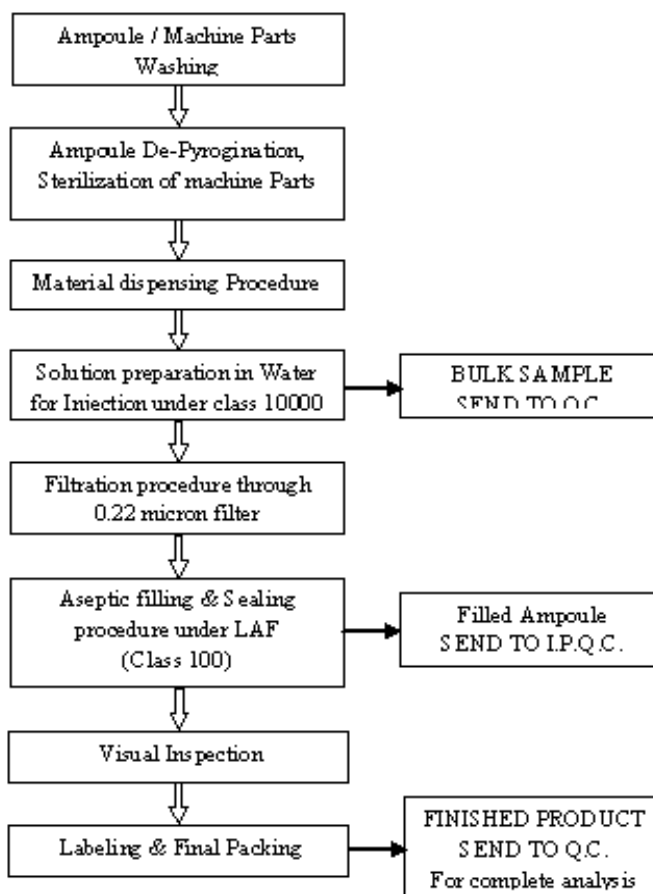


Manufacturing Process

1. Dispensing of primary packing material (Glass vials and Rubber Stopper) as per requisition slip.
2. Washing of glass vials and rubber stoppers as per SOP No. 10201 – 01 & 10203 – 01 respectively.
3. Sterilization and depyrogenation of glass vials in PLC based DHS.
4. Sterilization and drying of rubber plugs.
5. Filling equipment/machine part cleaning and sterilization.
6. Dispensing of active materials as per requisition slip.
7. Blending of active material in Y Blender.
8. Blended material sent to Q.C. for approval.
9. Checking of temperature, humidity, LAF pressure and differential pressure of filling room as per specification in master formula card.
10. Assembling the vial filling, stoppering and sealing machine as per requirement.
11. Adjust the weight in each piston (1 to 8) as per the target weight.
12. Check the N₂ quality used for pre and post purging.
13. Operate the filling stoppering and sealing machine as per respective SOP.

14. Collect the filled and sealed vials after optical inspection for defective seal/less quantity/excess quantity outside the filling area through the channel in plastic crate.
15. Collected vial placed in turn table for labeling and on line packing.
16. Finished goods send to Q.C. for testing.

PROCESS FLOW CHART LIQUID INJECTION MANUFACTURING



Manufacturing Process

1. Dispensing of primary packing material (Glass vials and Rubber Stopper) as per requisition slip.
2. Washing of glass vials and rubber stoppers as per SOP No. 10201 – 01 & 10203 – 01 respectively.
3. Sterilization and depyrogenation of glass vials in PLC based DHS.
4. Sterilization and drying of rubber plugs.
5. Dispensing of active/inactive materials as per requisition slip.
6. WFI and other solvent collected in 500 liter manufacturing tank.
7. Dissolving of active/inactive materials in sequence as per master formula card.
8. Makeup the final volume and send sample to Q.C. for pH and other parameter testing.
9. Check temperature, LAF pressure and differential pressure of filling room as per specification.
10. Assemble the vial filling, stoppering and sealing machine as per requirement.
11. Adjust the volume in each piston (1 to 4) as per the target volume.
12. Check the N₂ quality used for pre and post purging.

13. Operate the filling stoppering and sealing machine as per respective SOP.
14. Collect the filled and sealed vials after optical inspection for defective seal/less quantity/excess quantity/particulate matter outside the filling area through the channel in plastic crate.
15. Collected vial placed in turn table for labeling and on line packing.
16. Finished goods send to Q.C. for testing.

Collaborations

Our Company has not entered into any technical or financial collaboration agreement.

INFRASTRUCTURE FACILITIES

Raw materials

The basic raw material required to manufacture formulation is Active Pharmaceutical Ingredient (API) and non-active ingredients (Excipients). We are having a system of vendors approval for procurement of raw materials and all the raw material items are purchased only from such approved vendors. At least three vendors of repute are approved for each and every raw material items so as to ensure timely supplies. The raw material items are procured from time to time as per the production planning. Few raw materials are available in India. However, others are imported from countries like Mexico, China, Taiwan & South Korea. The major raw material consumed by our company includes Ceftriaxone, Sulbactum, Tazobactum, Pipracillil Tazobactum, Amoxicillin Trihydrate etc However, to enable better negotiation; no long term contract has been entered into with any of the suppliers.

Other utilities

Various other utilities like steam, nitrogen, compressed air, autoclave, steam sterilizers, hot water, cooling tower water, chillers, and other low temperature media such as liquid nitrogen and dry ice are regularly used in our manufacturing process. We use steam generated from boilers, for multi column water distillation plant and have installed compressors for the blister machine, dry powder injection. We use pure Nitrogen for Pre gassing and post filled gassing.

Power

The existing requirement of power at full capacity of the plant at Baddi is estimated at 500 KVA to 550 KVA which is sourced from Himachal Pradesh State Electricity Board, Nalagarh, Himachal Pradesh. The Himachal Pradesh State Electricity Board, has sanctioned a power load of 550 KVA. In addition to this we have installed DG sets of combined capacity of 700 KVA (One of 380 KVA and another of 320 KVA Capacity) to ensure uninterrupted power supply in case of any power failure, etc.

Water

We have installed bore-wells at our facility at Baddi for supply of water; a portion of our water requirement is met from R.O. effluent water for non drinking purposes.

Manpower

Our current manufacturing process requires an appropriate mix of skilled, semi-skilled and un-skilled labour. As at October 31, 2010, we have a total of 143 employees including 30 skilled, 24 semi skilled and 8 unskilled workers at our manufacturing facilities, at our Registered and Corporate Offices. We have 143 permanent employees and 7 contract workers and others who are not on our rolls. We have a team of 16 scientists, including 1 PhD in our chemical and analytical research laboratories.

OUR PRODUCTS

Our product portfolio presently comprises of 26 Dry Powder Injectables, 31 Liquid Injectable, 5 Tablets and 2 Dry Syrups which are marketed domestically.

Our current product range

Dry powder injection

Sr. No.	Product/Molecule	Product/Molecule Variant
1	Ceftriaxone for Injection	125 mg/250 mg/500 mg/1000 mg/2000 mg/3000 mg/4000 mg
2	Ceftriaxone & Sulbactam for Injection	375 mg/750 mg/1500 mg
3	Ceftriaxone & Tazobactam for Injection	281.25 mg/562.5 mg/2250 mg/3375 mg
4	Cefotaxime for Injection	250 mg/500 mg/1.0 gm
5	Cefotaxime & Sulbactam for Injection	750 gm/1.5 gm
6	Pantoprazole for Injection	40 mg
7	Rabeprazole for Injection	20 mg
8	Imipenem & Cilastatin for Injection	500 mg
9	Meropenem for Injection	500 mg/1.0 gm
10	Cefoperazone for Injection	1.0 gm
11	Cefoperazone & Sulbactam for Injection	1.0 gm
12	Ceftazidime for Injection	250 mg/500 mg/1.0 gm
13	Piperacillin & Tazobactam for Injection	1.125 gm/2.25 gm/4.5 gm
14	Amoxycillin & Clavulanate Potassium for Injection	150 mg/300 mg/600 mg/1.2 gm
15	Amoxicillin & Cloxacillin for Injection	0.5 gm/2.0 gm/2.5 gm/3.0 gm/4.0 gm
16	Ampicillin for Injection	500 mg/2.5 gm
17	Ampicillin & Sulbactam for Injection	1.5 gm
18	Ampicillin & Cloxacillin for Injection	0.5 gm/2.0 gm/2.5 gm/3.0 gm/4.0 gm
19	Chloramphenicol for Injection	1.0 gm/2.0 gm/3.0 gm
20	Hydrocortisone Sodium Succinate Injection	100 mg/500 mg
21	Acyclovir for Injection	250 mg /500 mg
22	Artesunate for Injection	60 mg
23	Cefpirome Sulphate for Injection	1 gm
24	Cefepime for Injection	1.0 gm Injection
25	Cefepime & Tazobactam for Injection	1.125 gm
26	Azithromycin Sodium Citrate for Injection	1.0 gm

Liquid Injections

Sr. No.	Product/Molecule	Product/Molecule Variant
1	Amikacin Sulphate Injection	100 mg//250 mg/500 mg/2 ml
2	Tobramycin Sulphate Injection	80 mg/2 ml
3	Metoclopramide Injection	5 mg/ml
4	Nandrolone Decanoate Injection	25 mg/ml
5	Nandrolone Decanoate Injection	50 mg/ml
6	Diclofenac Sodium Injection	25 mg/ml, 3 ml/30 ml

7	Adrenochrome Monosemi Carbazone Injection	5 mg/ml
8	Methylergometrine Maleate Injection	0.2 mg/ml, 2 ml
9	Ketorolac Tromethamine Injection	30 mg/ml
10	Gentamicin Sulphate Injection	40 mg/ml, 2 ml/30 ml
11	Frusemide Injection	10 mg/ml
12	Dicyclomine HCl Injection	10 mg/ml
13	Dexamethasone Sodium Phosphate Injection	4 mg/ml, 2 ml/ 30 ml
14	Promethazine HCl Injection	2 ml
15	Tramadol HCl Injection	1 ml/2 ml
16	Methylcobalamine Injection	1 ml
17	Diazepam Injection	2 ml
18	Ranitidine HCl Injection	2 ml
19	Ondansetron HCL Injection	2 ml
20	Ondansetron HCL Injection	4 ml
21	Midazolam Injection	5 mg/5 ml
22	Midazolam Injection	10 mg/10 ml
23	Oxytocin Injection	1 ml
24	Metoclopramide HCl Injection	5 mg/ml
25	Diluted Nitroglycerin Injection	25 mg/ 5 ml
26	Diluted Nitroglycerin Injection	50 mg/10 ml
27	Acetylcystine Injection	200 mg
28	Acetylcystine Injection	400 mg
29	Acetylcystine Injection	1.0 gm
30	Phenytoin Sodium Injection	2 ml
31	Noradrenaline Concentrate Injection	4mg/2 ml

Oral Suspension

Sr. No.	Product/Molecule	Product/Molecule Variant
1	Amoxicillin & Potassium Clavulanate for Oral Suspension IP	3.3 gm
2	Amoxicillin & Potassium Clavulanate Drops	1.7gm

Tablets

Sr. No.	Product/Molecule	Product/Molecule Variant
1	Amoxicillin & Potassium Clavulanate Tablet	375 mg
2	Amoxicillin & Potassium Clavulanate Tablet	625 mg
3	Amoxicillin & Potassium Clavulanate Tablet	1.0 gm
4	Cefixime & Potassium Clavulanate Tablet	325 mg
5	Amoxicillin & Potassium Clavulanate Dispersible Tablet	228.5 mg

Major Competitors

In our existing business, among the major domestic pharmaceutical companies, our competitors include Alpa Laboratories, Parenteral Drugs, Kilitch Drugs, Venus Remedies, Syncom Healthcare, etc.

Marketing and Distribution

We supply to a number of domestic companies and to the companies engaged in exports. Our approach to marketing includes direct marketing to customers, we believe that our direct marketing initiatives have helped us to develop and retain customers on long term basis.

Export possibilities and export obligations

Our Company is required to fulfill the export obligation of USD 76755 of exports on FOB basis within a period of 6 years from the date of issue of EPCG License Our Company has not yet fulfilled the export obligation. In case we fails to fulfill the export obligation within the stipulated period we will be liable to refund the duty saved i.e. Rs. 5,94,954/- along with interest @ 15% p.a. from the date of authorization under the scheme. Following are our outstanding obligations for export.

Sr. No.	License No. , Authorization No. & date	Duty Saved (Rs.)	Amount of Export Obligatio n (USD)	Period within which the Export Obligatio n to be completed	Obligation Completed	Obligation Outstandin g(USD)
1	22/21/021/00126/AM11 / 2230001509 Dt.23.09.2010	3,14,32 0	39,829.35	6 Years	Nil	39,829.35
2	22/21/021/00202/AM11 / 2230001529 Dt. 25.10.2010	2,80,63 4	36,925.52	6 Years	Nil	36,925.52
	TOTAL	594954	76,754.87			76,754.87

Our Company has not executed any bonds against above licenses. The of obligation arising out of import of duty free machinery is to be fulfilled within 6 years from the date of authorization of respective EPCG licenses

In Pharma sector price differential in medicines may play a vital role. A medicine may be available at a very low price in India, however, the same medicine may be available in the overseas markets at very high price as compared to the selling price in Indian market. The export possibilities of the pharmaceutical products in the global market are substantial. The margins available to the Indian exporters are attractive. Considering these growth prospects available in the Global market, we are planning to set up a project in SEZ (Special Economic Zones) for manufacture of tablets, injectables and dry syrup to cater to the needs of export. The plant proposed to be set up in SEZ will meet the standard of EU GMP and WHO GMP, The South Asian and the third world countries are dependent on imports for their requirements of most of the pharmaceutical products. Most of the other countries in the rest of the worlds are also making a good size of the imports of the pharma products. Even in United State of America and in Europe there is great opportunity of exports of the pharma products which fulfill the USFDA norms. We are planning to explore and capture most of these possibilities to produce the pharma products and export to these countries.

KEY BUSINESS STRATEGIES

Our vision is to be a partner-of-choice to leading globally oriented pharmaceutical innovators, specialty and generic players in the development, commercial and contract manufacturing of latest molecules in Injectables, Tablets and Dry Syrups.

- **Increase our penetration into international markets with a focus on regulated markets**

We seek to leverage our R&D capabilities to expand into international markets, including regulated markets where our strategy is primarily to become the preferred supplier of Injectables and Sensitive products to pharmaceutical companies. We intend to increase the number of dossier filings in the regulated markets and develop long term manufacturing relationships with customers. We have excellent relationship with our existing customers; we would work to strengthen our relationship further with these companies. Our existing manufacturing facility at Baddi, Himachal Pradesh is certified to manufacture formulations complying to WHO standards and the proposed manufacturing facility at Panoli, Gujarat is sought to be set up in compliance with EU-GMP, WHO GMP standards.

- **Increase the Product Range**

Currently we manufacture latest molecules in Injectables, Tablets and Dry Syrups a range of formulations of Beta Lactum. We intend to further expand our product portfolio to manufacture Beta Lactum formulations & Cephalosporin's formulations. We intend to enter these segments with a focus to offer a wider product portfolio to our existing customer base. We are in the process of setting up a new facility at Panoli, Gujarat to manufacture such products.

- **Be cost competitive by increasing our capacity to benefit from economies of scale**

We intend to be cost effective in our products by scaling up the manufacturing operations and through bulk purchasing of most of the raw materials and further by implementing automation processes.

FUTURE BUSINESS PLANS

1. We propose to set-up a state of the art plant with latest technology which would be capable of manufacturing Pharmaceutical Formulations (Beta Lactum & Cephalosporin's) in dosage form of Tablets, Dry Syrup and Injectables at JB SEZ, Panoli, Gujarat. This facility is proposed to be commissioned on a plot area admeasuring 7.54 Acres and would be confirming to EU GMP and WHO Standards to cater to high end market of Europe, CIS & South Africa. We expect to commence the commercial production in the year 2011-12.
2. We propose to enter into contract manufacturing tie ups with MNCs and major Indian Pharma players for better capacity utilization in our existing plant at Baddi, Himachal Pradesh and proposed plant at JB SEZ, Panoli, Gujarat.

CAPACITY & CAPACITY UTILISATION

Existing Capacity Utilisation

Particulars	Licensed Capacity	Installed Capacity	Actual Production			
In Lacs						
			31.3.2007	31.3.2008	31.3.2009	31.3.2010
Injection	333	300	206	213	206	197
Capacity Utilisation			69%	71%	69%	66%
Tablets	2400	1200	8.25	53.7	112	133.8
Capacity Utilisation			1%	4%	9%	11%
Dry Syrup	120	120	0	1.70	15.2	18.2
Capacity Utilisation			0%	1%	13%	15%

Proposed capacity utilization

Particulars	Proposed Installed Capacity	Expected Production			
		31.3.2012	31.3.2013	31.3.2014	31.3.2015
Injection	600 Lacs	600 Lacs	600 Lacs	600 Lacs	600 Lacs
Capacity Utilisation		50%	55%	65%	70%
Tablets	1500 Lacs	1500 Lacs	1500 Lacs	1500 Lacs	1500 Lacs
Capacity Utilisation		50%	55%	65%	70%
Dry Syrup	600 Lacs	600 Lacs	600 Lacs	600 Lacs	600 Lacs
Capacity Utilisation		50%	55%	65%	70%

Reasons for under utilization of capacity and justification for better utilization of capacity in the existing and proposed project.

In the Tablets and Dry Syrup Section, the products we choose are highly sophisticated to manufacture. Therefore we manufacture very small capacities for test marketing for its shelf life period of 2 years.

Now the production is established, our expected capacity utilization will improve as projected.

The same is evident from the results of our operations for 6 months period ended on September 30, 2010.

PROPERTY

The details of our major owned properties are as follows:

Sr.No.	Location	Nature of Holding	Use
1	Industrial Plot at Village Kishanpura, Nalagarh Road, Baddi, Tehsil Nalagarh, Dist. Solan, Himachal Pradesh, admeasuring 6 Bigha & 1 Biswa (app. 5100 Square Meters). Non Agricultural Used for Factory, Registered sale deed no. 1112 dated May 6 th 2005 with Sub Registrar, Nalagarh, Dist Solan, Himachal Pradesh.	Freehold	Manufacturing Facility
2	Plot No. 500, Janta Land, Sector 82, S.A.S. Nagar, Mohali.	Freehold	Future industrial

	admeasuring 6216.67 Square Yards. Industrial Plot allotted in the name of our company. We have paid a sum of Rs.683.50 Lacs towards cost of the plot and transfer charges. The Aforesaid plot is yet to be registered in the name of our Company.		use
3	Plot No. 142 (C), Janta Lands, Sector 82, S.A.S. Nagar, Mohali. admeasuring 2138.14 Square Yards. Industrial Plot allotted in the name of our company. We have paid a sum of Rs.89.80 Lacs towards cost of the plot and transfer charges. The Aforesaid plot is yet to be registered in the name of our Company.	Freehold	Future industrial use
4	Preet Lands, Dastkar Co-op. Hsg. Soc. Ltd., Sector 86, S.A.S. Nagar, Mohali, admeasuring 250 Square Yards. Residential Plot allotted in the name of our Company. We have paid a sum of Rs.16.00 Lacs towards cost of the plot and transfer charges. The Aforesaid plot is yet to be registered in the name of our Company.	Freehold	Proposed Guest House of the Company
5	228, 229, Trade Center, Bandra Kurla Complex, Bandra (E), Mumbai – 51, admeasuring 747 Square Feet. Office premises acquired by us at a total consideration of Rs.102.67 Lacs. The aforesaid office is duly registered with Sub Registrar, Mumbai Suburban, Andheri vide registration no. Bandra 1- 08382- 2007 dated September 11, 2007.	Freehold	International Marketing Office
6	Plot No. 244, Augusta Greens, Sector 109, Mohali Hills, S.A.S. Nagar, Mohali (Emaar MGF), admeasuring 300 Square Yards. Residential Plot allotted in the name of our company. We have paid a sum of Rs.42.27 Lacs towards cost of the plot and transfer charges. The Aforesaid plot is yet to be registered in the name of our Company.	Freehold	Proposed Executive Training Hostel

The details of our major leased properties are as follows:

Location	Term Period of Lease Agreement	Use
Our Registered Office No. G-101, Ivory Tower, Sector 70, Mohali, Punjab India is given on a long term lease for a period of 10 years by Mr. Ram Partap, father of one of our promoters Mr. Atul Ranchal at nil Lease Rental.	10 years	Registered Office
Flat No. 1304, C Tower, Oberoi Woods, Oberoi Garden City, Off Western Express Highway, Goregaon East, Mumbai – 400063.	11 Months	Guest House
Unit No. 203/ 204, Eco House, Vishweshwar Nagar, Off Aarey Road, Goregaon East, Mumbai -400063.	5 years [16.09.2010 to 15.09.2015]	Corporate Office

Our Indebtedness

(Rs. In Lacs)

Name of the Bank/Institution	Amount Sanctioned	Rate of Interest	Balance outstanding as on Sept 30, 2010	Nature of Security
State Bank of India, SSI Branch, A 20 Phase -VII, Mohali, Punjab, INDIA 160070.				
1. Working Capital Finance				
Cash Credit (Hypothecation)	1100.00	0.50% above SBAR, Current applicable Rate is 12.25% Per Annum	1014.70	<p>Primary - First Charge by way of Hypothecation of Company's entire Current Assets namely Stocks of Raw Materials, Semi Finished Goods, Finished Goods, Stores/Spares etc. and Receivables (both present & future).</p> <p>Collateral - a) First Charge with equitable mortgage of factory, land & building of the company situated at village Kishanpura, Nalagarh road, Baddi in the name of M/s Brooks Laboratories Limited. b) Extension of equitable mortgage of residential house of Shri Rajesh Mahajan no 1119, Sector 69, SAS Nagar, Mohali in the name of Sh. Rajesh Mahajan @.</p>
Cash Credit (BD) – Sublimit	(600.00)			

(Rs in Lacs)

Name of the Bank/Institution	Amount Sanctioned	Rate of Interest	Balance outstanding as on 30.09.2010	Nature of Security
State Bank of India, SSI Branch, A 20 Phase -VII, Mohali, Punjab, INDIA 160070.				
2. Term Loan				
Term Loan	240.00 (Current outstanding – 130.00)	0.75% below SBAR, Current applicable Rate is 9.50% Per Annum,	103.95	Primary - First Charge (pari-passu)* with Member Secretary SWCA, Baddi (H.P.) on the Fixed Assets i.e. plant & machinery of the company.
SME Car Loan	30.00		28.72	
ILC & Domestic LC	500.00	N A	500.00	No separate security offered
Foreign Currency Loan (As sub limit to the Working capital Finance of 11.00 Crores)	USD 11 Lacs	Libor + 6.50%	USD 11 Lacs	Completely Hedged and premium paid. No separate security is offered as FLC is sub limit of cash credit facility

*Pari-Passu charge with the secretary SWCA (Single Window Clearance Agency), Baddi (H.P.) is on account of capital subsidy of Rs. 30.00 Lacs on the Plant & Machinery given by the State Govt. (H.P)

Note:

1. Collateral - Working Capital & Term Loan

- First Charge with equitable mortgage of factory. Land & Building of the company situated at village Kishanpura, Nalagarh road, Baddi in the name of M/s Brooks Laboratories Limited.
 - Extension of equitable mortgage of residential house of Shri Rajesh Mahajan no 1119, Sector 69, SAS Nagar, Mohali in the name of Sh. Rajesh Mahajan.#
- # The property is also mortgaged to the same Bank under the housing loan of Rs. 28.91 Lacs sanctioned to Sh. Rajesh Mahajan.

2. Repayment Schedule

Repayment will be on Demand

3. Personal Guarantee

- Sh. Rajesh Mahajan
- Sh. Atul Ranchal
- Sh. Ram Partap
- Sh. Manmohan Lal Mahajan

Restrictive Covenants in Loan Agreements

As per the terms of the loan agreement, we require prior written consent from our Banker namely State Bank of India, SSI Branch, Mohali, for certain activities, amongst others, including:-

- Effecting any change in our capital structure.
- Implement any scheme of expansion, modernization or acquire any fixed asset during any accounting year, except under such scheme which has already being approved by the Bank.
- Formulate any scheme of amalgamation or reconstruction.
- Invest by way of share capital in or land or advance funds to or place deposits with any other concern normal trade credit or security deposit in the normal course of business. Advance to employees can however, be extended.
- Enter into borrowing arrangement either secured or unsecured with any other bank, Financial Institution, Company or person.
- Undertake guarantee obligations on behalf of any other Company/ Company of person.
- Allow monies brought in by proprietor/ depositor to be withdrawn.
- Make any drastic change in their management set up without the Bank's permission.
- Pay guarantee commission to the guarantor, whose guarantee have been stipulated furnished for the credit limits sanctioned by the Bank.

In accordance with the loan agreements, we have received no objection certificate from the State Bank of India bearing no [?], dated [?].

Insurance

As part of our risk management policy, we maintain insurance for all critical immovable and movable properties, including standard fire and perils policies (including earthquake coverage) for our Baddi, H.P. facility and machinery and electronic equipment, an open insurance policy for inland transit and for fixed assets and vehicles. However, we do not presently maintain fire and perils policy for our Corporate Office, Directors' and Officers' liability insurance, or a group medic laim policy in respect of employees.

Insurance Policies

The Company has insured its assets and stocks through various insurance policies, details of which are as under:

Sr. No.	Policy No.	Policy Type	Insurance Details	Sum Insured (Rs. In lacs)	Premiu m Paid (Rs.)	Policy Start Date	Policy End Date
1	110200/11/10/11/0000150	Standard Fire & and Special Perils + Earthquake Policy	Stocks, Building and, Plant & Machinery	1800.00	136496/-	01.10.2010	30.09.2011
2	110200/11/10/11/0000049	Standard Fire & and Special Perils + Earthquake Policy	Building & Stock (Dwellings)	3.00	116/-	26.05.2010	25.05.2011

3	110200/4 6/10/04/0 0000041	Burglary Insurance Policy	Stocks	3.00	149/-	26.05.2010	25.05.2011
4	110200/4 6/10/04/0 0000130	Burglary Insurance Policy	Stock of Raw Material, Finished Goods, Semi Finished Pharmaceuti cal Goods Whilst in Process and Stored.	850.00	9376/-	01.10.2010	30.09.2011

REGULATIONS AND POLICIES

The following description is a summary of certain sector specific laws in India as well as certain foreign laws, which are applicable to our Company. The information below has been obtained from sources available in the public domain. The summary of laws and policies set forth below may not be exhaustive, and is only intended to provide general information to investors and is neither designed nor intended to substitute for professional legal advice.

Indian Regulations

The drug formulations industry in India is supervised by the respective state drug controllers under Ministry of Health and Family Welfare, of the respective state governments. The License to manufacture is issued after the inspection of the facility as laid down under the Indian Drug Act 1940.

Drugs and Cosmetics Act, 1940

Matters pertaining to drug formulations, biologicals and APIs are governed by the Drugs and Cosmetics Act, 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 Drugs and Cosmetics Act, 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 Drugs and Cosmetics Act, which is empowered to grant the final license to allow drugs to be manufactured and marketed. The Central Drugs Standard Control Organization (the “**CDSO**”) 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 DCGI 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 Drugs and Cosmetics Act 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, in-process controls, provision of utilities and services etc. that need to be mandatorily complied with.

Under the Drugs and Cosmetics Act, 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 Drugs and Cosmetics Act 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 Drugs and Cosmetics Act 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.

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.

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 Drugs and Cosmetics Act. 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. Presently there are 74 scheduled drugs under the DPCO, whose prices are controlled by the NPPA.

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.

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.

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).

Patent Regulation

The protection and enforcement of patent rights in India are essentially governed by the Patents Act, 2005 (including the rules framed thereunder), as amended from time to time, the Patent Co-operation Treaty (PCT) and related international conventions to which India is a signatory. A patent unlike a trademark or copyright is territorial in nature meaning that an invention (be it product or process) that is patented in one country does not enjoy protection as a patented invention in any other country.

The PCT is an international treaty between more than 125 Paris Convention countries, administered by the World Intellectual Property Organization (WIPO). The PCT makes it possible to seek patent protection for an invention simultaneously in each of a large number of countries by filing a single “international” patent application instead of filing several separate national or regional patent applications. The granting of patents remains under the control of the national or regional patent Offices called the “national phase”. In keeping with its commitment as a signatory of Trade Related Aspects Intellectual Property Rights (TRIPs) in 1995, India is required to recognise product patents in addition to process patents in respect of pharmaceutical products. Under the amended Patents Act 1970, patents in India can be granted for a product or a process. Under the new Indian patent regime, patent protection has been increased from seven years to twenty years.

Environmental Regulations

In India, regulation and enforcement of environment protection and safety is governed by three major central regulations namely Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control (Prevention and Control of Pollution) Act, 1981, and the Environment (Protection) Act, 1986. The main purpose of these legislations is to regulate prevent and control pollution, by the setting up, inter alia of national and regional Pollution Control Boards (PCBs) which monitor and enforce standards and norms in relation to air, water pollution and other kinds of wastes causing environmental damage.

In addition, the Environment (Protection) Act, 1986 also prescribes rules for the management and disposal of hazardous industrial wastes as governed by Hazardous Wastes (Management and Handling) Rules, 1989 and Bio- Medical Waste (Management and Handling) Rules, 1998.

Further all proposals for setting up, expansion or modernization are evaluated in terms of environment assessment impact, by the Ministry of Environment and Forests, which accords the necessary clearance for projects after evaluation of Environment Impact Assessment.

Foreign Direct Investment

Foreign Direct Investment up to 100% is permitted, subject to stipulations laid down from time to time in the Industrial Policy, through the automatic route in the case of all bulk drugs cleared by Drug Controller General (India), all their intermediates and formulations, except those, referred to in para above, kept under industrial licensing.

Trade Marks

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.

Labour Regulations

Depending on the nature of work and number of workers employed at any unit, the following labour legislations may apply:

- The Workmen’s Compensation Amendment Bill, 2009;
- The Factories Act, 1948;
- The Payment of Wages Act, 1936;
- The Minimum Wages Act, 1948;
- The Employees (Provident Fund and Miscellaneous Provisions) Act, 1952;
- The Payment of Gratuity Act, 1972;
- The Payment of Bonus Act, 1965;
- The Contract Labour (Regulation and Abolition) Act, 1970;
- The Employees State Insurance Act, 1948; and
- The Industrial Employment (Standing Orders) Act, 1946.

The Workmen’s Compensation Act, 1923 (“Workmen’s Compensation Act”)

The Workmen’s Compensation Act requires an employer to pay compensation for personal injury, or death caused due such personal injury, to a workman by accident during employment, except in certain cases for instance where such workman was at the time of injury under the influence of drugs or alcohol, or wilfully disobeyed safety rules. On December 1, 2009, the Indian Parliament passed the Workmen’s Compensation Amendment Bill, 2009, which broadens the scope of the Workmen’s Compensation Act to include clerical staff, raising the monetary compensation payable in the event of death or permanent disability, and introducing reimbursement for treatment of injuries sustained in course of employment. The restriction of the application of this law to companies with at least 20 employees has been done away with, and it would now be obligatory for compensation commissioners to decide on a claim within three months of an application being filed. Upon notification, the statute would be known as the Employee Compensation Act, 2010.

The Factories Act, 1948 (the “Factories Act”)

The Factories Act 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.

The Payment of Wages Act, 1936 (the “Payment of Wages Act”)

The Payment of Wages Act 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 thereunder.

The Minimum Wages Act, 1948 (the “Minimum Wages Act”)

The Minimum Wages Act 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.

The Employees (Provident Fund and Miscellaneous Provisions) Act, 1952 (the “EPF Act”)

The EPF Act applies to factories employing more than 20 employees and such other establishments and industrial undertakings as notified by the government from time to time. It requires all such establishments to be registered with the relevant state provident fund commissioner. Also, such employers are required to contribute to the employees' provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance payable to employees. Employees are also required to make equal contribution to the fund. A monthly return is required to be submitted to the relevant state provident fund commissioner in addition to the maintenance of registers by employers.

The Payment of Gratuity Act, 1972 (the “Payment of Gratuity Act”)

Under the Payment of Gratuity Act, gratuity refers to a terminal lump sum benefit paid to a worker when he or she leaves employment after having worked for the employer for a prescribed minimum number of years. The Payment of Gratuity Act applies to all factories and shops and establishments in which 10 or more persons are employed, and requires such establishments to notify the controlling authority within 30 days of opening of the establishment and thereafter whenever there is any change in the name, address or change in the nature of the business of the establishment. Further, every employer has to obtain insurance for his liability towards gratuity payment to be made, with any approved insurance fund.

The Payment of Bonus Act, 1965 (the “Payment of Bonus Act”)

The Payment of Bonus Act provides for payment of the minimum bonus to factory employees and every other establishment in which 20 or more persons are employed during an accounting year and requires the maintenance of certain books and registers and filing of monthly returns showing computation of allocable surplus, the set on and set off of allocable surplus and details of bonus due to the employees.

The Contract Labour (Regulation and Abolition) Act, 1970 (the “CLRA”)

The CLRA regulates the employment, and protects the interests, of workers hired on the basis of individual contracts in certain establishments. In the event any activity is outsourced, and is carried out by labourers hired on contractual basis, compliance with the CLRA including registration will be necessary and the principal employer will be held liable in the event of default by the contractor to make requisite payments towards provident fund.

The Employees State Insurance Act, 1948 (the “ESI Act”)

The ESI Act applies 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.

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

The Standing Orders Act 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.

The Shops and Commercial Establishments Acts (where applicable)

Under the provisions of local shops and establishments legislations applicable in the states in which commercial establishments are located, such establishments are required to be registered. Such legislations regulate the working and employment conditions of workers employed in shops commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, and other rights and obligations of the employers and employees. Such legislations are enforced by the chief inspector of shops and various inspectors under the supervision and control of the labour commissioner acting through the various district deputy / assistant labour commissioners.

Miscellaneous

Narcotic Drugs and Psychotropic Substances Act, 1985 (the “Narcotic Act”)

The Narcotic Act 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 lac.

Standard of Weights and Measures Act, 1976 (the “Weights and Measures Act”)

The Weights and Measures Act 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.

Indian Boiler Regulations, 1950 (the “Boiler Regulations”)

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.

Explosives Act, 1884 (the “Explosives Act”)

Under the Explosives Act, 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.

Foreign Trade (Development and Regulation) Act, 1992 (the “Foreign Trade Act”)

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.

Foreign Investment in the Pharmaceutical Sector

Foreign investment in Indian securities is governed by the provisions of the FEMA read with the applicable FEMA Regulations and the FDI Policy issued by the DIPP (circular 1 of 2010, with effect from April 1, 2010). Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made.

Foreign direct investment 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. Under the automatic route, no prior approval of the GoI is required for the issue of securities by Indian companies/acquisition of securities of Indian companies, subject to the sectoral caps and other prescribed conditions. Investors are required to file the required documentation with the RBI within 30 days of such issue/acquisition of securities. If the foreign investor has any previous joint venture/tie-up or a technology transfer/trademark agreement in the same field in India as on January 12, 2005, prior approval from the FIPB is required even if that activity falls under the automatic route, except as otherwise provided.

FDI for the items or activities that cannot be brought in under the automatic route may be brought in through the approval route. Under the approval route, prior approval from the FIPB/RBI is required. Approvals are accorded on the recommendation of the FIPB, which is chaired by the Secretary, DIPP, with the Union Finance Secretary, Commerce Secretary and other key Secretaries of the GoI as its members.

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.

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.

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 OTHER CORPORATE MATTERS

Our Company was incorporated vide a Certificate of Incorporation dated January 23, 2002 bearing CIN No. U24232PB2002PLC24910 under the Companies Act 1956 with the name 'Brooks Laboratories Limited' by our promoters Mr. Atul Ranchal & Mr. Rajesh Mahajan. We received our certificate of commencement of business on February 19, 2002, from the Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh at Jalandhar.

Our Company was initially promoted for manufacturing of latest molecules in Injectables, tablets and dry syrups for the domestic and overseas customers. Our Company set up a facility for manufacturing Tablets, Dry Syrup and Injectables, which was supported by a research and development ("R&D") centre at Baddi, Himachal Pradesh.

Our Company started its commercial production in the month of June 2006. Our Company became profitable from the very first year of its production.

This facility at Baddi is WHO-GMP and ISO 9001:2008 certified. The facility focuses on developing latest molecules in the niche segments and then selling it to various pharmaceutical marketing Companies.

Before starting our company, our promoters were engaged in manufacturing of Pharmaceutical Formulations in their partnership firm namely Brooks Pharmaceuticals. The firm had a manufacturing facility at F 94, Industrial Area, Phase 7, Mohali, Punjab. The factory at Mohali had annual installed capacity of 30 Lacs Injectables, 300 Lacs Tablets and 15 Lacs Dry Syrups. Our promoters had a successful track record of running the manufacturing of formulations in the aforesaid firm, profitably for over 6 years.

In order to take an advantage of the growing market and avail the tax and other benefits that were made available by the Government to set up a manufacturing facility at Baddi, our promoters decided incorporate our company Brooks Laboratories Ltd and set up a bigger and more sophisticated unit at Baddi, in Himachal Pradesh. Subsequently, the firm was dissolved in the month of December 2008.

Further in year 2008 our Company purchased on book value certain assets from M/s. Brooks Pharmaceuticals, a partnership firm promoted by our Promoters Mr. Atul Ranchal and Mr. Rajesh Mahajan for a total consideration of Rs. 14,479,716. The consideration for the same was paid and amount settled.

Our Turnover and Profitability for last four years and for half year ended September 30, 2010 has been as follows:

(Rs. In Lacs)					
Particulars	Period ended Sept 30, 2010	FY 2010	FY 2009	FY 2008	FY 2007
Total Income	2485.06	4545.30	4383.16	2854.23	2381.31
PAT	316.66	519.57	296.06	358.01	112.49

Change in our Registered Office

At the time of incorporation our Registered Office was situated at F-94, Industrial Area, Phase 7, Mohali Dist, Ropar, Punjab. In order to achieve better business viability and cost effectiveness and pursuant to a Board resolution dated March 01, 2008, the Registered office of our Company was shifted from F-94,

Industrial Area, Phase 7, Mohali Dist, Ropar, Punjab to G101, Ivory Tower, Sector 70, Mohali, Punjab India. Since then there is no change in the Registered Office of our Company.

Key Events and Milestones

Fiscal	Key events, milestones and achievements
January 23, 2002	Incorporation of Brooks Laboratories Limited.
February 19, 2002	Received certificate for commencement of business
May 5, 2005	Commenced setting up of manufacturing facility at Baddi, Himachal Pradesh.
April 10, 2006	Manufacturing drugs license issued by the State Drugs Controlling and Licensing Authority, HP.
April 30, 2005	Commissioning of R&D centre at Baddi
May 20, 2006	Completion of Commissioning of plant for manufacture of Tablets, capsules, Injections, Oral Liquids etc.
May 30, 2006	Start of commercial production
June 1, 2006	First PPI Formulation developed by the Company.
October 27, 2006	Obtained Import license from Drugs Controller General of India under the Drugs Act 1940 and Drugs Rules.
August 02, 2007	Received an AS/NZS ISO 9001:2000 Certificate from SAI Global Certification Services Pty Limited, Australia.
January 06, 2009	Micro Small Medium Enterprise (MSME) Registration Certificate issued by Directorate of Industries for Manufacturing/Assembling Injections, Capsules & Tablets (Single Window Clearance Agency)
April 7, 2010	The manufacturing facility at Baddi was certified as WHO GMP compliant by Department of Health & Family Welfare, HP
July 27, 2010	Received an ISO 9001:2008 Certificate from UKAS Quality Management, URS & IAF

Awards, Recognitions and Certifications

Our Company has not won any major awards.

Main Objects

Our main objects, as contained in our Memorandum of Association are:

Clause	Particulars
III(A) (1)	To carry on the business of manufactures, importers, exporters, trading, agency and dealers, marketing in all kinds and any types of pharmaceuticals, bulk drugs, medical, chemical, industrial and other preparations and articles, healthcare systems, compounds, drugs, latex, surgical and scientific apparatus, magnetic equipments, materials, Animal & Poultry Feed Supplements.
III(A) (2)	To carry on the business of manufacturing, import, export, traders and as dealers in all kinds of medicines, pharmaceutical product, chemicals, drugs, cosmetics, scents, additives.
III(A) (3)	To take and give franchise rights regarding trading, marketing and promotion of pharmaceutical products and medicines, and to appoint, stockists, super distributors and distributors, consignee agents, C&F Agents thereof.

The main objects as contained in the Memorandum of Association of our Company enable us to carry on the business that is presently carried out, as well as the businesses we propose to carry out.

Changes in our Memorandum of Association

Since the incorporation of our company, the following changes have been made to our Memorandum of Association:

Date of Shareholder Resolution	Details
February 03, 2005	The authorised share capital of our Company was increased from Rs. 15 Lacs to Rs. 150 Lacs, pursuant to which Clause V of the Memorandum of Association was replaced with the following: “The authorised share capital of the Company is Rs.150 Lacs (Rs. 1, 50, 00,000) divided into 15, 00,000 Equity Shares of Rs. 10 each.”
September 20 ,2005	The authorised share capital of our Company was further increased from Rs. 150 Lacs to Rs. 200 Lacs pursuant to which Clause V of the Memorandum of Association was replaced with the following: “The authorised share capital of the Company is Rs.200 Lacs (Rs. 200, 00,000) divided into 20, 00,000 Equity Shares of Rs. 10 each.”
September 29, 2006	The authorised share capital of our Company was further increased from Rs. 200 Lacs to Rs. 500 Lacs, pursuant to which Clause V of the Memorandum of Association was replaced with the following: “The authorised share capital of the Company is Rs.500 Lacs (Rs. 5, 00, 00,000) divided into 50, 00,000 Equity Shares of Rs. 10 each.”
September 10, 2010	The authorised share capital of our Company was further increased from Rs. 500 Lacs to Rs. 2000 Lacs, pursuant to which Clause V of the Memorandum of Association was replaced with the following: “The authorised share capital of the Company is Rs.2000 Lacs (Rs. 20, 00, 00,000) divided into 200, 00,000 Equity Shares of Rs. 10 each.”

Changes in the activities of our Company during the preceding five years

There have been no changes in the activities of our Company during the past five years from the date of this Draft Red Herring Prospectus, which may have a material adverse effect on our profits or loss, including discontinuance of our lines of business, loss of agencies or markets and similar factors.

Our Holding Company

Our Company does not have any Holding Company on the date of filing of the Draft Red Herring Prospectus.

Our Group Companies

Our promoters have not promoted any other Company, except Brooks Pharmaceuticals, a partnership firm, which has been dissolved in December 30, 2008. For further details on the same, please refer the section “Disassociation by the Promoter in the preceding three years” under Chapter “Our Promoters and their Background” beginning on page 161 of the Draft Red Herring Prospectus.

We do not have any group company promoted by our Promoters

Our Subsidiary

Our Company does not have any Subsidiaries as on the date of filing of the Draft Red Herring Prospectus.

Our Joint Ventures

Our Company has not entered into any joint ventures as on the date of filing of the Draft Red Herring Prospectus.

MATERIAL AGREEMENTS**Shareholder Agreements**

We have not entered into any shareholders agreement in our company.

Other Agreements

MOU dated April 30, 2008 for purchase of certain Assets of M/s Brooks Pharmaceutical between M/s Brooks Pharmaceutical ('Seller') and Brooks Laboratories Limited' ("the Purchaser").

Pursuant to the said MOU our Company acquired certain Assets, on Book Value, of the Seller, a partnership firm of our promoters Mr. Atul Ranchal & Mr. Rajesh Mahajan.

Except as disclosed above and in this Draft Red Herring Prospectus, there are no material agreements, apart from those entered into in the ordinary course of business carried on or intended to be carried on by us and entered into more than two years before the date of filing of this Draft Red Herring Prospectus.

Collaborations

Our Company has not entered into any collaboration with any third party as per Clause (VIII) (B) (1) (c) of Part A, Schedule VIII of the ICDR Regulations 2009.

Strategic Partners

Our Company has not entered into any arrangements with any strategic partners as per Clause (VIII) (D) (6) of Part A, Schedule VIII of the ICDR Regulations 2009.

Financial Partners

Apart from our various arrangements with our lenders and bankers, which we undertake in the ordinary course of our business, our Company does not have any other financial partners as per Clause (VIII) (D) (6) of Part A, Schedule VIII of the ICDR Regulations 2009.

OUR MANAGEMENT

Board of Directors

Under our Articles of Association, the Number of directors of our Company shall not be less than three and not more than twelve. Our Board consists of six directors of which three are independent directors and our Chairman is an Executive and Non Independent Director. The following table sets forth details regarding our Board of Directors as on the date of this Draft Red Herring Prospectus:

Name, Age, Father's Name, Address, Designation, Occupation, Nationality and DIN	Date and Terms of Appointment	Other Directorships
<p>Mr. Atul Ranchal 43 Years S/o Mr. Ram Partap</p> <p>1080, Sector 69, Mohali, Punjab 160071, India</p> <p>Designation: Chairman Executive & Non Independent</p> <p>Occupation: Business Nationality: Indian DIN-01998361</p>	<p>Since Incorporation</p> <p>Appointed as Chairman and Wholetime Director from 1st April 2002 to 31st March 2006</p> <p>Reappointed as Chairman and Wholetime Director from 1st April 2006 to 31st October 2010.</p> <p>Reappointed as Whole Time Director w.e.f. November 1, 2010 for a period of 5 years</p>	NIL
<p>Mr. Rajesh Mahajan 41 Years S/o Mr. Manmohan Lal Mahajan</p> <p>1119, Sector 69, Mohali, Punjab 160071 , India</p> <p>Designation: Managing Director Occupation: Business Nationality: Indian DIN-02000635</p>	<p>Since Incorporation</p> <p>Appointed as Wholetime Director from 1st April 2002 to 31st March 2006</p> <p>Reappointed as Wholetime Director from 1st April 2006 to 31st October 2010</p> <p>Reappointed as Whole Time Director w.e.f. November 1,</p>	NIL

Name, Age, Father's Name, Address, Designation, Occupation, Nationality and DIN	Date and Terms of Appointment	Other Directorships
	2010 for a period of 5 years	
<p>Dr. Durga Sankar Maity 46 Years S/o Mr. Bhawani Sankar Maity V.P.O., Ballichalk, Distt. Midnapur, West Bengal Designation: Director Technical Occupation: Employment Nationality: Indian DIN-03136361</p>	<p>Appointed as an Additional Director on 10th September 2010 Term: Liable to retire by rotation</p>	NIL
<p>Mrs. Monika Sabharwal, 42 Years D/o Mr. Ramesh Chandar Mahajan Flat No. C 204,Aakashganga, Pimpal Saudagar, Pune-411017. Designation: Independent Director Occupation: International Marketing Advisor Nationality: Indian DIN-03270936</p>	<p>Appointed on 1st October 2010 Term: Liable to retire by rotation</p>	NIL
<p>Mr. Vivek Sharma, 41 Years S/o Mr. Mohan Dutt Sharma Flat No. C 1013, Maple Leaf-Bldg No 15, CTS F/1A of Tungwa Village, Opp Chandivili Studio, Raheja Vihar, Powai, Andheri (E), Mumbai-400076 Designation: Independent Director Occupation: Service Nationality: Indian DIN-03271456</p>	<p>Appointed on 1st October 2010 Term: Liable to retire by rotation</p>	NIL
<p>Mr. Lalit Mahajan, 45 Years S/o Mr. Tilak Raj C/o Tilak Raj Gupta & Sons, Sangalpur Road, Gurdaspur. Designation: Independent Director</p>	<p>Appointed on 1st October 2010 Term: Liable to retire by rotation</p>	NIL

Name, Age, Father's Name, Address, Designation, Occupation, Nationality and DIN	Date and Terms of Appointment	Other Directorships
Occupation: Business Nationality: Indian DIN-03270819		

Note: None of the above mentioned Directors are on the RBI list of wilful defaulters as on the date of the Draft Red Herring Prospectus.

Further, neither our Company nor our Promoters, persons forming part of our Promoter Group, Directors or persons in control of our Company are debarred from accessing the capital market by SEBI.

None of the Promoters, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by the SEBI.

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the above mentioned Directors was selected as director or member of senior management.

Brief Profile of our Directors

For a brief profile of our Promoter Directors Mr. Atul Ranchal & Mr. Rajesh Mahajan, please refer chapter titled "Our Promoters and their Background" beginning on page 161 of this Draft Red Herring Prospectus.

Dr. Durga Sankar Maity, Director Technical

Dr. Durga Sankar Maity holds Masters Degree in Science from Kharagpur (KGP) and PhD in Analytical Chemistry from Indian Institute of Technology (IIT), Kharagpur (KGP) and has over 20 years of experience in the Pharma Industry. Dr. Maity is a Fellow Member of The Institution of Chemists (India), Kolkata and is an Approved Analytical Chemist from State Drug Controller, Haryana.

He is responsible for Production Planning, Co-ordination & Control, Inventory Control, Process validation, Good Manufacturing Practices (GMP) Training, Internal Audit, Review and Approval of production and quality control documentation for compliance with GMP and Good Laboratory Practice (GLP) requirements, Review and approval of product design and development, Product labeling, Review of the control on the quality of Raw material, intermediates and finished products, Review of batch production and quality control records and release of batch, Review of stability data and shelf life of products and Regulatory affairs.

Prior to joining our Company, he has worked with several companies including Unimareck Pharma Limited, Venus Remedies Limited and Paam Pharmaceutical (Delhi) Limited.

Mrs. Monika Sabharwal, Independent Director

Mrs. Monika Sabharwal holds a Bachelors' Degree in Commerce from Punjab University and Masters' in Business Administration (Finance) from Jammu University. She has more than 16 years of experience in Export Marketing, Purchase and Raw Material Inventory, Production Planning, Quality Assurance, Logistics and Distribution and Central Finance and Taxation and worked as Assistant Vice President

(Export & Material) in Deepak Spinners Limited. She was instrumental in implementation of project for sale of Carbon Credits, under EHS initiative generated from the Biomass based power plant of Deepak Spinners.

Mr. Vivek Sharma, Independent Director

Mr. Vivek Sharma holds a Bachelors' Degree in Science from Guru Nanak Dev University (GNDU), Amritsar and Masters' in Business Administration (Finance) from Jammu University. He has over 20 years of experience in reputed companies at Senior Management positions like National Distribution Head – CDMA with Tata Tele Services Ltd., Regional Manager with ESPN STAR Sports and Regional Manager – North –I, with Consumer Durables Company namely IFB. He is currently working as Vice President & National Sales Head – BP & Direct Sales with Bharti Axa Life Insurance Company Ltd.

Mr. Lalit Mahajan, Independent Director

Mr. Lalit Mahajan has done Post Graduation in Arts from Guru Nanak Dev University (GNDU), Amritsar. He has over 15 years of experience in distribution of Fast Moving Consumer Goods (FMCG) for various reputed companies including Hindustan Unilever Ltd.

Family Relationship between Directors

As on the date of filling of Draft Red Herring Prospectus, none of our directors are related to each other.

Borrowing powers of the Board

The borrowing powers of our Company are regulated by Article 97 of Articles of Association of our Company. The Board of Directors of our Company has power to borrow upto Rs. 100 Crores pursuant to the resolution passed at the Extra Ordinary General Meeting dated October 30, 2010, the extract of the resolution of our Company authorising the Boards borrowing powers is given below:-

“RESOLVED THAT pursuant to the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modifications or reenactments thereof for the time being in force and subject to the approvals of the members in the General Meeting of the Company, the Board of Directors of the Company be and is hereby authorized to borrow any sum or sums of money for and on behalf of the Company from time to time for the purpose of the Company notwithstanding that the money to be borrowed together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid up capital of the company and its free reserves, which have not been set apart for any specific purpose but so that the total amount upto which the money may be borrowed shall not exceed Rs. 100 Crores (Rupees One Hundred Crores only), over and above the paid up capital and free reserves.”

COMPENSATION AND BENEFITS TO THE MANAGING DIRECTOR / WHOLE TIME DIRECTORS

Our Company has not entered into any service contract with our Managing Director/ Whole-time Directors.
(Rs. in Lacs)

Sr. No.	Name of Director	Designation	Compensation Paid for the Year 2009-10
1	Mr.Atul Ranchal	Chairman	7.20
2	Mr. Rajesh Mahajan	Managing Director	7.20
3	Dr.Durga Sankar Maity	Director – Technical	6.60

1. Terms of appointment and compensation of Mr. Atul Ranchal, Chairman is as follows:

The remuneration of Mr.Atul Ranchal is Rs. 150,000/- per month with effect from November 1, 2010 vide resolution passed at the Extra Ordinary General Meeting held on October 30, 2010.

Particulars		Amount (Rs.)
Salary		117,000
Perquisites		
(a)	Conveyance	18,000
(b)	Uniform Allowance	12,000
(c)	Washing Allowance	3,000

2. Terms of appointment and compensation of Mr. Rajesh Mahajan, Managing Director is as follows:

The remuneration of Mr. Rajesh Mahajan is Rs. 150,000/- per month with effect from November 1, 2010 vide resolution passed at the Extra Ordinary General Meeting held on October 30, 2010.

Particulars		Amount (Rs.)
Salary		117,000
Perquisites		
(a)	Conveyance	18,000
(b)	Uniform Allowance	12,000
(c)	Washing Allowance	3,000

Sitting Fees Payable to Non-Executive Directors

Till date we have not paid any sitting fees to our Non-Executive Directors.

The Board in its meeting held on October 6, 2010 has approved a sitting fee of Rs.10, 000 per Board Meeting for the Non-Executive Directors

Policy on Disclosures and internal Procedure for prevention of Insider Trading

The provisions of Regulation 12(1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 will be applicable to our Company immediately upon the listing of its Equity Shares on the Stock Exchanges.

Ms. Parvinder Kaur, Company Secretary and Compliance Officer is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.

Shareholding of Directors

As per our Articles of Association, the Director is not required to hold any shares in our Company to qualify him for the office of Directors of our Company. The following table details the shareholding of our Directors in their personal capacity and either as sole or first holder, as on the date of the filing of Draft Red Herring Prospectus. Out of the present pre-issue shares 9886422, our Directors hold 7435342 numbers of shares as per the details given below:

S. No.	Name of Director	No. of Equity Shares	Pre-Issue Percentage Shareholding (%)	Post-Issue Percentage Shareholding (%)
1.	Mr. Atul Ranchal	3939191	39.84%	[?]
2.	Mr. Rajesh Mahajan	3493151	35.33%	[?]
3.	Dr. Durga Sankar Maity	3000	0.03%	[?]
4.	Mrs. Monika Sabharwal	Nil	Nil	Nil
5.	Mr. Vivek Sharma	Nil	Nil	Nil
6.	Mr. Lalit Mahajan	Nil	Nil	Nil
Total		7435342	75.20	[?]

Our Directors do not hold any warrants, employee stock options or other convertible instruments in our Company as on the date of filing of this Draft Red Herring Prospectus.

Interest of our Directors

All of our Directors may be deemed to be interested to the extent of remuneration and fees payable to them for services rendered as Directors of our Company such as attending meetings of the Board or a committee thereof and to the extent of other reimbursement of expenses payable to them under our Articles of Association.

Our Directors may also be regarded as interested in the Equity Shares that may be subscribed by or Allotted to them or the companies, firms, trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Issue.

Except as stated in this Draft Red Herring Prospectus and in particular the Chapter “Auditors Report and Financial Information of our Company” on page 166, our Directors do not have any other interest in our business.

Interest in the Property

Except as stated/referred to in the paragraph titled “Property” beginning on page 123 of “Business Overview” and paragraph titled “Interest of our Directors” beginning on page 147 of this Draft Red Herring Prospectus, our Directors do not have any interest:

- i. in the promotion of our Company; or
- ii. in any property acquired by our Company within two years from the date of the Draft Red Herring Prospectus, or proposed to be acquired by our Company.

Change in our Board of Directors during the preceding three years

The following changes have taken place in the Board of Directors of our Company during the last three years:

Name of the Director	Date of Appointment	Date of Resignation	Remarks
Mr. M. L. Mahajan	January 23, 2002 [Since incorporation]	October 6, 2010	Resignation
Mr. Ram Partap	January 23, 2002 [Since incorporation]	October 6, 2010	Resignation
Dr. Durga Sankar Maity	September 10, 2010	-	Appointment
Mrs. Monika Sabharwal	October 1, 2010	-	Appointment
Mr. Vivek Sharma	October 1, 2010	-	Appointment
Mr. Lalit Mahajan	October 1, 2010	-	Appointment

Corporate Governance

The provisions of the Equity Listing Agreement to be entered into with the Stock Exchanges with respect to corporate governance will apply to us immediately upon the listing of our Equity Shares with the Stock Exchanges. Our Company has complied with Listing Agreement in respect of Corporate Governance specially with respect to broad basing of Board, constituting the Committees such as Shareholders/Investors Grievance Committee, Audit Committee and Remuneration Committee.

Composition of the Board of Directors

The Board of Directors of our Company has an optimum combination of executive and nonexecutive Directors as envisaged in Clause 49 of the Listing Agreement. Our Board has six Directors out of which 3 are independent directors in accordance with the requirement of clause 49 of the listing agreement of the Stock Exchanges.

Sr. No.	Name of the Director	Designation	Category
1	Mr. Atul Ranchal	Chairman	Executive Director
2	Mr. Rajesh Mahajan	Managing Director	Executive Director
3	Dr. Durga Sankar Maity	Director Technical	Executive Director
4	Mrs. Monika Sabharwal	Director	Independent Director
5	Mr. Lalit Mahajan	Director	Independent Director
6	Mr. Vivek Sharma	Director	Independent Director

In terms of the Clause 49 of the Listing Agreement, our Company has already appointed Independent Directors and constituted the following Committees of the Board:

1. Audit Committee
2. Remuneration Committee
3. Shareholders/Investors Grievance Committee
4. IPO Committee

Audit Committee

The Board constituted an Audit Committee, Pursuant to the provisions of section 292A of the Companies Act, 1956. The constitution of the Audit Committee was approved at the meeting of the Board of Directors held on October 6, 2010.

The terms of reference of the Audit Committee comply with the requirements of Clause 49 of the listing Agreement, which will be entered into with the Stock Exchange in due course. The Audit Committee comprises of the following members:

Name of Director	Status in Committee	Nature of Directorship
Mr. Vivek Sharma	Chairman	Independent Director
Mr. Lalit Mahajan	Member	Independent Director
Mr. Rajesh Mahajan	Member	Executive Director

The terms of reference of our Audit Committee are given below:

- i. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- ii. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- iv. Appointment, removal and terms of remuneration of internal auditors
- v. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act 1956;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to the financial statements;
 - Disclosure of any related party transactions;
 - Qualifications in the draft audit report.
- vi. Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
- vii. To monitor the utilisation of proceeds of the proposed initial public offering of the Company and any other issue of shares of the Company, reviewing the report submitted by monitoring agency, if any, and to make appropriate recommendations to the Board in this regard

- viii. Monitoring the use of the proceeds of the proposed initial public offering of the Company.
- ix. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- x. 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.
- xi. Discussions with internal auditors on any significant findings and follow up thereon.
- xii. Reviewing internal audit reports and adequacy of the internal control systems.
- xiii. Reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors.
- xiv. 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.
- xv. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- xvi. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
- xvii. To review the functioning of the whistle blower mechanism, when the same is adopted by the Company and is existing.
- xviii. Carrying out any other function as may be statutorily required to be carried out by the Audit Committee.

Company Secretary of our Company is the secretary of our Audit Committee.

Shareholders / Investors' Grievance Committee

Our Shareholders / Investors' Grievance Committee was constituted by our Directors pursuant to a Board resolution dated October 6, 2010. The Shareholders Grievance Committee comprises of the following members:

Name of Director	Status in Committee	Nature of Directorship
Mrs. Monika Sabharwal	Chairman	Independent Director
Mr. Lalit Mahajan	Member	Independent Director
Mr. Vivek Sharma	Member	Independent Director

The terms of reference of our Shareholders / Investors' Grievance Committee are in accordance with the Companies Act and Clause 49 of the Equity Listing Agreement as amended from time to time and include the following:

To allot the Equity Shares of the Company, and to supervise and ensure:

- Efficient transfer of shares; including review of cases for refusal of transfer transmission of shares and debentures;
- Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc;
- Issue of duplicate / split / consolidated share certificates;
- Allotment and listing of shares;
- Review of cases for refusal of transfer / transmission of shares and debentures;
- Reference to statutory and regulatory authorities regarding investor grievances; and to otherwise ensure proper and timely attendance and redressal of investor queries and grievances.

Company Secretary of our Company is the secretary of our Shareholders / Investors' Grievance Committee.

Remuneration Committee

The Remuneration Committee was constituted by our Directors pursuant to a Board resolution dated October 6, 2010. The Remuneration Committee comprises of the following members:

Name of Director	Status in Committee	Nature of Directorship
Mr. Lalit Mahajan	Chairman	Independent Director
Mr. Vivek Sharma	Member	Independent Director
Mrs. Monika Sabharwal	Member	Independent Director

The terms of reference of our Remuneration Committee are in accordance with the Companies Act and Clause 49 of the Equity Listing Agreement as amended from time to time and include the following:

- To decide and approve the terms and conditions for appointment of executive directors and/ or whole time Directors and Remuneration payable to other Directors and matters related thereto.
- To recommend to the Board, the remuneration packages of the Company's Managing/Joint Managing/ Deputy Managing/Whole time / Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);
- To be authorised at its duly constituted meeting to determine on behalf of the Board of Directors and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for Company's Managing/Joint Managing/ Deputy Managing/ Whole-time/ Executive Directors, including pension rights and any compensation payment;
- To implement, supervise and administer any share or stock option scheme of the Company.

Company Secretary of our Company is the secretary of our Remuneration Committee.

IPO Committee

The IPO Committee was constituted by our Directors pursuant to a Board resolution dated October 6, 2010. The IPO Committee comprises of the following members:

Name of Director	Status in Committee	Nature of Directorship
Mr. Atul Ranchal	Member	Promoter Director
Mr. Rajesh Mahajan	Member	Promoter Director
Dr.Durga Sankar Maity	Member	Additional Director

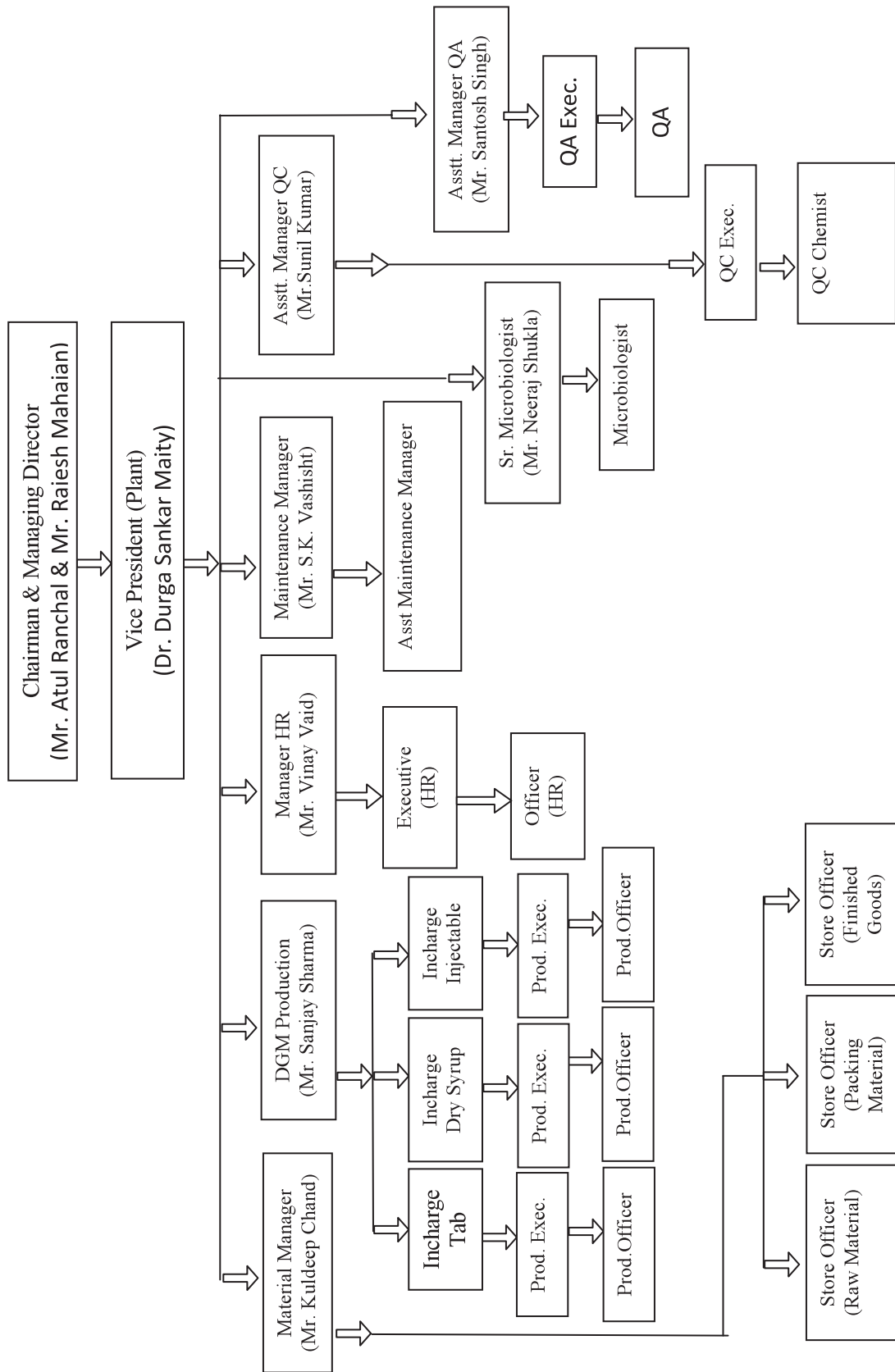
The terms of reference of our IPO Committee are in accordance with the Companies Act and Clause 49 of the Equity Listing Agreement as amended from time to time and include the following:

The IPO Committee has been constituted to approve, implement, negotiate, carry out and decide upon all activities relating to this Issue, including, preparing, approving, finalizing and filing the Draft Red Herring Prospectus and the Red Herring Prospectus with SEBI, the stock exchanges and other regulatory bodies as

may be required, approving a code of conduct and a suitable policy on insider trading, approving any corporate governance requirement, deciding on the number of Equity shares to be offered in this Issue as may be necessary including determining their remuneration, opening of bank accounts, securities account, escrow or custodian accounts, seeking listing of Equity Shares with Stock Exchanges, seeking consent of the lenders with whom our company has entered into various commercial agreements, determining and finalizing the price band, bid opening and closing date of this issue, approving and finalising the 'Basis of Allocation', determining the price at which the Equity Shares are to be offered to the investors.

MANAGEMENT ORGANIZATION STRUCTURE

The organization structure of our Company is as set forth below:



KEY MANAGEMENT PERSONNEL

The Key Management Personnel of our Company other than our Executive Directors are as follows:

Sr. No.	Name, Age, Designation and Date of Joining	Functional Responsibility	Qualification	Overall Experience	Previous Employment
1.	Mr. Sanjay Sharma Age: 46 years Designation: Deputy General Manager (Production) Date of Joining: November 1, 2006	Monthly Production Planning, Timely Internal Audit, Co-ordination with Purchase & Store Department, Training of Production Persons, Product Development and Review of BMR/BPR & other GMP related documents	B. Pharm	15 years	Aristo Pharmaceuticals Private Limited Aristo Laboratories Limited
2.	Mrs. Koushalya Singh Age: 45 years Designation: Assistant General Manager (Purchase) Date of Joining: March 1, 2006	Raw Material Purchase	B. Com	9 years	Allena Auto. HSB & Sons Anand Electronics
3.	Mr. P.K. Ray Age: 63 years Designation: Sr. Manager (Accounts & Audit) Date of Joining: April 16, 2006	Looking after Accounts as drawing & Disbursing Officer and Internal Audit	M.Com. CA (Inter), Diploma in Business Management, Diploma in Advance Taxation	39 years	Institute of Engineering. & Technology. Bhaddal (PB), [Sonia Overseas Limited, Globe International, National Textile Corporation (A Govt. of India Undertaking), State Farm Corporation of

					India, In Indian Telephone Industries Limited, Hold Holiday Inn ,Delhi, [Dabur (Faridabad), Oriental Research Chemical Laboratories
4.	<p>Mrs. Gurjeet Kaur</p> <p>Age: 34 years</p> <p>Designation: A.G.M(Accounts)</p> <p>Date of Joining: March 1, 2006</p>	<p>Supervising Accounts Department, Liaisoning with bank and other financial institutions, debtor & creditor for payments, Ensuring proper work of department and Day to day reporting to MD and Chairman</p>	<p>B.Com , Masters in Personnel Management</p>	7 Years	<p>Brooks Pharmaceutical</p> <p>Fitwel Gaskets</p>
5.	<p>Mr. S. K. Vashisht</p> <p>Age: 46 years</p> <p>Designation: Assistant Manager</p> <p>Date of Joining: March 18, 2009</p>	<p>Training of Staff & maintenance of discipline, Co-ordination with Accounts Department for routine purchases related to machinery, co-ordination with Production/Packing Department Special care for ETP for Bacterial count & R. O. and filtration units</p>	<p>B.Sc. (Part I) Graduate, Diploma in Electrical Engineering</p>	6 Years	<p>M/s Purna Pharmaceutical</p> <p>M/s Birla Textile Mills,</p> <p>M/s Eureka Industries Limited,</p> <p>M/s. Citizen Yarn Limited,</p> <p>M/s. Shiva Spinner</p>
6.	<p>Mr. Kuldeep Chand</p> <p>Age: 34 years</p> <p>Designation: Assistant Manager</p> <p>Date of Joining: March 1, 2006</p>	<p>Ensuring Store Audit, proper Inventory Control, GMP Training of personnel, Review of records/documentation, Calibration/Validation of store Balance/Freeze/RLF etc.</p>	<p>B.A.</p>	8 years	<p>Brooks Pharmaceutical</p>

		Coordination among Purchase, Production Department			
7.	<p>Mr. Vinay Vaid</p> <p>Age: 35 years</p> <p>Designation: Manager (HR)</p> <p>Date of Joining: June 18, 2008</p>	<p>Recruitment, Joining, Induction, Training, Performance & Appraisals, PF & ESI documentation & salary & wages administration, maintains of register & submission of return under labour laws and all other type of arrangements (Transport, Security, Uniform, Housekeeping, Pest Control & Medical Checkups of staff /workers etc.), ISO work, manpower planning, grievance handling & look after daily routine problems of worker & staff</p> <p>Coordination with HPSEB, Pollution & other Govt. Offices</p>	<p>B.A., Diploma in Personnel Management & Industrial Relation, Diploma in Computer Application</p>	3 Years	Winsome Yarns Limited Cheema Sprintex Limited.
8.	<p>Mr. J.P. Singh</p> <p>Age: 37 years</p> <p>Designation: Assistant Manager</p> <p>Date of Joining: June 8, 2006</p>	<p>Production Planning, Personal Training, Manpower Handling, providing assistance in Manufacturing of tablet/dry syrup/injunction, online filling of documentation as per Schedule 'M', online completion of BMR/BPR and timely Internal Audit</p>	M.Sc	12 years	<p>Anrose Pharmaceuticals Limited,</p> <p>Mission Pharmaceuticals Limited,</p> <p>Merit Organics Limited</p> <p>Techno Economics Services Private Limited</p>
9.	Ms.Parvinder Kaur	Ensuring Compliances with various Regulatory	M.Com, ACS	2 Years	Chemiplast Group

	Age: 24 Years Designation : Company Secretary and Compliance Officer Date of Joining: October 15, 2010	& Statutory Provisions			
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All the Key Managerial Personnel mentioned below are on the payrolls of our Company as the permanent employees. . The details regarding our key management personnel are as follows:

Mr. Sanjay Sharma 46 years, Deputy General Manager (Production), is a B.Pharm Graduate and has over 15 years of experience in the Pharma Industry. He completed his B Pharma from Magadh University. Prior to joining our Company, he has worked with Aristo Pharmaceuticals Private Limited and Aristo Laboratories Limited. He joined our Company on November 1, 2006. His current responsibilities in our Company include monthly Production Planning, timely Internal Audit, co-ordination with purchase & store department, training of production persons, Product development and review of BMR/BPR & other GMP related documents. The gross remuneration paid to him for fiscal 2010 was Rs. 429,114/-.

Mrs. Koushalya Singh, 45 years, Assistant General Manager (Purchase), is a B.Com graduate from University of Berhampur and has over 9 years of experience in the Pharma Industry. Prior to joining our Company, she has worked with Allena Auto., HSB & Sons and Anand Electronic. She joined our Company on March 1, 2006. Her current responsibilities in our Company include purchasing of Raw Material. The gross remuneration paid to her for fiscal 2010 was Rs. 238,800/-.

Mr. P.K. Ray, 63 years, Sr. Manager (Account & Audit), is a M.Com. from University of Calcutta & also Completed CA Inter from the Institute of Chartered Account of India and has over 39 years of experience, of which 3 years are in the Pharma Industry. He obtained Diploma in Advance Taxation from Punjab University. Prior to joining our Company, he has worked with several companies including Institute of Engg. & Tech. Bhaddal (PB), Sonia Overseas Limited, Globe International, National Textile Corporation (A Govt. of India U/T), State Farm Corporation of India, Indian Telephone Industries Limited, Hold Holiday Inn Delhi, Dabur (Faridabad), and also in Oriental Research Chemical Laboratories. He joined our Company on April 16, 2006. His current responsibilities in our Company include looking after Accounts as drawing & disbursing officer. The gross remuneration paid to him for fiscal 2010 was Rs. 240,036/-.

Mrs. Gurjeet Kaur, 34 years, A.G.M (Accounts), is a B.Com Graduate from University of Pune and has over 7 years of experience in the Pharma Industry. She also completed her Masters in Personnel Management from Pune University. Prior to joining our Company, she has worked with Brooks Pharmaceutical and Fitwel Gaskets Company. She joined our Company on March 1, 2006. Her current responsibilities in our Company include looking after accounts department, liaising with bank and other financial institutions, liaising with debtor & creditor for payments, assuring proper work of department and also giving day to day report to MD and Chairman. The gross remuneration paid to her for fiscal 2010 was Rs. 210,972/-.

Mr. S. K. Vashisht 46 years, Assistant Manager, is a B.Sc. (Part I) graduate from Punjab University and has around 6 years of experience in the Pharma Industry. He completed his Diploma in Electrical Engineering from Govt. Polytechnic Chandigarh. Prior to joining our Company, he has worked with several

companies including M/s Purna Pharmaceuticals, M/s Birla Textile Mills, M/s Eureka Industries Limited, M/s. Citizen Yarn Limited, and M/s. Shiva Spinner. He joined our Company on March 18, 2009. His current responsibilities in our Company includes Training of Staff & maintaining discipline, Co-ordination with Accounts Department for routine purchase of any material related to machinery, co-ordination with Production/Packing Department for their utility problem/machinery problem and special care for ETP for Bacterial count & R. O. and filtration units. The gross remuneration paid to him for fiscal 2010 was Rs. 183,533/-

Mr. Kuldeep Chand 34 years, Assistant Manager, is a B.A. Graduate from Punjab University and has over 8 years of experience in the Pharma Industry. Prior to joining our Company, he has worked with Brooks Pharmaceutical. He joined our Company on March 1, 2006. His current responsibilities in our Company include ensuring Store Audit, ensuring proper Inventory Control, GMP training of personal, review of records/documentation, Calibration/Validation of store Balance/Freeze/RLF etc. and also Coordination among purchase, production. The gross remuneration paid to him for fiscal 2010 was Rs. 186,000/-.

Mr. Vinay Vaid, 35 years, Manager (HR), is a B.A. Graduate from Kurukshetra University, and has around 3 years of experience in the Pharma Industry. He completed his Diploma in Personnel Management & Industrial Relation from Bhartia Vidya Bhawan and also obtained Diploma in Computer Application from Nice (Kalka). Prior to joining our Company, he has worked with several companies including Winsome Yarns Limited and also in Cheema Sprintex Limited. He joined our Company on June 18, 2008. His current responsibilities in our Company include looking after Recruitment, Joining, Induction, Training, Performance & Appraisals, PF & ESI documentation & salary & wages administration, maintains of register & submission of return under labour laws, all type of arrangements (Transport, Security, Uniform, Housekeeping, Pest Control & Medical Checkup of staff /workers etc.), look after the ISO work, manpower planning, grievance handling & look after daily routine problems of worker & staff and also complies with EPF, ESI, HPSEB, Pollution & other Govt. Offices. The gross remuneration paid to him for fiscal 2010 was Rs. 272,448/-

Mr. J.P. Singh 37 years, Assistant Manager, is a M.Sc and has over 12 years of experience in the Pharma Industry. He completed his M.Sc. from Dr. Ram Manohar Lohia University. Prior to joining our Company, he has worked with several companies including Anrose Pharmaceuticals Limited, Mission Pharmaceuticals Limited, Merit Organics Limited and Techno Economics Services Private Limited. He joined our Company on June 8, 2006. His current responsibilities in our Company include Production Planning, Personal Training, Manpower Handling, providing assistance in Manufacturing of tablet/dry syrup/injunction, online filling of documentation as per Schedule 'M', online completion of BMR/BPR and timely Internal Audit. The gross remuneration paid to him for fiscal 2010 was Rs. 198,048/-.

Ms.Parvinder Kaur 24 years, Company Secretary and Compliance Officer, is an Associate Member of Institute of Company Secretaries of India and B.Com Graduate from Panjab University. Prior to joining our Company she has worked with Chemiplast Group. She joined our Company on October 15, 2010. Her current responsibilities includes compliances with various regulatory and statutory authorities. The gross monthly remuneration paid to her is Rs.30,000.

Shareholding of the Key Management Personnel

The following is the shareholdings of our key managerial personnel as on date of the Draft Red Herring Prospectus:

Sr.No	Name	Numbers of Shares Held	Percentage (%) Pre-Issue holding
1.	Mr. P.K. Ray	2500	0.025%
2.	Mrs.Gurjeet Kaur	3000	0.03%
3.	Mr.Kuldeep Chand	500	Negligible
4.	Mr.Vinay Vaid	3000	0.03%
5.	Mr S. K. Vashisht,	0	0.00%
6.	Mrs. Koushalya Singh	17150	0.17%
7.	Mr. Sanjay Sharma	1000	0.01%
8.	Mr. J.P. Singh	500	Negligible
9.	Ms.Parvinder Kaur	0	0.00%

Note:

There is no arrangement or understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned key managerial personnel have been recruited.

Relation of the Key Managerial Personnel with our Promoters/Directors

None of our key managerial personnel are “related” to the Promoters or Directors of our Company within the meaning of Section 6 of the Companies Act, 1956.

Bonus or profit sharing plan for our Key Management Personnel

There is no specific bonus or profit sharing plan for the Key Managerial Personnel other than as may be decided by the Management.

Changes in the Key Management Personnel

The changes in the key management personnel in the preceding three years are as follows:

Sr.No	Name	Designation	Date of Joining	Date of Resignation	Remark
1	Mr.S.K.Vashisht	Asst.Manager	March 18, 2009	-	Appointment
2	Mr.Vinay Vaid	Manager (H.R)	March 18, 2008	-	Appointment
3	Ms.Parvinder Kaur	Company Secretary	October 15, 2010	-	Appointment

Interest of Key Management Personnel

The key management personnel are not having any interest except to the extent of their shareholding and the remuneration they receive in terms of their employment with our Company.

Employees

For details of the Employees/ Manpower of our Company, please refer to the paragraph titled “Manpower” beginning on page 118 under Chapter “Business Overview” beginning on page 105 of the Draft Red Herring Prospectus.

Employees Stock Option Scheme

Our Company does not have any Employee Stock Option Scheme or other similar scheme giving options in our Equity Shares to our employees.

Payment or benefit to officers of our Company



Except for payment of monetary and non-monetary benefits in accordance with the terms of employment or engagement, we have not paid any amount or given any benefit to any Officer of our Company in a period of two years before the date of the Draft Red Herring Prospectus, nor is such amount or benefit intended to be paid or given to any officer as on the date of the Draft Red Herring Prospectus. However, we may, from time to time, grant personal loans and advances to certain employees in the ordinary course. For certain details as on September 30, 2010 see section titled “Financial Information” beginning on page 166.

OUR PROMOTERS AND THEIR BACKGROUND

Our Promoters currently hold 7432342 Equity Shares, equivalent to 75.18% of our pre-Issue paid-up share capital. The Promoters of our Company are:

- Mr. Atul Ranchal
- Mr. Rajesh Mahajan.

Our Individual Promoters

	<p>Mr. Atul Ranchal, 43 years of age, is our Chairman. He graduated with a Bachelors' degree in Microbiology from and Post Graduate Diploma in Food & Microbial Technology from Guru Nanak Dev University, Amritsar and has been instrumental in driving our domestic expansion & operations. He has over 18 years of experience in the pharmaceutical industry.</p> <p>Voter Id No: DFZ1729219; Driving License No: PB-652009001 4260</p>
	<p>Mr. Rajesh Mahajan, 41 years, is our Managing Director and one of our Promoters. He holds a Bachelors' Degree in Biology from Punjab University and Masters' in Business Administration from University of Jammu. Mr. Rajesh Mahajan is involved in managing our day to day operations. He has over 15 years of experience in the pharmaceutical industry. He is involved in developing the marketing network of our Company's products in India.</p> <p>Voter Id No: DFZ4083747; Driving License No: No:PB-652009001 8348</p>

The Permanent Account Number, Bank Account details and Passport Number of our Promoters have been submitted to Bombay Stock Exchange Limited and The National Stock Exchange of India Limited (NSE), on which our Company proposes to list its Equity Shares at the time of filing of the Draft Red Herring Prospectus.

Other confirmations

None of our Company, our Promoters, Promoter Group, Directors, and persons in control of our Company or and any other entities with which our Promoters, Directors or persons in control of our Company are associated as promoters or directors or persons in control are and have been prohibited or debarred from accessing or operating in the capital markets for any reasons, or restrained from buying, selling or dealing in securities, under any order or directions made by SEBI or any other authorities, and there are no violations of securities laws committed by any of them in the past or pending against them.

None of our Directors is associated in any manner with the securities market and there has been no action taken by the SEBI against any of our Directors or any other entity with which our Directors are associated as promoters or directors. Neither our Company, our Promoters, Promoter Group, Directors, and persons in control of our Company are and have been declared as willful defaulters by the RBI or any other authority. There are no violations of securities laws committed by them in the past or pending against them.

None of our Group Entities has become a sick company under the meaning of the Sick Industrial Companies Act, 1985, and no winding up proceedings have been initiated against them, and no application has been made in respect of any of them, to the Registrar of Companies for striking off their names. Additionally, none of our Promoters or Group Entities has become defunct in the five years preceding the filing of this Draft Red Herring Prospectus.

For details of legal and regulatory proceedings involving our Promoters and Group Entities, see “Outstanding Litigation and Material Developments and other disclosures” on page 205.

Disassociation by the Promoter in the preceding three years

Our Promoters disassociated from the following firm pursuant to the dissolution of firm, as they intended to focus on the operations of our Company.

Sr. No.	Name of Firm from which our Promoters disassociated as partners from	Name of the Partner	Date of Disassociation/dissolution	Reasons for disassociation/dissolution
1.	Brooks Pharmaceuticals	Mr. Atul Ranchal Mr. Rajesh Mahajan	December 31, 2008	To concentrate exclusively on the business of Brooks Laboratories Limited

Brooks Pharmaceuticals, a Partnership Firm was formed jointly by our Promoters, Mr. Atul Ranchal & Mr. Rajesh Mahajan on January 1, 2000 with 50% shares of each partner in the profit and loss of the partnership firm. The firm started business of manufacturing of Formulations on behalf of various pharmaceuticals companies by setting up a manufacturing facility to manufacture Tablets, Dry Syrup and Injectables at Plot No. F 94, Phase II, Industrial Area, Mohali, Dist Ropar, Punjab.

In the year 2002 Central Government announced, Baddi in Himachal Pradesh as a Tax Free Zone, which offered exemptions in Excise Duty, Sales Tax, and graded Income Tax benefits. In order to take the advantage of the incentives offered by the Government, our promoters incorporated Brooks Laboratories Limited in the year 2002 to set up a bigger manufacturing plant at Baddi, which started commercial production in May 2006. In order to focus on formulation business our promoter decided to close down the business of the smaller unit in Mohali. Apropos to the above decision, on April 30, 2008, we acquired certain assets mainly Fixed Assets (excluding Land and Building) and stocks on book value from Brooks Pharmaceuticals. Thereafter upon selling other assets, the partnership firm was finally dissolved on Dec 31, 2008 by partner’s mutual consent. On the date of dissolution a full & general account and balance sheet was prepared of the property, assets & liabilities of the partnership firm.

Following are the Key Financials of the last three financial years of Partnership Firm before dissolution;

(Rs. in Lacs)

Particulars	31st March 2006	31st March 2007	31st March 2008
Sales	154.12	26.59	0
Gross Profit	19.00	21.26	0
Profit/(Loss) after appropriation	(1.25)	(0.038)	(4.52)
Partners' Capital / Net worth	18.17	17.26	8.97
Secured Loans	106.24	4.86	0

Except as disclosed above, our Promoters have not disassociated themselves from any company or firm during the past three years immediately preceding the date of filing of this Draft Red Herring Prospectus with the SEBI.

Interests of our Promoters

Except as provided in Related Party Disclosures, “Annexure XV” beginning on page 188 under Chapter titled “Auditors’ Report And Financial Information of our Company” beginning on page 166 of the Draft Red Herring Prospectus, respectively, our Promoters are interested in our Company to the extent of their shareholding in our Company

Our Promoters, Mr. Atul Ranchal and Mr. Rajesh Mahajan are also Directors in the Company and receive remuneration from the Company. For further details, please see “Our Management” on page 142.

Payment or benefit to our Promoters

Except as provided in Related Party Disclosures, “Annexure XV” beginning on page 188 under Chapter titled “Auditors’ Report And Financial Information of our Company” beginning on page 166 of the Draft Red Herring Prospectus no amount or benefit has been paid or given within 2 years preceding the filing of this Draft Red Herring Prospectus or intended to be paid or given to any of our Promoters or persons belonging to our Promoter Group and there has been no consideration for payment of giving of the benefit.

Sales or Purchases between companies in the Promoter Group

There have been no sales or purchases between companies in the Group exceeding in value in the aggregate 10% of the total sales or purchases of our Company, except those transactions mentioned under Related Party Disclosures, “Annexure XV” beginning on page 188 under Chapter titled “Auditors’ Report And Financial Information of our Company” beginning on page 166 of the Draft Red Herring Prospectus.

Related Party Transactions

The details of related party transactions have been disclosed as a part of the Restated Auditors Report. For details please refer to Related Party Disclosures, “Annexure XV” beginning on page 188 under Chapter titled “Auditors’ Report and Financial Information of our Company” beginning on page 166 of the Draft Red Herring Prospectus.

Common Pursuits

We do not have any other group company so there are no common pursuits.

CURRENCY OF PRESENTATION

In this Draft Red Herring Prospectus, unless the context otherwise requires, all references to the word “Lakh” or “Lac”, means “One hundred thousand” and the word “million” means “Ten Lacs” and the word “Crore” means “ten million” and the word “billion” means “One thousand million and the word “trillion” means “One thousand billion”. In this Draft Red Herring Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding off.

Throughout the Draft Red Herring Prospectus, all the figures have been expressed in Lacs of Rupees, except when stated otherwise. All references to “Rupees” and “Rs.” in the Draft Red Herring Prospectus are to the legal currency of India.

DIVIDEND POLICY

Dividends, other than interim dividends, will be declared at the AGM of the shareholders based on the recommendation of the Board of Directors. The Board may, at its discretion, recommend dividends to be paid to the shareholders, considering a number of factors including, without limitation, our Company's future expansion plans and capital requirements, profits earned during the Financial Year, cost of raising funds from alternate sources, liquidity position, applicable taxes including tax on dividend, as well as exemptions under tax laws available to various categories of investors from time to time and general market conditions. The dividend payments in the past are not necessarily indicative of the dividend amounts, if any, or the dividend policy, of our Company in the future.

Our Company has not paid any Dividend till date.

SECTION VII- FINANCIAL INFORMATION

AUDITORS REPORT AND FINANCIAL INFORMATION OF OUR COMPANY

The Board of Directors
Brooks Laboratories Limited
G101, Ivory Towers
Sector 70
Mohali-160079, Punjab (India)

Subject: Financial Information of Brooks Laboratories Ltd.

Dear Sir,

We have examined the financial information of Brooks Laboratories Limited annexed to this report, initialed by us for identification, which has been prepared in accordance with the requirements of:

- I. Paragraph B, of Part II of Schedule II of the Companies Act, 1956 (the Act”), and the amendments thereof
- II. The Securities and Exchange Board of India (Issue of Capital & Disclosure Requirement Regulation) 2009 issued by the Securities and Exchange Board of India (“SEBI”) and amendments made thereto from time to time in pursuance of section 11 of the Securities and Exchange Board of India Act, 1992; and
- III. Our engagement with the Company requesting us to examine the financial information referred to above and proposed to be included in the offer document of the Company in connection with its Proposed Issue.
- IV. The Proposed public issue will be for a fresh issue by the company of [●] equity shares of Rs. 10 each, at such premium ,by way of book building process, as may be decided by the Board of Directors (referred to as ‘the issue’). The Offer is made through the 100 percent book building process.
- V. Financial Information of the Company

We have examined:

1. The attached summary statement of Restated Assets & Liabilities of the Company as at March 31 2006, 2007, 2008, 2009, 2010 and for the Half year ended September 30, 2010 as prepared by the company and approved by the Board of Directors. (Annexure - I).
2. The accompanying summary statement of Restated Profits & Losses of the Company for the financial years ended March 31 2006, 2007, 2008, 2009, and 2010 and for the Half year ended September 30, 2010 as prepared by the Company and approved by the Board of Directors. (Annexure – II)
3. The accompanying summary statement of cash flow of the company for the financial year ended

March 31 2006, 2007, 2008, 2009, 2010 and for the Half year ended September 30, 2010 as prepared by the Company and approved by the Board of Directors (Annexure – III)

These statements reflect the Assets and Liabilities and Profit and Losses for each of the relevant years as extracted from the balance sheet and profit and loss account for those years. For our examination, we have placed reliance on the financial statements audited by our self for the financial year 2009-10. These financial statements for all the years have been approved by the Board of Directors of the Company and adopted by the members of the Company for the respective years. The Restated financial statements have been made after making such adjustments and regroupings and after incorporating material amounts and auditor's qualification requiring adjustments as in our opinion are appropriate and are described fully in the Notes appearing in Annexure V to this report.

- VI. Based on our examination of these summary statements we confirm that the restated financial information has been made in accordance with the provisions of sub-clause (B) of clause (IX) of Part A of Schedule VIII of the SEBI ICDR Regulations, and after incorporating:
- Adjustments suggested in paragraph 9 of sub-clause (B) of clause (IX) of Part A of Schedule VIII of the SEBI ICDR Regulations,
 - The prior period items which are required to be adjusted are properly stated Refer Annexure X,
 - There are no extra-ordinary items that need to be disclosed separately in the accounts.
 - The accounting policies applied for each of the years ended March 31, 2006, 2007, 2008, 2009, 2010 and for the half year ended 30th September 2010 is materially consistent with the existing Accounting Standards. (Annexure IV)
 - The Restated profits have been arrived at after charging all expenses including depreciation and after making such adjustments and regrouping as in our opinion are appropriate in the year to which they are related as described in restated Financial Statement.
 - There was no qualification in the audit reports issued by the statutory auditors for the respective years which would require adjustment in these Restated Financial Statements
 - Other Financial information

We have also examined the following financial information relating to the Company prepared by the management and approved by the Board of Directors for the purpose of inclusion in the Offer Document :-

- Statement of Other Income as appearing in Annexure VI to this report.
- Statement of Accounting & Other Ratios as appearing in Annexure VII to this report.
- Statement of Capitalization of the company as appearing in Annexure VIII to this report.
- Statement of Tax Shelters as appearing in Annexure IX to this report.
- Statement of Secured Loans as appearing in Annexure X to this report.
- Statement of Unsecured Loans as appearing in Annexure XI to this report.
- Statement of Sundry Debtors as appearing in Annexure XII to this report.
- Statement of Loans and Advances as appearing in Annexure XIII to this report.
- Statement of Contingent Liabilities & Capital Commitments as appearing in Annexure XIV to this report.
- Statement of Related Party Transaction as appearing in Annexure XV to this report.
- Statement of Dividend paid as appearing in Annexure XVI to this report
- Statement of Long Term Investment as appearing Annexure XVII to this report.
- Statement of Expenditure incurred on the proposed Public Issue as appearing Annexure XVIII to this report.

- xiv. Details of Qualification in Auditors Report as Appearing in Annexure XIX to this report
- xv. Details of Changes in significant Policies as Appearing in Annexure XX to this report

- VII. In our opinion, the above financial information of the Company read with Significant Accounting Policies & Notes to Accounts attached in Annexure IV & V to this report, after making adjustments and regrouping as considered appropriate has been prepared in accordance with Part II of the Schedule II of the Act and the SEBI (ICDR) Regulations issued by SEBI, as amended from time to time subject to and read with other notes.

- VIII. This report should not be in any way construed as a re-issuance or re-dating of any of the previous audit reports issued by us or other statutory auditor, nor should this report be construed as a new opinion on any of the financial statements referred therein.

- IX. This report is intended solely for your information and for inclusion in the Offer document in connection with the issue of Equity shares of the Company and is not be used, referred to or distributed for any other purpose without our written consent.

Thanking you

For J.K Jain & Associates,
Chartered Accountants
Firm Regn. No.:004025N

J.K Jain
Partner
Membership No. 083140
Place: Chandigarh
Date: November 10, 2010

Annexure-I

Statement of Assets and Liabilities (As Restated)

(Rs. in Lacs)

	Particulars	For the Year Ended March 31					For period ended Sep 30, 2010
		2006	2007	2008	2009	2010	
A	FIXED ASSETS						
	Gross Block	40.32	874.26	999.19	1818.57	2102.14	2160.82
	Less: Depreciation Reserve	0.36	30.6	69.38	113.09	164.12	193.35
	Net Block	39.96	843.66	929.81	1705.48	1938.02	1967.47
	Less : Revaluation Reserve	0.00	0.00	0.00	0.00	0.00	0.00
	Net Block after adjustment for Revaluation Reserve	39.96	843.66	929.81	1705.48	1938.02	1967.47
	Capital work in Progress	477.46	0.00	0.00	6.49	1.84	3.73
	Total Fixed Assets (A)	517.42	843.66	929.81	1711.97	1939.86	1971.2
B	INVESTMENTS (B)	0.00	0.00	0.00	2.00	2.00	2.00
C	CURRENT ASSETS, LOANS AND ADVANCES						
	Inventories	0.00	192.92	469.80	347.09	472.58	348.16
	Sundry Debtors	0.00	242.86	405.71	716.83	855.56	1067.77
	Cash and bank Balance	0.00	15.44	522.58	219.98	85.83	123.31
	Loans and Advances	7.39	199.59	258.94	205.65	373.25	482.86
D	Total (C)	7.39	650.81	1657.03	1489.55	1787.21	2022.1
E	LIABILITIES AND PROVISIONS						
	Secured Loans	410.38	801.49	1232.22	1457.18	1179.09	1117.86
	Unsecured Loans	33.00	3.00	3.00	149.23	3.00	3.00
	Current Liabilities	56.58	473.09	717.82	650.64	1004.93	1005.34
	Provisions	0.00	13.50	46.39	32.09	88.83	71.38
	Provision for leave & gratuity	0.00	4.42	8.45	8.80	10.66	11.78
	Deffered tax liabilities	0.00	26.47	47.61	69.06	85.63	111.52
	Total (D)	499.96	1321.97	2055.49	2367.00	2372.14	2320.88
F	Deferred Tax Assets (E)	0.00	0.00	0.00	0.00	0.00	0.00
G	NETWORTH (A+B+C+E-D)	24.85	172.51	531.35	836.53	1356.94	1674.42
	REPRESENTED BY:						
	Share Capital	63.35	63.35	63.35	258.40	465.12	465.12
	Share Application Money	0.00	0.00	0.00	3.28	3.28	3.28
	Reserve and Surplus	0.00	112.49	470.50	576.51	889.36	1206.02
	Reserve and Surplus after adjustment for Revaluation Reserve	0.00	112.49	470.5	576.51	889.36	1206.02
	Misc. Expenses (not w/o)	2.54	3.33	2.5	1.66	0.83	0.00
	Pre Operative Expenses	35.96	0.00	0.00	0.00	0.00	0.00
	NET WORTH	24.85	172.51	531.35	836.53	1356.93	1674.42

Annexure - II

Summary Statement of Profit and Loss, As Restated

(Rs. in Lacs)

Particulars	For the year ended March 31					For period ended Sep 30, 2010
	2006	2007	2008	2009	2010	
<u>INCOME</u>						
SALES-						
Of products manufactured by the	0.00	2331.97	2816.53	4492.61	4506.85	2505.58
Of products traded by the issuer	0.00	0.00	0.00	0.00	0.00	0.00
Total	0.00	2331.97	2816.53	4492.61	4506.85	2505.58
Other Income/ Job Work	0.00	3.53	0.13	4.15	14.51	6.01
Increase/(Decrease) in Stock	0.00	45.81	37.57	(113.60)	23.94	(26.53)
Total	0.00	2381.31	2854.23	4383.16	4545.3	2485.06
<u>EXPENDITURE-</u>						
Raw Material Consumed/Purchases	0.00	1776.49	1886.10	3354.80	3309.84	1748.56
Staff Cost	5.68	121.57	167.15	164.67	209.80	63.56
Other Manufacturing Expenses	0.00	140	137.86	163.09	166.98	106.59
Depreciation	0.00	30.24	38.79	43.71	51.03	29.22
Administration Expenses	13.28	79.10	96.32	107.90	87.38	105.41
Selling & Distribution Expenses	0.00	18.14	24.52	16.78	20.42	12.89
Interest & Finance Charges	17.00	74.33	114.48	211.24	151.90	67.39
Preliminary Exp/Preoperative	0.00	0.83	0.83	0.83	0.83	0.83
Total	35.96	2240.70	2466.05	4063.02	3998.18	2134.45
Net Profit/(Loss) before Tax & Extra ordinary items	0.00	140.61	388.18	320.14	547.12	350.61
Provision for Income Tax for Current Year	0.00	12.00	45.00	36.29	93.29	71.38
Provision for FBT for Current Year	0.00	1.50	3.38	2.38	0.00	0.00
MAT credit	0.00	(11.85)	(39.35)	(36.04)	(82.34)	(63.31)
Deferred Tax for Current Year	0.00	26.47	21.14	21.45	16.58	25.88
Net Profit/(Loss) after Tax & Extra ordinary items (As Restated)	0.00	112.49	358.01	296.06	519.57	316.66
Bonus Share Issue	0.00	0.00	0.00	190.05	206.72	0.00
Net Profit/(loss) after Tax & Extraordinary items	0.00	112.49	358.01	106.01	312.85	316.66
Balance brought forward from the last year	0.00	0.00	112.49	470.50	576.51	889.36
Net Profit/(Loss) carried over to Balance Sheet	0.00	112.49	470.50	576.51	889.36	1206.02

Annexure – III

Summary Statement of Cash Flow:

(Rs in Lacs)

Particulars	For the year ended March 31					For period ended Sep 30, 2010
	2006	2007	2008	2009	2010	
<u>CASH FLOW FROM OPERATIONS</u>						
Profit before Taxation	0.00	140.61	388.18	320.14	547.10	351.72
Add:-Adjustment						
Deprecation	0.00	30.24	38.79	43.71	51.03	29.22
Miscellaneous expenses written off	0.00	0.83	0.83	0.83	0.83	0.83
FBT Paid	0.00	0	(1.26)	0	0	
Operating Profit before Working Capital Change	0.00	171.68	426.54	364.68	598.96	381.77
Adjusted For--						
(Increase)/ Decrease in Current Assets						
(Increase) / Decrease in Inventories	0.00	(192.92)	(276.88)	122.71	(125.49)	124.42
(Increase) / Decrease in Misc. Expenses	(34.10)	34.33	0.00	0.00	0.00	0.00
(Increase) / Decrease in Sundry Debtors	0.00	(242.86)	(162.85)	(311.11)	(138.73)	(212.21)
(Increase)/ Decrease in Loans & Advances	(3.39)	(192.21)	(59.34)	53.28	(167.58)	(109.62)
Increase / (Decrease) in Current Liabilities						
Increase/ (Decrease) in Sundry Creditors	56.47	391.62	249.03	(65.36)	350.95	0.06
Increase/ (Decrease) in Expenses Payable	0.00	24.90	(4.29)	(1.82)	3.34	0.37
Increase/ (Decrease) in Other Liabilities	0.00	16.27	29.15	(16.57)	47.66	(25.53)
NET CASH FROM OPERATIONS (A)	18.99	10.81	201.36	145.81	569.11	159.27
INVESTING ACTIVITIES						
Additions to Fixed Assets	(515.05)	(356.48)	(124.93)	(825.87)	(278.92)	(60.57)
Other Investments	0.00	0.00	0.00	(2.00)	0.00	0.00
NET CASH FROM INVESTING ACTIVITIES (B)	(515.05)	(356.48)	(124.93)	(827.87)	(278.92)	(60.57)
FINANCING ACTIVITIES						
Increase in Share Capital	51.25	0.00	0.00	5.00	0.00	0.00
Increase in Share Application Money	0.00	0.00	0.00	3.28	0.00	0.00
Increase in Secured Loans	410.38	391.12	430.72	224.96	(278.09)	(61.23)
Increase in Unsecured Loans	33.00	(30.00)	0.00	146.23	(146.23)	0.00

NET CASH FROM FINANCING ACTIVITIES (C)	494.63	361.12	430.72	379.47	(424.32)	(61.23)
Net Change in cash and cash equivalents (A+ B + C)	(1.44)	15.44	507.15	(302.59)	(134.13)	37.47
Cash and cash equivalents at the beginning of the period	1.44	0.00	15.44	522.58	219.98	85.83
Cash and cash equivalents at the end of the period	0.00	15.44	522.58	219.98	85.83	123.31

Notes:

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard -3 'Cash Flow Statement'.
2. Previous year's figures have been regrouped / rearranged /recasted wherever necessary to make them comparable with those of current year.
3. As the commercial production of the unit started in May 2006, the Profit & Loss Account and Cash Flow for the financial year ended March 31, 2006 has not been prepared.

Annexure-IV

SIGNIFICANT ACCOUNTING POLICIES

1. General

The financial statements have been prepared as of a going concern on historical cost convention, in accordance with Generally Accepted Accounting Principles('GAAP') comprising the mandatory accounting standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956 on the accrual basis, as adopted consistently by the company.

2. Fixed Assets

- Fixed assets are stated at cost less accumulated depreciation. Cost is inclusive of freight, duties, levies and any direct cost of bringing the assets to their working for intended use.
- The Company has set up its Plant at Baddi in year 2005-06.Expenditure incurred prior to that date is under WIP which were capitalised when the company started commercial production Any further increase in Fixed Assests till the time that asset comes into production/material assets are shown under Capital WIP under the Fixed Assets Section.

3. Depreciation

Depreciation is provided as per Straight Line Method at rates provided by Schedule XIV of the Companies Act 1956. In case of purchase / sale of assets during the year, depreciation has been charged on a pro rata basis from / up to date of commercial production / sale.

4. Inventory

Inventories are valued at cost or net realisable value whichever is less with cost established using the weighted average cost method. The cost of work in progress & finished goods includes overheads on estimate basis.

5. Foreign Currency Transaction

Sales made to clients outside India and realisations deposited into Bank account are accounted for on the basis of exchange rate as on the date of the transaction. Adjustments are made for any variations in

the sale proceeds on conversion into Indian currency up to actual receipts. Expenditure in foreign currency is accounted at the exchange rate prevalent when such expenditure is incurred. Current assets and current liabilities denominated in foreign currency are translated at the exchange rate prevalent at the date of the balance sheet. The exchange differences arising out of foreign currency transactions are recognised as Income or expenses in the year. The exchange differences arising out of foreign currency transactions pertaining to fixed assets are adjusted to carrying amount of related fixed assets.

6. Taxation

Current Tax calculations are based upon the assessable profits of the company computed in accordance with the Income Tax Act, 1961. The deferred tax charged or credit is recognised using current tax rates. Where there is unabsorbed depreciation or carry forward losses deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Deferred tax Assets/Liabilities are reviewed as at each balance sheet date based on developments during the year, available case laws to reassess realisation /liabilities. Mat Credit standing to the business has been restated and is charged to respective years of its accruals.

7. Revenue Recognition

- (a) Sales of goods Indigenous and exports both are recognised at the time of dispatch / Constructive delivery. Sales are exclusive of Sales Tax, Trade Discount and Returns.
- (b) Interest Income is recognised on time proportion basis.
- (c) Dividend Income is recognised when the right to receive the dividend is established.
- (d) Other Income is recognised on the basis of Accounting Standard 9 (Revenue Recognition) notified by the Companies (Accounting Standards) Rules, 2006.

8. Borrowing Cost

Borrowing cost that is attributable to the acquisition / construction of qualifying assets is capitalised as part of the cost of the respective assets. Other borrowing costs are recognized as expenses in the year in which they are incurred.

9. Lease

- **Finance Lease:** Assets taken on lease are capitalised at fair value/ contracted price. Depreciation on the same is charged at the rate applicable to similar type of fixed assets as per accounting policy on 'Depreciation'. If the leased assets are returnable to the lessor on expiry of lease period, the same is depreciated over its' useful life or lease period, whichever is shorter. Lease payments made are apportioned between finance charges and reduction of outstanding liability in relation to assets taken on lease.
- **Operating Lease:** Lease payments made for assets taken on operating lease are recognised as expense over the lease period.

10. Investments

Investments are either classified as current investments or long - term investments. The cost of investments includes acquisition charges such as brokerage, fees and duties. Current investments are carried at lower of cost and fair value. Long - Term investments are carried at cost and provisions are recorded to recognize any decline, other than temporary, in the carrying value of each investment.

11. Retirement Benefits

a. Short Term Employee Benefits:

Short term Employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account for the year in which related services are rendered.

b. Defined Contribution Plans:

Company's contributions and other amount, if any, payable during the year towards Provident Fund, Pension Fund and Employee State Insurance are recognised in the profit and loss account of the year.

c. Defined Benefit plans:

Company's liability towards gratuity in accordance with Payment of Gratuity Act, 1972 and other long term benefits are determined and accounted in accordance with AS 15 (revised 2005) Employee Benefits. The provisions are made as per the actuarial valuation performed by the Actuarial Valuer.

12. Earnings per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

13. Deferred Revenue Expenditure

- a. Preliminary expenditures are treated as deferred revenue expenditures and is amortised over such periods as determined by management from time to time.
- b. Preoperative expenditure incurred prior to commercial production are not deferred and written off in the year in which the company starts commercial production.

14. Research & Development Expenditure

- a. Capital Expenditure on assets for research and development is included in cost of fixed assets.
- b. The revenue expenditure incurred on research & development up to research phase comprising cost of materials consumed, salary & wages and other related costs, as identified have been charged to Profit & Loss account and expenditure on development phase in which the activity converts the results to a marketable product doesn't result in to any intangible assets so expenses incurred are not capitalised but otherwise charged to Profit & Loss account in accordance with AS -26 (Accounting Standard on Intangible Assets).

15. Impairment of Assets

An asset is treated as impaired when the amount of an asset exceeds its recoverable value. An impairment loss is charged to Profit & Loss A/c in the year in which an asset is identified as impaired. Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exists.

16. Provisions, Contingent liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized where there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes.

17. Preliminary Expenditure

Preliminary Expenditure are shown miscellaneous expenditure in the Balance sheet the company follows the policy of amortising them over a period of 5 years.

Annexure-V

NOTES TO ACCOUNTS

A. Notes on adjustments for restated summary statements

The reconciliation of Profit / (Loss) after tax as per audited results and the Profit / (Loss) after tax as per Restated Accounts is presented below in Table-1. This summarizes the results of restatements made in the audited accounts for the respective years and its impact on the profit & losses of the company.

Table-1

The Explanatory notes for these adjustments are discussed below:

(Rs. in Lacs)

	For the year ended March 31				For period ended Sep 30, 2010
Particulars	2007	2008	2009	2010	
Profit / (Loss) after tax as per Audited Accounts	105.05	322.70	296.41	517.20	317.76
Adjustments For:					
Staff Cost	-4.41	-4.03	-0.35	-1.86	-1.12
MAT Credit	11.85	39.34	0.00	+4.23	0.00
Financial Expenses	0.00	0.00	0.00	0.00	0.00
Fringe Benefit Tax	0.00	0.00	0.00	0.00	0.00
Deferred Tax	0.00	0.00	0.00	0.00	0.00
Profit / (Loss) after tax as per Restated Accounts	112.49	358.01	296.06	519.57	316.64

Preliminary Expenses written off

Preliminary Expenses incurred upto May 2006 amounts to Rs. 4, 16,145/- in establishing a company has been treated as Deferred Revenue Expenditure and is written off over a period of 5 years.

Material Regrouping

Appropriate adjustments, wherever material, have been made in Restated Summary Statements of Assets & Liabilities, Profit & Loss, wherever required, by a reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the requirements of the guidelines issued by the Securities and Exchange Board of India (ICDR) Regulations, 2009 as amended up-to-date.

B. NOTES TO ACCOUNTS

1. Restated Financial Statements have been prepared in respect of Five years commencing from the financial year ended March 31 2006, 2007, 2008, 2009, 2010 and for the Half year ended September 30 2010.

2. The company has increased its Authorised capital and simultaneously its paid up capital as mentioned below:

Increase in Authorised Capital & Paid up Capital							
(Rs. In Lacs)							
	For the Year Ended March 31						For period ended Sep 30, 2010
	2005	2006	2007	2008	2009	2010	
Authorised Capital	150.00	200.00	500.00	-	-	-	2000.00
Date of Increase	03/02/05	08/09/05	29/09/06				
Paid up Capital							
Form 2	10.55	51.25	-	-	190.05	206.70	
Date of Increase	31/03/05	31/03/06	-	-	18/09/08	05/03/10	

3. Charges and Obligations

- Cash Credit and term loan from State Bank of India of Rs 1014.71 Lacs and Rs. 129.54 Lacs respectively are secured by hypothecation of Stocks & Book Debts and second charge on entire fixed assets of the Company.
- The Industries department, H.P has a first charge (pari passu) with Member Secretary SWCA, Baddi (HP) on the Fixed Assets i.e. Plant & Machinery of the Company” on the entire assests of the company in lieu of capital subsidy and with an obligation to operate and maintain the unit for a stipulated period of 5 years.

4. Dues to Micro, Small & Medium Enterprises

The classification of the suppliers under Micro, Small and Medium Enterprises Development Act, 2006 is made on the basis of information made available to the company. No principal amount or interest amount remains unpaid to such Micro and Small Enterprises as on 31st March 2010 and no payments were made to such enterprises beyond the “appointed day” during the year. Also the Company not paid any interest in terms of Section 16 of the above mentioned Act or otherwise.

5. Remuneration paid/payable to Auditors-

(Rs. In Lacs)

Particulars	For the year ended March 31					For period ended Sep 30, 2010
	2006	2007	2008	2009	2010	
Statutory Audit Fees	0.17	0.90	0.90	1.00	1.00	0.85
Tax Audit Fee	0.00	0.15	0.35	0.30	0.30	0.00
Other Fees	0.00	0.00	0.00	0.12	0.30	0.00
Total	1.05	1.05	1.25	1.42	1.60	0.85

6. In the opinion of the Board, the Current Assets, Loans & Advances are approximately of the value stated, if realised in the ordinary course of business.
7. Based on the guidelines of Accounting Standards on segment reporting (AS-17) issued by The Institute of Chartered Accountants of India, the Company is exclusively engaged in dealing in only one segment i.e. manufacturing of Pharmaceutical Formulations, hence there is only one primary segment in context of Accounting Standard 17 on Segment Reporting issued by ICAI. The company is not operating in any of the geographical segment.

8. Deferred Taxation:

(Rs. in Lacs)

Particulars	For the year ended March 31					For period ended Sep 30, 2010
	2006	2007	2008	2009	2010	
Deferred Tax Liability	0.00	26.47	47.61	69.06	85.64	111.51
Depreciation on Fixed Assets	0.00	0.00	0.00	0.00	0.00	0.00
Total	0.00	26.47	47.61	69.06	85.64	111.51
Deferred Tax Assets	0.00	0.00	0.00	0.00	0.00	0.00
Provision for gratuity	0.00	0.00	0.00	0.00	0.00	0.00
Carried forward Unabsorbed dep. and business losses.	0.00	0.00	0.00	0.00	0.00	0.00
Total	0.00	26.47	47.61	69.06	85.64	111.51
Net Deferred Liabilities/(Assets)	0.00	26.47	47.61	69.06	85.64	111.51
Net Deferred Restated Liabilities/(Assets)	0.00	26.47	47.61	69.06	85.64	111.51

9. Capital Raised during the year

The Company has raised/issued its share capital as mentioned below:

(Rs. In Lacs)

Particulars	For the year ended March 31					For period ended Sep 30, 2010
	2006	2007	2008	2009	2010	
Public Issue	0	0	0	0	0	0
Bonus Issue	0	0	0	190.05	206.72	0
Right Issue	0	0	0	0	0	0
Private placement	51.25	0	0	5	0	0
Share Application	0	0	0	3.28	3.28	0

10. The company has not provided Excise Duty on the finished goods lying in the premises on the Balance Sheet dates as the company is operating in Excise Free Zone as notified by the Central Government.
11. The disclosure required under AS-15(Revised 2005) on "Employee Benefit" notified in the Companies (Accounting Standards) Rules 2006, are as follows:

Defined Contribution Plans:

(Rs. In Lacs)

During the year company has recognized in the Profit & Loss Account	For the year ended March 31					For period ended Sep 30, 2010
	2006	2007	2008	2009	2010	
Contribution to Provident Fund	0.00	0.00	0.18	0.51	4.32	3.00
Gratuity	0.00	2.41	2.15	1.14	1.12	0.65
Leave Encashment	0.00	2.01	2.06	-0.28	1.67	0.47

Notes:-Above Disclosure in respect of Revised Accounting Standard 15 “Employee Benefits” has been made from the year of its applicability to the company.

Defined Benefit Plans**Leave Encashment & Gratuity**

Valuations in respect of Leave Encashment and Gratuity has been carried out by independent actuary, as at the Balance Sheet date.

12. Pre Operative capitalization

All the Pre operative expenditure incurred prior to plant operation Are capitalized in May 2006, i.e as on the date in which the company starts commercial production.

13. Contingent liability

The company has no Contingent liabilities outstanding as on Balance sheets Dates

Particulars	For the year ended March 31				For period ended Sep 30, 2010
	2007	2008	2009	2010	
Bank Guarantee (For EPCG and performance)	0.00	0.00	0.00	0.00	0.00
Corporate Guarantee (For WC Loans to subsidiary co. from Bank)	0.00	0.00	0.00	0.00	0.00

- Industries department H.P has first charge “(pari passu) with Member Secretary SWCA, Baddi (HP) on the Fixed Assets i.e. P&M of the Company” on the entire assests of the Company. Amount of Rs.30.00 Lacs in the year 2009-10 as Capital Subsidy on account of its investments in Plant at Baddi in the year 2006. In the Half year ending 30th Sept.2010 The Company has Foreign LC outstanding obligation of \$5.34 Lacs
- The company has an obligation to run its unit for a period of 5 years, And the company can't sell off or dispose of its plant before the expiry of said period of 5 years from its establishment

14. During the year 2008-09, the Company has made an investment of Rs. 2.00 Lacs in, 20,000 Equity Shares of Rs. 10 each of Shivalik solid waste Management. The Company is providing common effluent treatment plant to units at Baddi’.
15. Details of Related Party Disclosures have been given in Annexure XV
16. Details of Earning per Share given in Annexure VII
17. Additional Information where applicable pursuant to the provisions of Schedules VI of the Company Act 1956, is as Under:-

A) Annual Licensed Capacity:

Licensed Capacity (As per IEM)	(In Lacs)
Dry Syrup	120
Tablets	2400
Injection	333

B) Annual Installed Capacity:

Licensed Capacity (4 Years)	(In Lacs)
Dry Syrup	120
Tablets	1200
Injection	300

(Quantity in Lacs)

Sales	For the year ended March 31				For period ended Sep 30, 2010
	2007	2008	2009	2010	
Dry Syrup	0.00	1.70	15.20	18.20	25.08
Tablets	8.25	53.70	112.00	133.80	150.70
Injection	206.00	213.00	206.00	197.28	124.50
Production in respect of each class of goods with quantity					
Production	For the year ended March 31				For period ended Sep 30, 2010
	2007	2008	2009	2010	
Dry Syrup	0.00	1.87	15.45	18.72	26.08
Tablets	10.34	58.45	116.20	137.46	152.44
Injection	214.56	219.30	207.40	199.78	127.62

Note: Installed capacity is on the basis of IEM, The above data being a technical matter, has been relied upon by the auditor as per the representation from the Management.

C) Value of Imported & Indigenous Raw Material Consumed/Purchases and percentage with total Consumption

(Rs. in Lacs)

Particulars	For the year ended March 31								For period ended Sep 30, 2010	
	2007		2008		2009		2010			
	%	Amt	%	Amt	%	Amt	%	Amt	%	Amt
Imported	-	0.00	-	0.00	18.19	609.94	24.66	816.10	24.14	422.03
Indigenous	100	1776.41	100	1886.09	81.81	2744.86	75.34	2493.73	75.86	1326.53
Total	100	1776.41	100	1886.09	100	3354.80	100	3309.83	100	1748.56

D) Value of imports on CIF basis

(Rs. in Lacs)

Particulars	For the year ended March 31				For period ended Sep 30, 2010
	2007	2008	2009	2010	
Raw Material	0.00	0.00	609.93	816.11	422.03
Capital Goods	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	609.93	816.11	422.03

E) Expenditure in Foreign Currency (on payment basis)

(Rs.in Lacs)

Particulars	For the year ended March 31				For period ended Sep 30, 2010
	2007	2008	2009	2010	
On Capital Goods	0.00	0.00	0.00	0.00	0.00
Raw Material and spare Parts	0.00	0.00	609.93	816.11	422.03
Others	0.00	0.00	0.00	0.00	422.03

F) Amount remitted during the year in foreign currency on account of dividends and number of nonresident shareholders. NIL

18. Details of Land Acquired by the Company:

Sr. No.	Land	Plot No.	Date of Acquisition	Value	Total Paid	Title in the Name of Company (Yes/No)
1.	Baddi	Kishanpura	2005	13.56	13.56	Yes
2	Janta Land	142/82	05.02.2008	106.16	106.16	No
3	Janta Land	500/82	05.02.2008	663.04	663.04	No

4	Emaar MGF	242/109	19.08.2008	44.70	44.70	No
5	J.B SEZ Pvt. Ltd	Plot No 12A	10.01.2010	633.64	63.30	No
6	Preet lands	422/86	23.03.2010	13.00	13.00	No
7	BKC, Mumbai	Bandra Kurla Complex, Mumbai	20.1.2010	142.58	142.58	Yes
	Total			1616.68	1046.34	

19. Prior year Figures have been regrouped, rearranged & recast where ever considered necessary to conform with the current period's classification.

20. All the figures have been rounded off to the nearest lakh Rupees (except stated otherwise).

Annexure – VI

Statement of Other income

(Rs in Lacs)

Particulars	For the year ended March 31					For period ended Sep 30, 2010	Related/Not Related to Business Activity	Nature
	2006	2007	2008	2009	2010			
Excess & Short	0.00	0.01	0.06	0.02	0.31	3.21	Related	Recurring
Misc Income	0.00	0	0.16	0.01	0.02	0.27	Related	Recurring
Rate Difference	0.00	2.62	-0.32	0	0	0.46	Related	Recurring
Interest Received	0.00	0	0	0	0.09	0.00	Related	Recurring
Product Approval	0.00	0.82	0.23	2.85	0.3	2.07	Related	Recurring
Exchange Fluctuation	0.00	0	0	0	13.79	0.00	Related	Recurring
FBT Reversed	0.00	0	0	1.27	0	0.00	Related	Recurring
Total	0.00	3.45	0.13	4.15	14.51	6.01	-	-
Net Profit before tax, as per Summary statement of Profits and Losses , as restated	0.00	140.61	388.18	320.14	547.12	350.60	-	-

Percentage of Other Income	0.00	2.45	0.033	1.29	2.65	1.71	-	-
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Note:-

1. In view of the management, all the other income mentioned above is mainly related to the business of the company.
2. The above amounts are as per the statement of profit & loss, as restated of the company.

ANNEXURE- VII

Statement Of Accounting And Other Ratios

Particulars	For the Year Ended March 31					For period ended Sep 30, 2010
	2006	2007	2008	2009	2010	
Net Worth (A) (Rs. in Lacs)	24.85	172.51	531.35	836.53	1356.93	1674.42
Restated Profit after tax (B) (Rs. In lacs)	0.00	112.49	358.01	296.06	519.57	316.66
No. of shares outstanding at the end of the year ©	6.34	6.34	6.34	25.84	46.51	46.51
Weighted average no of shares at the time of end of the year (D)	6.34	6.34	6.34	16.09	36.18	46.51
Weighted average no of shares outstanding for Diluted EPS (E)	6.34	6.34	6.34	16.09	36.18	46.51
Current Assests (F) (Rs. In lacs)	7.39	650.82	1657.03	1489.56	1787.21	2022.10
Current Liabilities (G) (Rs. In lacs)	56.58	473.09	717.82	650.64	1004.93	1005.34
Earnings Per Share (on weighted basis) (B/C)	0.00	17.76	56.51	11.46	11.17	6.81
Diluted Earnings Per Share (Rs.) B/E)	0.00	17.76	56.51	18.40	14.36	6.81
Return on Net Worth (%) (B/A)	0.00%	65.00%	67.00%	35.00%	38.00%	19.00%
Net assests value per share (A/C)	3.92	27.23	83.88	32.37	29.17	36.00
Current Ratio	0.13	1.38	2.31	2.29	1.78	2.01

Note:-

1. Earnings per share (Rs.) = Profit available to equity shareholders / No. of shares outstanding at the end of the year
2. Diluted Earnings Per Share(Rs) = Profit available to equity shareholders / Weighted Average no. of shares outstanding at the end of the year
3. Return on Net worth (%) = Restated Profit after taxation / Net worth x 100
4. Net asset value/Book value per share (Rs.) = Net worth / No. of equity shares
5. The Company does not have any revaluation reserves or extra-ordinary items.

Annexure – VIII

Capitalization Statement:

(Rs. In Lacs)

Particulars	Pre Issue As at 30 th September 2010	Post Issue*
Total Debt:		
Short Term Debt	987.15	[?]
Long Term Debt	130.71	[?]
Total Borrowing	1117.86	[?]
Shareholders' Funds:		
Share Capital	468.40	[?]
Reserves & surplus	1206.02	[?]
Total Shareholders' Funds	1674.42	[?]
Long Term Debt/ Shareholders funds	0.08	[?]
Total Debt / Equity(excl. Reserves)	2.39	[?]

* Post issue calculations can be done only on the conclusion of the book building process.

Annexure – IX

STATEMENT OF TAX SHELTER

(Rs. In Lacs)

	Particulars	For the Year Ended March 31				For period ended Sep 30, 2010
		2007	2008	2009	2010	
	Rate of Tax (Normal)	30.90%	30.90%	33.99%	33.99%	33.99%
	Rate of Tax (MAT)	11.33%	11.33%	11.33%	17.00%	20.39%
A	Profit Before Tax					
	Profit / (Loss) as per Profit & Loss Account before Tax	140.61	388.18	320.14	547.12	350.61
	Adjustments in Audited P&L					
	Depreciation as per	0	0	0	0	0.00
	Depreciation as per Income	0	0	0	0	0.00
	Provision for gratuity	4.42	4.03	0.35	1.86	1.12
	Profit on sale of Fixed Assets	0	0	0	0	0.00
	Prior Period expense	0	0	0	0	0.00
	Payment of Gratuity/	0	0	0	0	0.00
	Late deposit of PF	0	0	0	0	
	Net Taxable income	145.03	392.21	320.49	548.96	351.73
B	Taxable Income					

	Tax Payable as per Income					0.00
	(Normal)	0	0	0	0	0.00
	Tax Payable as per MAT	13.04	44.58	64.25	93.29	71.72
	Tax Payable as per Return	13.04	44.58	64.25	93.29	N.A.
C	Tax on Restated P&L	0	0	0	0	0.00
D	Permanent Difference					
	Penalty	0	0	0	0	0.00
	Profit on sale of Fixed Assets	0	0	0	0	0.00
	Carry Forward Business Loss	0		0	0	0.00
			0			
	Total Permanent Difference	0	0	0	0	0.00
E	Timing Difference					
	Difference in Book Depreciation & Tax Depreciation	(83.16)	(62.20)	(60.59)	(48.77)	(76.15)
	Provision for gratuity	0.00	0.00	0.00	0.00	0.00
	Late deposit of PF	3.21	0.00	0.00	0.00	0.00
	Total Timing Difference (b)	26.47	21.14	21.45	16.58	25.88
	Net Adjustment (a+b)	26.47	21.14	21.45	16.58	25.88
F	Deferred Tax Assets/	0	0	0	0	0.00

Tax payable as per computation made for provision for tax.

Note:-The Net Taxable income as per companies act is NIL due to Deduction U/S 80 IC and there will be no effect of restatement on taxability of the company as the company is paying U/S 115JB of Income Tax Act, 1961.

Annexure – X

Statement of Secured Loans

(Rs. in Lacs)

Particulars	For the Year Ended March 31					For period ended Sep 30, 2010
	2006	2007	2008	2009	2010	
RUPEE TERM LOAN :						
<u>FROM BANKS:</u>	342.85	327.80	499.71	434.29	129.55	101.77
WORKING CAPITAL LOANS :						
SBI	59.94	372.36	636.35	972.37	1014.71	496.61
SBI Loan A/c FCNR	0.00	0.00	0.00	0.00	0.00	517.55
PC/FDB Loan :		80.05	80.96	0.00	0.00	0.00
Vehicle Loan :	7.59	21.27	15.19	50.51	34.83	28.94
Total	410.38	801.48	1232.21	1457.17	1179.09	1117.86

Principal Terms of Sanctioned Loans and Assets Charged as Security

(Rs.In Lacs)

S.No	Lender	Type of Facility (Amount Sanction)	Sanction / letter no. and date	Terms of repayment	Rate of Interest	31-03- 2010	Details of Security
1	SBI	FUND BASED LIMIT (11.00 Cr)	04.08.2009	Tenability 1yr	0.50% above SBAR, Current applicable Rate is 12.25% Per Annum	11.00	Primary: First pari passu charge by way of hypothecation on the entire current assets.
2	SBI	NON FUND BASED	04.08.2009	Tenability 1yr	N.A.	500.00	Same as above
3	HDFC Bank	VEHICLE LOAN	09.03.2010	35 Monthly Installments of Rs 72,412/-	14.5% (approx)	21.00	Vehicle No Charge Filed

NOTE:

* Principal terms of Term Loans are:

1. Term Loans are secured by specific assets which are financed by bank.
2. Rate of interest of term loans are given above.
3. Repayment schedule of term loans are given above.
4. Prepayment charges 2%.
5. Commitment charges 0.25% on the unveiled portion of the total limit where the disburse amount is less than 70% of the sanction.
6. Penal Interest: In case any of the terms and conditions are not complied or irregularities are noticed in the conduct of the accounts or default/ delay in repayment of installment is noticed, the bank would charge Penal interest at 2% over and above the applicable Interest rate.
7. Penal Rate of Interest: Each of following events will attract penal interest at applicable rate as Indicated, over and above the normal interest applicable in the account:
 - Irregularities in cash credit accounts: On the entire outstanding, if continuously irregular for a period beyond 60 days; in other cases, on the irregular portion (at 2% p.a.).
 - Non- submission of stock statements: Delay beyond 15 days of the succeeding month to be considered as non-submission (at 1% p.a.).
 - Non- submission of renewal data beyond three months from the due date of renewal (at 1% p.a.).
 - Non - compliance with covenants (at 1% p.a.)

However, the total penal interest charged due to various non- compliances will not exceed 3%p.a.

Penal Interest:

- The company to submit month end statement of book debts and stocks in the first week of the following month. Any delay in submission of the statements to attract penal interest 2% over and above the rate charged.

- The company to submit QIS within 45 days from the end of relevant quarter. Any delay in submission of the statements to attract penal interest 2% over and above the rate charged.

Annexure - XI

Statement of Unsecured Loans:

(Rs. in Lacs)

Particulars	For the Year Ended March 31					For period ended Sep 30, 2010	Interest Rate
	2006	2007	2008	2009	2010		
From Promoters/	0	0	0	146.23	0	0	0
From Share Holders	0	0	0	0	0	0	0
From group co./subsidiaries and material associate co	0	0	0	0	0	0	0
Others	3	3	3	3	3	3	0
Total	3	3	3	149.23	3	3	0

Note:- All of the above Unsecured Loans are repayable on demand basis and there is no fixed repayment schedule. There are no Unsecured Loans that have been taken by Shareholders of the Brooks Laboratories Limited.

Annexure – XII

Statement of Sundry Debtors:

(Rs. in Lacs)

Age-Wise Breakup	For the Year Ended March 31					For period ended Sep 30, 2010
	2006	2007	2008	2009	2010	
a) More than Six Months	0.00	0.00	80.61	136.19	0	0.00
b) Less than Six Months	0.00	242.86	325.1	580.63	855.56	1067.76
Total	0.00	242.86	405.71	716.82	855.56	1067.76

Note:- There are no debtors related to the directors or promoters of Brooks Laboratories Limited.

Annexure – XIII**Statement of Loans & Advances:****(Rs in Lacs)**

Particulars	For the Year Ended March 31					For period ended Sep 30, 2010
	2006	2007	2008	2009	2010	
Security Deposit	6.13	11.74	10.84	12.48	32.37	69.60
Advance recoverable in cash or in kind or for value to be received	1.26	152.17	154.87	20.64	50.04	34.84
Advances to staff	0.00	0.00	0.89	0.32	3.90	0.88
Advances to Others	0.00	23.84	41.14	178.90	282.71	373.31
Total	7.39	187.75	207.74	212.34	369.02	478.63

Note: - There are no loans & advances related to the directors or promoters of Brooks Laboratories Limited.

Annexure – XIV**Statement of Contingent Liabilities**

The details of the contingent liability of the company are as follows:

(Rs. In Lacs)

Particulars	For the Year Ended March 31					For period ended Sep 30, 2010
	2006	2007	2008	2009	2010	
Bank Guarantee (For EPCG and performance)	0.00	0.00	0.00	0.00	0.00	0.00
Corporate Guarantee (For WC Loans to subsidiary co. from Bank)	0.00	0.00	0.00	0.00	0.00	0.00
Unexpired Letter of Credits	0.00	0.00	0.00	0.00	0.00	US\$5.43

Annexure – XV

Related Party Disclosures

RELATED PARTY DISCLOSURE FOR THE HALF YEAR ENDED 30th SEPTEMBER 2010 IN ACCORDANCE WITH AS-18

List of Related Parties & Relationships, where control exists.

Sr. No.	Nature of Relationship	Name of Parties
1	Key Management Personnel	Mr Rajesh Mahajan Mr. Ram Partap Mr. Manmohan Lal Mahajan
2	Relatives of Key Management personnel	Mrs. Saras Gupta (W/o of Mr. Rajesh Mahajan) Mrs. Rajni Ranchal (W/o Mr. Atul Ranchal)
3	Enterprises where significant Influence exist by Key Management Personnel	NIL

Details of transaction with the related parties

(Rs in Lacs)

Sr. No.	Particulars	Nature of Transactions	Transaction Value
1	Key Management Personnel	Salaries	10.80
		Others	0
		Unsecured Loan(Receipt)	0
		Unsecured Loan outstanding as on 30 th September 2010 at the rate of 0%	0
2	Relatives of Key Management personnel	Salaries	5.76

RELATED PARTY DISCLOSURE FOR THE YEAR ENDED 31ST MARCH 2010 IN ACCORDANCE WITH AS-18

List of Related Parties & Relationships, where control exists.

Sr. No.	Nature of Relationship	Name of Parties
1	Key Management Personnel	Mr Rajesh Mahajan Mr. Atul Ranchal Mr. Ram Partap Mr. Manmohan Lal Mahajan

2	Relatives of Key Management personnel	Mrs. Saras Gupta (W/o of Mr. Rajesh Mahajan) Mrs Rajni Ranchal (W/o Mr. Atul Ranchal) Mr. Vipul Ranchal (Brother of Atul Ranchal)
3	Enterprises where significant Influence exist by Key Management Personnel	Nil

Details of transaction with the related parties

(Rs in Lacs)

Sr. No.	Particulars	Nature of Transactions	Transaction Value
1	Key Management Personnel	Salaries	16.92
		Others	0.00
		Unsecured Loan (Repaid)	146.23
		Unsecured Loan outstanding as on 31st March 2010 at the rate of 0%	0.00
2	Relatives of Key Management personnel	Salaries	14.40
		Loans & Advances (dr.)	32.00

RELATED PARTY DISCLOSURE FOR THE YEAR ENDED 31st MARCH, 2009 IN ACCORDANCE WITH AS-18

List of Related Parties & Relationships, where control exists

Sr. No.	Nature of Relationship	Name of Parties
1	Key Management Personnel	Mr Rajesh Mahajan Mr. Atul Ranchal Mr. Ram Partap Mr. Manmohan Lal Mahajan
2	Relatives of Key Management personnel	Mrs. Saras Gupta (W/o of Mr. Rajesh Mahajan) Mrs Rajni Ranchal (W/o Mr. Atul Ranchal)
3	Enterprises where significant Influence exist by Key Management Personnel	M/s Brooks Pharmaceuticals

Details of transaction with the related parties

(Rs in Lacs)

Sr. No.	Particulars	Nature of Transactions	Transaction Value
1	Key Management Personnel	Salaries	16.92
		Others	0.00
		Unsecured Loan(Receipt)	0.00
		Unsecured Loan outstanding as on 31 st March 2009 at the rate of 0%	146.23
2	Relatives of Key Management personnel	Salaries	8.40
3	Enterprises where significant Influence exist by Key Management Personnel	Assests Purchase	23.73
		Cash paid	8.28
		Account Squared up	

RELATED PARTY DISCLOSURE FOR THE YEAR ENDED 31st MARCH, 2008 IN ACCORDANCE WITH AS-18**List of Related Parties & Relationships, where control exists.**

Sr. No.	Nature of Relationship	Name of Parties
1	Key Management Personnel	Mr Rajesh Mahajan Mr. Atul Ranchal Mr. Ram Partap Mr. Manmohan Lal Mahajan
2	Relatives of Key Management personnel	Mrs. Saras Gupta (W/o of Mr. Rajesh Mahajan) Mrs Rajni Ranchal (W/o Mr. Atul Ranchal)
3	Enterprises where significant Influence exist by Key Management Personnel	Brooks Pharmaceuticals

Details of transaction with the related parties

(Rs in Lacs)

S. No.	Particulars	Nature of Transactions	Transaction Value
1	Key Management Personnel	Salaries	9.60
		Others	144.79
		Unsecured Loan(Receipt)	0.00
		Unsecured Loan outstanding as on 31 st March 2008 at the rate of 0%	0.00

RELATED PARTY DISCLOSURE FOR THE YEAR ENDED 31st MARCH, 2007 IN ACCORDANCE WITH AS-18

List of Related Parties & Relationships, where control exists

Sr. No.	Nature of Relationship	Name of Parties
1	Key Management Personnel	Mr Rajesh Mahajan Mr. Atul Ranchal Mr. Ram Partap Mr. Manmohan Lal Mahajan
2	Relatives of Key Management personnel	Mrs. Saras Gupta (W/o of Mr. Rajesh Mahajan) Mrs Rajni Ranchal (W/o Mr. Atul Ranchal)
3	Enterprises where significant Influence exist by Key Management Personnel	Brooks Pharmaceuticals

Details of transaction with the related parties

(Rs in Laacs)

S. No.	Particulars	Nature of Transactions	Transaction Value
1	Key Management Personnel	Salaries	9.60
		Others	0.00
		Unsecured Loan(Receipt)	0.00
		Unsecured Loan outstanding as on 31st March 2007 at the rate of 0%	0.00
2	Relatives of Key Management personnel	Salaries	0.00
3	Enterprises where significant Influence exist by Key Management Personnel	Others	144.60

RELATED PARTY DISCLOSURE FOR THE YEAR ENDED 31st MARCH, 2006 IN ACCORDANCE WITH AS-18

List of Related Parties & Relationships, where control exists

Sr. No.	Nature of Relationship	Name of Parties
1	Key Management Personnel	Mr Rajesh Mahajan Mr. Atul Ranchal
2	Relatives of Key Management personnel	Mrs. Saras Gupta (W/o of Mr. Rajesh Mahajan) Mrs Rajni Ranchal (W/o Mr. Atul Ranchal)
3	Enterprises where significant Influence exist by Key Management Personnel	Brooks Pharmaceuticals

Details of transaction with the related parties

(Rs in Lacs)

S. No.	Particulars	Nature of Transactions	Transaction Value
1	Key Management Personnel	Salaries	4.20
		Others	0.00
		Unsecured Loan(Receipt)	0.00
		Unsecured Loan outstanding as on 31st March 2006 at the rate of 0%	0.00
2	Relatives of Key Management personnel	Salaries	0.00
3	Enterprises where significant Influence exist by Key Management Personnel	Others	0.00

Annexure –XVI**Statement of Dividend paid**

Particulars	For the Year Ended March 31					For period ended Sep 30, 2010
	2006	2007	2008	2009	2010	
Equity shares (In nos)	633500	633500	633500	2584000	4651200	4651200
Face value (Rs.)	10	10	10	10	10	10
Rate of Dividend %		0	0	0	0	0
Amount of Dividend		0	0	0	0	0

Annexure - XVII**Schedule of Investments**

Sr. No.		For the Year Ended March 31								For period ended Sep 30, 2010	
		2007		2008		2009		2010			
		No s.	Aggrega te Book Value	No s.	Aggrega te Book Value	No s.	Aggrega te Book Value	No s.	Aggrega te Book Value	No s.	Aggrega te Book Value
1	Shares – Quoted	NIL									
	Sub-Total(1)	0	0	0	0	0	0	0	0	0	0
2	Shares – Unquoted										
	Long										
	Equity Shares of Rs. 10 each of Shivalik Waste managemen t	0	0	0	0	0.2	2	0.2	2	0.2	2
	Sub-Total(2)	0	0	0	0	0.2	2	0.2	2	0.2	2
	Total(1+2)	0	0	0	0	0.2	2	0.2	2	0.2	2

Annexure – XVIII

The Company has incurred Rs. 63.31 Lacs as expenditure up to September 30, 2010 on the Proposed Project for which public issue has been intended. The above expenditure is in relation to the Advance/token money for land for the project to JB SEZ Pvt. Ltd.

Annexure – XIX

There were no qualifications in the Auditors' report for the year ending on March 31, 2006, 2007, 2008, 2009 and 2010 and for half year ended September 30, 2010

Annexure – XX

Changes in the Significant Accounting Policies.

There were no changes in the Significant Accounting Policies for the past 5 years and for the year ending 2009-10.

CHANGES IN ACCOUNTING POLICIES IN THE LAST 3 YEARS

There were following changes in the Accounting Policies for the past 3 years and for the year ending 2009-10.

Details of Changes in Significant Accounting Policies:

Half year ended September 30, 2010	(a) The Company has recognized the accrued Gratuity and Earned leave liability on estimation basis.
Financial year ended March 31 2010	(a) The Company has recognized the accrued Gratuity and Earned leave liability on the basis of report by independent actuarial valuer.
Financial year ended March 31 2009	(a) The Company has recognized the accrued Gratuity and Earned leave liability on the basis of report by independent actuarial valuer.
Financial year ended March 31 2008	(a) The Company has recognized the accrued Gratuity and Earned leave liability on the basis of report by independent actuarial valuer. (b) Mat Credit standing to the business are charged to respective years of its accruals The company has recognised the accrued Gratuity liability for the first time based on the estimated liability.
Financial year ended March 31 2007	(a) The Company has recognized the accrued Gratuity and Earned leave liability on the basis of report by independent actuarial valuer. (b) Mat Credit standing to the business are charged to respective years of its accruals The company has recognised the accrued Gratuity liability for the first time based on the estimated liability.
Financial year ended March 31 2006	No Change

FINANCIAL INFORMATION OF GROUP COMPANIES

There are no Group Companies promoted by our promoters

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our financial statements included in this Draft Red Herring Prospectus. You should also read the section entitled "Risk Factors" beginning on page 14 of this Draft Red Herring Prospectus, which discusses a number of factors and contingencies that could impact our financial condition and results of operations. The following discussion relates to our Company and unless otherwise stated, is based on our restated financial statement, which have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations. Our fiscal year ends on March 31 of each year, so all references to a particular "FY" are to the twelve-month period ended March 31 of that year.

Business Overview of Our Company

Our Company was incorporated on January 23, 2002 by Mr. Atul Ranchal & Mr. Rajesh Mahajan to set up facility to manufacture Tablets, Injections & Dry Syrups. We are a Pharmaceutical Contract Research & Manufacturing Services company having wide range of products catering to critical care segment in Parental Section like Beta Lactam, Cephalosporin & General Dry powder Injectables, Ampoules and Liquid vials, Dry Syrups and Tablets etc.

We set up a well-equipped manufacturing unit at Baddi, Himachal Pradesh in the year 2006. We started our operations in May 2006 and our Commercial production started on June 2006. We have been awarded a G.M.P Certification for following Good Manufacturing Practices under "Revised Schedule M" of Drugs & Cosmetics Rules, 1945 in respect of various categories of Tablets, Capsules, Liquid Orals, Dry Syrups, SVP (Liquid & Dry) and Ophthalmic Section by The Health & Family Welfare Department, Himachal

Our manufacturing facility at Baddi is capable of manufacturing products confirming to TRS 908 of 2003 (WHO GMP) standards. Our Quality Management System at our factory at Baddi is certified as complying to ISO 9001:2008.

Our manufacturing unit at Baddi is set up in Excise Free Zone and enjoys the following benefits

Nature of Benefit	Quantum of benefit
Excise exemption	100% Central Excise Exemption for a period of 10 year from the date of Commencement of commercial production.
Income Tax Exemption	<ol style="list-style-type: none"> 1. For first 5 years from first assessment year - 100% 2. For subsequent 5 years - 30% 3. MAT is payable by the company but is eligible for set off

Our annual manufacturing capacity for different products is as follows:-

Product Segment	Installed Capacity
Injections	300 Lacs
Tablets	1200 Lacs
Dry Syrup	120 Lacs

Our major clients are companies like Zydus Cadila, Aristo Pharmaceuticals Pvt. Ltd, FDC Ltd, Nectar Lifesciences Ltd, Sanat Products Ltd, Hetero Healthcare Ltd, Medley Pharmaceuticals, Wockhardt Ltd, Parental Drugs, Chanderbhat Pharma and Alembic Ltd etc.

Our product portfolio presently comprises of 26 Dry Powder Injections, 31 Liquid Injections, 5 Tablets and 2 Dry Syrups which are marketed domestically.

We seek to establish long term relationships with our customers and expand our business opportunities with them. As at September 2010, we catered to **115** customers.

Significant Developments subsequent to September 30, 2010 that may affect our future results of operations

In the opinion of the Board of our Company, there have not arisen, since the date of the last audited financial statements (for a period of 6 months i.e September 30, 2010) included in this DRHP, any circumstance that materially and adversely affect or is likely to affect our business or profitability or the value of our assets or our ability to pay our liabilities within the next 12 months. There is no subsequent development after the date of the Auditor's Report which we believe is expected to have a material impact on reserves, profits, earning per share and book value of our business.

FACTORS THAT MAY AFFECT THE RESULTS OF THE OPERATIONS

Our financial condition and results of operations are affected by numerous factors and the following are of particular importance:

Increase in the cost of Raw material

The principal component of our cost is the Raw Material Raw material cost is appx 73% of the sales. The recent change in Chemicals, API prices shows that most of the material cost is fluctuating. Any further increase in the cost of raw material may adversely affect our operational results.

Increasing cost of Manpower

The cost of salaries & wages of our employees is appx 5% of the sales. The need well qualified, technical and experienced for our manufacturing & marketing operations. In view of increasing employees' compensation in India due to competitive pressures and other economical factors, if wages in India increases, we may be required to pay more wages which may result in increase in our human resource cost.

Regulated Industry

We are operating in the industry which is highly regulated and furthermore, the success of our strategy of entering overseas markets is dependent on a number of factors. Any failure to obtain or renew required regulatory approvals or any change in the regulatory environment in relation to manufacturing within the country or for marketing our products within and outside the country may significantly impact our business and strategy.

Demand

Our revenues are dependent on the growing demand of our pharmaceutical products we have to accurately project demand for our products, we may encounter problems of inadequate supply or oversupply, which would adversely affect our financial condition and results of operations, as well as damage our goodwill.

Technology up gradation

Any Changes in technology may render our current technologies obsolete or require us to make substantial capital investments. In particular, any failure to keep abreast with the latest trends in chemical and process technologies may adversely affect our ability to compete and obtain contract manufacturing.

Any slowdown in economic growth in India will impact our business

Our business performance and growth dependent on Indian Economy. A slowdown in the Indian Economy could adversely affect our business and our ability to implement our business strategy. India's Economy could be adversely affected by a general rise in interest rates, decline of growth of industrial, manufacturing and services sector.

DISCUSSION ON THE RESULTS OF OPERATIONS

Summary of past financial results

Particulars	For the year ended March 31					For period ended Sep 30, 2010
	2006	2007	2008	2009	2010	
<u>INCOME</u>						
SALES-						
Of products manufactured by the issuer	0.00	2331.97	2816.53	4492.61	4506.85	2505.58
Of products traded by the issuer	0.00	0.00	0.00	0.00	0.00	0.00
Total	0.00	2331.97	2816.53	4492.61	4506.85	2505.58
Other Income/ Job Work	0.00	3.53	0.13	4.15	14.51	6.01
Increase/(Decrease) in Stock	0.00	45.81	37.57	(113.60)	23.94	(26.53)
Total	0.00	2381.31	2854.23	4383.16	4545.3	2485.06
<u>EXPENDITURE-</u>						
Raw Material Consumed/Purchases	0.00	1776.49	1886.1	3354.8	3309.84	1748.56
Staff Cost	5.68	121.57	167.15	164.67	209.8	63.56
Other Manufacturing Expenses	0.00	170.24	176.65	206.8	218.01	135.81
Administration Expenses	13.28	79.1	96.32	107.9	87.38	105.41
Selling & Distribution Expenses	0.00	18.14	24.52	16.78	20.42	12.89
Interest & Finance Charges	17	74.33	114.48	211.24	151.9	67.39
Preliminary Exp/Preoperative	0.00	0.83	0.83	0.83	0.83	0.83
Total	35.96	2240.7	2466.05	4063.02	3998.18	2134.45
Net Profit/(Loss) before Tax & Extra ordinary items	0.00	140.61	388.18	320.14	547.12	350.61

Provision for Income Tax for Current Year	0.00	12	45	36.29	93.29	71.38
Provision for FBT for Current Year	0.00	1.5	3.38	2.38	0.00	0.00
MAT credit	0.00	(11.85)	(39.35)	(36.04)	(82.34)	(63.31)
Deferred Tax for Current Year	0.00	26.47	21.14	21.45	16.58	25.88
Net Profit/(Loss) after Tax & Extra ordinary items	0.00	112.49	358.01	296.06	519.57	316.66
Bonus Share Issue	0.00	0.00	0.00	190.05	206.72	0.00
Net Profit/(loss) after Tax & Extraordinary items	0.00	112.49	358.01	106.01	312.85	316.66
Balance brought forward from the last year	0.00	-	112.49	470.5	576.51	889.36
Net Profit/(Loss) carried over to Balance Sheet	0.00	112.49	470.5	576.51	889.36	1206.02

Note: The expenses incurred in the fiscal year 2006 are set off in the first year of operation.

COMPARISON OF FINANCIAL RESULTS

FISCAL 2010 COMPARED TO FISCAL 2009

Income from Operations

Operational income comprises of income from sale of various pharmaceutical products like Tablets, Injections, Dry Syrups etc and other income. Operational Revenues was Rs. 4545.30 Lacs during the fiscal ended 2010 as compared to Rs. 4383.16 Lacs in the fiscal ended 2009. This amounts to an increase of 3.70% in sales. The other income of the company increased from Rs.4.15 Lacs to Rs 14.51 Lacs. There was no major increase in sales as we decided to concentrate on more products/companies which offered more margins.

Expenditure

Raw material consumption

Since there was no change in the volume of the business, there was not much change in the raw material consumed The raw material consumption decreased from Rs.3354.80 Lacs in 2009 to Rs 3309.84 Lacs in FY 2010.This amount to reduction of 1.34% from previous year.

Staff cost & other related expenses

Our staff costs increased from Rs.164.67 Lacs in FY 2009 to Rs 209.80 Lacs in FY 2010, which amounts to 27% increase over previous year.The increase in employee cost was due to revision in the salary structure and some other related expenses.

Other Manufacturing expenses

Other manufacturing expenses comprise of electricity charges, Freight charges, Packing charges various tools and spares, depreciation etc. Other manufacturing expenses increased from Rs 206.80 Lacs in FY 2009 to Rs 218.01 Lacs in FY 2010, which amounts to increase by 5.42% from previous year.

Administration expenses

Administration expenses comprises of various office expenses like printing, stationary repair and maintenance of computers, vehicles and building, traveling expenses and other day to day office expenses. The administration expenses decrease from Rs 107.90 Lacs in FY 2009 to Rs 87.38 Lacs in FY 2010 .This amounts to decrease of 19.02 % and is due to rationalization of our operations.

Selling and other distribution expenses

The selling and distribution expenses increase from Rs 16.78 Lacs in FY 2009 to Rs 20.42 Lacs in FY 2010 which amounts to increase of 21.67%.

Interest and finance charges

Interest and finance charges decreased in FY 2010 to an amount of Rs 151.90 Lacs from an amount of Rs 211.24 Lacs in FY 2009.This amount to decrease of 28.09%.The reason of decrease in interest and finance charges are due to repayment of loans and reduction in Bank charges.

Profit after Tax

Profit after tax in the FY 2010 was Rs. 519.57 Lacs as compared to Rs.296.06 Lacs in FY 2009.This amount to increase of 75.49% in FY 2010.The increase in PAT is due to increase in revenue from products offering higher profitable margins and reduction in cost.

FISCAL 2009 COMPARED TO FISCAL 2008**Income from Operations**

Operational income comprises of income from sale of various pharmaceutical products like Tablets, Injections, Dry Syrups etc and other income. Operational Revenues was Rs. 4383.16 Lacs during FY 2009 as compared to Rs. 2854.23 Lacs in FY 2008. This amount to the increase of 53.57% increase in sales. The other income of the company increased from Rs.0.13 Lacs to Rs 4.14 Lacs. The increase in sales is due to increase in the number of orders from existing and new customers.

Expenditure**Raw material consumption**

The raw material cost increased from Rs.1886.10 Lacs in FY 2008 to Rs 3354.80 Lacs in FY 2009.This amount to increase of 77.87%.The increase in total raw material cost was due to increase in the volume of the business and the increase in prices of raw material during the year. The cost of Raw Material increased from 66.08% of sales in FY 2008 to 76.54% of sales in FY 2009.

Staff cost & other related expenses

There is marginal decrease in the Employee compensation and related expenses. This cost is decreased from Rs.167.15 Lacs in FY 2008 to Rs 164.67 Lacs in FY 2009 which amounts to decrease of 1.48%.

Other Manufacturing expenses

Other manufacturing expenses comprise of electricity charges, Freight charges, Packing charges various tools and spares etc. Other manufacturing expenses increased from 176.65Lacs in FY 2008 to Rs 206.80 Lacs in FY 2009 which amounts to increase of 17.07 %, which is due to increased sales.

Administration expenses

Administration expenses comprises of various office expenses like printing, stationary repair and maintenance of computers, vehicles and building, traveling expenses and other day to day office expenses. The administration expenses increase from Rs 96.32 Lacs in FY 2008 to Rs 107.90 Lacs in FY 2009 .This amounts to increase of 12.02 % which is due to increased sales.

Selling and other distribution expenses

The selling and distribution expenses decrease from Rs 24.52 Lacs in FY 2008 to Rs 16.78 Lacs in FY 2009 which amounts to decrease of 31.57%. The company stepped up direct marketing efforts to reduce this cost.

Interest and finance charges

Interest and finance charges increased in FY 2009 to an amount of Rs 211.24 Lacs from an amount of Rs 114.48 Lacs in FY 2008.This amount to increase of 84.52%.The reason of increase in interest and finance charges are due to increase in bank charges, increase in vehicle loan interest and increase in interest cost on borrowings due to the increase in the loan taken in FY 2009. There was increase in Term Loan, vehicle loan and working capital loan in FY 2009 to support increased activities.

Profit after Tax

Profit after tax in the FY 2009 was Rs. 296.06 Lacs as compared to Rs.358.01 Lacs in FY 2008.This amount to decrease of 17.30 % in FY 2009.The decrease in PAT was due to increase in raw material cost in FY 2009. The cost of Since Raw material cost is app. 74% of the total sales.

FISCAL 2008 COMPARED TO FISCAL 2007

Income from Operations

Operational income comprises of income from sale of various pharmaceutical products like Tablets, Injections, Dry Syrups etc and other income. Operational Revenues was Rs. 2381.31 Lacs during the fiscal ended 2007 as compared to Rs. 2854.23 Lacs in the fiscal ended 2008. This amount to the increase of 19.86% increase in sales. The other income of the company decreased from Rs.3.53Lacs to Rs 0.13 Lacs. The increase in sales is due to increase in the number of orders from existing and new customers.

Expenditure

Raw material consumption

The raw material cost was increased from Rs. 1776.49 Lacs in FY 2007 to Rs 1886.10 Lacs in FY 2008.This amount to increase of 6.17%. The increase in raw material cost was due to increase in the volume of the business.

Staff cost & other related expenses

There is increase in the Employee compensation and other related expenses. This cost was increased from Rs.121.57 Lacs in FY 2007 to Rs 167.15 Lacs in FY 2008 which amounts to increase of 37.49 %. This was necessitated to improve production and incentivize the structure.

Other Manufacturing expenses

Other manufacturing expenses comprise of electricity charges, Freight charges, Packing charges various tools and spares, depreciation etc. Other manufacturing expenses increased from 170.24 Lacs in FY 2007 to Rs 176.65 Lacs in FY 2008 which amounts to increase of 3.77 %. This was in line with increased activity / sales during the year. However, the average manufacturing expenses reduced from 7.15% of sales in FY 2007 to 6.19% of sales in FY 2008.

Administration expenses

Administration expenses comprises of various office expenses like printing, stationary repair and maintenance of computers, vehicles and building, traveling expenses and other day to day office expenses. The administration expenses increase from Rs 79.10 Lacs in FY 2007 to Rs 96.32 Lacs in FY 2008 .This amounts to increase of 21.77 %

Selling and other distribution expenses

The selling and distribution expenses increase from Rs 18.14 Lacs in FY 2007 to Rs 24.52 Lacs in FY 2008 which amounts to increase of 35.17%. This increase is in line with the increase in sales.

Interest and finance charges

Interest and finance charges increased in FY 2008 to an amount of Rs 114.48 Lacs from an amount of Rs 74.33 Lacs in FY 2007.This amount to increase of 54.02 %.The reason of increase in interest and finance charges are due to increase in bank charges, increase in vehicle loan interest, and increase in interest cost and due to additional loan taken in FY 2008. There was increase in vehicle loan and working capital loan in FY 2008.

Profit after Tax

Profit after tax in the FY 2008 was Rs. 358.01 Lacs as compared to Rs.112.49 Lacs in FY 2007.This amount to increase of 218.26 % in FY 2008 as compared to FY 2007.The increase in PAT was due to increase in Sales.

Related Party Transactions

For information on Related Party Transactions, please refer “Annexure XV” beginning on page 188 under Chapter titled “Auditors’ Report and Financial Information of our Company” beginning on page 166 of the Draft Red Herring Prospectus.

Financial Market Risks

We are exposed to financial market risks from changes in borrowing costs, interest rates and inflation.

Interest Rate Risk

Our interest rate risk results from changes in interest rates, which may affect our finance expenses. We bear interest rate risk with respect to the debts, which we have for the FY ended March 31, 2010 and for half year ended September 30, 2010, since the interest rates could fluctuate in the near future. Any rise in interest rates would result in higher interest bearing debts.

Exchange Rate Risk

Changes in currency exchange rates may influence our results of operations. We report results in our financial statements in Indian Rupee. The exchange rate between the Indian Rupee and other foreign currencies has changed substantially in recent years and may continue to fluctuate significantly in the future.

Effect of Inflation

We are affected by inflation as it has an impact on the operating cost, staff costs, fuel cost etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

FACTORS THAT MAY AFFECT THE RESULTS OF THE OPERATIONS:

- 1. Unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc..**

There have been no unusual or infrequent events or transactions that have taken place.

- 2. Significant economic changes that materially affected or are likely to affect income from continuing operations.**

There are no significant economic changes that may materially affect or likely to affect income from continuing operations.

- 3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.**

Apart from the risks as disclosed under Section titled “Risk Factors” beginning on page 14 in the Draft Red Herring Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

- 4. Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known.**

Our Company’s future costs and revenues will be determined by demand/supply situation, government policies and prices quoted by other manufactures.

- 5. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.**

Increases in revenues are by and large linked to increases in volume of business.

6. Total turnover of each major industry segment in which the issuer company operated.

For details on the total size & growth of formulation industry, please refer to Chapter titled “Industry Overview” beginning on page 90 of the Draft Red Herring Prospectus.

7. Status of any publicly announced new products or business segment.

Our Company has not announced any new product and segment, other than through the Draft Red Herring Prospectus.

8. The extent to which business is seasonal.

Our Company’s business is not seasonal in nature.

9. Any significant dependence on a single or few suppliers or customers.

The percentage of revenues derived from our Company's top 10 customers is substantial as per the details given hereunder:

Particulars	2009-10	2008-09	2007-08	2006-07
Top10 Customers	65.53%	64.08%	48.95%	79.79%

10. Competitive conditions.

Competitive conditions are as described under the Chapters titled “Industry Overview” and “Business Overview” beginning on pages 90 and 105 respectively of the Draft Red Herring Prospectus.

SECTION VIII – LEGAL AND OTHER REGULATORY INFORMATION

OUTSTANDING LITIGATIONS, MATERIAL DEVELOPMENTS AND OTHER DISCLOSURES

Contingent liabilities not provided for:

The contingent liabilities not provided for as on September 30, 2010 are as follows:

Particulars	Amount in Lacs
Unexpired Letter of Credits	USD 5.34
Total	USD 5.34

Outstanding Litigations involving Brooks Laboratories Limited:

We certify that except as stated herein there are no:

- Pending litigations against the company.
- Outstanding litigations, defaults etc pertaining to matter likely to affect operations and finances of the company including prosecution under the Companies Act 1956 (1 of 1956).
- Such cases of pending litigations, defaults etc in respect of Companies/firms/ventures with which the promoters were associated in the past but are no longer associated, and their names continue to be associated with particular litigation.
- Disciplinary action/ investigation has been taken by Securities and Exchange Board of India(SEBI)/ Stock Exchanges against the Company, its directors , promoters and their other business ventures (irrespective of the fact whether or not they fall under the purview of section 370(1B) of the Companies Act 1956.
- Cases against the Company or its Promoters of economic offences in which penalties were imposed on promoters.
- Pending litigation, disputes, defaults, non-payment of statutory dues, proceedings initiated for offences (including past cases and irrespective of whether specified in paragraph (i) of part 1 of Schedule XIII of the Companies Act, 1956) against the promoters and there business ventures.
- Pending litigations, defaults, non-payment of Statutory dues, proceedings initiated for economic offences/civil offences, any disciplinary action taken by the Board /Stock Exchanges against the Company/Promoters and their business ventures/Directors other than those mentioned in this Prospectus and that no litigations have arisen and the Company and its Directors take full responsibility of the information mentioned in the Prospectus.
- The name(s) of the small scale undertaking(s) or any other creditors to whom our Company owes a sum exceeding Rs. one lakh which is outstanding for more than thirty days.
- Further,

- i. neither our Company nor our Promoters, Subsidiaries, members of our Promoter Group, Group Companies and entities, and Directors, have been declared as willful defaulters by the RBI or any other governmental authority and,
- ii. except as disclosed in this section, there are no violations of securities laws committed by them or penalties imposed on them there under in the past or pending against them, and adverse findings regarding compliance with securities laws.

This Chapter has been divided into eight parts:

- A.** Litigation involving our Company
- B.** Litigation involving Our Directors and Promoters
- C.** Litigation related to entities closed in last 3 years.
- D.** Penalties imposed in past cases for the last five years.
- E.** Outstanding dues to small scale undertaking(s) or any other creditors
- F.** Outstanding Litigation against other companies whose outcome could have an adverse effect on our Company
- G.** Adverse findings against any persons/entities connected with our Company as regards noncompliance with securities laws
- H.** Amounts owed to Small Scale Undertakings

A. Litigation involving our Company

I. Litigation filed against our Company

1. Compounding of Offences : Nil
2. Pertaining to Drugs and Cosmetics Act, 1940

Cases against our Company

1. Government Analyst report bearing number M/2179/2009 dated November 18, 2009

Our Company received a Government Analyst report bearing number M/2179/2009 dated November 18, 2009 stating that certain drugs namely, MPOX-CV Dry Syrup, Batch No. BDS081102 was not of standard quality as per the Drugs and Cosmetics Act, 1940 and rules there under. Our Company received a Notice No. AR/PBM/1548-09/1 dated November 26, 2009 from Mr.P.B Mundada, Drug Inspector, in the Office of Joint Commissioner (Kokan Division), Food & Drug Administration (M.S.), Thane, Maharashtra asking our company to stop sale of the batch in question and recall the supplies already made.

Vide a letter no.BLL/HR/2009-10/ dated December 07, 2009 we have written to M/s Hetero Healthcare Ltd., Mumbai (Marketing Company) to withdraw the whole unsold quantity of drugs supplied under the batch in question from the market and send the same back to our Company..

And further, vide a letter no.BLL/HR/2009-10/308 dated December 14, 2009 we sent the certified copies of documents that were called for by the Drug Inspector, Food & Drug Administration, (MS), Thane.

Our Company received a Show Cause notice No. HFW – H (Drugs) 7/91 (Vol.-IX) dated February 18, 2010 from the Assistant Drugs Controller, Licensing Authority – Cum – Controlling Authority HP Baddi asking our company to stop sale of the batch in question and recall the supplies already made.

Vide our letter no.BLL/HR/2009-10/387 dated March 20, 2010 our Company submitted the reply and provided the requested documents and subsequently vide a letter No. BLL/HR/2010-11/9 dated April 8, 2010 submitted further arguments in this regards and refuting the charges levied on us.

Thereafter our Company received a Notice No. O.W.NO. 1037/2010 dated April 01, 2010 from Hon'ble Chief Judicial Magistrate Court, Thane intimating us of an application no O.M.A. NO. 90/2010 filled by Mr. P. B. Mundada, Drug Inspector in the Court of Hon'ble Chief Judicial Magistrate Court, Thane on March 29, 2010 and asking us to remain present personally to file our say on the said application on April 12, 2010.

We have vide our letter no.BLL/HR/2009-10/19 dated April 19, 2010 requested the Hon'ble Chief Judicial Magistrate to give future date for personal appearance as we did not receive the above Notice No. O.W.NO. 1037/2010 dated April 16, 2010 on time.

We have not received any further communication from any of the relevant authorities in this regard.

We have requested the dealers to withdraw the unsold stocks of the drugs supplied under above referred batch. The exact amount involved in the matter is not quantifiable. However, if the product is found to be of substandard quality, it may lead to various prosecution, penalties & Conviction.

2. Government Analyst report bearing number M/ 3354/2009 dated September 29, 2009

Our Company received a Notice No.SNQ/SNS/549/2009/2 dated November 21, 2009, under section 23(4)(iii)/ 25(2) & 18B of Drugs & Cosmetics Act 1940, from Mr.S.N.Sale, Drug Inspector, Food & Drugs Administration (M.S.),Dhule enclosing a Government Analyst report bearing number M/3354/2009 dated September 29, 2009 for Batch no. FDS 8061, stating that certain drugs namely, Amoxycillin and Potassium Clavulanate Oral Suspension IP/ Forticlav Dry Syrup, Batch No. FDS 8061 was not of standard quality as per the Drugs and Cosmetics Act, 1940 and rules there under and called for certain documents in this regards.

Our Company vide a letter no.BLL/HR/2009-10/287 dated November 26, 2009 submitted the requested documents to the office of Drug Inspector and vide a letter No. BLL/HR/2009-10/281 dated November 21, 2009 wrote to M/s Sanat Products Ltd., to withdraw the whole unsold quantity of the above referred batch from the market and send the same back to us.

In the meantime, our Company decided to adduce evidence in controversion of the report and requested The Drug Inspector vide a letter No. BLL/ HR/2009-10/294 dated December 2, 2009, to send the Sample at CDL, Calcutta through Hon'ble Court for reanalysis.

The Drug Inspector, Food & Drugs Administration(M.S.), Dhule has filled a Case No. SCCC-688/2010 in the Court of Hon'ble Chief Judicial Magistrate, Dhule. Last hearing of the case was on October 8, 2010. The next date of the case is fixed on November 29, 2010 for a personal appearance of our Directors & Manufacturing Chemist.

The exact amount involved in the matter is not quantifiable. However, if the product is found to be of substandard quality, it may lead to various prosecution, penalties & Conviction.

3. Government Analyst report bearing number M/528/2009 dated May 28, 2009

Our Company received a Government Analyst report bearing number M/528/2009 dated May 28, 2009 stating that certain drugs namely, Forticlav Dry Syrup, Batch No. FDS 8065 was not of standard quality as per the Drugs and Cosmetics Act, 1940 and rules there under. Our Company received a Notice No. NSTD/MKR/618-09/4 dated August 14, 2009 from The Office of Joint Commissioner (Kokan Division), Food & Drug Administration (M.S.), Thane, Maharashtra declaring that the said sample is not of standard quality.

Our Company further received an Office Order No. HFW – H (Drugs) 7/91 (Vol.-IX) dated August 17, 2009 from the Assistant Drugs Controller, Licensing Authority – Cum – Controlling Authority HP Baddi suspending the license of said product for six months commencing from August 24, 2009 to February 23, 2010.

Further, vide a letter no.BLL/HR/2009-10/209 dated September 17, 2009 we replied to Mr. M.N.Rajpal, Drug Inspector, Food & Drug Administration, (MS), Thane, Maharashtra, that we intend to adduce evidence in controversion of the report requesting to send the sample at CDL Calcutta for reanalysis.

Our Company received a Letter No. NSTD/MKR/792-09/4 dated September 30, 2009 from the Drug Inspector, Food and Drug Administration (MS), Thane, Maharashtra stating that reference to the above reply, O.M.A. No. 261/2009 was submitted in the Hon'ble Court of Chief Judicial Magistrate, Thane Court, Thane on September 24, 2009 and directing us to attend the Hon'ble Court on the next date of Hearing which was on October 14, 2009.

Our Company further received a Notice No. O.W.NO. 2905/2009 dated November 06, 2009 from the Assistant Supdt, Chief Court, Thane informing to be present personally to file a reply on the said application on November 25, 2009.

We have not received any further communication from any of the relevant authorities in this regard.

We have requested the dealers to withdraw the unsold stocks of the drugs supplied under above referred batch. The exact amount involved in the matter is not quantifiable. However, if the product is found to be of substandard quality, it may lead to various prosecution, penalties & Conviction.

3. Revenue cases

- Service Tax : Nil
- Income Tax :

1. Notice No. Nil dated September 03, 2010 u/s 143(2) of the Income Tax Act, 1956 by Income Tax Officer, Ward-4, Panchkula for queries in connection with the return of income.

Our Company has been issued a Notice under Section 143(2) of the Income Tax Act, 1962 ("IT Act") for the assessment year 2009-10 from Income Tax Officer, Ward-4, Panchkula. The said notice is for queries in connection with the return of income and also informing to be present personally on September 21, 2009.

Our company has appointed our Auditors M/s J.K.Jain & Associates as counsel vide a Power Of Attorney to attend the matter. Mr.Harish Dua on behalf of our Auditor attended the hearing on 4th October 2010.The Income Tax Officer has asked for some additional information, clarifications and documents. We are yet to submit the same

The amount involved in the matter cannot be quantifiable.

- Sales Tax / VAT: Nil
- Central Excise & Customs Department: Nil
- 4. Criminal Cases : Nil
- 5. Civil Cases : Nil
- 6. Labour Laws: Nil
- 7. Consumer Complaints : Nil
- 8. Notices issued to our Company from ROC authorities under the Companies Act: Nil

II. Cases filed by our Company

1. Revenue cases
 - Service Tax : Nil
 - Income Tax : Nil
 - Sales Tax / VAT: Nil
 - Central Excise & Customs Department: Nil
2. Criminal Cases : Nil
3. Civil Cases : Nil
4. Consumer Complaints : Nil
5. Notices issued : Nil
9. Labour Laws: Nil
6. Arbitration Disputes : Nil

III. Potential litigation against our Company

Legal notice from M/s ICMC Corporation

Our Company has received legal notice from one of our customer M/s ICMC Corporation, Adinanth Food Industries Compound, Village Bagbania, The Nalagarh, Distt Solan, The notice is for supply of substandard products.

Our Company vide a letter dated February 25, 2010 denied the contents of the said Legal Notice.

There is no further correspondence in the matter. This notice may give rise to prospective litigation

IV. Disciplinary action taken by SEBI or stock exchanges against our Company

There is no disciplinary action taken by SEBI or stock exchanges against our Company.

V. Adverse findings against our Company as regards noncompliance with securities laws

There are no adverse findings involving our Company as regards noncompliance with securities law.

VI. Past Litigations against our Company

Cases related to Income Tax

1. **Show Cause Notice for the financial year 2008-09 for default u/s 201(1) /206 C (7) of Income Tax Act 1961 issued by Income Tax Officer (TDS-I), C.R.Building, Sector -17, Chandigarh.**

Our Company was issued a Show Cause Notice for default u/s 201(1) /206 C (7) of Income Tax Act, 1962 ("IT Act") and after due proceedings a demand for Rs. 1886/- vide Demand Letter no.3864 dated December 03,2009, for short payment towards TDS and Interest was raised. Our Company paid a sum of Rs. 1886/- vide challan no. 0004 dated 12/12/2009.

2. For non-deduction of Fringe Benefit Tax (FBT) in the Assessment Year 2007-08 Notice No. Nil dated 26/09/2008 u/s 115 WE (2) of the Income Tax Act, 1961 by Dy. Commissioner Of Income Tax, Circle 6(1), Chandigarh at Mohali.

Our Company was issued a Notice u/s 115 WE (2) of the Income Tax Act, 1962 ("IT Act"), by Dy. Commissioner Of Income Tax, Circle 6(1), Chandigarh at Mohali for non-deduction of FBT. Subsequently the case was selected for Scrutiny under the compulsory Scrutiny as per CBDT, s direction for Income Tax.

After due proceedings the Income Tax department had finally assessed the Income for AY 2007-08 and a total of Rs.2,68,004/- was charges as FBT including Surcharge, Education Cess and Interest vide an Assessment Order dated 29/12/2009. Out the above a sum of Rs. 2,42,629/- was charged u/s 115WE(1) and the balance of Rs. 25375/- was paid by us.

3. Notice No. Nil dated 26/09/2008 u/s 143(2) of the Income Tax Act, 1956 by Dy. Commissioner Of Income Tax, Circle 6(1), Chandigarh at Mohali for Assessment Year 2007-08.

Our Company was issued a Notice under Section 143 (2) of the Income Tax Act, 1962 ("IT Act") for the assessment year 2007-08, by Dy. Commissioner Of Income Tax, Circle 6(1), Chandigarh at Mohali. The case was selected for compulsory Scrutiny as per Board's Guideline for the year.

After due proceedings the Income Tax department had finally assessed the Income for Assessment Year 2007-08 under section 143(3) of Income Tax Act 1961 and assessed a total Tax, including Surcharge & Education Cess, of Rs.13,30,154/-. vide an Assessment Order dated 29/12/2009. Our Company had paid a Self-Assessment Tax/ Advance Tax of Rs. 13,61,143/-. (More than the final demand raised). Therefore, no additional demand was raised.

Cases related to Sales Tax / VAT

1. Notice from the Excise & Taxation, Nalagarh Distt, Solan, HP.

Our Company was issued a Notice for the assessment year 2006-07 by Assessing Officer, Excise & Taxation, Nalagarh, Distt, Solan, HP. The said notice was for assessment of Central Sales Tax and verification of records.

After due proceedings, the Assessing Officer, Excise & Taxation, Nalagarh Distt, Solan, HP passed an Assessment Order on February 25, 2009. No additional demand was raised.

B. Litigation involving Our Directors and Promoters

1. Compounding of Offences : Nil
2. Pertaining to Drugs and Cosmetics Act, 1940.
3. Revenue cases ; Nil
 - Service Tax : Nil
 - Income Tax : Nil
 - Sales Tax / VAT:Nil
 - Central Excise & Customs Department :Nil

4. Criminal Cases : Nil
5. Civil Cases : Nil
6. Labour Laws: Nil
7. Consumer Complaints : Nil
8. Notices issued to our Company from ROC authorities under the Companies Act: Nil

There are no outstanding litigations, disputes, non-payment of statutory dues, overdues to banks / financial institutions, defaults against banks / financial institutions, defaults in dues towards instrument holders like debenture holders, fixed deposits, and arrears on cumulative preference shares issued, defaults in creation of full security as per terms of issue, other liabilities, proceedings initiated for economic / civil / any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of Part I of Schedule XIII of the Companies Act, 1956) against the promoters and director of our Company.

C. Litigation related to entities closed in last 3 years.

There are no outstanding litigations, disputes, non-payment of statutory dues, overdues to banks / financial institutions, defaults against banks / financial institutions, defaults in dues towards instrument holders like debenture holders, fixed deposits, and arrears on cumulative preference shares issued, defaults in creation of full security as per terms of issue, other liabilities, proceedings initiated for economic / civil / any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of Part I of Schedule XIII of the Companies Act, 1956) against the Companies, Firms, Concerns & entities promoted by our promoters, promoter group, directors or by us and closed in last 3 years.

D. Penalties imposed in past cases for the last five years.

There are no penalties which have been levied on our Company, Promoters, Directors or Promoter Group in last five years.

E. Outstanding dues to small scale undertaking(s) or any other creditors

There are no outstanding dues above Rs. 100,000 to small scale undertaking(s) or any other creditors by our Company, for more than 30 days.

F. Outstanding Litigation against other companies whose outcome could have an adverse effect on our Company

There is no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, prosecution under any enactment in respect of Schedule XIII of the Companies Act, show cause notices or legal notices pending against any company whose outcome could affect the operation or finances of our Company or have a material adverse effect on the position of our Company.

G. Adverse findings against any persons/entities connected with our Company as regards noncompliance with securities laws

There are no adverse findings involving any persons/entities connected with our Company as regards non compliance with securities law.

H. Amounts owed to Small Scale Undertakings

There are no outstanding dues above Rs. 100,000 to small scale undertaking(s) or any other creditors by our Company, for more than 30 days.

Material Developments occurring after the last Balance Sheet date

Except as disclosed in the Section titled **“Management’s Discussion and Analysis of Financial Condition and Results of Operations,”** on page 196 ,there have been no material developments as regards litigation after the date of the last Balance Sheet.

Adverse Events

Except as disclosed in the Section titled **“Management’s Discussion and Analysis of Financial Condition and Results of Operations,”** on page 196 there have been no adverse events affecting the operations of our Company, occurring within one year prior to the date of filing of the Draft Red Herring Prospectus with SEBI.

GOVERNMENT AND OTHER STATUTORY APPROVALS

Except for pending approvals mentioned under this heading, our Company has received the necessary material consents, licenses, permissions and approvals from the Government and various Government agencies required for our present business and carrying on our business activities. Further, except as mentioned herein below, our Company has not yet applied for any licenses, consents, permissions and approvals for the proposed activities as contained in the *Section titled “Objects of the Issue” beginning on page 68 of the Draft Red Herring Prospectus*. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf.

I. GENERAL

1. Certificate of Incorporation bearing No. 24910 of 2002 issued to our Company, bearing the name ‘Brooks Laboratories Limited’ dated January 23, 2002 and bearing Corporate Identity Number U24232PB2002PLC024910 issued by the Registrar of Companies, Punjab, H.P. & Chandigarh, at Jalandhar, under the Companies Act, 1956.
 2. Certificate of Commencement of Business bearing No. 24910 of 2002 issued to our Company, bearing the name ‘Brooks Laboratories Limited’ dated February 19, 2002 issued by the Registrar of Companies, Punjab, H.P. & Chandigarh at Jalandhar, under the Companies Act, 1956.
- A. Our Company’s Service Tax Code Number is AACCB5316PST001.
- B. Our Company’s TAN (Tax Deduction Account Number) under the IT Act is PTLB12185F.
- C. Our Company’s PAN (Permanent Account Number) under the IT Act is AACCB5316P.
- D. Our Company’s TIN (Tax-Payer’s Identification Number) under the HP Value Added Tax Act is 02030300754.
- E. Certificate of Registration bearing no. No. Sol. 9217 dated July 02, 2008 issued to our Company by Central Sales Tax Officer, Nalagarh, Distt Solan, H.P. under sub-section (1) of section 5 of the Central State Tax.
- F. Certificate of Registration bearing no. No. Sol-III 9174 dated July 02, 2008 issued to our Company by Assessing Authority Nalagarh, Distt Solan, H.P. under Rule 6 of the Himachal Pradesh General Sales Tax Rules, 1969.
- G. Certificate of Registration bearing No. AACCB5316PXM001 dated January 27, 2009 issued to our Company by Assistant Commissioner, Central Excise Division, Shimla, H.P. under Rule 9 of the Central Excise Rules, 2002.

Industrial Approvals

- a) Certificate No. Ind/Dev/F (14)-EC/166/2004 dated 8th February, 2005 issued by Directorate of Industries, Government of Himachal Pradesh for recommending the requirement of land for setting up an Industrial unit for the manufacture of Pharmaceutical Formulations such as Tablets, Capsules,

Injectables, Ointments, Oral Liquids, etc.

- b) Certificate cum Approval under section 118(2)(h) dated April 27, 2005 for purchase of Land for Setting up of an Industrial Undertaking issued by Rajasva Vibhag, Government of Himachal Pradesh.

Factory Licence

- a. Licence No. (L&E(Fac)9-344/06, Sr. No. 2896) dated July, 2007 is sued to our Company for use of Factory employing not more than 280 persons on any one day during the year and using motive power not exceeding 542 HP, issued by Inspector of Factories, Himachal Pradesh Government Labour Department, valid till December 31, 2010
- b. Certificate dated 03.10.2010 by Power Tracks (Industrial Safety Division), for report on examination of Pressure vessel used for distillation process. Next Testing is due on April 02, 2011.

Environmental

- a. Certificate of Authorization bearing No. N-061/08 dated January 07, 2009 for operating a facility for generation and storage of Hazardous Waste issued by Himachal Pradesh State Pollution Control Board, under the The Hazardous Wastes (Management and Handling and Transboundary Movement) Rules, 1989 valid till March 31, 2013.

Export / Import

- a) Certificate of Importer – Exporter Code bearing IEC No. 2206002990 dated October 16, 2006 granted by Joint DGFT, Ministry of Commerce, Government of India.
- b) Import Licence Issued by Assistant Drugs Controller (India), The Drugs Controller (India), Directorate General of Health Services, Kotla Road, New Delhi. Details of Form 10 under licence to import drugs (excluding those specified in schedule X) to the Drugs & Cosmetics Rules, 1945 are as follows:

Licence No.	Products Imported	Valid From	Valid Till
BD-426-16929	Potassium Clavulanate BP/USP (Clavulanate Potassium - Syloid, Mixture 1:1), Potassium Clavulanate BP/USP (Clavulanate Potassium Avicel, Mixture 1:1, Amoxicillin Sodium with Potassium Clavulanate Mixture Sterile (5:1)	June 7, 2010	May 31,2013
BD-772-16928	Imipenen and Cilastatin Sodium for Injection (Bulk) (Sterile) IP	June 7, 2010	January 31,2012
BD-266-15076	Tazobactam Sodium and Piperacillin Sodium(1:8) Sterile. Tazobactam Sodium Sterile.	August 26,2009	August 31,2012
BD-742-16407	Amikacin Sulphate EP/BP/USP/IP	March 29, 2010	August 31,2011
BD-59-13052	Clavulanate Potassium + Avicel, Clavulanate Potassium + Syloid, Clavulanate Potassium Sterile + Amoxicillin Sodium Sterile	January 01, 2009	December 31, .2011

- c) Certificate of Registration cum Membership bearing no. No. PXL/SSM/I/4780/2008-09 dated

December 16, 2008 issued to our Company by Chairman of Pharmaceuticals Export Promotion Council (PHARMEXCIL) (Setup by Ministry of Commerce & Industry, Govt. of India), Hyderabad, India.

Infrastructure Approvals

- (a) Certificate cum Approval bearing No. HPSEB/ESDN-II/C-Case/2006-07-2151-52, dated January 02, 2007 for commissioning of 400 KW transformer and allied equipments issued by the Assistant Executive Engineer, Electrical Sub Division No-II, Himachal Pradesh State Electricity Board, Nalagarh, H.P.
- (b) Certificate cum Approval bearing No. 0134545, dated May 22, 2009 for further addition of 250 KW transformer and allied equipments issued by the Assistant Executive Engineer, Electrical Sub Division No-II, Himachal Pradesh State Electricity Board, Nalagarh, H.P.

Fire Safety Certificate

- (a) Certificate No. 3183-85 dated March 10, 2010 by Chief Fire Officer for satisfactory first aid fire safety measures in the factory premises and training to employees for the same.

Certification of WHO cGMP

Certificate bearing No. HFW-H [Drugs] 495/05 dated April 20, 2010, for cGMP issued by Assistant Drugs Controller, Department of Health & Family Welfare, H.P. under WHO recommendation, valid till April 09, 2011.

Drug Manufacturing Licences

- a) Licence No. MNB/06/299 dated April 10, 2006 issued to our Company for Manufacture of drugs other than those specified in Schedule C & C (1) to the Drugs and Cosmetics Rules, 1945 valid till April 2011.
- b) Licence No. MNB/06/300 dated April 10, 2006 issued to our Company for Manufacture of drugs specified in Schedule C & C (1) [Excluding those specified in Schedule X] to the Drugs and Cosmetics Rules, 1945 valid till April 2011.

[In terms of the above licenses, we are required to obtain specific approvals of each and every medicine that is covered under these licenses and manufactured at our unit at Baddi.]

Certificate of Pharmaceutical Product

COPP Certificate of Pharmaceutical Product issued by the Assistant Drugs Controller, Licensing Cum Controlling Authority, Baddi, District Solan, HP as per the format recommended by WHO. Details are as follows:

Sr No	Certificate No	Tablet/Syrup	Date of Issue	Issuing Authority	Valid Till
1	(No. HFW - H[Drugs] 495/05)	ANATE KT DT Tablet 228.5mg	April 27, 2010	Licensing Cum Controlling Authority, Baddi, District Solan, HP	April 9, 2011
2	(No. HFW - H[Drugs] 495/05)	ANATE 1.0 gm	July 1, 2010	Licensing Cum Controlling Authority, Baddi, District Solan, HP	April 9, 2011
3	(No. HFW - H[Drugs] 495/05)	ANATE 375 mg	April 27, 2010	Licensing Cum Controlling Authority, Baddi, District Solan, HP	April 9, 2011
4	(No. HFW - H[Drugs] 495/05)	ANATE Dry Syrup [228.5 mg/5 ml]	April 27, 2010	Licensing Cum Controlling Authority, Baddi, District Solan, HP	April 9, 2011
5	(No. HFW - H[Drugs] 495/05)	AMOXYLACE 625 mg	July 6, 2010	Licensing Cum Controlling Authority, Baddi, District Solan, HP	April 9, 2011
6	(No. HFW - H[Drugs] 495/05)	AMOXYLACE Dry Syrup [228.5 mg/5 ml]	July 6, 2010	Licensing Cum Controlling Authority, Baddi, District Solan, HP	April 9, 2011

Approvals under Weights & Measurements Act

- Certificate bearing receipt No. 0302471 and 258939 dated May 03, 2010 for three weighing machines of various capacities, under the Weights and Measurements Act, issued by the Rajakiya Mudranalaya, HP, valid until May 02, 2011.
- Certificate bearing receipt No. 0303751 and 0297519 dated August 30, 2010 for nine weighing machines of various capacities, under the Weights and Measurements Act, issued by the Rajakiya Mudranalaya, HP, valid until August 30, 2011.
- Certificate bearing receipt No. 0304781 and 0297549 dated September 08, 2010 for twelve weighing machines of various capacities, under the Weights and Measurements Act, issued by the Rajakiya Mudranalaya, HP, valid until September 07, 2011.

Employee / Labour / Commercial Licenses

- Certificate of Registration bearing No. HP.14-43408-34/1626 dated February 22, 2007 issued to our Company by Regional Director, Employees' State Insurance Corporation, (ESIC), Parwanoo (H.P).

- b) Certification of Standing Orders of No. L&E (Lab) 5-1/2007(S.O.) books dated June 23, 2010 issued to our Company by the Joint Labour Commissioner-cum-Certifying Officer, H.P. under the Industrial Employment (Standing Orders) Act, 1946
- c) Certificate of Registration bearing No. L.O.(Baddi)CLA -P.E-93/2007 dated September 14, 2007 issued to our Company by the Registering Officer, Labour Department, Government of Himachal Pradesh, approving M/s Anand Contractor for supply of upto 15 labour for Loading/Unloading, under Sub – section(2),Section 7of the Contract Labour (Regulation and Abolition)Act, 1970.
- d) Certificate of Registration bearing No. PN/SM/Gov/HP/5166 Enf.1/6509/177 dated September 06, 2006 granting code number HP/5166 issued to our Company by the Assistant Provident Fund Commissioner, under the EPF Act, 1952 for the purpose of making compliance with the various provisions of the EPF & Misc.Provisions Act, 1952 and the Schemes framed there under.
- e) Approval bearing No.02/009/1/2/70204, dated January 06, 2009 issued by Department of Industries, Single Window Clearance Agency, Government of Himachal Pradesh, for registering the unit for manufacturing/assembling for sale Injections, Capsules & Tablets and certifying that 75% of the persons employed are bonafide Himachalies.

Others

Registration Certificate no. 760162457/COMMERCIAL-II/WARD PS DATED October 14, 2010 for office Establishment under Bombay Shops and Establishments Act, 1948 for our Mumbai office valid till December 31, 2012.

II. QUALITY CERTIFICATIONS

- a) **ISO:** ISO 9001; 2008 bearing Certificate No. 41163/A/0001/UK/En dated July 27, 2010 issued to our Company by UKAS Quality Management, URS & IAF, UK valid till July 26, 2013.
- b) **Certification of WHO cGMP** bearing No. HFW-H [Drugs] 495/05 dated April 20, 2010, for WHO cGMP issued by Assistant Drugs Controller, Department of Health & Family Welfare, H.P. under WHO recommendation, valid till April 09, 2011.
- c) **Certification of GMP:** Certificate dated April 27, 2009, for GMP as laid down in Schedule M of the Drugs and Cosmetics Rules, issued by the Assistant Drugs Controller, Baddi, HP, valid till April 09, 2011.

III. APPLICATIONS PENDING RENEWAL

Our operations generate small quantities of effluents. We are required to obtain, and comply with the conditions of, consents to establish and operate our facilities, from the HP State Environment Protection & Pollution Control Board, regarding the emission and discharge of effluents in air and water.

We were granted consent which was subject to following of certain conditions as specified in Consent letter No. PCB(647) Brooks Laboratories/05-5481-84 dated March 27, 2006 by HP State Environment Protection & Pollution Control Board which was initially valid upto March 31,2006.. We have been complying with all the conditions specified by the Board in the

consent letters and from time to time by circulars and guidelines. We have received consents subsequently on yearly basis. Further, we have made an application dated March 30, 2009 to The Environmental Engineer, HP State Environment Protection & Pollution Control Board, Baddi for granting consent for the year 2009-10 to 2011-12 and have paid a fee of Rs. 60,165/- for the same. However, the final consent is still awaited.

Further, M/s. Shivalik Solid Waste Management Limited is providing us the services for the effluent treatment and waste management for our existing plant at Baddi. M/s. Shivalik Solid Waste Management Limited is an entity assigned by Himachal Pradesh State Pollution Control Board for the treatment and disposal of Hazardous Waste at Himachal Pradesh. We are also the member of this company which is a mandatory condition imposed by the government of Himachal for the companies availing the services from M/s. Shivalik Solid Waste Management Limited.

IV. MATERIAL LICENSES/APPROVALS FOR WHICH WE ARE YET TO APPLY

Nil

V. LIST OF APPROVALS NOT YET APPLIED FOR THE PROPOSED NEW PROJECT

Our Company has to apply for the following major/ material licenses, which will be applied in once the construction of the proposed project commences (for JB SEZ Project at Panoli, Gujarat):

Sr. No.	Name of License/ Approval/ Certificate	Issuing Authority	Reasons for not applying
1	Industrial Entrepreneurship Memorandum [IEM]	Secretariat for Industrial Approval [SIA], New Delhi	Company will apply for the licenses/approvals once the construction of the proposed project commences.
2	License to operate a factory under the Gujarat Factory Rules, 1963 and Factories Act, 1948	Chief Inspector of Factories, Gujarat.	
3	Weights and Measurement certificate under weights and Measurement office, Gujarat.	Inspector, Weights and Measurement, Ahmedabad, Gujarat.	
4	Drug manufacturing License under the Drugs and Cosmetics Rule 1945	Licensing Authority, Food & Drugs Administration, Gujarat.	
5	World Health Organization GMP Certificate.	Licensing Authority, Food & Drugs Administration, Gujarat on the recommendation of Drug Controller General of India.	
6	Excise Registration	Commissioner, Central Excise & Customs, Gujarat	

7	Consent to Operate-Water Pollution Clearance/ Approval	Gujarat Pollution Control Board, Gujarat.	
8	Consent to Operate-Air Pollution Clearance/ Approval	Gujarat Pollution Control Board. Gujarat.	
9	Permission for Installation of DG Set	Sub Engineer & Deputy Power Inspector, Gujarat.	
10	VAT Registration	Commercial Tax Officer.	
11	Approval for setting up unit in SEZ	Development Commissioner, Gujarat Special Economic Zone, Gujarat	

In-principle approvals from the BSE and the NSE

We have received in-principle approvals from the BSE and the NSE for the listing of our Equity Shares pursuant to letters dated [?], 2010 and [?], 2010, respectively. [?] is the Designated Stock Exchange.

Approvals from the Lenders

Pursuant to letter dated [?] 2010, the State Bank of India has given their consent to our Company to undertake the IPO.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The shareholders of our Company have approved this Issue under section 81 (1A) of the Companies Act, 1956 *vide* a Special Resolution passed at our Company's Extra Ordinary General Meeting held on October 30, 2010.

Prohibition by SEBI

Our Company, our Directors, our Promoters, the group companies, companies promoted by or Promoters and companies or entities with which our Company's Directors are associated as directors / Promoters / partners have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. The listing of any securities of our Company has never been refused at anytime by any of the Stock Exchanges in India. Our Company, our Promoters, their relatives, group companies and associate companies has, not been detained as willful defaulters by RBI/government authorities and there are no violations of securities laws committed by them in the past or 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, 2009 as explained under, with the eligibility criteria calculated in accordance with Restated Financial Statements:

- (a) Our Company has net tangible assets of at least Rs. 3 crores in each of the preceding 3 full years, of which not more than 50% are held as monetary assets.

(Rs. In Lacs)

Table 1 - Net Tangible Assets of at least Rs. 3 crores in each of the preceding 3 full years, of which no more than 50% are held as monetary assets					
Particulars	Year Ended March 31				
	2010	2009	2008	2007	2006
Fixed Assets (Net)	1938.02	1705.48	929.81	843.66	39.96
Current Assets, Loans & Advances	1787.21	1489.55	1657.03	650.81	7.39
Investments	2.00	2.00	0.00	0.00	0.00
Less: Current Liabilities & provisions	2372.14	2367.00	2055.49	1321.97	499.96
Net Tangible Assets*	1355.09	830.03	531.35	172.50	(452.00)
Monetary Assets	85.83	219.98	522.58	15.44	0.00

* Net tangible assets are defined as the sum of fixed assets (including capital work in progress and excluding revaluation reserves, if any), trade investments, current assets (excluding deferred tax assets) less current liabilities (including Cash Credit and excluding deferred tax liabilities and secured as well as unsecured long term liabilities). Monetary assets include cash on hand and bank balances.

(b) Our Company has a track record of distributable profits in terms of section 205 of the Companies Act, 1956, for at least three (3) out of immediately preceding five (5) years.					
Particulars	March 31,	March 31,	March 31,	March 31,	March 31,
	2010	2009	2008	2007	2006
Net Profit after tax, as restated	519.57	296.06	358.01	112.49	0.00

- (c) Our Company has a Net Worth of at least Rs. 1 Crore in each of the preceding 3 full years (of 12 months each).

(Rs. In Lacs)

Particulars	March 31,	March 31,	March 31,	March 31,	March 31,
	2010	2009	2008	2007	2006
Equity Share Capital	465.12	258.40	63.35	63.35	63.35
Reserves & Surplus	889.36	576.51	470.50	112.49	0.00
Less: Revaluation Reserves	0.00	0.00	0.00	0.00	0.00
Less: Misc Exp.	0.83	1.66	2.50	3.33	35.96
Net Worth *	1356.93	836.53	531.35	172.51	24.85

*: The networth includes Share Application money of Rs 3.28 Lacs in the year ended March 31, 2009 and March 31, 2010

- d) Our Company shall ensure that the aggregate of the proposed issue and all previous issues made in the same financial year in terms of size (i.e. public issue by way of offer document + firm allotment + promoters' contribution through the offer document) does not exceed five (5) times our pre-issue net worth as per the audited balance sheet of the last financial year.
- e) Our Company has not changed its name within the last one year; in a manner suggesting change in the activities of our company ; and

Further, if the number of allottees in the proposed Issue is less than 1,000 allottees, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 15 days after our Company becomes liable to pay the amount, our Company shall pay interest at the rate of 15% per annum for the delayed period.

Disclaimer Clauses

SEBI DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THIS 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, D & A FINANCIAL SERVICES PRIVATE LIMITED HAVE 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 AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, D & A FINANCIAL SERVICES PRIVATE LIMITED, HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED NOVEMBER 24, 2010 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992, WHICH READS AS FOLLOWS:

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE.**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, IT'S DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**
 - a) THE DRAFT RED HERRING PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THIS ISSUE;**
 - b) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
 - c) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE (AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**

4. WE SHALL SATISFY OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.
5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED

FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, SHALL NOT BE DISPOSED/ SOLD/ TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.

6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE CLAUSE HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.
7. WE CERTIFY 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 ARE NOT APPLICABLE TO THE ISSUER.
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS SHALL BE MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE DRAFT RED HERRING PROSPECTUS. WE SHALL ENSURE THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION.
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE ALLOTTED SHARES IN THE DEMAT MODE ONLY.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE

SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.

12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:
- a. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE SHARES OF THE COMPANY AND
 - b. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS/ DRAFT PROSPECTUS/ DRAFT LETTER OF OFFER WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER SECTION 63 AND 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.

Disclaimer from the Issuer and the Book Running Lead Manager

Investors may note that **Brooks Laboratories Limited, D & A Financial Services Private Limited** 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 the instance of the Issuer and that any one, placing reliance on any other source of information would be doing so at his own risk.

All information will be made available by the Book Running Lead Manager, Underwriters, Syndicate members and our Company to the public and investors at large and no selective or additional information would be available for any section of the investors in any manner whatsoever including at road shows, presentations, in research or sales reports etc. We shall not be liable to the Bidders for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

The BRLM accepts no responsibility; save to the limited extent as provided in the Memorandum of Understanding entered into between the BRLM and our Company and the Underwriting Agreement to be entered into between the Underwriters and our Company.

Caution

Neither our Company nor the Book Running Lead Manager or any other member of the Syndicate 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 its associates and affiliates may engage in transactions with, and perform services for, our Company and Promoter Group Entities, affiliates or associates of our Company in the ordinary course of business and have engaged, and may in future engage, in the provision of financial services for which they have received, and may in future receive, compensation.

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 the 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), trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorized under their constitution to hold and invest in shares) and to NRIs, FIIs and Foreign Venture Capital Funds Registered with SEBI. The Draft Red Herring Prospectus does not, however, constitute an invitation to subscribe to shares issued hereby in any other jurisdiction to any person to whom it is unlawful to make an Issue or invitation in such jurisdiction. Any person into whose possession the Red Herring Prospectus comes is required to inform himself or herself about, and to observe any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Chandigarh 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 was submitted to SEBI for its observations and SEBI has given its observation. Accordingly, the Equity Shares represented thereby 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 since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Disclaimer Clause of the Bombay Stock Exchange Limited

Bombay Stock Exchange Limited ("the Exchange") has *vide* its letter dated [•], given permission to this Company to use the Exchange's name in this offer document as one of the Stock Exchanges on which this

Company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- ii. warrant that this Company's securities will be listed or will continue to be listed on the BSE; or
- iii. take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed to mean that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of National Stock Exchange of India Limited

As required, a copy of this offer document has been submitted to the National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter dated [?] permission to the Issuer to use the Exchange's name in this offer document as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed. The NSE has scrutinized the Draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of the Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing

A copy of the Draft Red Herring Prospectus has been filed with the Division of Issues & Listing of SEBI at SEBI Bhavan, SEBI Northern Regional Office, 5th Floor, Bank of Baroda Building, 16 Sansad Marg, New Delhi 110 001. A copy of the Red Herring Prospectus along with the documents required to be filed under section 60B of the Companies Act would be delivered for registration to the Registrar of Companies, , Punjab, Himachal Pradesh and Chandigarh situated at Corporate Bhawan, Plot No. 4 B, Sector 27 B, Madhya Marg, Chandigarh-160026.

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 finalization of the issue price.

Listing

Applications will be made to the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited for permission to deal in and for an official quotation of our Equity Shares. Our existing Equity Shares are not listed on any Stock Exchanges in India.

BSE shall be the Designated Stock Exchange with which the basis of allotment will be finalized for the QIB, Non Institutional and Retail portion.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by any of the Stock Exchanges, we shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within eight days after we become liable to repay it, i.e., from the date of refusal or within 70 days from the date of Bid/ Issue Closing Date, whichever is earlier, then we and all our directors jointly and severally shall, on and from expiry of eight days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

We shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at BSE and NSE are taken within seven working days of finalization of Basis of Allotment for the Issue.

Consents

Necessary Consents for the issue have been obtained from the following:

1. Directors of our Company
2. Bankers to our Company
3. Auditors to our Company
4. Book Running Lead Manager to the Issue
5. Legal Advisor to the Issue
6. Registrar to the Issue
7. IPO Grading Agency
8. Company Secretary cum Compliance Officer
9. Syndicate Member(s)
10. Underwriter(s)
11. Escrow Collection Banker(s) to the Issue

The said consents would be filed along with a copy of the Red Herring Prospectus with the Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh at Chandigarh, as required under Sections 60 and 60B of the Companies Act, 1956 and such consents have not been withdrawn up to the time of delivery of the Red Herring Prospectus, for registration with the Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh at Chandigarh.

Expert Opinion

Except as stated otherwise in the Draft Red Herring Prospectus, we have not obtained any expert opinion.

Public Issue Expenses

The expenses for this Issue include Issue management fees, IPO Grading Expenses, selling commissions, underwriting commission, printing and distribution expenses, fee payable to other intermediaries, statutory advertisement expenses and listing fees payable to the Stock Exchanges, amongst others. The estimated Issue expenses are as under:

Activity	Expenses (Rs. in Lacs)	% of Issue Size	% of Issue expenses
Lead management, Syndicate Fees, Underwriting and selling commission	[?]	[?]	[?]
Advertisement and marketing expenses	[?]	[?]	[?]
Printing and stationery (including expenses on transportation of the material)	[?] [?]	[?] [?]	[?] [?]
Others (Filing Fees with SEBI, BSE and NSE, Registrar's fees, legal fees, IPO Grading, listing fees, travelling and other miscellaneous expenses etc.)	[?] [?]	[?] [?]	[?] [?]
Total	[?]	[?]	[?]

Previous Public or Rights Issues in the last 5 years

Our Company has not made any public or rights issue of Equity Shares/Debentures in the last 5 years.

Previous Issue of Shares otherwise than for Cash

Our Company has not issued any Equity Shares for consideration other than cash except as mentioned in the *Chapter titled "Capital Structure" beginning on page 52 of the Draft Red Herring Prospectus.*

Commission or Brokerage on Previous Issues

Since this is the initial public offering of the Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring for, or agreeing to procure subscription for any of the Equity Shares of our Company since its inception.

Details of capital issue made during last three years in regard to the issuer company and other listed companies under the same management within the meaning of section 370(1)(B) of the Companies Act, 1956.

There have been no capital issues during last 3 years by us. There are no other listed companies under the same management within the meaning of Sec 370(1)(B) of the Act at present or during the last three years.

Promise vis-à-vis Performance – Last 3 issues

Our Company has not made any Public Issue in the past.

Listed ventures of Promoters

There are no listed ventures of our Promoters.

Promise vis-à-vis Performance – Last One Issue of Group Companies

There are no listed ventures of our Promoters.

Outstanding debentures or bonds and redeemable preference shares and other instruments issued and outstanding as on the date of the Draft Red Herring Prospectus and terms of Issue

There are no outstanding debentures or bonds or redeemable preference shares and other instruments outstanding as on the date of filing of the Draft Red Herring Prospectus.

Stock Market Data

This being an initial public offering of our Company, the Equity Shares of our Company are not listed on any stock exchange.

Mechanism for redressal of Investors' grievance

Our Company has constituted a Shareholders Grievance Committee to look into the redressal of shareholder/ investor complaints such as Issue of duplicate/split/consolidated share certificates, allotment and listing of shares and review of cases for refusal of transfer/transmission of shares and debentures, complaints for non-receipt of dividends etc. *For further details on this committee, please refer paragraph titled "Shareholders/Investors Grievance Committee" beginning on page 150 under the Chapter titled "Our Management" beginning on page 142 of the Draft Red Herring Prospectus.* To expedite the process of share transfer, our Company has appointed Link Intime India Private Limited as the Registrar and Share Transfer Agents of our Company.

All grievances relating to the ASBA process may be addressed to the Registrar with a copy to the relevant SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the ASBA Form was submitted by the ASBA Bidders.

Disposal of Investors' Grievances and Redressal Mechanism

We have appointed Link Intime India Private Limited as the Registrar to the Issue, to handle the investor grievances in co-ordination with our Compliance officer. All grievances relating to the present issue may be addressed to the Registrar with a copy to the Compliance officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and bank and Branch. We will monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

A fortnightly status report of the complaints received and redressed by the Registrar to the Issue would be forwarded to us. We would also coordinate with the Registrar to the Issue in attending to the investors' grievances.

We assure that any complaints received, shall be disposed off as per the following schedule:

We have appointed **Ms.Parvinder Kaur** as the Compliance Officer who would directly liaise with SEBI with respect to implementation/compliance of various laws, rules, regulations and other directives issued by SEBI and matters related to investor complaints. The investors may contact the compliance officer in case of any pre issue/post issue related problems at the following address:

Ms.Parvinder Kaur,
Company Secretary & Compliance Officer
Brooks Laboratories Limited

G-101, Ivory Tower,
Sector 70, Mohali, Punjab - 160055
India
Tel: + (91 172) 509 7355
Fax: + (91 172) 509 7355
Email: cs@brookslabs.net
Website: www.brookslabs.net

Our Company has not received any investor complaints during the three years preceding the filing of the Draft Red Herring Prospectus with SEBI. Further, no investor complaints are pending as on the date of filing the Draft Red Herring Prospectus with SEBI.

Changes in Auditors during the last three years and reasons thereof

There is no change in our Auditors during last 3 years

Capitalization of Reserves or Profits during last five years

Except as stated in the Chapter titled “Capital Structure” beginning on page 52 of the Draft Red Herring Prospectus, our Company has not capitalised its reserves or profits at any time since inception.

Revaluation of Assets during the last five years

There has not been any revaluation of Assets during the last five years.

SECTION IX – ISSUE RELATED INFORMATION

TERMS OF ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, 2009, our Memorandum and Articles of Association, the terms of the Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, Bid-cum-Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws 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, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Terms of Payment

Applications should be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter. The entire price of the Equity Shares of Rs. [•] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the excess amount paid on application shall be refunded by us to the applicants.

Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of the rights to receive dividend. The allottees will be entitled to dividend, voting rights or any other corporate benefits, if any, declared by us after the date of Allotment.

Face Value and Issue Price per Share

The Equity Shares having a face value of Rs. 10 each are being offered in terms of the Draft Red Herring Prospectus at a price of Rs. [•] per Equity Share. 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 offered by way of Book Building. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws. The Issue Price is [•] times the face value of the Equity Shares.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, *please refer to Chapter titled “Main Provisions of Articles of Association” on page 272 of the Draft Red Herring Prospectus.*

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;

- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, the terms of the listing agreements with the Stock Exchange(s) and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to Chapter titled “Main Provisions of Articles of Association” on page 272 of the Draft Red Herring Prospectus.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialized form. As per the existing SEBI (ICDR) Regulations, 2009, the trading in the Equity Shares shall only be in dematerialized form for all investors.

Since trading of our Equity Shares is in dematerialized form, the tradable lot is one Equity Share. Allocation and Allotment through this Issue will be done only in electronic form in multiples of one Equity Shares to the successful Bidders subject to a minimum Allotment of [**•**] Equity Shares. *For details of Allocation and Allotment, please refer to the paragraph titled “Basis of Allotment” beginning on page 262 under Chapter titled “Issue Procedure” beginning on page 237 of the Draft Red Herring Prospectus.*

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares transmitted, 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 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 Registered Office or to the registrar and transfer agents of our Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of

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 our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

The period of operation of subscription list of public issue:

Minimum Subscription

If the number of allottees in the proposed Issue is less than 1,000 allottees, we shall forthwith refund the entire subscription amount received. If there is a delay beyond 15 days after we become liable to pay the amount, we shall pay interest at the rate of 15% per annum for the delayed period.

Since, our Equity Shares will be traded in dematerialized form only; the marketable lot is one (1) Equity Share. Therefore, there is no possibility of any odd lots.

For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation/splitting, please refer to under the Chapter titled “Main Provisions of Articles of Association” on page 272 of the Draft Red Herring Prospectus.

Our Company shall comply with all requirements of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009, notified on August 26, 2009 as amended from time to time. Our Company shall comply with all disclosure norms as specified by SEBI from time to time.

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ISSUE STRUCTURE

The present Issue comprising of [?] Equity Shares of Rs. 10 each aggregating Rs. 6300 Lacs is being made through the 100% Book Building process. The Issue shall constitute [?]% of the fully diluted post issue capital of our Company. Details of the Issue structure are tabulated below:

<u>Particulars</u>	<u>QIBs</u>	<u>Non Institutional Bidders</u>	<u>Retail Individual Bidders</u>
Number of Equity Shares	Not more than [?] Equity Shares	Not less than [?] Equity Shares	Not less than [?] Equity Shares
Percentage of Issue Size available for allocation	Not more than 50% of the Net Issue to the public (of which 5% shall be reserved for Mutual Funds) or Net Issue to the public less allocation to Non-Institutional Bidders and Retail Individual Bidders.* Mutual Funds participating in the 5% reservation in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. The Unsubscribed portion, if any, in the Mutual Fund reservation will be available to QIBs.	Not less than 15% of the Net Issue to the public or the Net Issue size less allocation to retail individual bidders.*	Not less than 35% of Net issue to the public or Net Issue size less allocation to QIBs and non institutional bidders *
Basis of Allocation if respective category is oversubscribed	Proportionate	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds Rs. 2,00,000 and in multiples of [?] Equity Shares.	Such number of Equity Shares that the Bid Amount exceeds Rs. 2,00,000 and in multiples thereafter. of [?] Equity Shares.	[?] Equity Shares and in multiples of [?] Equity Shares
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 per retail individual investor so as to ensure that the Bid amount does not exceed Rs. 2,00,000 which has to be in multiples of [?] Equity Shares.
Mode of Allotment	Compulsorily in Dematerialized	Compulsorily in	Compulsorily in

	mode	Dematerialized mode	Dematerialized mode
Trading	One (1) Equity Share	One (1) Equity Share	One (1) Equity Share
Lot/Market lot			
Who can apply**	Public financial institutions, as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds, foreign institutional investor registered with SEBI, multilateral and bilateral development financial institutions, Venture Capital Funds registered with SEBI, foreign Venture capital investors registered with SEBI, State Industrial Development Corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs. 2500 Lacs and pension funds with minimum corpus of Rs. 2500 Lacs, National Investment Fund in accordance with applicable law and Insurance funds set up and managed by Army, Navy or Air Force of the Union of India and insurance funds set up and managed by the Department of Posts, India.	Companies, Bodies, Institutions, Trusts, Resident Indian individuals, HUF (in the name of Karta), and Bid Amount does not exceed Rs. 2,00,000 in amount exceeding Rs. 2,00,000)	Corporate Individuals (including Scientific NRIs and HUFs in the Societies, name of Karta)
Terms of payment***	Margin Amount applicable to QIB Bidders at the time of submission of Bid cum Application form to the members of the syndicate or the SCSBs	Margin Amount applicable to Non Institutional Bidders at the time of submission of Bid-cum-Application Form to the members of the syndicate	Margin Amount applicable to Retail Individual Bidders at the time of submission of Bid-cum-Application form to the members of the syndicate
Margin Amount	Full Amount on Bidding	Full amount on bidding	Full amount on bidding

Under subscription, if any, in any Category would be met with spill-over from other categories or a combination of categories. Investors may note that in case of over-subscription in the Issue, allotment to Bidders in all categories shall be on a proportionate basis.

* Subject to valid bids being received at or above the Issue Price. Under-subscription, if any, in any category, would be allowed to be met with spill over inter-se from any other categories, at the discretion of our

Company in consultation with the BRLM subject to applicable provisions of SEBI (ICDR) Regulations, 2009.

****In case the Bid-cum-Application Form/ ASBA Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and in the same sequence in which they appear in the Bid-cum-Application Form.**

Note: Equity Shares being offered through the Draft Red Herring Prospectus can be applied for in dematerialized form only.

***** In case of ASBA Bidders, the SCSB shall be authorized to block such funds in the bank account of the ASBA Bidder that are specified in the ASBA Bid-cum-Application Form.**

ISSUE PROCEDURE

Book Building Procedure

The Issue is being made through the 100% Book Building Process wherein not more than 50% of the Net Issue to the Public shall be available for allocation to Qualified Institutional Buyers on a proportionate basis (of which 5% shall be allocated for Mutual Funds). Further, not less than 15% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net 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.

Bidders are required to submit their Bids through the Syndicate. We, in consultation with the BRLM, reserve the right to reject any Bid procured from QIBs, by any or all members of the Syndicate, for reasons to be recorded in writing provided that such rejection shall be made at the time of acceptance of the Bid and the reasons thereof shall be disclosed to the bidders. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company would have a right to reject the Bids only on technical grounds. The primary responsibility of building the book shall be that of the lead book runner.

1. Investors should note that Equity Shares would be allotted to all successful Bidders only in dematerialized form. Bidders will not have the option of getting Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

2.

Illustration of Book Building and Price Discovery Process

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

The Bidders can bid at any price within the Price Band. For instance, assume a Price Band of Rs. 60 to Rs. 72 per Equity Share, Issue size of 5,400 Equity Shares and receipt of five Bids from the Bidders. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the Bidding/Issue Period. The illustrative book as set forth below shows the demand for the Equity Shares of the Company at various prices and is collated from Bids from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative Quantity	Subscription
1,500	72	1,500	27.78%
3,000	69	4,500	83.33%
4,500	66	9,000	166.67%
6,000	63	15,000	277.78%
7,500	60	22,500	416.67%

The price discovery is a function of demand at various prices. The highest price at which our Company is able to issue the desired quantity of Equity Shares is the price at which the book cuts off, i.e., Rs.66 in the above example. Our Company, in consultation with the BRLM, will finalize the Issue Price at or below such cut-off price, i.e., at or below Rs.66. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective category.

Bid-cum-Application Form

Bidders shall only use the specified Bid-cum-Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of the Draft Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid-cum-Application Form and such options shall not be considered as multiple Bids. Upon the allotment 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 completing and submitting the Bid-cum-Application Form to a member of the Syndicate, 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 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 various categories is as follows:

Category	Colour of Bid cum Application Form including ASBA Bid cum Application Form
Indian Public including QIBs, Non-Institutional Bidders or NRIs applying on a non-repatriation basis	[?]
Non-residents, NRIs or FIIs applying on a repatriation basis	[?]
ASBA Bidders	[?]

Please note that all categories of Investors can participate in the Issue by way of ASBA Process.

Who Can Bid?

1. Persons eligible to invest under all applicable laws, rules, regulations and guidelines;
2. Indian nationals resident in India who are not minors, in single or joint names (not more than three);
3. HUFs, in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid-cum-Application Form as follows: "Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs would be considered at par with those from individuals;
4. Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in Equity shares;
5. Indian mutual funds registered with SEBI;
6. Eligible Non-residents including NRIs and FIIs on a repatriation/non- repatriation basis subject to applicable local laws; and
7. Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI regulations and SEBI (ICDR) Regulations, 2009 and other Regulations, as applicable);
8. Venture capital funds registered with SEBI;
9. Foreign venture capital investors registered with SEBI;
10. State Industrial Development Corporations;
11. Insurance companies registered with the Insurance Regulatory and Development Authority;
12. Provident funds with minimum corpus of Rs. 25 crores and who are authorized under their constitution to invest in Equity Shares;

13. Pension funds with minimum corpus of Rs. 25 crores and who are authorized under their constitution to invest in Equity Shares;
14. Multilateral and bilateral development financial institutions;
15. Trusts/Societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts/Societies and who are authorized under their constitution to hold and invest in Equity Shares;
16. Scientific and/or industrial research organizations authorized under their constitution to invest in Equity Shares.
17. National Investment Fund; and
18. Insurance funds set up and managed by the army, navy or air force of the Union of India.
19. Insurance funds set up and managed by the Department of Posts, India.

As per existing regulations promulgated under FEMA, Overseas Corporate Bodies (OCBs) cannot bid/participate in this issue.

Note: 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.

Participation by Associates of the BRLM and Syndicate Members

The BRLM and Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligation. However, associates and affiliates of the BRLM, and Syndicate Members may subscribe for Equity Shares in the Issue, including in the QIB Portion and Non-Institutional Portion where the allocation is on a proportionate basis. Such holding or subscription maybe on their behalf or on behalf of their clients.

Bids by Mutual Funds

As per the ICDR Regulations, 5% of the QIB Portion, has been specifically reserved for Mutual Funds on a proportionate basis. An eligible Bid by a Mutual Fund in the Mutual Fund Portion shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event demand in the Mutual Fund Portion is greater than [?] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by Mutual Funds shall be available for allocation proportionately, after excluding the allocation in the Mutual Fund Portion, in the QIB Portion.

In accordance with the current regulations, 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 by index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up capital carrying voting rights.

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 name of the scheme concerned for which the Bid has been made.

Bids by Non Residents including Eligible NRIs and FIIs on a repatriation basis

There is no reservation for Eligible NRIs or FIIs or FVCIs registered with SEBI. Such Eligible NRIs, FIIs and FVCIs registered with SEBI will be treated on the same basis as other categories for the purpose of allocation.

Bids by Eligible NRIs

1. Bid cum Application Forms for Eligible NRIs applying on a repatriation basis ([?] in colour) will be available at our Registered Office and with the Syndicate.
2. Only such applications as are accompanied by payment in freely convertible foreign exchange shall be considered for Allotment. Eligible NRIs who intend to make payment through Non Resident Ordinary (“**NRO**”) accounts or by debits to their Non-Resident External (“**NRE**”) or Foreign Currency Non-Resident (“**FCNR**”) accounts should use the application form meant for Resident Indians ([?] in color).

Bids by Eligible NRIs for a Bid Amount of up to Rs. 200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than Rs. 200,000 would be considered under Non-Institutional Portion for the purposes of allocation.

Bids by FIIs

As per current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of our post-Issue issued capital (*i.e.* 10% of [?] Equity Shares). In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual. In accordance with the foreign investment limits applicable to our Company, the total foreign investment including FII investment cannot exceed 24% of our total issued capital unless approved by the shareholders of our Company.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of regulation 15A(1) of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended (the “**SEBI FII Regulations**”), an FII, as defined in the SEBI FII Regulations, may issue, 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 is also required to ensure that no further issue or transfer of any offshore derivative instrument issued by it is made to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the ICDR Regulations. Associates and affiliates of the Underwriters, including the BRLM and the Syndicate Members that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue. Any such offshore derivative instrument does not constitute any obligation of, claim on or an interest in, the Company.

Bids by SEBI-registered Venture Capital Funds and Foreign Venture Capital Investors

The SEBI (Venture Capital Funds) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, each, as amended, prescribe investment restrictions on Venture Capital Funds and FVCIs respectively registered with the SEBI. Accordingly, the holding in any company by any individual venture capital fund or FVCI registered with the SEBI should not exceed 25% of the corpus of the venture capital fund or FVCI. However, venture capital funds or FVCIs may invest not over 33.33% of their respective investible funds in various prescribed instruments, including in initial public offers.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, the Company reserves the right to reject any Bid without assigning any reason thereof.

Bids by provident funds/ pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of Rs. 250 million, a certified copy of certificate from a Chartered Accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, the Company reserve the right to reject any Bid, without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 250 million (subject to applicable law) and pension funds with a minimum corpus of Rs. 250 million a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged 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 therefor.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- (a). With respect to Bids by FVCIs, 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 with the Bid cum Application Form.
- (c). With respect to Bids made by provident funds with minimum corpus of Rs. 250 million (subject to applicable law) and pension funds with a minimum corpus of Rs. 250 million, 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 their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company and the BRLM may deem fit.

The above information is given for the benefit of the Bidders. The Bidders are advised to make to 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 for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations.

Maximum and Minimum Bid size

- a) **For Retail Individual Bidders:** The Bid must be for minimum [?] Equity Shares and in multiples of [?] Equity Shares thereafter subject to maximum bid amount of Rs. 2,00,000/.

In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 2, 00,000. In case the Bid Amount is over Rs 2,00,000, due to revision in bid or revision of the Price Band or on exercise of Cut-off option, the Bid would be considered for allotment under the Non-Institutional Bidders category. The Cut-off option is an option given only to the Retail Individual Bidders indicating their agreement to bid and purchase at the final Issue Price as determined at the end of the Book Building Process.

- b) **For Non-Institutional Bidders and QIB Bidders:** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount payable by the Bidder exceeds Rs. 2,00,000 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 applicable laws. **Under existing SEBI (ICDR) Regulations, 2009, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay QIB margin on 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. 2,00,000 for being considered for allocation in the Non Institutional Portion. In case the Bid Amount reduces to Rs. 2,00,000 or less due to a revision in Bids or revision of Price Band, the same would be considered for allocation under the Retail Portion. Non Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off'.

Information for the Bidders

1. We will file the Red Herring Prospectus with the Registrar of Companies, at least 3 (three) days before the Bid/Issue Opening Date.
2. Subject to Section 66 of the Companies Act, our Company shall, after registering the Red Herring Prospectus with the Registrar of Companies, publish a pre-Issue advertisement, in the form prescribed under the SEBI Regulations, in two national daily newspapers (one each in English and Hindi) and one regional language daily newspaper, each with wide circulation. Our Company and the BRLM shall declare the Bid Opening Date, the Bid Closing Date in the Red Herring Prospectus to be filed with the RoC and shall publish the same in two national newspapers (one each in English and Hindi) and one

regional language daily newspaper, each with wide circulation. This advertisement, subject to the provisions of Section 66 of the Companies Act, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

3. Copies of the Bid cum Application Form and the Red Herring Prospectus will be available with the members of the Syndicate. Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and/or the Bid cum Application Form can obtain the same from our Registered Office or from any of the members of the Syndicate. ASBA Bid cum Application Forms can be obtained by Bidders from the SCSBs and electronic ASBA Bid cum Application Forms shall be available on the websites of SCSBs. Furthermore, the SCSBs shall ensure that the abridged prospectus is made available on their websites.
4. Eligible Bidders who are interested in subscribing for the Equity Shares should approach any of the BRLM or the Syndicate Members or their authorized agent(s) to register their Bids. Eligible Bidders can approach the Designated Branches to register their Bids under the ASBA process.
5. The Bids should be submitted on the prescribed Bid cum Application Form only. Bids by ASBA Bidders shall be accepted by the Designated Branches or by the members of the Syndicate in accordance with the ICDR Regulations and any other circulars issued by SEBI in this regard. Bid cum Application Forms should bear the stamp of the members of the Syndicate or Designated Branch. Bid cum Application Forms (except electronic ASBA Bid cum Application Forms), which do not bear the stamp of a member of the Syndicate or the Designated Branch, are liable to be rejected.

Information specific to ASBA Bidders

In terms of SEBI circular no: CIR/CFD/DIL/8/2010 dated October 12, 2010, with a view to enhance the role of ASBA in public issues, it has been decided that Syndicate/Sub-Syndicate members may also procure ASBA forms from the investors and submit it to SCSBs for processing. Accordingly ASBA Bidders may submit their physical ASBA forms to either the SCSBs directly or to the Syndicate/Sub-Syndicate members. Syndicate/Sub-Syndicate members would then upload the physical ASBA bid and forward the same to the respective SCSBs for further processing viz. signature verification, blocking of funds etc.

Accordingly, the syndicate / subsyndicate members shall now be entitled for selling fees for ASBA forms procured by them in the same manner as for non-ASBA forms. SCSBs shall be entitled for per form processing fee (Rs. [?] per ASBA form in this instant case) for ASBA forms procured by syndicate / subsyndicate members and submitted with SCSBs. For ASBA forms procured directly by SCSBs, they would be entitled for selling fees only and no processing fee shall be paid to them.

1. ASBA Bidders who would like to obtain a copy of this Red Herring Prospectus and/or the ASBA Form can obtain the same from the Designated Branches/Syndicate members/Sub-Syndicate members in physical form or in electronic form on the websites of the SEBI, BSE, NSE, BRLM and SCSBs.
2. The Bids should be submitted to the SCSBs/Syndicate members/Sub-Syndicate members 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.

3. The SCSBs/Syndicate members/Sub-Syndicate members shall accept Bids only during the Bidding Period and only from the ASBA Bidders.
4. The BRLM shall ensure that adequate arrangements are made to circulate copies of the Red Herring Prospectus and ASBA Form to the SCSBs. The SCSBs will then make available such copies to investors intending to apply in this 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 Form and that the same are made available on the websites of the SCSBs.

Method and Process of bidding

3. Our Company and the BRLM shall declare the Bid/Issue Opening Date, the Bid/Issue Closing Date in the Red Herring Prospectus to be filed with the RoC and also publish the same in two national daily newspapers (one each in English and Hindi) and one regional language daily newspaper, each with wide circulation in the place where our Registered Office is situated. The advertisement, subject to the provisions of Section 66 of the Companies Act, shall contain the disclosure requirements as specified under Schedule XIII of the SEBI Regulations.
4. Our Company in consultation with the BRLM will decide the Price Band and the minimum Bid lot size for the Issue.
5. The Bid/Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Issue Period maybe extended, if required, by an additional three Working Days, subject to the total Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be published in two national newspapers (one each in English and Hindi) and one regional newspaper with wide circulation and also by indicating the change on the websites of the BRLM and at the terminals of the Syndicate.
6. 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. The Price Band and the minimum Bid lot will be decided by our Company in consultation with the BRLM and advertised at least two working days prior to the Bid/Issue Opening Date.
7. During the Bidding Period, Bidders should approach members of the Syndicate or their authorised agents to register their Bids. The Members of the Syndicate shall accept Bids from the all the Bidders and shall have the right to vet the Bids, during the Bidding Period in accordance with the terms of the Syndicate Agreement and the Red Herring Prospectus. ASBA Bidders should approach the SCSBs to register their Bids.
8. Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices within the Price Band and the requirement to specify the corresponding demand (i.e., the number of Equity Shares). 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.
9. The Bidder cannot Bid on another Bid cum Application Form after Bid(s) on one Bid cum Application Form have been submitted to any member of the Syndicate or a SCSB, respectively.

Submission of an additional Bid cum Application Form to either the same or to another member of the Syndicate or ASBA Form to any SCSB will be treated as multiple bidding and is liable to be rejected either before entering the Bid into the 'Electronic Bidding System', or at any point in time prior to finalisation of the 'Basis of Allocation'. However, the Bidder, can revise the Bid through the Revision Form, the procedure for which is detailed section titled "Issue Procedure -Build up of the Book and Revision of Bids" on page 258 of the Draft Red Herring Prospectus.

10. The members of the Syndicate will enter each Bid option into the 'Electronic Bidding System' as a separate Bid and generate a Transaction Registration Slip ("TRS") for each Bid price and demand option and give the same to the Bidder. Therefore, a Bidder can receive upto three TRSs for each Bid cum Application Form.
11. All Bidders will make payment of the entire amount along with the Bid cum Application Form, in the manner described in "Payment Instructions" on page 251 of the Draft Red Herring Prospectus.
12. For the Bidders who apply through the ASBA process, SCSBs shall block the Bid Amount in an ASBA Account. Upon submission of an ASBA Form with the SCSB, whether in physical or electronic mode, each ASBA Bidder shall be deemed to have agreed to block an amount equivalent to the Bid Amount and authorized the Designated Branch to block the Bid Amount in the ASBA Account.
13. The Bid Amount shall remain blocked in the ASBA Account until finalization of the 'Basis of Allocation' or withdrawal/failure of the Issue or withdrawal/rejection of the ASBA Bid, as the case may be. In the event the ASBA Account does not have a sufficient credit balance for the Bid Amount, the Bid shall be rejected by the SCSB and no funds shall be blocked in that ASBA Account.
14. 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.
15. On the Designated Date, the SCSBs shall initiate transfer of the blocked Bid Amount from the ASBA Account for successful Bids into the Public Issue Account and the balance amount, if any, shall be unblocked. Not more than five ASBA Forms can be submitted when utilizing an ASBA Account.

Bids at different price levels and revision of Price Band

1. The Bidder can Bid at any price within the Price Band, in multiples of Re. 1 (Rupee One).
2. In accordance with the SEBI Regulations, our Company in consultation with the BRLM, reserves the right to revise the Price Band during the Bidding Period. The Cap Price should not be more than 120% of the Floor Price. The Floor Price can move up or down to the extent of 20% of the Floor Price advertised at least two Working Days before the Bid Opening Date. The revised Price Band and Bidding Period will be widely disseminated by notification to the SCSBs and Stock Exchanges, and by publishing in two national newspapers (one each in English and Hindi) and one regional daily language newspaper, each 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 the Syndicate.

3. Our Company shall finalise the Issue Price within the Price Band in consultation with the BRLM, without the prior approval of or intimation to the Bidders.
4. Retail Individual Bidders bidding at a Bid Price, for an amount not exceeding Rs. 200,000 may Bid at the 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.
5. Retail Individual Bidders who bid at the Cut-Off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at the Cut-Off Price shall deposit the Bid Amount in the applicable Escrow Accounts 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, the Retail Individual Bidders who Bid at Cut-Off Price shall receive the refund of the excess amounts from the respective Escrow Accounts in the manner described under “– Payment of Refund” on page 265 of the Draft Red Herring Prospectus.
6. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had bid at the Cut-Off Price could either (i) revise their Bid or (ii) make additional payment based on the revised Cap Price (such that the total amount i.e., original Bid Amount plus additional payment does not exceed Rs. 200,000 if such Retail Individual Bidders want to continue to bid at the Cut-Off Price), with the members of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 200,000 for Retail Individual Bidders, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the Draft Red Herring Prospectus. In case the Retail Individual Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the Cap Price prior to revision in the Price Band, the number of Equity Shares bid for shall be adjusted downwards for the purpose of Allotment, such that no additional payment would be required and such Retail Individual Bidder is deemed to have approved such revised Bid at the Cut-Off Price.
7. In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have Bid at Cut-Off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Accounts. In case of downward revision in the Price Band, the number of Equity Shares bid for shall be adjusted upwards to the higher Bid lot for the purpose of Allotment.
8. In the event of any revision in the Price Band, whether upwards or downwards, our Company in consultation with the BRLM shall decide the minimum number of Equity Shares for each Bid to ensure that the minimum application is in the range of Rs. 5,000 to Rs. 7,000.
9. When a Bidder has revised his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. It is the Bidder’s responsibility to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.

Option to Subscribe in the Issue

- Equity Shares being offered through the Draft Red Herring Prospectus can be applied for in dematerialized form only.
- The Equity Shares on allotment shall be traded on Stock Exchanges in demat segment only.
- A single bid from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

Bids and revisions of Bids must be:

- 1) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable.
- 2) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained here, in the Bid cum Application Form or in the Revision Form. Bidders must provide details of valid and active DP-ID, client ID and PAN clearly and without error. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment. 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.
- 3) Information provided by the Bidders will be uploaded in the online IPO system by the members of the Syndicate and the SCSBs, as the case may be, and the electronic data will be used to make allocation/Allotment. Bidders are advised to ensure that the details are correct and legible.
- 4) For Retail Individual Bidders (including Eligible NRIs), the Bid must be for a minimum of [?] Equity Shares and in multiples of [?] thereafter subject to a maximum Bid Amount of Rs. 200,000. In case the Bid Amount is over Rs. 200,000 due to revision of the Bid or revision of the Price Band or on exercise of Cut-off option, the Bid would be considered for allocation under the Non-Institutional Bidders portion. The option to Bid at cut-off price is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.
- 5) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares in multiples of [?] such that the Bid Amount exceeds Rs. 200,000. Bids cannot be made for over the Issue size.
- 6) Bids by Eligible NRIs, FVCIs and FIIs on a repatriation basis shall be in the names of individuals, or in the names of such FIIs, respectively, but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.
- 7) In a single name or in joint names (not more than three, and in the same order as their Depository Participant details).
- 8) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
- 9) If the ASBA Account holder is different from the ASBA Bidder, the ASBA Bid cum Application Form should be signed by the account holder as provided in the ASBA Bid cum Application Form.

Submission of Bid cum Application Form

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid.

With respect to ASBA Bidders, the ASBA Bid cum Application Form or the ASBA Revision Form shall be submitted to the Designated Branches or Syndicate/Sub-Syndicate members.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the members of the Syndicate or the SCSB, as the case may be, will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

GENERAL INSTRUCTIONS

Dos:

- (a) Check if you are eligible to apply as per the terms of the Draft Red Herring Prospectus under applicable laws, rules and regulations;
- (b) Ensure that you have Bid within the Price Band;
- (c) Read all the instructions carefully and complete the Resident Bid cum Application Form ([?] in colour), the Non-Resident Bid cum Application Form ([?] in colour), as the case may be;
- (d) Ensure that the details about Depository Participant and Beneficiary Account are correct, and the Beneficiary Account is activated, as Allotment of Equity Shares will be in the dematerialized form only;
- (e) Ensure that the Bids are submitted at the Bidding centres only on forms bearing the stamp of a member of the Syndicate or the SCSB in case of ASBA Bidders (except in case of electronic ASBA Bid cum Application Forms);
- (f) With respect to ASBA Bidders ensure that your Bid is submitted at a Designated Branch of the SCSB where the ASBA Bidder or the person whose bank account will be utilised by the ASBA Bidder for Bidding has a bank account. Further, ensure that the ASBA Bid cum Application Form is signed by the account holder if the Bidder is not the account holder;
- (g) Ensure that the full Bid Amount is paid for Bids submitted to the members of the Syndicate and funds equivalent to the Bid Amount are blocked by the SCSBs in case of Bids submitted through the ASBA process;
- (h) Ensure that you have funds equal to the Bid Amount in your bank account of the respective Designated Branch of the SCSB;
- (i) Instruct your respective banks to not release the funds blocked in the bank account under the ASBA process;
- (j) Ensure that you request for and have received a TRS for all your Bid options;
- (k) Submit revised Bids to the same member of the Syndicate or Designated Branch of the SCSB through whom the original Bid was placed and obtain a revised TRS;

- (l) Except for Bids (i) on behalf of the Central or State Government and the officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim, each of the Bidders should mention their PAN allotted under the I.T. Act. Applications in which the PAN is not matching with one entered by the Syndicate or the SCSB in the Bidding terminal and PAN as available with depositories for a given DP ID and client ID is liable to be rejected;
- (m) Ensure that the Demographic Details (as defined below) are updated, true and correct in all respects; and
- (n) Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. If the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form.

Don'ts:

- (a) Do not Bid for lower than the minimum Bid size;
- (b) Do not submit a Bid without payment of the entire Bid Amount;
- (c) Do not Bid/revise the Bid to less than the Floor Price or higher than the Cap Price;
- (d) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate or the Designated Branch;
- (e) Do not pay the Bid Amount in cash, by money order or by postal order or by stockinvest and in relation to ABSA Bidders in any other mode other than blocked amounts in the bank accounts maintained by SCSBs;
- (f) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate or Designated Branch, as applicable;
- (g) Do not Bid at the Cut-off Price (for QIB Bidders and Non-Institutional Bidders);
- (h) Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceed the Issue size and/or investment limit or maximum number of Equity Shares that can be held under applicable laws or regulations or the maximum amount permissible under applicable regulations;
- (i) Do not submit more than five ASBA Bid cum Application Forms per bank account;
- (j) Do not Bid for amount exceeding Rs. 200,000 in case of a Bid by Retail Individual Bidders;
- (k) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.
- (l) Do not submit incorrect details of DP ID, Client ID and PAN or give details for which demat account is suspended or for which such details cannot be verified by the Registrar.

Bidder's Depository Account and Bank Account Details

Bidders should note that on the basis of Bidder's Permanent Account Number, Depository Participant's name, DP ID number and beneficiary account number provided by them in the Bid cum Application Form and as entered into the electronic bidding system of the Stock Exchanges by the members of the Syndicate and the SCSBs as the case may be, the Registrar to the Issue will obtain from the Depository the demographic details including the Bidder's address, occupation and bank account details including the nine-digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf ('Demographic Details'). These Demographic Details would be used for giving refunds and allocation advice (including through physical refund warrants, direct credit, NECS, NEFT and RTGS) to the Bidders. It is mandatory to provide the bank account details in the space provided in the Bid cum Application Form and Bid cum Application Forms that do not contain such details are liable to be rejected. Hence, Bidders are advised to immediately update their bank account details, PAN and Demographic Details as appearing on the records of the Depository Participant and ensure that they are true and correct. Failure to do so could result in delays in dispatch/credit of refunds to Bidders at the Bidders sole risk and neither the BRLM or the Registrar to the Issue or the Escrow Collection Banks or the SCSBs nor 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. Please note that in case the DP ID, Client ID and PAN mentioned in the Bid cum Application Form and entered into the electronic Bidding system of the Stock Exchanges by the members of the Syndicate, do not match with the DP ID, Client ID and PAN available in the depositories' database, such Bid cum Application Form is liable to be rejected.

IT IS MANDATORY FOR ALL THE BIDDERS TO RECEIVE THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR PAN, DP ID NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE PERMANENT ACCOUNT NUMBER GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS PROVIDED IN THE DEPOSITORY ACCOUNT. IF THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the Depositories to provide, on 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)/allotment advice/CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/allotment advice/CANs may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Any such delay shall be at the Bidders sole risk and neither our Company nor Escrow Collection Banks nor the BRLM nor the Registrar to the Issue shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in the Draft Red Herring Prospectus, Bidders may note that refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case no corresponding record is available with the Depositories, which matches the three parameters,

namely, Bidders PAN (in case of joint Bids, PAN of first applicant), the DP ID and the beneficiary's identity, such Bids are liable to be rejected.

PAYMENT INSTRUCTIONS

Escrow Mechanism for Bidders other than ASBA Bidders

Our Company and the Syndicate shall open Escrow Accounts with one or more Escrow Collection Bank(s) in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders in a certain category would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of the Draft Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Banks for and on behalf of the Bidders shall maintain the monies in the Escrow Account(s) until the Designated Date. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and this Draft Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Banks and the Registrar to the Issue to facilitate collections from the Bidders.

Escrow Mechanism for Bidders other than ASBA Bidders

Our Company and the Syndicate shall open Escrow Accounts with one or more Escrow Collection Bank(s) in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders in a certain category would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of the Draft Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Banks for and on behalf of the Bidders shall maintain the monies in the Escrow Account(s) until the Designated Date. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and this Draft Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Banks and the Registrar to the Issue to facilitate collections from the Bidders.

Payment into Escrow Account(s) for Bidders other than ASBA Bidders

Each Bidder (other than ASBA Bidders) shall draw a cheque or demand draft as per the following terms:

- (a) The Bidders shall, with the submission of the Bid cum Application Form, draw a payment instrument for the entire Bid Amount in favour of the Escrow Account(s) and submit the same to the member of the Syndicate. Bid cum Application Forms accompanied by cash, stockinvest, money order or postal order shall not be accepted.
- (b) The payment instruments for payment into the Escrow Account(s) should be drawn in favour of:

i.	In case of Resident Bidders	Escrow Account – Brooks Public Issue - R
ii.	In case of Non Resident Bidders	Escrow Account – Brooks Public Issue – NR
iii.	In case of Resident QIB Bidders	Escrow Account – Brooks Public Issue – QIB – R
iv.	In case of Non Resident QIB Bidders	Escrow Account – Brooks Public Issue – QIB – NR

- (c) In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of NRO Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.
- (d) In case of Bids by NRIs applying on non-repatriation basis, the payments may be made out of an NRO Account of a Non-Resident Bidder.
- (e) In case of Bids by FIIs or FVCIs the payment should be made out of funds held in a Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the Special Rupee Account.
- (f) The monies deposited in the Escrow Account(s) will be held for the benefit of the Bidders until the Designated Date.
- (g) On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account(s) as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.
- (h) Within 12 Working Days from the Bid/Issue Closing Date, the Registrar to the Issue shall dispatch all refund amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation/Allotment to the Bidders.
- (i) Payments should be made by cheque, or demand draft drawn on any bank (including a cooperative Bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied

by such cheques or bank drafts are liable to be rejected. Cash, stockinvest, money orders or postal orders will not be accepted.

- (j) In case clear funds are not available in the Escrow Accounts as per final certificates from the Escrow Collection Banks, such Bids are liable to be rejected.
- (k) Bidders are advised to mention the number of the Bid cum Application Form on the reverse of the cheque/demand draft to avoid misuse of instruments submitted along with the Bid cum Application Form.

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 withdrawal/rejection of the ASBA Bid or receipt of instructions from the Registrar to unblock the Bid Amount. In the event of withdrawal or rejection of the ASBA Bid cum Application Form, failure of the Issue or for unsuccessful ASBA Bid cum Application Forms, the Registrar shall give instructions to the SCSB to unblock the Bid Amount in the relevant bank account and the SCSBs shall unblock the Bid Amount on receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Other Instructions

Joint Bids in case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or first Bidder is one and the same.

In 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.

After Bidding on an ASBA Bid cum Application Form either in physical or electronic mode, where such ASBA Bid has been submitted to the Designated Branches of SCSBs and uploaded with the Stock Exchanges, an ASBA Bidder cannot Bid, either in physical or electronic mode, on another ASBA Bid cum Application Form or a non-ASBA Bid cum Application Form. Submission of a second Bid cum Application Form, whether an ASBA Bid cum Application Form, to either the same or to another Designated Branch of the SCSB, or a Non-ASBA Bid cum Application Form, will be treated as multiple

Bids and will be liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the ASBA Bidder can revise the Bid through the Revision Form, the procedure for which is detailed in “***Build up of the Book and Revision of Bids***”.

More than one ASBA Bidder may Bid for Equity Shares using the same ASBA Account, provided that the SCSBs shall not accept a total of more than five ASBA Bid cum Application Forms from such ASBA Bidders with respect to any single ASBA Account.

Our Company reserves the right to reject, in their absolute discretion, all or any multiple Bids in any or all categories. A check will be carried out for the same PAN. In cases where the PAN is same, such Bids will be treated as multiple applications.

‘PAN’ or ‘GIR’ Number

Except for Bids on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts, the Bidders, or in the case of a Bid in joint names, each of the Bidders, should mention his/her PAN allotted under the I.T. Act. In accordance with the ICDR Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction.

Any Bid cum Application Form without the PAN is liable to be rejected. 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

Right to Reject Bids

In case of QIB Bidders Bidding in the QIB Portion, the Syndicate may reject Bids provided that such rejection shall be made at the time of acceptance of the Bid and the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company has the right to reject Bids based only on technical grounds and/or as specified in the Draft Red Herring Prospectus. Consequent refunds shall be made through any of the modes described in the Draft Red Herring Prospectus and will be sent to the Bidder’s address at the Bidder’s risk.

With respect to ASBA Bids, the Designated Branches of the SCSBs shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the Bidder’s bank account, the respective Designated Branch of the SCSB ascertains that sufficient funds are not available in the Bidder’s bank account maintained with the SCSB. Subsequent to the acceptance of the ASBA Bid by the SCSB, our Company would have a right to reject the ASBA Bids only on technical grounds and/or as specified in this Draft Red Herring Prospectus.

The Bidders may note that in case the DP ID, Beneficiary Account Number and PAN mentioned in the Bid cum Application Form and as entered into the electronic Bidding system of the Stock Exchanges by the members of the Syndicate and the SCSBs, as the case may be, do not match with the DP ID, Beneficiary Account Number and PAN available in the depository database, the Bid is liable to be rejected.

Grounds for Technical Rejections

Bidders should note that incomplete Bid cum Application Forms and Bid cum Application Forms that are not legible will be rejected by the members of the Syndicate or SCSBs. Bidders are advised to note that Bids are liable to be rejected among other things, on the following technical grounds:

1. Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to ASBA Bids, the amounts mentioned in the ASBA Bid cum Application Form does not tally with the amount payable for the value of the Equity Shares Bid for;
2. Application on plain paper;
3. 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;
4. Bid by persons not competent to contract under the Indian Contract Act, 1872, as amended, including minors;
5. PAN not stated (except for Bids on behalf of the Central or State Government, residents of Sikkim and the 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 over the Cap Price;
9. Bids at Cut off Price by Non-Institutional Bidders and QIB Bidders;
10. Submission of more than five ASBA Bid cum Application Forms per ASBA Account;
11. Bids for number of Equity Shares which are not in multiples of [?];
12. Category not ticked;
13. Multiple Bids as described in the Draft Red Herring Prospectus;
14. In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents not being submitted;
15. Bids accompanied by cash, stockinvest, money order or postal order;
16. Signature of sole and/or joint Bidders missing. In addition, with respect to ASBA Bids, the Bid cum Application form not being signed by the account holders, if the account holder is different from the Bidder;
17. Bid cum Application Form does not have the stamp of the BRLM the Syndicate Members or Designated Branches (except for electronic ASBA Bids);

18. Bid cum Application Form does not have Bidder's depository account details or the details given are incomplete or incorrect;
19. 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 Draft Red Herring Prospectus and as per the instructions in the Draft Red Herring Prospectus and the Bid cum Application Forms;
20. In case no corresponding record is available with the Depositories that matches three parameters namely, PAN (in case of joint Bids, PAN of the first applicant), the DP ID and the beneficiary's account number;
21. 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;
22. Bids for amounts greater than the maximum permissible amounts prescribed by applicable law;
23. Bids by OCBs;
24. Bids by persons in the United States;
25. Bids where clear funds are not available in the Escrow Accounts as per the final certificate from the Escrow Collection Banks;
26. Bids or revision thereof by QIB Bidders and Non-Institutional Bidders uploaded after 4.00 P.M. on the Bid/Issue Closing Date;
27. Bank account details for the refund not given;
28. Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
29. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals; and
30. Bids that do not comply with the securities laws of their respective jurisdictions.

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 BIDS ARE LIABLE TO BE REJECTED.

Electronic Registration of Bids

- (a) The members of the Syndicate and the SCSBs will register the Bids received, there will be at least one online connectivity in each city, where the Stock Exchanges are located in India and where such 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 Syndicate Members and the SCSBs, (ii) the Bids uploaded by the Syndicate Members and the SCSBs, (iii) the Bids accepted but not uploaded by the Syndicate Members and the SCSBs or (iv) with respect to ASBA Bids, Bids accepted and uploaded without blocking funds in the ASBA Accounts. However, the members 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 Stock Exchanges will offer a screen-based facility for registering such Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate and their authorized agents and the SCSBs during the Bid/Issue Period. The Syndicate Members and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of Bids subject to the condition that it will subsequently upload the off-line data file into the on-line facilities for book building on a regular basis.
- (c) On the Bid/Issue Closing Date, the members of the Syndicate and the Designated Branches of the SCSBs shall upload the Bids until such time as may be permitted by the Stock Exchanges. This information will be available with the BRLM on a regular basis. In order to ensure that the data uploaded is accurate, the Syndicate may be permitted one Working Day after the Bid/Issue Closing Date to amend some of the data fields (currently DP ID, Client ID) entered by them in the electronic bidding system. Bidders are cautioned that a high inflow of Bids typically experienced on the last Working Day of the Bidding may lead to some Bids received on the last Working Day not being uploaded due to lack of sufficient uploading time, and such Bids that could not be uploaded will not be considered for allocation. Bids will only be accepted on Working Days, *i.e.*, Monday to Friday (excluding any public holiday).
- (d) Based on the aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges a graphical representation of consolidated demand and price would be made available at the bidding centres and at the websites of each of the Stock Exchanges during the Bid/Issue Period along with category wise details.
- (e) At the time of registering each Bid, the members of the Syndicate or the Designated Branches of the SCSBs in case of ASBA Bids shall enter the following details of the Bidder in the electronic system:
 - Name of the Company.
 - Application number.
 - Investor Category – Individual, Corporate, non-institutional, qualified institutional buyer, Eligible NRI, FII, or Mutual Fund, financial institutions, insurance companies, etc.
 - PAN.
 - Depository Participant Identity (“DP ID”).
 - Beneficiary account number of the Bidder
 - Numbers of Equity Shares Bid for.
 - Price option.
 - Cheque amount.
 - Cheque number.

- (f) A system generated TRS, on demand, will be given to the Bidder as a proof of the registration of each of the Bidding options. **It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate or Designated Branches.** The registration of the Bid by the member of the Syndicate or the Designated Branches does not guarantee that the Equity Shares shall be allocated/Allotted.
- (g) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- (h) In case of QIB Bidders (other than QIBs Bidding through ASBA), the members of the Syndicate have a right to accept the Bid or reject it. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids may be rejected except on technical grounds. Furthermore, the SCSBs shall have no right to reject Bids except on technical grounds.
- (i) The permission given by the Stock Exchanges to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the 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 Promoters, our management or any scheme or project of our Company nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the 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 shall be given one Working Day after the Bid/Issue Closing Date to verify the information uploaded on the online IPO system during the Bidding Period after which the Registrar to the Issue shall proceed with the Allotment of Equity Shares.

Build Up of the Book and Revision of Bids

- (a) Bids received from various Bidders through the members of the Syndicate and the SCSBs shall be electronically uploaded to the Stock Exchanges' mainframe on a regular basis.
- (b) The book gets built up at various price levels. This information will be available with the BRLM at the end of the Bidding Period.
- (c) During the Bid/Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form.
- (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 such Bidder 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 revised, in the Revision Form. The members of the Syndicate and the Designated Branches will not accept incomplete or inaccurate Revision Forms.

- (e) The Bidder can make this revision any number of times during the Bid/Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate or the Designated Branch of the SCSB through whom such Bidder had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.
- (f) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. Retail Individual Bidders Bidding in such categories should note that the revised amount should not exceed Rs. 200,000. 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 Draft Red Herring Prospectus. With respect to ASBA Bids, if revision of the Bids results in an incremental amount, the relevant SCSB shall block the additional Bid amount. In case of Bids other than ASBA Bids, the members of the Syndicate shall collect the payment in the form of cheque or demand draft if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions. In such cases the members of the Syndicate will revise the earlier Bid details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the basis of Allotment.
- (g) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and will, on demand, receive a revised TRS from the members of the Syndicate or Designated Branches, as applicable. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.

Price Discovery and Allocation

- a) After the Bid/Issue Closing Date, the BRLM will analyze the demand generated at various price levels and discuss pricing strategy with us.
- b) Our Company, in consultation with the BRLM shall finalize the 'Issue Price', the number of Equity Shares to be allotted in each category of Bidders.
- c) The allocation for QIBs for not more than 50% of the Net Issue to the Public, of which 5% shall be reserved for Mutual Funds, would be on a proportionate basis, subject to valid bids being received at or above the Issue Price in the manner as described in the section titled 'Basis of Allotment'. The allocation to Non-Institutional Bidders and Retail Individual Bidders of not less than 15% and 35% of the Net Issue to the Public, respectively, would be on proportionate basis, in the manner specified in the SEBI (ICDR) Regulations, 2009, in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.
- d) Under subscription, if any, in QIBs, Non-Institutional and Retail categories would be allowed to be met with spill over from any of the other categories at the discretion of our Company and the BRLM. However, if the aggregate demand by Mutual Funds is less than [?] Equity Shares, the balance Equity Shares from the portion specifically available for allocation to Mutual Funds in the QIB Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders in proportion to their Bids.

- e) Allocation to NRIs, FIIs, Foreign Venture Capital Funds registered with SEBI applying on repatriation basis will be subject to the terms and conditions stipulated by the FIPB and RBI while granting permission for Issue/Allocation of Equity Shares to them.
- f) The BRLM, in consultation with us, shall notify the Syndicate Members of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.
- g) Our Company in consultation with the BRLM, reserves the right to cancel the Issue any time after the Bid/Issue Opening Date but before allocation, without assigning reasons whatsoever.
- h) The allotment details shall be uploaded on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and RoC Filing

1. 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.
2. After signing the Underwriting Agreement, we will update and file the updated Draft Red Herring Prospectus with RoC, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Issue Size, underwriting arrangements and would be complete in all material respects.

Filing of the Prospectus with the RoC

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, would be delivered for registration to The Registrar of Companies, Punjab Himachal Pradesh and Chandigarh situated at Corporate Bhawan, Plot No. 4 B, Sector 27 B, Madhya Marg, Chandigarh-160026. A copy of the Prospectus required to be filed under Section 60 of the Companies Act would be delivered for registration to the RoC at Chandigarh.

We will ensure that all the legal requirements applicable till the filing of the Prospectus with RoC are complied with.

Announcement of Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, our Company shall after registering the Red Herring Prospectus with the Registrar of Companies, publish an advertisement, in the form prescribed by the SEBI (ICDR) Regulations, 2009 in an English national daily with wide circulation, one Hindi National newspaper, and a regional language newspaper.

Advertisement regarding Issue Price and Prospectus

We will issue a statutory advertisement at the time of/after filing of Prospectus with RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of CAN

- (a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the Syndicate a list of the Bidders who have been allotted Equity Shares in the Issue.
- (b) The Registrar will then dispatch the CAN to the Bidders who have been Allotted Equity Shares in the Issue
- (c) The dispatch of CAN shall be deemed a valid, binding and irrevocable contract for the Bidder for all the Equity Shares allotted to such Bidder.

Issuance of CAN with respect to ASBA Bidders

- (a) Upon approval of the basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send the Controlling Branches, a list of the ASBA Bidders who have been allocated Equity Shares in the Issue, along with:
 - The number of Equity Shares to be allotted against each successful ASBA;
 - The amount to be transferred from the ASBA Account to the Public Issue Account, for each successful ASBA;
 - The date by which the funds referred to in sub-para (ii) above, shall be transferred to the Public Issue Account; and
 - The details of rejected ASBA Forms, if any, along with reasons for rejection and details of withdrawn (except in case of QIB bidding through an ASBA Form) or unsuccessful ASBA Forms, if any, to enable SCSBs to unblock the respective ASBA Accounts.

ASBA Bidders should note that our Company shall ensure that the instructions by our Company for demat credit of the Equity Shares to all investors in this Issue shall be given on the same date; and

- (b) The ASBA Bidders shall directly receive the CANs from the Registrar. The dispatch of a CAN to an ASBA Bidder shall be deemed a valid, binding and irrevocable contract with the ASBA Bidder.

Designated Date and Transfer of Funds to Public Issue Account

- a) Our Company will ensure that (i) the Allotment of Equity Shares; and (ii) credit to the successful Bidder's depository account will be completed within 11 Working Days of the Bid/Issue Closing Date.
- b) In accordance with the SEBI Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.
- c) Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated to them pursuant to this Issue.

Equity Shares in Dematerialized Form with NSDL and CDSL

As per the provisions of Section 68B of the Companies Act, the Equity Shares in this 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 tripartite agreements have been signed among our Company, the Depositories and the Registrar:

- 1) An Agreement dated [?] among NSDL, our Company and Registrar.
- 2) An Agreement dated [?] among CDSL, our Company and Registrar.

Bidders will be allotted Equity Shares only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

1. A Bidder applying for Equity Shares must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the Bid.
2. The Bidder must necessarily fill in the details (including the beneficiary account number and Depository Participant's identification number) appearing on the Bid cum Application Form and Revision Form.
3. Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.
4. Names in the Bid cum Application Form, Bid Revision Form should be identical to those appearing in the account details with the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details available with the Depository.
5. If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Bid Revision Form, it is liable to be rejected.
6. The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form or vis -à-vis those recorded with his or her Depository Participant.
7. 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. Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges, where our Equity Shares are proposed to be listed, have electronic connectivity with CDSL and NSDL.

Basis of Allotment

A. For Retail Individual Bidders

- (i) Bids received from Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. Allotment to all successful Retail Individual Bidders will be made at the Issue Price.
- (ii) The Issue size 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. 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.

- (iii) 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 up to a minimum of [●] Equity Shares. For the method of proportionate basis of Allotment, see below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Issue size less Allotment to QIBs and Retail Portion shall be available for Allotment to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [?] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.
- If the aggregate demand in this category is greater than [?] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares. For the method of proportionate basis of Allotment see below.

C. For QIBs in the QIB Portion

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. Allotment to all successful QIB Bidders will be made at the Issue Price. The QIB Portion shall be available for Allotment to QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
- Allotment shall be undertaken in the following manner:
 - (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion shall be determined as follows:
 - (i) In the event Mutual Fund Bids exceed 5% of the QIB Portion allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion.
 - (ii) In the event the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
 - (iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;
 - (b) In the second instance Allotment to all QIBs shall be determined as follows:

- (i) In the event of oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.
 - (ii) Mutual Funds, which have received allocation as per (a) above for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.
 - (iii) Under-subscription below 5% of the QIB Portion if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.
- The aggregate Allotment to QIB Bidders shall not be less than [?] Equity Shares.

Method of Proportionate Basis of Allotment in the Issue

In the event of the Issue being over-subscribed, our Company shall finalise the basis of Allotment in consultation with the Designated Stock Exchange. The Executive Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the 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) The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is as far as possible, equal to the number of Equity Shares calculated in accordance with (b) above; and
 - ii) Each successful Bidder shall be allotted a minimum of [?] Equity Shares.
- e) If the proportionate Allotment to a Bidder is a number that is more than [?] but is not a multiple of one (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it would be rounded off to the lower whole number. Allotment to all in such categories would be arrived at after such rounding off.
- f) If 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.

Procedure and Time of Schedule for Allotment and demat Credit of Equity Shares

The Issue will be conducted through a “100% Book Building Process” pursuant to which the members of the Syndicate will accept Bids for the Equity Shares during the Bid/Issue period. The Bid/Issue period will commence on [?] and expire on [?]. Following the expiration of the Bid/Issue period, our Company, in consultation with the BRLM, will determine the Issue Price, ‘Basis of Allocation’ and entitlement to Allotment based on the Bids received and subject to confirmation by the Designated Stock Exchange. Successful bidders will be provided with a confirmation of their allocation (subject to a revised confirmation of allocation) and will be required to pay any unpaid Bid amount for the Equity Shares within a prescribed time. The SEBI Regulations require our Company to complete the Allotment to successful bidders within 8 working days of the expiration of the Bid/Issue period. The Equity Shares will then be credited and Allotted to the investors’ demat accounts maintained with the relevant Depository Participant. Upon approval by the Stock Exchanges, the Equity Shares will be listed and trading will commence.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid-cum-Application Form number, Bidders Depository account details, number of Equity Shares applied for, date of Bid-cum-Application Form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

(c) Our Company has appointed Ms Parvinder Kaur as the Compliance Officer for the purposes of this IPO and she may be contacted at the registered office of our Company at: G-101, Ivory Tower, Sector 70, Mohali, Punjab - 160055, India. Investors may contact her in case of any Pre-Issue or Post-Issue related problems.

The Investors 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 shares in the respective beneficiary account, refund orders, etc.

Disposal of Applications and Application Money

We shall ensure dispatch of allotment advice and/or refund orders/refund advice (in case refunds made through ECS/ Direct Credit, RTGS, NEFT) as the case may be giving credit to the Beneficiary Account of the bidders with their respective Depository Participant and submission of the allotment and listing documents to the Stock Exchanges within two working days of finalization of the basis of allotment of Equity Shares.

Payment of Refund

Bidders other than ASBA Bidders must note that on the basis of the PAN 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 despatch 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 the Company, the Registrar to the Issue, Escrow Collection Bank(s), Bankers to the Issue nor the members of the Syndicate 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 for Bidders other than ASBA Bidders

The payment of refund, if any, for Bidders other than ASBA Bidders would be done through various modes in the following order of preference:

- (i) 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.
- (ii) Direct Credit – Applicants having bank accounts with the Refund Bank (s), as per Demographic Details received from the Depositories, 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 the Company.
- (iii) RTGS – Applicants having a bank account at any of the abovementioned centres and whose refund amount exceeds Rs. 1 million, have the option to receive refund through RTGS provided the Demographic Details downloaded from the Depositories contain the nine digit MICR code of the Bidder's bank which can be mapped with the RBI data to obtain the corresponding Indian Financial System Code (? IFSC?). Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.
- (iv) 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. The process flow in respect of refunds by way of NEFT is at an evolving stage, 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.
- (v) For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched 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 Banks 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 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 Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 11 Working Days of the Bid Closing Date.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

With respect to Bidders other than ASBA Bidders, the Company shall ensure dispatch of CAN, 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 after the Allotment.

In case of applicants who receive refunds through ECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 11 Working Days from the Bid Closing Date. A suitable communication shall be sent to the bidders receiving refunds through this mode within 11 Working Days of Bid Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

Our Company shall use 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 11 Working Days from the Bid Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, the Company further undertakes that:

- Allotment shall be made only in dematerialised form within 11 Working Days of the Bid Closing Date; and
- 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 11 Working Days of the Bid Closing Date would be ensured. With respect to the ASBA Bidders, instructions for unblocking of the ASBA Bidder's ASBA Account shall be made within eight days from the Bid Closing Date.

Interest shall be paid by our Company at 15% p.a. if the Allotment letters/ refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT, RTGS or ECS, the refund instructions have not been given to the clearing system in the disclosed manner within 15 Working Days from the Bid Closing Date or if instructions to SCSBs to unblock funds in the ASBA Accounts are not given within 11 Working Days from the Bid Closing Date.

Impersonation

Attention of the Bidders 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, a Bid 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.”

Letters of Allotment or Refund Orders or instructions to the SCSBs

The Registrar to the Issue shall give instructions for credit to the beneficiary account with depository participants within 11 Working Days of the Bid Closing Date. Applicants residing at the centres where clearing houses are managed by the RBI, will get refunds through NECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS. Our Company and the Company shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500, by ‘Under Certificate of Posting’, and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or first Bidder’s sole risk within 11 Working Days of the Bid Closing Date. Applicants 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 11 Working Days of the Bid Closing Date. 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 Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 11 Working Days of the Bid Closing Date.

Interest in case of delay in despatch of Allotment Letters or Refund Orders/ instruction to SCSB by the Registrar to the Issue

Our Company agrees that: (i) Allotment shall be completed within 11 Working Days of the Bid Closing Date; and (ii) credit to the successful Bidders’depository accounts will be completed within 11 Working Days of the Bid Closing Date.

The Company agrees that it shall pay interest at the rate of 15% p.a. if the Allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given in the disclosed manner.

The Company will provide adequate funds required for dispatch of refund orders or CAN to the Registrar to the Issue.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by the Company as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Undertakings by our Company

We undertake as follows:

- that the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;

- that all steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed are taken within 7 working days of finalization of the basis of allotment;
- that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the issue by our Company.
- that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of closure of the issue, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.
- that certificates of the securities/ refund orders to the non-resident Indians shall be dispatched within specified time.
- that no further issue of securities shall be made till the securities offered through the Draft Red Herring Prospectus are listed or till the application moneys are refunded on account of non-listing, under subscription, etc.
- that adequate arrangements shall be made to collect all Applications Supported by Blocked Amount (ASBA) 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 anytime after the Bid/Issue Opening Date but before the Allotment of Equity Shares. In such an event our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date, providing reasons for not proceeding with the Issue. Our Company shall also promptly inform the Stock Exchanges on which the Equity Shares are proposed to be listed.

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 only after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

In the event our Company, in consultation with the BRLM, withdraws the Issue after the Bid/Issue Closing Date, a fresh offer document will be filed with SEBI in the event we subsequently decide to proceed with the initial public offering.

Utilization of Issue proceeds

The Board of Directors of our Company certifies that:

- All monies received out of this issue of Equity Shares to public 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, 1956;
- Details of all monies utilized out of the issue referred to in sub-item (a) shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilised under an appropriate separate head in the Balance Sheet of our Company indicating the purpose for which such monies had been utilized; and
- Details of all unutilized monies out of the issue of Equity Shares, referred to in sub-item (i) 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;

The BRLM undertakes that the complaints or comments received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the industrial policy of Government of India, or the Industrial Policy and FEMA. While the Industrial Policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made.

Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Foreign Investment Promotion Board of Government of India (FIPB) and the RBI. As per current foreign investment policies, foreign direct investment in the sector in which our Company operates (Pharmaceutical Formulation) is allowed upto 100% under the automatic route.

RBI, *vide* its circular A.P (DIR Series) Circular No. 53 dated December 17, 2003, permitted FIIs to subscribe to shares of an Indian Company in the public issue without prior approval of RBI, so long as the price of Equity Shares to be issued is not less than the price at which the Equity Shares are issued to residents.

Investment by Non-Resident Indians

A variety of special facilities for making investments in India in shares of Indian Companies are available to individuals of Indian nationality or origin residing outside India (“NRIs”). These facilities permit NRIs to make portfolio investments in shares and other securities of Indian companies on a basis not generally available to other foreign investors. Under the portfolio investment scheme, NRIs are permitted to purchase and sell Equity Shares of our Company through a registered broker on the Stock Exchanges. NRIs collectively should not own more than 10% of the post-issue paid up capital of our Company. No single NRI may own more than 5% of the post- issue paid up capital of our Company. NRI investment in foreign exchange is now fully repatriable whereas investments made in Indian Rupees through rupee accounts remains non repatriable.

Investment by Foreign Institutional Investors

Foreign Institutional Investors (“FIIs”) including institutions such as pension funds, investment trusts, asset management companies, nominee companies and incorporated, institutional portfolio managers can invest in all the securities traded on the primary and secondary markets in India. FIIs are required to obtain an initial registration from the SEBI and a general permission from the RBI to engage in transactions regulated under FEMA. FIIs must also comply with the provisions of the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time. The initial registration and the RBI’s general permission together enable the registered FII to buy (subject to the ownership restrictions discussed below) and sell freely securities issued by Indian companies, to realise capital gains or investments made through the initial amount invested in India, to subscribe or renounce rights issues for shares, to appoint a domestic custodian for custody of investments held and to repatriate the capital, capital gains, dividends, income received by way of interest and any compensation received towards sale or renunciation of rights issues of shares.

Ownership restrictions of FIIs

Under the portfolio investment scheme, the overall issue of Equity Shares to FIIs on a repatriation basis should not exceed 24% of post-issue paid-up capital of our Company. However, the limit of 24% can be raised up to the permitted sectoral cap for that Company after approval of the board of Directors and shareholders of our Company. The issue of Equity Shares to a single FII should not exceed 10% of the post-issue paid-up capital of our Company. In respect of an FII investing in Equity Shares of a Company on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital of that Company.

Registration of Equity Shares under US Laws

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, 'U.S. persons' (as defined in Regulation S of the U.S. Securities Act, 1933), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold only (i) in the United States to 'qualified institutional buyers', as defined in Rule 144A of the Securities Act, and (ii) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

The above information is given for the benefit of the Bidders and neither our Company nor the BRLM are liable for any changes in the regulations after the date of the Draft Red Herring Prospectus.

**SECTION X – DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF
ASSOCIATION
MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY**

CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

Title of Article	Article Number and contents
Share capital	3. The authorized share capital of the Company shall be such as mentioned in Clause V of Memorandum of Association of the Company. The Company may from time to time by Special Resolution increase its authorised share capital by such sum and to be divided into Shares of such amount as may be specified in the resolution.
Increase of capital by the Company how carried into effect	4. The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 87 and 88 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 97 of the Act.
New Capital same as existing capital	5. 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 existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
Non Voting Shares	6. The Board shall have the power to issue a part of authorised capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.
Redeemable Preference Shares	7. Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue preference shares which are or at the option of the Company, liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.
Voting rights of preference shares	8. The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.
Provisions to apply on issue of	9. On the issue of redeemable preference shares under the provisions of Article 7

Redeemable Preference Shares	<p>hereof , the following provisions-shall take effect:</p> <p>(a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption;</p> <p>(b) No such Shares shall be redeemed unless they are fully paid;</p> <p>(c) 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 security premium account, before the Shares are redeemed;</p> <p>(d) Where any such Shares are redeemed otherwise then 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; and</p> <p>(e) Subject to the provisions of Section 80 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit.</p>
Reduction of capital	<p>10.</p> <p>The Company may (subject to the provisions of section 78, 80 and 100 to 105, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce</p> <p>(a) the share capital;</p> <p>(b) any capital redemption reserve account; or</p> <p>(c) any security premium account</p> <p>in any manner for the time being, authorised by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.</p>
Purchase of own Shares	<p>11.</p> <p>The Company shall have power, subject to and in accordance with all applicable provisions of the Act, to purchase any of its own fully paid Shares whether or not they are redeemable and may make a payment out of capital in respect of such purchase.</p>
Sub-division consolidation and cancellation of Shares	<p>12.</p> <p>Subject to the provisions of Section 94 and other applicable provisions of the Act, the Company in General Meeting may, from time to time, sub-divide or consolidate its Shares, or any of them and the resolution whereby any Share is sub-divided may determine that, as between the holders of the Shares resulting from such sub-divisions, one or more of such Shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other(s). Subject as aforesaid, the Company in General Meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the Shares so cancelled.</p>

MODIFICATION OF RIGHTS

Title of Article	Article Number and contents
Modification of rights	<p>13.</p> <p>Whenever the 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 each class may, subject to the provisions of Sections 106 and 107 of the Act, be modified, commuted, affected, abrogated, dealt with or varied with the consent in writing of the holders of not less than three-fourth of the issued capital of that class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of Shares of that class, and all the provisions hereafter contained as to General Meeting shall mutatis mutandis apply to every such Meeting. This Article is not to derogate from any power the Company would have if this Article was omitted.</p> <p>The rights conferred upon the holders of the Shares (including preference shares, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of Shares of that class, be deemed not to be modified, commuted, affected, dealt with or varied by the creation or issue of further Shares ranking <i>pari passu</i> therewith.</p>

SHARES, CERTIFICATES AND DEMATERIALISATION

Title of Article	Article Number and contents
Restriction on allotment and return of allotment	<p>14.</p> <p>The Board of Directors shall observe the restrictions on allotment of Shares to the public contained in Sections 69 and 70 of the Act, and shall cause to be made the returns as to allotment provided for in Section 75 of the Act.</p>
Further issue of shares	<p>15.</p> <p>(1) Where at any 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 then:</p> <p>(a) Such further Shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid-up on those Shares at that date;</p> <p>(b) The offer aforesaid shall be made by a notice specifying the number of Shares offered and limiting a time not being less than thirty days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;</p> <p>(c) 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 sub-clause (b) shall contain a statement of this right;</p> <p>(d) 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.</p> <p>(2) Notwithstanding anything contained in sub-clause (1), the further Shares</p>

Title of Article	Article Number and contents
	<p>aforesaid may be offered to any person(s) (whether or not those persons include the persons referred to in clause (a) sub-clause (1) hereof) in any manner whatsoever:</p> <p>(a) If a Special Resolution to that effect is passed by the Company in General Meeting; or</p> <p>(b) Where no such 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 to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by Members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.</p> <p>(3) Nothing in sub-clause (c) of (1) hereof shall be deemed;</p> <p>(a) To extend the time within which the offer should be accepted; or</p> <p>(b) 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.</p> <p>(4) 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 by the Company:</p> <p>(i) To convert such debentures or loans into Shares in the Company; or</p> <p>(ii) To subscribe for Shares in the Company.</p> <p>PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:</p> <p>(a) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with the Rules, if any, made by that government in this behalf; and</p> <p>(b) In the case of debentures or loans or other than debentures issued to, or loans obtained from 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 the General Meeting before the issue of the loans.</p>
Shares at the disposal of the Directors	<p>16.</p> <p>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 person, 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 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 to the Company in the conduct of its business and any Shares 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 for Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.</p>

Title of Article	Article Number and contents
Power to offer Shares/options to acquire Shares	<p>16A</p> <p>(1) Without prejudice to the generality of the powers of the Board under Article 16 or in any other Article of these Articles of Association, the Board or any Committee thereof duly constituted may, subject to the applicable provisions of the Act, rules notified thereunder and any other applicable laws, rules and regulations, at any point of time, offer existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) to its employees, including Directors (whether whole-time or not), whether at par, at discount or at a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force.</p> <p>(2) In addition to the powers of the Board under Article 16(1), the Board may also allot the Shares referred to in Article 16(1) to any trust, whose principal objects would inter alia include further transferring such Shares to the Company's employees [including by way of options, as referred to in Article 16(1)] in accordance with the directions of the Board or any Committee thereof duly constituted for this purpose. The Board may make such provision of moneys for the purposes of such trust, as it deems fit.</p> <p>(3) The Board, or any Committee thereof duly authorised for this purpose, may do all such acts, deeds, things, etc. as may be necessary or expedient for the purposes of achieving the objectives set out in Articles 16(1) and (2) above.</p>
Application of premium received on Shares	<p>17.</p> <p>(1) 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 these Shares shall be transferred to an account, to be called "the security 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 security premium account were paid up share capital of the Company.</p> <p>(2) The security premium account may, notwithstanding anything in clause (1) thereof be applied by the Company:</p> <p>(a) In paying up unissued Shares of the Company, to be issued to the Members of the Company as fully paid bonus;</p> <p>(b) In writing off the preliminary expenses of the Company;</p> <p>(c) In writing off the expenses of or the commission paid or discount allowed or any issue of Shares or debentures of the Company ; or</p> <p>(d) In providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.</p>
Power also to Company in General Meeting to issue Shares	<p>18.</p> <p>In addition to and without derogating from the powers for that purpose conferred on the Board under these Articles, the Company in General Meeting may, subject to the provisions of Section 81 of the Act, determine that any Shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether Members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount as such General Meeting shall determine and with full power to give any person (whether a</p>

Title of Article	Article Number and contents
	Member or not) the option or right to call for or buy allotted Shares of any class of the Company either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provision whatsoever for the issue, allotment, or disposal of any Shares.
Power of General Meeting to authorize Board to offer Shares/Options to employees	<p>19</p> <p>Without prejudice to the generality of the powers of the General Meeting under Article 18 or in any other Article of these Articles of Association, the General Meeting may, subject to the applicable provisions of the Act, rules notified thereunder and any other applicable laws, rules and regulations, determine, or give the right to the Board or any Committee thereof to determine, that any existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) be allotted/granted to its employees, including Directors (whether whole-time or not), whether at par, at discount or a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force. The General Meeting may also approve any Scheme/Plan/ other writing, as may be set out before it, for the aforesaid purpose. In addition to the powers contained in Article 19, the General Meeting may authorise the Board or any Committee thereof to exercise all such powers and do all such things as may be necessary or expedient to achieve the objectives of any Scheme/Plan/other writing approved under the aforesaid Article.</p>
Shares at a discount	<p>20.</p> <p>The Company may issue at a discount Shares in the Company of a class already issued, if the following conditions are fulfilled, namely:</p> <p>(a) The issue of the Shares at discount is authorised by resolution passed by the Company in the General Meeting and sanctioned by the Company Law Board;</p> <p>(b) The resolution specifies the maximum rate of discount (not exceeding ten percent or such higher percentage as the Company Law Board may permit in any special case) at which the Shares are to be issued; and</p> <p>(c) The Shares to be issued at a discount are issued within two months after the date in which the issue is sanctioned by the Company Law Board or within such extended time as the Company Law Board may allow.</p>
Installments of Shares to be duly paid	<p>21.</p> <p>If by the conditions of any allotment of any Shares the whole or any part of the amount or issued price thereof shall, be payable by installments, every such installment shall when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the Shares or his legal representatives, and shall for the purposes of these Articles be deemed to be payable on the date fixed for payment and in case of non-payment the provisions of these Articles as to payment of interest and expenses forfeiture and like and all the other relevant provisions of the Articles shall apply as if such installments were a call duly made notified as hereby provided.</p>

Title of Article	Article Number and contents
The Board may issue Shares as fully paid-up	<p>22.</p> <p>Subject to the provisions of the Act and these Articles, the Board may allot and issue Shares in the Capital of the Company as payment for any property purchased or acquired or for services rendered to the Company in the conduct of its business or in satisfaction of any other lawful consideration. Shares which may be so issued may be issued as fully paid-up or partly paid up Shares.</p>
Acceptance of Shares	<p>23.</p> <p>Any application signed by or on behalf of an applicant for Share(s) in the Company, followed by an allotment of any Share(s) therein, shall be an acceptance of Share(s) within the meaning of these Articles, and every person who thus or otherwise accepts any Shares and whose name is therefore placed on the Register of Members shall for the purpose of this Article, be a Member.</p>
Deposit and call etc., to be debt payable	<p>24.</p> <p>The money, if any which the Board of Directors shall on the allotment of any Shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any Shares allotted by them shall immediately on the inscription of the name of the allottee in the Register of Members as 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.</p>
Liability of Members	<p>25.</p> <p>Every Member, or his heirs, executors or administrators to the extent of his assets which come to their hands, shall be liable to pay to the Company the portion of the capital represented by his Share which may, for the time being, remain unpaid thereon in such amounts at such time or times and in such manner as the Board of Directors shall, from time to time, in accordance with the Company's requirements require or fix for the payment thereof.</p>
Dematerialisation of securities	<p>26.(A)</p> <p>Definitions</p> <p>Beneficial Owner “Beneficial Owner” means a person whose name is recorded as such with a Depository.</p> <p>SEBI “SEBI” means the Securities and Exchange Board of India.</p> <p>Bye-Laws “Bye-Laws” mean bye-laws made by a depository under Section 26 of the Depositories Act, 1996;</p> <p>Depositories Act “Depositories Act” means the Depositories Act, 1996 including any statutory modifications or re-enactment thereof for the time being in force;</p> <p>Depository “Depository” means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992;</p> <p>Record “Record” includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the regulations made by SEBI;</p> <p>Regulations “Regulations” mean the regulations made by SEBI;</p> <p>Security “Security” means such security as may be specified by SEBI.</p>
Dematerialisation of securities	<p>26.(B)</p> <p>Either on the Company or on the investor exercising an option to hold his securities</p>

Title of Article	Article Number and contents
	with a depository in a dematerialised form, the Company shall enter into an agreement with the depository to enable the investor to dematerialise the Securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act.
Options to receive security certificates or hold securities with depository	26.(C) Every person subscribing to securities offered by the Company shall have the option to receive the Security certificates or hold securities with a depository. Where a person opts to hold a Security with a depository, the Company shall intimate such depository the details of allotment of the Security, and on receipt of such information the depository shall enter in its record the name of the allotted as the Beneficial Owner of that Security.
Securities in depositories to be in fungible form	26.(D) All Securities held by a Depository shall be dematerialised and shall be in a fungible form; nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owner.
Rights of depositories and Beneficial Owners	26.(E) (1) Notwithstanding anything to the contrary contained in the Articles, a Depository shall be deemed to be a registered owner for the purposes of effecting transfer of ownership of Security on behalf of the Beneficial Owner; (2) Save as otherwise provided in (1) above, the Depository as a registered owner shall not have any voting rights or any other rights in respect of Securities held by it; (3) Every person holding equity share capital of the Company and whose name is entered as Beneficial Owner in the Records of the Depository shall be deemed to be a Member of the Company. The Beneficial Owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of the Securities held by a Depository.
Depository To Furnish Information	26.(F) Every Depository shall furnish to the Company information about the transfer of Securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.
Service of documents	26.(G) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronics mode or by delivery of floppies or discs.
Option to opt out in respect of any security	26.(H) If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, the Beneficial Owner shall inform the Depository accordingly. The Depository shall on receipt of information as above make appropriate entries in its Records and shall inform the Company. The Company shall, within thirty (30) days of the receipt of intimation from the depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate

Title of Article	Article Number and contents
	of securities to the Beneficial Owner or the transferee as the case may be.
Sections 83 and 108 of the Act not to apply	<p>26.(I)</p> <p>Notwithstanding anything to the contrary contained in the Articles,</p> <p>(1) Section 83 of the Act shall not apply to the Shares held with a Depository;</p> <p>(2) Section 108 of the Act shall not apply to transfer of Security effected by the transferor and the transferee both of whom are entered as Beneficial Owner in the Records of a Depository.</p>
Share certificate	<p>27.</p> <p>(a) Every Member or allottee of Shares is entitled, without payment, to receive one certificate for all the Shares of the same class registered in his name.</p> <p>(b) Any two or more joint allottees or holders of Shares shall, for the purpose of this Article, be treated as a single Member and the certificate of any Share which may be the subject of joint ownership may be delivered to any one of such joint owners, on behalf of all of them.</p>
Limitation of time for issue of certificates	<p>28.</p> <p>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 so time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within two months 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 number and distinctive numbers of Shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe and approve, provided that in respect of a Share or Shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of Shares to one or several joint holders shall be a sufficient delivery to all such holder.</p> <p>The Company shall be entitled to charge such sum as the Board may decide for issuing certificates for shares in numbers other than the marketable lot.</p>
Renewal of share certificates	<p>29.</p> <p>No certificate of any Share or Shares shall be issued either in exchange for those, which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the pages on the reverse for recording transfer have been duly utilised unless the certificate in lieu of which it is issued is surrendered to the Company.</p> <p>PROVIDED THAT no fee shall be charged for issue of new certificate in replacement of those which are old, decrepit or worn out or where the pages on the reverse for recording transfer have been fully utilized.</p>

Title of Article	Article Number and contents
Issue of new certificate in place of one defaced, lost or destroyed	<p>30.</p> <p>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 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 the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.2/- for each certificate) as the Directors shall prescribe.</p> <p>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.</p> <p>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 rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.</p> <p>The provision of this Article shall <i>mutatis mutandis</i> apply to Debentures of the Company.</p>
The first name joint holder deemed sole holder	<p>31.</p> <p>If any Share(s) stands in the name of two or more persons, the person first named in the Register of Members shall, as regards receipt of dividends or bonus or service of notice and all or any other matters connected with Company except voting at Meetings and the transfer of the Shares be deemed the sole holder thereof but the joint holders of a Share shall severally as well as jointly be liable for the payment of all incidents thereof according to the Company's Articles.</p>
Issue of Shares without Voting Rights	<p>32.</p> <p>In the event it is permitted by law to issue shares without voting rights attached to them, the Directors may issue such share upon such terms and conditions and with such rights and privileges annexed thereto as thought fit and as may be permitted by law.</p>
Buy-Back of Shares and Securities	<p>33.</p> <p>Notwithstanding anything contained in these articles, in the event it is permitted by law for a company to purchase its own shares or securities, the Board of Directors may, when and if thought fit, buy back, such of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions, and subject to such approvals, provision of section 77 and SEBI (Buy back of Shares) Regulations as may be permitted by law.</p>
Employees Stock Options Scheme/ Plan	<p>34.</p> <p>The Directors shall have the power to offer , issue and allot Equity Shares in or Debentures (Whether fully/ partly convertible or not into Equity Shares) of the Company with or without Equity Warrants to such of the</p>

Title of Article	Article Number and contents
	Officers, Employees, Workers of the Company or of its Subsidiary and / or Associate Companies or Managing and Whole Time Directors of the Company (hereinafter in this Article collectively referred to as “the Employees”) as may be selected by them or by the trustees of such trust as may be set up for the benefit of the Employees in accordance with the terms and conditions of the Scheme, trust, plan or proposal that may be formulated, created, instituted or set up by the Board of Directors or the Committee thereof in that behalf on such terms and conditions as the Board may in its discretion deem fit.
Sweat Equity	35. Subject to the provisions of the Act (including any statutory modification or re-enactment thereof, for the time being in force), shares of the Company may be issued at a discount or for consideration other than cash to Directors or employees who provide know-how to the Company or create an intellectual property right or other value addition.
Postal Ballot	36. The Company may pass such resolution by postal ballot in the manner prescribed by Section 192A of the Act and such other applicable provisions of the Act and any future amendments or re-enactment thereof. Notwithstanding anything contained in the provisions of the Act, the Company shall in the case of a resolution relating to such business, as the Central Government may, by notification, declare to be conducted only by postal ballot, get such resolution passed by means of postal ballot instead of transacting such business in a general meeting of the Company.
Company not bound to recognize any interest in Shares other than of registered holder	37. Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise, even when having notice thereof any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them.
Trust recognised	38. (a) Except as ordered, by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise, even when having notice thereof, any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them. (b) Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor or of a person of unsound mind (except in case where they are fully paid) or in the name of any firm or

Title of Article	Article Number and contents
	partnership.
Declaration by person not holding beneficial interest in any Shares	<p>39.</p> <p>(1) Notwithstanding anything herein contained a person whose name is at any time entered in Register of Member of the Company as the holder of a Share in the Company, but who does not hold the beneficial interest in such Shares, shall, if so required by the Act within such time and in such forms as may be prescribed, make declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such Share in the manner provided in the Act.</p> <p>(2) A person who holds a beneficial interest in a Share or a class of Shares of the Company, shall if so required by the Act, within the time prescribed, after his becoming such Beneficial Owner, make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the Shares stand in the Register of Members of the Company and such other particulars as may be prescribed as provided in the Act.</p> <p>(3) Whenever there is a change in the beneficial interest in a Share referred to above, the Beneficial Owner shall, of so required by the Act, within the time prescribed, from the date of such change, make a declaration to the Company in such form and containing such particulars as may be prescribed in the Act.</p> <p>(4) Not withstanding anything contained in the Act and Articles 37 and 38 hereof, where any declaration referred to above is made to the Company, the Company shall, if so required by the Act, make a note of such declaration in the Register of Members and file within the time prescribed from the date of receipt of the declaration a return in the prescribed form with the Registrar with regard to such declaration.</p>
Funds of Company not to be applied in purchase of Shares of the Company	<p>40.</p> <p>No funds of the Company shall except as provided by Section 77 of the Act, be employed in the purchase of its own Shares, unless the consequent reduction of capital is effected and sanction in pursuance of Sections 78, 80 and 100 to 105 of the Act and these Articles or in giving either directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any Share in the Company in its holding Company.</p>

INTEREST OUT OF CAPITAL

Title of Article	Article Number and contents
Interest out of capital	<p>44.</p> <p>Where any Shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building, or the provisions of any plant which cannot be made profitable for lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid-up, for the period at the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of the cost of construction of the work or building or the provisions of</p>

Title of Article	Article Number and contents
	the plant.

CALLS

Title of Article	Article Number and contents
Directors may make calls	<p>46.</p> <p>(a) Subject to the provisions of Section 91 of the Act, the Board of Directors may from time to time by a resolution passed at a meeting of a Board (and not by a circular resolution) make such calls as it thinks fit upon the Members in respect of all moneys unpaid on the Shares or by way of premium, held by them respectively and not by conditions of allotment thereof made payable at fixed time and each Member shall pay the amount of every call so made on him to person or persons and at the times and places appointed by the Board of Directors. A call may be made payable by installments. A call may be postponed or revoked as the Board may determine. No call shall be made payable within less than one month from the date fixed for the payment of the last preceding call.</p> <p>(b) The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.</p>
Notice of call when to be given	<p>47.</p> <p>Not less than fourteen days notice in writing of any call shall be given by the Company specifying the time and place of payment and the person or persons to whom such call shall be paid.</p>
Call deemed to have been made	<p>48.</p> <p>A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board of Directors and may be made payable by the Members of such date or at the discretion of the Directors on such subsequent date as shall be fixed by the Board of Directors.</p>
Directors may extend time	<p>49.</p> <p>The Board of Directors may, from time to time at its discretion, extend the time fixed for the payment of any call and may extended such time to call or any of the Members, the Board of Directors may deem fairly entitled to such extension but no Member shall be entitled to such extension as of right except as a matter of grace and favour.</p>
Amount payable at fixed time or by installments to be treated as calls	<p>50.</p> <p>If by the terms of issue of any Share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the Share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.</p>
When interest on call or installment payable	<p>51.</p> <p>If the sum payable in respect of any call or installment is not paid on or before the day appointed for the payment thereof, the holder for the time being or allottee of the Share in respect of which the call shall have been made or the installment shall be due, shall pay interest on the same at such rate not exceeding eighteen percent per annum as Directors shall fix from the day</p>

Title of Article	Article Number and contents
	appointed for the payment thereof upto the time of actual payment but the Directors may waive payment of such interest wholly or in part.
Evidence in action by Company against share holder	<p>52.</p> <p>On the trial of hearing of any action or suit brought by the Company against any Member or his Legal Representatives for the recovery of any money claimed to be due to the Company in respect of his Shares, it shall be sufficient to prove that the name of the Member in respect of whose Shares the money is sought to be recovered is entered on the Register of Members as the holder or as one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the Shares in respect of which the money is sought to be recovered, that the resolution making the call is duly recorded in the minute book and the notice of such call was duly given to the Member or his legal representatives sued in pursuance of these Articles and it shall not be necessary to prove the appointment of Directors who made such call, nor that a quorum of Directors was present at the Board meeting at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.</p>
Payment in anticipation of calls may carry interest	<p>53.</p> <p>(a)The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any Member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.</p> <p>(b)The Members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.</p> <p>(c)The provisions of these Articles shall mutatis mutandis apply to the calls on Debentures of the Company.</p>

LIEN

Title of Article	Article Number and contents
Partial payment not to preclude forfeiture	<p>54.</p> <p>Neither the receipt by the Company of a portion of any money which shall, from time to time be due from any Member to the Company in respect of his Shares, either by way of principal or interest, or any indulgence granted by the Company in respect of the payment of such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.</p>
Company's lien on	55.

Title of Article	Article Number and contents
Shares/ Debentures	The Company shall have first and paramount lien upon all 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 Share 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 exempt from the provisions of this Article.
As to enforcing lien by sale	<p>56.</p> <p>The Company may sell, in such manner as the Board thinks fit, any Shares on which the Company has lien for the purpose of enforcing the same PROVIDED THAT no sale shall be made:-</p> <p>(a) Unless a sum in respect of which the lien exists is presently payable; or</p> <p>(b) Until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is /presently payable has been given to the registered holder for the time being of the Share or the person entitled thereto by reason of his death or insolvency.</p> <p>For the purpose of such sale the Board may cause to be issued a duplicate certificate in respect of such Shares and may authorise one of their members to execute a transfer there from behalf of and in the name of such Members</p> <p>(c) The purchaser shall not be bound to see 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.</p>
Application of proceeds of sale	<p>57.</p> <p>(a) The net proceeds of any such sale shall be received by the Company and applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable, and</p> <p>(b) The residue if any, after adjusting costs and expenses if any incurred shall be paid to the person entitled to the Shares at the date of the sale (subject to a like lien for sums not presently payable as existed on the Shares before the sale).</p>

FORFEITURE OF SHARES

Title of Article	Article Number and contents
If money payable on Shares not paid notice to be given	<p>58.</p> <p>If any Member fails to pay the whole or any part of any call or any installments of a call on or before the day appointed for the payment of the same or any such extension thereof, the Board of Directors may, at any time thereafter, during such time as the call for installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason</p>

Title of Article	Article Number and contents
	of such non-payment.
Sum payable on allotment to be deemed a call	59. For the purposes of the provisions of these Articles relating to forfeiture of Shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such Share on the day of allotment.
Form of notice	60. The notice shall name a day, (not being less than fourteen days from the day of the notice) and a place or places on and at which such call in installment and such interest thereon at such rate not exceeding eighteen percent per annum as the Directors may determine and expenses as aforesaid are to be paid. The notice shall also state that in the event of the non-payment at or before the time and at the place appointed, Shares in respect of which the call was made or installment is payable will be liable to be forfeited.
In default of payment Shares to be forfeited	61. If the requirements of any such notice as aforesaid are not complied with, any Share or Shares in respect of which such notice has been given may at any time thereafter before payment of all calls or installments, interests and expenses due in respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited Shares and not actually paid before the forfeiture.
Notice of forfeiture to a Member	62. When any Share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.
Forfeited Shares to be the property of the Company and may be sold etc.	63. Any Share so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the original holder or to any other person, upon such terms and in such manner as the Board of Directors shall think fit.
Member still liable for money owing at the time of forfeiture and interest	64. Any Member whose Shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such Shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding eighteen percent per annum as the Board of Directors may determine and the Board of Directors may enforce the payment of such moneys or any part thereof, if it thinks fit, but shall not be under any obligation to do so.
Effects of forfeiture	65. The forfeiture of a Share shall involve the extinction at the time of the forfeiture, of all interest in and all claims and demand against the Company in respect of the Share and all other rights incidental to the Share, except only such of those rights as by these Articles are expressly saved.
Power to annul	66.

Title of Article	Article Number and contents
forfeiture	The Board of Directors may at any time before any Share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.
Declaration of forfeiture	<p>67.</p> <p>A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Manager or the Secretary of the Company, and that Share in the Company has been duly forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.</p> <p>The Company may receive the consideration, if any, given for the Share on any sale, re-allotment or other disposal thereof and may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed off.</p> <p>The person to whom such Share is sold, re-allotted or disposed of shall thereupon be registered as the holder of the Share.</p> <p>Any such purchaser or allottee shall not (unless by express agreement) be liable to pay calls, amounts, installments, interests and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interests or bonuses accrued or which might have accrued upon the Share before the time of completing such purchase or before such allotment.</p> <p>Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be effected by the irregularity or invalidity in the proceedings in reference to the forfeiture, sale re-allotment or other disposal of the Shares.</p>
Provisions of these articles as to forfeiture to apply in case of nonpayment of any sum.	<p>68.</p> <p>The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a Share becomes payable at a fixed time, whether on account of the nominal value of Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.</p>
Cancellation of shares certificates in respect of forfeited Shares	<p>69.</p> <p>Upon sale, re-allotment or other disposal under the provisions of these Articles, the certificate or certificates originally issued in respect of the said Shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of the said Shares to the person or persons entitled thereto.</p>
Evidence of forfeiture	<p>70.</p> <p>The declaration as mentioned in Article 67(a) of these Articles shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.</p>

Title of Article	Article Number and contents
Validity of sale	71. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
Surrender of Shares	72. The Directors may subject to the provisions of the Act, accept a surrender or any share from any Member desirous of surrendering on such terms and conditions as they think fit.

TRANSFER AND TRANSMISSION OF SHARES

Title of Article	Article Number and contents
No transfers to minors etc.	73. No Share which is partly paid-up or on which any sum of money is due shall in any circumstances be transferred to any minor, insolvent or person of unsound mind.
Instrument of transfer	74. 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.
Application for transfer	75. (a) An application for registration of a transfer of the Shares in the Company may be either by the transferor or the transferee. (b) Where the application is made by the transferor and relates to partly paid Shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice (c) For the purposes of clause (b) above notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address, given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.
Execution of transfer	76. The instrument of transfer of any Share shall be duly stamped and executed by or on behalf of both the transferor and the transferee and shall be witnessed. The transferor shall be deemed to remain the holder of such Share until the name of the transferee shall have been entered in the Register of Members in respect thereof. The requirements of provisions of Section 108 of the Companies Act, 1956 and any statutory modification thereof for the time being shall be duly complied with.
Transfer by legal	77.

Title of Article	Article Number and contents
representatives	A transfer of Share 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.
Register of Members etc when closed	<p>78.</p> <p>The Board of Directors shall have power on giving not less than seven days previous notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situated to close the Register of Members and/or the Register of debentures 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 at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.</p>
Directors may refuse to register transfer	<p>79.</p> <p>Subject to the provisions of Section 111A, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal.</p> <p>PROVIDED THAT the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares.</p>
Death of one or more joint holders of Shares	<p>80.</p> <p>In case of the death of any one or more of the persons named in the Register of Members as the joint holders of any Share, the survivor or survivors shall be the only persons recognised by the Company as having any title or interest in such Share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on Shares held by him with any other person.</p>
Titles of Shares of deceased Member	<p>81.</p> <p>The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks it, the Board upon such terms</p>

Title of Article	Article Number and contents
	as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 109A and 109B of the Companies Act.
Notice of application when to be given	82. Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.
Registration of persons entitled to Shares otherwise than by transfer (Transmission Clause)	83. Subject to the provisions of the Act and Article 80 hereto, any person becoming entitled to Share in consequence of the death, lunacy, bankruptcy insolvency of any Member or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Share or elect to have some person nominated by him and approved by the Board registered as such holder; provided nevertheless, that if such person shall elect to have his nominee registered as a holder, he shall execute an instrument of transfer in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the Shares. This clause is hereinafter referred to as the "Transmission Clause".
Refusal to register nominee	84. Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any Share of his nominee as if he were the transferee named in an ordinary transfer presented for registration.
Person entitled may receive dividend without being registered as a Member	85. A person entitled to a Share by transmission shall subject to the right of the Directors to retain dividends or money as is herein provided, be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the Share.
No fee on transfer or transmissions	86. No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate & Letters of Administration, Certificate of Death or Marriage, Power of Attorney or other similar document.
Transfer to be presented with evidence of title	87. Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the Shares and generally under and subject to such conditions and regulations as the Board may, from time to time prescribe, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.
Company not liable	88.

Title of Article	Article Number and contents
for disregard of a notice prohibiting registration of transfer	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, or referred thereto, in any book of the Company, and the Company shall not be bound to be required to regard or attend to 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 to do so, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

SHARE WARRANTS

Title of Article	Article Number and contents
Power to issue share warrants	89. The Company may issue warrants subject to and in accordance with 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 persons 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, issue a share warrant.
Deposit of share warrants	90. (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 call in 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 deposit warrant (b) Not more than one person shall be recognized as depositor of the Share warrant (c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor
Privileges and disabilities of the holders of share warrant	91. (a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a 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

Title of Article	Article Number and contents
	holder of the Share included in the warrant, and he shall be a Member of the Company.
Issue of new share warrant coupons	92. The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

Title of Article	Article Number and contents
Share may be converted into stock	93. The Company may, by Ordinary Resolution: Convert any fully paid up Share into stock, and reconvert any stock into fully paid-up Shares.
Transfer of stock	94. The several holders of such stock may transfer there respective interest therein or any part thereof in the same manner and subject to the same regulations under which the stock arose might before the conversion, have been transferred, or as near thereto as circumstances admit. PROVIDED THAT the Board may, from time to time, fix the minimum amount of stock transferable, so however that such minimum shall not exceed the nominal amount of the Shares from which stock arose.
Right of stock holders	95. 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 them Shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred those privileges or advantages.
Regulation applicable to stock and share warrant	96. Such of the regulations of the Company as are applicable to the paid up Shares shall apply to stock and the words "Share" and "Share holder" in these regulations shall include "stock" and "stock holder" respectively.

BORROWING POWERS

Title of Article	Article Number and contents
Power to borrow	97. Subject to the provisions of Sections 58A, 292 and 370 of the Act and these Articles, the Board of Directors may, from time to time at its discretion by a resolution passed at a meeting of the Board, borrow, accept deposits from Members either in advance of calls or otherwise and generally raise or borrow or

Title of Article	Article Number and contents
	secure the payment of any such sum or sums of money for the purposes of the Company from any source. PROVIDED THAT, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board of Directors shall not borrow such money without the sanction of the Company in General Meeting. No debts incurred by the Company in excess of the limit imposed by this Article shall be valid or effectual unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by this Article had been exceeded.
The payment or repayment of moneys borrowed	98. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit, and in particular in pursuance of a resolution passed at a meeting of the Board (and not by circular resolution) by the issue of bonds, debentures or debentures stock of the Company, charged upon all or any part of the property of the Company, (both present and future), including its un-called capital for the time being and the debentures and the debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
Bonds, Debentures, etc. to be subject to control of Directors	99. Any bonds, debentures, debenture-stock 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 condition and in such manner and for such consideration as they shall consider to be for the benefit of the Company.
Terms of issue of Debentures	100. Any Debentures, Debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into Shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of Shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise; However, Debentures with the right to conversion into or allotment of Shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.
Mortgage of uncalled capital	101. If any uncalled capital of the Company is included in or charged by mortgage or other security, the Directors may, 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 has been executed.

MEETING OF MEMBERS

Title of Article	Article Number and contents
Statutory meeting	102.

Title of Article	Article Number and contents
	The statutory meeting shall be held in accordance with the provisions of Section 165 of the Act within a period of not less than one month and not more than six months from the date on which the Company shall be entitled to commence business.
Annual General Meeting	<p>103.</p> <p>The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other Meeting in that year. All General Meetings other than Annual General Meetings shall be called Extra-ordinary General Meetings. An Annual General Meeting of the Company shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall lapse between the date of one Annual General Meeting and that of next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Register under the provisions of Section 166 (1) of the Act to extend the time with which any Annual General Meeting may be held. Every Annual General Meeting shall be called at a time during business hours, on a day that is not a public holiday, and shall be held at the office of the Company or at some other place within the city in which the Registered Office of the Company is situated as the Board may determine and the notices calling the Meeting shall specify as the Annual General Meeting. Then company may in any one Annual General Meeting fix the time for its subsequent Annual General Meeting. Every Member of the Company shall be entitled to attend, either in person or by proxy and the Auditors of the Company, shall have the right to attend and be heard at any General Meeting which he attends on any part of the business which concerns him as an Auditor. At every Annual General Meeting of the Company there shall be laid on the table the Director's Report and audited statement of accounts, the Proxy Register with proxies and the Register of Director's Shareholding, which Registers shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the annual list of Members, summary of share capital, balance sheet and profit and loss account and forward the same to the Registrar in accordance with Sections 159, 161 and 220 of the Act.</p>
Report statement and registers to be laid before the Annual General Meeting	<p>104.</p> <p>The Company shall in every Annual General Meeting in addition to any other Report or Statement lay on the table the Director's Report and audited statement of accounts, Auditor's Report (if not already incorporated in the audited statement of accounts), the Proxy Register with proxies and the Register of Director's Shareholdings, which Registers shall remain open and accessible during the continuance of the Meeting.</p>
Extra-Ordinary General Meeting	<p>105.</p> <p>All General Meeting other than Annual General Meeting shall be called Extra - Ordinary General Meeting.</p>
Requisitionists' meeting	<p>106.</p> <p>(1) Subject to the provisions of Section 188 of the Act, the Directors shall on the requisition in writing of such number of Members as is hereinafter specified and (unless the General Meeting otherwise resolves) at the expense of the requisitionists:-</p>

Title of Article	Article Number and contents
	<p>(a) Give to the Members of the Company entitled to receive notice of the next Annual General Meeting, notice of any resolution which may properly be moved and is intended to be moved at that meeting.</p> <p>(b) Circulate to the Members entitled to have notice of any General Meeting sent to them, any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or any business to be dealt with at that Meeting.</p> <p>(2) The number of Members necessary for a requisition under clause (1) hereof shall be</p> <p>(a) Such number of Members as represent not less than one-twentieth of the total voting power of all the Members having at the date of the resolution a right to vote on the resolution or business to which the requisition relates; or</p> <p>(b) not less than one hundred Members having the rights aforesaid and holding Shares in the Company on which there has been paid up an aggregate sum of not less than Rupees one lac in all.</p> <p>(3) Notice of any such resolution shall be given and any such statement shall be circulated, to Members of the Company entitled to have notice of the Meeting sent to them by serving a copy of the resolution or statement to each Member in any manner permitted by the Act for service of notice of the Meeting and notice of any such resolution shall be given to any other Member of the Company by giving notice of the general effect of the resolution in any manner permitted by the Act for giving him notice of meeting of the Company. The copy of the resolution shall be served, or notice of the effect of the resolution shall be given, as the case may be in the same manner, and so far as practicable, at the same time as notice of the Meeting and where it is not practicable for it to be served or given at the time it shall be served or given as soon as practicable thereafter.</p> <p>(4) The Company shall not be bound under this Article to give notice of any resolution or to circulate any statement unless:</p> <p>(a) A copy of the requisition signed by, the requisitionists (or two or more copies which between them contain the signature of all the requisitionists) is deposited at the Registered Office of the Company.</p> <p>(i) In the case of a requisition, requiring notice of resolution, not less than six weeks before the Meeting.</p> <p>(ii) the case of any other requisition, not less than two weeks before the Meeting, and</p> <p>(b) There is deposited or tendered with the requisition sum reasonably sufficient to meet the Company expenses in giving effect thereto.</p> <p>PROVIDED THAT if after a copy of the requisition requiring notice of a resolution has been deposited at the Registered Office of the Company, and an Annual General Meeting is called for a date six weeks or less after such copy has been deposited, the copy although not deposited within the time required by this clause, shall be deemed to have been properly deposited for the purposes also thereof.</p> <p>(5) The Company shall also not be bound under this Article to circulate any statement, if on the application either of the Company or of any other person who claims to be aggrieved, the Court is satisfied that the rights conferred by this Article are being abused to secure needless publicity for defamatory matter.</p>

Title of Article	Article Number and contents
	(6) Notwithstanding anything in these Articles, the business which may be dealt with at Annual General Meeting shall include any resolution for which notice is given in accordance with this Article, and for the purposes of this clause, notice shall be deemed to have been so given, notwithstanding the accidental omission in giving it to one or more Members.
<p>Extra-Ordinary General Meeting by Board and by requisition</p> <p>When a Director or any two Members may call an Extra Ordinary General Meeting</p>	<p>107.</p> <p>(a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of the Members as herein provided, forthwith proceed to convene Extra-Ordinary General Meeting of the Company.</p> <p>(b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.</p>
<p>Contents of requisition, and number of requisitionists required and the conduct of Meeting</p>	<p>108.</p> <p>(1) In case of requisition the following provisions shall have effect:</p> <p>(a) The requisition shall set out the matter for the purpose of which the Meeting is to be called and shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company.</p> <p>(b) The requisition may consist of several documents in like form each signed by one or more requisitionists.</p> <p>(c) The number of Members entitled to requisition a Meeting in regard to any matter shall be such number as hold at the date of the deposit of the requisition, not less than one-tenth of such of the paid-up share capital of the Company as that date carried the right of voting in regard to that matter.</p> <p>(d) Where two or more distinct matters are specified in the requisition, the provisions of sub-clause (3) shall apply separately in regard to such matter, and the requisition shall accordingly be valid only in respect of those matters in regard to which the conditions specified in that clause are fulfilled.</p> <p>(e) If the Board does not within twenty-one days from the date of the deposit of a valid requisition in regard to any matters, proceed, duly to call a Meeting for the consideration of those matters on a day not later than forty-five days from the date of the deposit of the requisition, the Meeting may be called:</p> <p>(i) By the requisitionists themselves ; or</p> <p>(ii) by such of the requisitionists as represent either a majority in value of the paid up share capital held by all of them or not less than one tenth of the paid-up share capital of the Company as is referred to in sub clauses (c) of clause (1) which ever is less.</p> <p>PROVIDED THAT for the purpose of this sub-clause, the Board shall, in the case of a Meeting at which a resolution is to be proposed as a Special Resolution, be deemed not to have duly convened the Meeting if they do not give such notice thereof as is required by sub-section (2) of Section 189 of the Act.</p>

Title of Article	Article Number and contents
	<p>(2) A meeting called under sub-clause (c) of clause (1) by requisitionists or any of them:</p> <p>(a) shall be called in the same manner as, nearly as possible, as that in which meeting is to be called by the Board; but</p> <p>(b) shall not be held after the expiration of three months from the date of deposit of the requisition.</p> <p>PROVIDED THAT nothing in sub-clause (b) shall be deemed to prevent a Meeting duly commenced before the expiry of the period of three months aforesaid, from adjourning to some days after the expiry of that period.</p> <p>(3) Where two or more Persons hold any Shares in the Company jointly; a requisition or a notice calling a Meeting signed by one or some only of them shall, for the purpose of this Article, have the same force and effect as if it has been signed by all of them.</p> <p>(4) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board to duly to call a Meeting shall be repaid to the requisitionists by the Company; and any sum repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.</p>
Length of notice of Meeting	<p>109.</p> <p>(1) A General Meeting of the Company may be called by giving not less than twenty-one days notice in writing.</p> <p>(2) A General Meeting may be called after giving shorter notice than that specified in clause (1) hereof, if consent is accorded thereto:</p> <p>(i) In the case of Annual General Meeting by all the Members entitled to vote thereat; and</p> <p>(ii) In the case of any other Meeting, by Members of the Company holding not less than ninety-five percent of such part of the paid up share capital of the Company as gives a right to vote at the Meeting.</p> <p>PROVIDED THAT where any Members of the Company are entitled to vote only on some resolution, or resolutions to be moved at a Meeting and not on the others, those Members shall be taken into account for the purposes of this clause in respect of the former resolutions and not in respect of the later.</p>
Contents and manner of service of notice	<p>110.</p> <p>(1) Every notice of a Meeting of the Company shall specify the place and the day and hour of the Meeting and shall contain a statement of the business to be transacted thereat.</p> <p>(2) Subject to the provisions of the Act notice of every General Meeting shall be given;</p> <p>(a) to every Member of the Company, in any manner authorised by sub-sections (1) to (4) Section 53 of the Act;</p> <p>(b) to the persons entitled to a Share in consequence of the death, or insolvency of a Member, by sending it through post in a prepaid letter addressed to them by name or by the title of representative of the deceased, or assignees of the insolvent, or by like description, at the address, if any in India supplied for the purpose by the persons claiming to be so entitled or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or</p>

Title of Article	Article Number and contents
	<p>insolvency had not occurred; and</p> <p>(c) to the Auditor or Auditors for the time being of the Company in any manner authorised by Section 53 of the Act in the case of Members of the Company PROVIDED THAT, where the notice of a Meeting is given by advertising the same in a newspaper circulating in the neighborhood of Registered Office of the Company under sub-section (3) of Section 53 of the Act, the statement of material facts referred to in Section 173 of the Act need not be annexed to the notice as required by that Section, but it shall be mentioned in the advertisement that the statement has been forwarded to the Members of the Company.</p> <p>(3) Every notice convening a Meeting of the Company shall state with reasonable prominence that a Member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of himself and that a proxy need not be a Member of the Company.</p>
Special and ordinary business and explanatory statement	<p>111.</p> <p>(1)(a) In the case of an Annual General Meeting all business to be transacted at the Meeting shall be deemed special, with the exception of business relating to</p> <p>(i) the consideration of the accounts, balance sheet the reports of the Board of Directors and Auditors;</p> <p>(ii) the declaration of dividend;</p> <p>(iii) the appointment of Directors in the place, of those retiring; and</p> <p>(iv) the appointment of, and the fixing of the remuneration of the Auditors, and</p> <p>(b) In the case of any other meeting, all business shall be deemed special</p> <p>(2) Where any items of business to be transacted at the Meeting of the Company are deemed to be special as aforesaid, there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item, of business, including in particular the nature of the concern or interest, if any, therein of every Director.</p> <p>PROVIDED THAT, where any such item of special business at the Meeting of the Company relates to or affects, any other company, the extent of shareholding interest in that other company of every Director of the Company shall also be set out in the statement, if the extent of such shareholding interest is not less than twenty percent of the paid up-share capital of the other company.</p> <p>(3) Where any item of business consists of the according of approval to any document by the Meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.</p>
Omission to give notice not to invalidate proceedings	<p>112.</p> <p>The accidental omission to give such notice as aforesaid to or non-receipt thereof by, any Member or other person to whom it should be given, shall not invalidate the proceedings of any such Meeting.</p>

MEETING OF MEMBERS

Title of Article	Article Number and contents
Notice of business to be given	<p>113.</p> <p>No General Meeting, Annual or Extra-Ordinary shall be competent to enter upon,</p>

Title of Article	Article Number and contents
	discuss or transact any business which has not been mentioned in the notice or notices convening the Meeting.
Quorum	<p>114.</p> <p>Five Members entitled to vote and present in person shall be quorum for General Meeting and no business shall be transacted at the General Meeting unless the quorum requisite is present at the commencement of the Meeting. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act. The President of India or the Governor of a State being a Member of the Company shall be deemed to be personally present if it is presented in accordance with Section 187 of the Act.</p>
If quorum not present when Meeting to be dissolved and when to be adjourned	<p>115.</p> <p>If within half an hour from the time appointed for holding a Meeting of the Company, a quorum is not present, the Meeting, if called by or upon the requisition of the Members shall stand dissolved and in any other case the Meeting shall stand, adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday, at the same time and place or to such other day and at such other time and place as the Board may determine. If at the adjournment meeting also, a quorum is not present within half an hour from the time appointed for holding the Meeting, the Members present shall be a quorum and may transact the business for which the Meeting was called.</p>
Resolution passed at adjourned Meeting	<p>116.</p> <p>Where a resolution is passed at an adjourned Meeting of the Company, the resolution for all purposes is treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.</p>
Chairman of General Meeting	<p>117.</p> <p>At every General Meeting the Chair shall be taken by the Chairman of the Board of Directors. If at any Meeting, the Chairman of the Board of Directors is not present within ten minutes after the time appointed for holding the Meeting or though present, is unwilling to act as Chairman, the Vice Chairman of the Board of Directors would act as Chairman of the Meeting and if Vice Chairman of the Board of Directors is not present or, though present, is unwilling to act as Chairman, the Directors present may choose one of themselves to be a Chairman, and in default or their doing so or if no Directors shall be present and willing to take the Chair, then the Members present shall choose one of themselves, being a Member entitled to vote, to be Chairman.</p>
Act for resolution sufficiently done or passed by Ordinary Resolution unless otherwise required.	<p>118</p> <p>Any act or resolution which, under the provisions of these Articles or of the Act, is permitted or required to be done or passed by the Company in General Meeting shall be sufficiently done so or passed if effected by an Ordinary Resolution unless either the Act or the Articles specifically require such act to be done or resolution be passed by a Special Resolution.</p>
Business confined to election of Chairman whilst the	<p>119.</p> <p>No business shall be discussed at any General Meeting except the election of a Chairman whilst the Chair is vacant.</p>

Title of Article	Article Number and contents
Chair is vacant	
Chairman may adjourn Meeting	<p>120.</p> <p>(1) The Chairman may with the consent of Meeting at which a quorum is present and shall if so directed by the Meeting adjourn the Meeting from time to time and from place to place.</p> <p>(2) No business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place.</p> <p>(3) When a Meeting is adjourned for thirty days or more notice of the adjourned Meeting shall be given as in the case of an original Meeting.</p> <p>(4) Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or of the business to be transacted at any adjourned Meeting.</p>
How questions are decided at Meetings	<p>121.</p> <p>Every question submitted to a General Meeting shall be decided in the first instance by a show of hands unless the poll is demanded as provided in these Articles.</p>
Chairman's declaration of result of voting on show of hands	<p>122.</p> <p>A declaration by the Chairman of the Meeting 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 book containing the minutes of the proceeding of the Company's General Meeting shall be conclusive evidence of the fact, without proof of the number or proportion of votes cast in favour of or against such resolution.</p>
Demand of poll	<p>123.</p> <p>Before or on the declaration of the result of the voting on any resolution on a show of hands a poll may be ordered to be taken by the Chairman of the Meeting on his own motion and shall be ordered to be taken by him on a demand made in that behalf by any Member or Members present in person or by proxy and holding Shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution, or on which an aggregate sum of not less than fifty thousand rupees has been paid up. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.</p>
Time of taking poll	<p>124.</p> <p>A poll demanded on a question of adjournment or election of a Chairman shall be taken forthwith. A poll demanded on any other question shall be taken at such time not being later than forty-eight hours from the time when the demand was made and in such manner and place as the Chairman of the Meeting may direct and the result of the poll shall be deemed to be the decision of the Meeting on the resolution on which the poll was taken.</p>
Chairman's casting vote	<p>125.</p> <p>In the case of equality of votes the Chairman shall both on a show of hands and on a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a Member.</p>
Appointment of scrutineers	<p>126.</p> <p>Where a poll is to be taken, the Chairman of the Meeting shall appoint two scrutineers to scrutinise the vote given on the poll and to report thereon to him.</p>

Title of Article	Article Number and contents
	One of the scrutineers so appointed shall always be a Member (not being an officer or employee of the Company) present at the Meeting, provided such a Member is available and willing to be appointed. The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutineer from office and fill vacancies in the office of the scrutineer arising from such removal or from any other cause.
Demand for poll not to prevent transaction of other business	127. The demand for a poll shall not prevent transaction of other business (except on the question of the election of the Chairman and of an adjournment) other than the question on which the poll has been demanded.
Special notice	128. Where by any provision contained in the Act or in these Articles, special notice is required for any resolution notice of the intention to move the resolution shall be given to the Company not less than fourteen days before the Meeting at which it is to be moved, exclusive of the day which the notice is served or deemed to be served on the day of the Meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it, give its Members notice of the resolution in the same manner as it gives notice of the Meeting, or if that is not practicable shall give them notice thereof, either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the Meeting.

VOTES OF MEMBERS

Title of Article	Article Number and contents
Member paying money in advance not to be entitled to vote in respect thereof	129. A Member paying the whole or a part of the amount remaining unpaid on any Share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of moneys so paid by him until the same would but for such payment become presently payable.
Restriction on exercise of voting rights of Members who have not paid calls	130. No Member shall exercise any voting rights in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.
Number of votes to which Member entitled	131 Subject to the provisions of Article 129, every Member of the Company holding any equity share capital and otherwise entitled to vote shall, on a show of hands when present in person (or being a body corporate present by a representative duly authorised) have one vote and on a poll, when present in person (including a body corporate by a duly authorised representative), or by an agent duly authorised under a Power of Attorney or by proxy, his voting right shall be in proportion to his share of the paid-up equity share capital of the Company. Provided however, if any preference shareholder is present at any meeting of the Company, (save as provided in clause (b) of sub-section (2) of

Title of Article	Article Number and contents
	Section 87) he shall have a right to vote only on resolutions before the Meeting which directly affect the rights attached to his preference shares. A Member is not prohibited from exercising his voting rights on the ground that he has not held his Shares or interest in the Company for any specified period preceding the date on which the vote is taken.
Votes of Members of unsound mind	132. A Member of unsound mind, or in respect of whom order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or guardian may, on a poll, vote by proxy.
Votes of joint Members	133. If there be joint registered holders of any Shares, one of such persons may vote at any Meeting personally or by an agent duly authorised under a Power of Attorney or by proxy in respect of such Shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the Meeting, and if more than one of such joint holders be present at any Meeting either personally or by agent or by proxy, that one of the said persons so present whose name appears higher on the Register of Members shall alone be entitled to speak and to vote in respect of such Shares, but the other holder(s) shall be entitled to vote in preference to a person present by an agent duly authorised under a Power of Attorney or by proxy although the name of such person present by agent or proxy stands first or higher in the Register of Members in respect of such Shares. Several executors or administrators of a deceased Member in whose name Shares stand shall for the purpose of these Articles be deemed joint holders thereof.
Representation of body corporate	134. (1)A body corporate (whether a company within the meaning of the Act or not) may, if it is a Member or creditor of the Company (including a holder of Debentures) authorise such person as it thinks fit by a resolution of its Board of Directors or other governing body, to act as its representative at any Meeting of the Company or any class of shareholders of the Company or at any meeting of the creditors of the Company or Debenture-holders of the Company. A person authorised by resolutions aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual Member, shareholder, creditor or holder of Debentures of the Company. The production of a copy of the resolution referred to above certified by a Director or the Secretary of such body corporate before the commencement of the Meeting shall be accepted by the Company as sufficient evidence of the validity of the said representatives' appointment and his right to vote thereat. (2)Where the President of India or the Governor of a State is a Member of the Company, the President or as the case may be the Governor 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 shareholders of the Company and such a person 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.

Title of Article	Article Number and contents
Votes in respects of deceased or insolvent Members	<p>135.</p> <p>Any person entitled under the Transmission Article to transfer any Shares may vote at any General Meeting in respect thereof in the same manner as if he was the registered holder of such Shares; provided that at least forty-eight hours before the time of holding the Meeting or adjourned Meeting, as the case may be, at which he proposes to vote, he shall satisfy the Directors of the right to transfer such Shares and give such indemnity (if any) as the Directors may require unless the Directors shall have previously admitted his right to vote at such Meeting in respect thereof.</p>
Voting in person or by proxy	<p>136.</p> <p>Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate being a Member may vote either by a proxy or by a representative duly authorised in accordance with Section 187 of the Act.</p>
Rights of Members to use votes differently	<p>137.</p> <p>On a poll taken at a Meeting of the Company a Member entitled to more than one vote or his proxy, or other persons 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.</p>
Proxies	<p>138.</p> <p>Any Member of the Company entitled to attend and vote at a Meeting of the Company, shall be entitled to appoint another person (whether a Member or not) as his proxy to attend and vote instead of himself PROVIDED ALWAYS that a proxy so appointed shall not have any right what so ever to speak at the Meeting. Every notice convening a Meeting of the Company shall state that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself, and that a proxy need not be a Member of the Company.</p>
Proxy either for specified meeting or for a period	<p>139.</p> <p>An instrument of proxy may appoint a proxy either for the purposes of a particular Meeting specified in the instrument and any adjournment thereof or it may appoint a proxy for the purpose of every Meeting to be held before a date specified in the instrument and every adjournment of any such Meeting.</p>
No proxy to vote on a show of hands	<p>140.</p> <p>No proxy shall be entitled to vote by a show of hands.</p>
Instrument of proxy when to be deposited	<p>141.</p> <p>The instrument appointing a proxy and the Power of Attorney or authority (if any) under which it is signed or a notarially certified copy of that Power of Attorney or authority, shall be deposited at the Registered Office of the Company at least forty-eight hours before the time for holding the Meeting at which the person named in the instrument purposes to vote and in default the instrument of proxy shall not be treated as valid.</p>
Form of Proxy	<p>142.</p> <p>Every instrument of proxy whether for a specified Meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms set out in Schedule IX to the Act, and signed by the appointer or his attorney duly</p>

Title of Article	Article Number and contents
	authorised in writing or if the appointer is a body corporate, be under its seal or be signed by any officer or attorney duly authorised by it.
Validity of votes given by proxy notwithstanding revocation of authority	143. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy or of any Power of Attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, insanity, revocation or transfer shall have been received by the Company at the Registered Office before the commencement of the Meeting or adjourned Meeting at which the proxy is used provided nevertheless that the Chairman of any Meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and of the same not having been revoked.
Time for objection to vote	144. No objection shall be made to the qualification of any voter or to the validity of a vote except at the Meeting or adjourned Meeting at which the vote objected to is given or tendered, and every vote, whether given personally or by proxy, not disallowed at such Meeting, shall be valid for all proposes and such objection made in due time shall be referred to the Chairman of the Meeting.
Chairman of any Meeting to be the judge of Validity of any value	145. 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. The decision of the Chairman shall be final and conclusive.
Custody of Instrument	146. If any such instrument of appointment is confined to the object of appointing at attorney or proxy for voting at Meetings of the Company, it shall remain permanently or for such time as the Directors may determine, in the custody of the Company. If such instrument embraces other objects, a copy thereof examined with the original shall be delivered to the Company to remain in the custody of the Company.

DIRECTORS

Title of Article	Article Number and contents
Number of Directors	147. Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors shall not be less than three and not more than twelve. PROVIDED THAT the Company may from time to time increase or reduce within the maximum limit permissible the number of Directors. Provided further that any increase in the number of Directors exceeding the number prescribed under Section 259 of the Act shall not have any effect unless

Title of Article	Article Number and contents
	approved by the Central Government and shall become void if and so far it is disapproved by the Government.
First Directors	<p>148.</p> <p>As the date of adoption of these Articles the following are the Directors of the Company:</p> <p>Mr.Atul Ranchal Mr.Rajesh Mahajan Mr.Ram Partap Mr.Manmohan Lal Mahajan</p>
Powers to Promoters and Promoter Group	<p>149</p> <p>The Promoter(s) and Promoter Group shall as long as they, jointly and severally, holds not less than 26% of the total paid up share capital of the Company for the time being, be entitled by notice in writing addressed to the Company to appoint such number of persons as shall, together with the Managing Director(s), not exceeding one third of the total number of Directors for time being of the Company, as Director(s) of the Company and to remove such person(s) from office and on a vacancy being caused in such office from any cause whatsoever whether by resignation, retirement, death, removal or otherwise, of any such person(s) so appointed, to appoint another or others to fill such vacancy. An appointment or removal of the Director under this Article shall become effective forthwith upon receipt by the Company of the writing aforesaid. The Directors so appointed by the Promoter(s) and Promoter Group shall not be liable to retire at any General Meeting of the Company.</p>
Debenture Directors	<p>150.</p> <p>Any Trust Deed for securing Debentures may if so arranged, provide for the appointment, from time to time by the Trustees thereof or by the holders of Debentures, of some person to be a Director of the Company and may empower such Trustees or holder of Debentures, from time to time, to remove and re-appoint any Director so appointed. The Director appointed under this Article is herein referred to as "Debenture Director" and the term "Debenture Director" means the Director for the time being in office under this Article. The Debenture Director shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be agreed between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions contained herein.</p>
Nominee Director or Corporation Director	<p>151..</p> <p>(1)Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any Finance Corporation or Credit Corporation or to any Financing company or body, (which corporation or body is hereinafter in this Article referred to as "the corporation") out of any loans granted or to be granted by them to the Company or so long as the corporation continue to hold Debentures in the Company by direct subscription or private placement, or so long as the Corporation holds Shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint</p>

Title of Article	Article Number and contents
	<p>from time to time any person or persons as a Director, whole time or non-whole time (which Director or Directors is/are hereinafter referred to as "Nominee Director(s)") on the Board of the Company and to remove from such office any persons so appointed and to appoint any person or persons in his/ their places.</p> <p>(2)The Board of Directors of the Company shall have no power to remove from office the Nominee Director(s). Such Nominee Director(s) shall not be required to hold any Share qualification in the Company. Further Nominee Director shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Directors(s) shall be entitled to the same rights and privileges and be subject to the obligations as any other Director of the Company.</p> <p>(3)The Nominee Director(s) so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation and the Nominee Director/s so appointed in exercise of the said power, shall <i>ipso facto</i> vacate such office immediately on the moneys owing by the Company to the Corporation being paid off</p> <p>(4)The Nominee Director(s) appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and all the Meetings of the Committee of which the Nominee Director(s) is/are Member(s) as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes.</p> <p>(5)The sitting fees in relation to such Nominee Director(s) shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any other fees, commission, moneys or remuneration in any form is payable to the Nominee Director of the Company, such fees, commission, moneys and remuneration in relation to such Nominee Director(s) shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director(s), in connection with their appointment or Directorship, shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director/s provided that if any such Nominee Director/s is/are an officer(s) of the Corporation..</p> <p>PROVIDED THAT in the event of the Nominee Director(s) being appointed as Whole-time Director(s); such Nominee Director/s shall exercise such power and duties as may be approved by the lenders and have such rights as are usually exercised or available to a whole-time Director in the management of the affairs of Company. Such Nominee Director shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Corporation(s) nominated by him.</p>
Special Director	<p>152.</p> <p>(1)In connection with any collaboration arrangement with any company or corporation or any firm or person for supply of technical know-how and/or machinery or technical advice the directors may authorize such company , corporation ,firm or person herein-after in this clause referred to as "collaboration" to appoint from time to time any person as director of the company (hereinafter referred to as "special director") and may agree that such special director shall not be liable to retire by rotation and need not possess any qualification shares to</p>

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	<p>qualify him for office of such director, so however that such special director shall hold office so long as such collaboration arrangement remains in force unless otherwise agreed upon between the Company and such collaborator under the collaboration arrangements or at any time thereafter.</p> <p>(2)The collaborators may at any time and from time to time remove any such special director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time appoint any other person as special director in his place and such appointment or removal shall be made in writing signed by such company or corporation or any partner or such person and shall be delivered to the Company at its registered office.</p> <p>(3)It is clarified that every collaborator entitled to appoint a director under this article may appoint one such person as a director and so that if more then one collaborator is so entitled there may be at any time as may special directors as the collaborators eligible to make the appointment.</p>
Limit on number of retaining Directors	<p>153.</p> <p>The provisions of Articles 150, 151,152 and 153 are subject to the provisions of Section 256 of the Act and number of such Directors appointed under Article 151 shall not exceed in the aggregate one third of the total number of Directors for the time being in office.</p>
Alternate Director	<p>154.</p> <p>The Board may appoint, an Alternate Director recommended for such appointment by the Director (hereinafter in this Article called "the Original Director") to act for him during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. Every such Alternate Director shall, subject to his giving to the Company an address in India at which notice may be served on him, be entitled to notice of meetings of Directors and to attend and vote as a Director and be counted for the purposes of a quorum and generally at such Meetings to have and exercise all the powers and duties and authorities of the Original Director. The Alternate Director appointed under this Article shall vacate office as and when the Original Director returns to the State in which the meetings of the Board are ordinarily held and if the term of office of the Original Director is determined before he returns to as aforesaid, any provisions in the Act or in these Articles for automatic reappointment of retiring Director in default of another appointment shall apply to the Original Director and not the Alternate Director.</p>
Directors may fill in vacancies	<p>155.</p> <p>The Directors shall have power at any time and from time to time to appoint any person to be a Director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall hold office only upto the date to which the Director in whose place he is appointed would have held office, if it had not been vacated as aforesaid. However, he shall then be eligible for re-election.</p>
Additional Directors	<p>156.</p> <p>The Directors shall have the power at any time and from time to time to appoint</p>

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	any other person to be a Director as an addition to the Board (“Additional Director”) so that the total number of Directors shall not at any time exceed the maximum fixed by these Articles. Any person so appointed as an Additional Director to the Board shall hold his office only upto the date of the next Annual General Meeting and shall be eligible for election at such Meeting.
Qualification shares	157. A Director need not hold any qualification shares.
Directors’ sitting fees	158. The fees payable to a Director for attending each Board meeting shall be such sum as may be fixed by the Board of Directors not exceeding such sum as may be prescribed by the Central Government for each of the meetings of the Board or a Committee thereof and adjournments thereto attended by him. The Directors, subject to the sanction of the Central Government (if any required) may be paid such higher fees as the Company in General Meeting shall from time to time determine.
Extra remuneration to Directors for special work	159. (1)Subject to the provisions of Sections 198, 309, 310, 311 and 314 of the Act, if any Director, being willing shall be called upon to perform extra services (which expression shall include work done by a Director as a Member of any Committee formed by the Directors or in relation to signing share certificate) or to make special exertions in going or residing or residing out of his usual place of residence or otherwise for any of the purposes of the Company, the Company may remunerate the Director so doing either by a fixed sum or otherwise as may be determined by the Director, and such remuneration may be either in addition to or in substitution for his share in the remuneration herein provided. (2)Subject to the provisions of the Act, a Director who is neither in the whole time employment nor a Managing Director may be paid remuneration either: i) by way of monthly, quarterly or annual payment with the approval of the Central Government; or ii) by way of commission if the Company by a Special Resolution authorised such payment.
Traveling expenses incurred by Directors on Company’s business	160. The Board of Directors may subject to the limitations provided by the Act allow and pay to any Director who attends a meeting of the Board of Directors or any Committee thereof or General Meeting of the Company or in connection with the business of the Company at a place other than his usual place of residence, for the purpose of attending a Meeting such sum as the Board may consider fair compensation for traveling, hotel, and other incidental expenses properly incurred by him in addition to his fees for attending such Meeting as above specified.
Director may act notwithstanding vacancy	161. The continuing Director or Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the quorum fixed by these Articles for a meeting of the Board, the Director or Directors may act for the purpose of increasing the number, of Directors or that fixed for the quorum or for summoning a General Meeting of the Company but for no other purposes.
Board resolution	162

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necessary for certain contracts	<p>(1) Subject to the provisions of Section 297 of the Act, except with the consent of the Board of Directors of the Company, a Director of the Company or his relative, a firm in which such a Director or relative is partner, any other partner in such a firm or a private company of which the Director is a member or director, shall not enter into any contract with the Company.</p> <p>(a) For the sale, purchase or supply of goods, materials or services; or</p> <p>(b) for underwriting the subscription of any Share in or debentures of the Company;</p> <p>(c) nothing contained in clause (a) of sub-clause (1) shall affect:-</p> <p>(i) the purchase of goods and materials from the Company, or the sale of goods and materials to the Company by any Director, relative, firm, partner or private company as aforesaid for cash at prevailing market prices; or</p> <p>(ii) any contract or contracts between the Company on one side and any such Director, relative, firm, partner or private company on the other for sale, purchase or supply of any goods, materials and services in which either the Company, or the Director, relative, firm, partner or private company, as the case may be regularly trades or does business, PROVIDED THAT such contract or contracts do not relate to goods and materials the value of which, or services the cost of which, exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract or contracts;</p> <p>(2) Notwithstanding any contained in sub-clause(1) hereof, a Director, relative, firm partner or private company as aforesaid may, in circumstances of urgent necessity, enter without obtaining the consent of the Board, into any contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods or cost of such services exceeds rupees five thousand in the aggregate in any year comprised in the period of the contract; but in such a case the consent of the Board shall be obtained at a Meeting within three months of the date on which the contract was entered into.</p> <p>(3) Every consent of the Board required under this Article shall be accorded by a resolution passed at a meeting of the Board required under clause (1) and the same shall not be deemed to have been given within the meaning of that clause unless the consent is accorded before the contract is entered into or within three months of the date on which was entered into.</p> <p>(4) If consent is not accorded to any contract under this Article, anything done in pursuance of the contract will be voidable at the option of the Board.</p> <p>(5) The Directors, so contracting or being so interested shall not be liable to the Company for any profit realised by any such contract or the fiduciary relation thereby established.</p>
Disclosure to the Members of Directors' interest in contract appointing Managers, Managing Director or Wholetime Director	<p>163.</p> <p>When the Company:-</p> <p>(a) enters into a contract for the appointment of a Managing Director or Wholetime Director in which contract any Director of the Company is whether directly or indirectly, concerned or interested; or</p> <p>(b) varies any such contract already in existence and in which a Director is concerned or interested as aforesaid, the provisions of Section 302 of the Act</p>

Title of Article	Article Number and contents
	shall be complied with.
<p>Directors of interest</p> <p>General notice of disclosure</p>	<p>164.</p> <p>(1) A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract entered into or to be entered into by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 299 (2) of the Act.</p> <p>(2) A general notice, given to the Board by the Director to the effect that he is a director or is a member of a specified body corporate or is a member of a specified firm under Sections 299(3)(a) shall expire at the end of the financial year in which it shall be given but may be renewed for a further period of one financial year at a time by fresh notice given in the last month of the financial year in which it would have otherwise expired. No such general notice and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that is brought up and read at the first meeting of the Board after it is given.</p>
<p>Directors and Managing Director may contract with Company</p>	<p>165.</p> <p>Subject to the provisions of the Act the Directors (including a Managing Director and Whole time Director) shall not be disqualified by reason of his or their office as such from holding office under the Company or from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or lessee or otherwise, nor shall any such contract or any contracts or arrangement entered into by or on behalf of the Company with any Director or with any company or partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting be liable to account to the Company for any profit realized by such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established, but it is declared that the nature of his interest shall be disclosed as provided by Section 299 of the Act and in this respect all the provisions of Section 300 and 301 of the Act shall be duly observed and complied with.</p>
<p>Disqualification of the Director</p>	<p>166.</p> <p>A person shall not be capable of being appointed Director of the Company if:-</p> <p>(a) he has been found to be of unsound mind by a Court of competent jurisdiction and the finding is in force;</p> <p>(b) he is an undischarged insolvent;</p> <p>(c) he has applied to be adjudged an insolvent and his application is pending;</p> <p>(d) he has been convicted by a Court of any offence involving moral turpitude sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence;</p> <p>(e) he has not paid any call in respect of Shares of the Company held by him whether alone or jointly with others and six months have lapsed from the last day fixed for the payment of the call; or</p> <p>(f) an order disqualifying him for appointment as Director has been passed by a Court in pursuance of Section 203 of the Act and is in force; unless the leave of the Court has been obtained for his appointment in pursuance of that Section.</p>

Title of Article	Article Number and contents
Vacation of office by Directors	<p>167.</p> <p>The office of Director shall become vacant if:-</p> <p>(a) he is found to be of unsound mind by a Court of competent jurisdiction; or</p> <p>(b) he applies to be adjudged an insolvent; or</p> <p>(c) he is adjudged an insolvent; or</p> <p>(d) he is convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for less than six months; or</p> <p>(e) he fails to pay any call in respect of Shares of the Company held by him, whether alone or jointly with others within six months from the last date fixed for the payment of the call unless the Central Government, by a notification in the Official Gazette removes the disqualification incurred by such failure; or</p> <p>(f) absents himself from three consecutive meetings of the Board of Directors, or from all meetings of the Board for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board; or</p> <p>(g) he (whether by himself or by any person for his benefit or on his account or any firm in which he is a partner or any private company of which he is a director), accepts a loan, or any guarantee or security for a loan, from the Company in contravention of Section 295 of the Act; or</p> <p>(h) he being in any way whether directly or indirectly concerned or interested in a contract or arrangement or proposed contract or arrangement, entered into or to be entered into by or on behalf of the Company fails to disclose the nature of his concern or interest at a meeting of the Board of Directors as required by Section 299 of the Act; or</p> <p>(i) he becomes disqualified by an order of the Court under Section 203 of the Act; or</p> <p>(j) he is removed by an Ordinary Resolution of the Company before the expiry of his period of notice; or</p> <p>(k) if by notice in writing to the Company, he resigns his office, or</p> <p>(l) having been appointed as a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company.</p>
Vacation of office by Directors (contd.)	<p>168.</p> <p>Notwithstanding anything contained in sub-clauses (c), (d) and (i) of Article 166. hereof, the disqualification referred to in these clauses shall not take effect:</p> <p>(a) for thirty days from the date of the adjudication, sentence or order;</p> <p>(b) where any appeal or petition is preferred within thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed of; or</p> <p>(c) where within the seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and the appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed of.</p>
Removal of Directors	<p>169.</p> <p>(1) The Company may subject to the provisions of</p>

Title of Article	Article Number and contents
	<p>Section 284 and other applicable provisions of the Act and these Articles by Ordinary Resolution remove any Director not being a Director appointed by the Central Government in pursuance of Section 408 of the Act before the expiry of his period of office.</p> <p>(2) Special Notice as provided by these Articles or Section 190 of the Act, shall be required of any resolution to remove a Director under the Article or to appoint some other person in place of a Director so removed at the Meeting at which he is removed.</p> <p>(3) On receipt of notice of a resolution to remove a Director under this Article; the Company shall forthwith send a copy; thereof to the Director concerned and the Director (whether or not he is a Member of a Company) shall be entitled to be heard on the resolution at the Meeting.</p> <p>(4) where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding reasonable length) and requests their notification to Members of the Company, the Company shall, unless the representations are, received by it too late for it to do so:</p> <p>(a) in the notice of the resolution given to the Members of the Company state the fact of the representations having been made, and</p> <p>(b) send a copy of the representations to every Member of the Company to whom notice of the Meeting is sent (before or after the representations by the Company) and if a copy of the representations is not sent as aforesaid because they were received too late\ or because of the Company's default the Director may (without prejudice to his right to be heard orally) require that the representation shall be read out at the Meeting; provided that copies of the representation need not be sent or read out at the Meeting if on the application, either of the Company or of any other person who claims to be aggrieved by the Court is satisfied that the rights concerned by this sub-clause are being abused to secure needless publicity for defamatory matter.</p> <p>(5) A vacancy created by the removal of the Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board, in pursuance of Article 157 or Section 262 of the Act be filled by the appointment of another Director in his place by the Meeting at which he is removed, provided special notice of the intended appointment has been given under Article 167 hereof. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid.</p> <p>(6) If the vacancy is not filled under sub-clause(e), it may be filled as a casual vacancy in accordance with the provisions, in so far as they are applicable of Article 157 or Section 162 of the Act, and all the provisions of that Article and Section shall apply accordingly</p> <p>(7) A Director who was removed from office under this Article shall not be re-appointed as a Director by the Board of Directors.</p> <p>(8) Nothing contained in this Article shall be taken:-</p> <p>(a) as depriving a person removed hereunder of any compensation of damages payable to him in respect of the termination of his appointment as Director, or</p>

Title of Article	Article Number and contents
	(b) as derogating from any power to remove a Director which may exist apart from this Article.
Interested Directors not to participate or vote in Board's proceedings	<p>170.</p> <p>No Director shall as a Director take part in the discussion of or vote on any contract arrangement or proceedings entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangement, not shall his presence count for the purpose of forming a quorum at the time of any such discussion or voting, and if he does vote, his vote shall be void. Provided however, that nothing herein contained shall apply to:-</p> <p>(a) any contract of indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company;</p> <p>(b) any contract or arrangement entered into or to be entered into with a public company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely;</p> <p>(i) in his being:</p> <p>(a) a director of such company; and</p> <p>(b) the holder of not more than shares of such number of value therein as is requisite to qualify him for appointment as a director, thereof, he having been nominated as director by the company, or</p> <p>(ii) in his being a member holding not more than two percent of its paid-up share capital.</p>
Director may be director of companies promoted by the Company	<p>171.</p> <p>A Director may be or become a director of any company promoted by the Company, or in which it may be interested as a vendor, shareholder, or otherwise and no such Director shall be accountable for any benefit received as director or shareholder of such company except in so far Section 309(6) or Section 314 of the Act may be applicable.</p>
Appointment of Sole Selling Agents	<p>172.</p> <p>(1) The appointment, re-appointment and extension of the term of a sole selling agent, shall be regulated in accordance with the provisions of Section 294 of the Act and any Rules or Notifications issued by the competent authority in accordance with that Section and the Directors and/or the Company in General Meeting may make the appointment, re-appointment or extension of the term of office in accordance with and subject to the provisions of the said Section and such rules or notifications, if any, as may be applicable.</p> <p>(2) The payment of any compensation to a sole selling agent shall be subject to the provisions of Section 294A of the Act.</p>

ROTATION AND APPOINTMENT OF DIRECTORS

Title of Article	Article Number and contents
Rotation of	173.

Title of Article	Article Number and contents
Directors	Not less than two third of the total number of Directors shall (a) be persons whose period of the office is liable to termination by retirement by rotation and (b) save as otherwise expressly provided in the Articles be appointed by the Company in General Meeting.
Retirement of Directors	174. Subject to the provisions of Articles 152 and 154, the non-retiring Directors should be appointed by the Board for such period or periods as it may in its discretion deem appropriate.
Retiring Directors	175. Subject to the provisions of Section 256 of the Act and Articles 150 to 157, at every Annual General Meeting of the Company, one-third or such of the Directors for the time being as are liable to retire by rotation; or if their number is not three or a multiple of three the number nearest to one-third shall retire from office. The Debenture Directors, Nominee Directors, Corporation Directors, Managing Directors if any, subject to Article 189, shall not be taken into account in determining the number of Directors to retire by rotation. In these Articles a "Retiring Director" means a Director retiring by rotation.
Appointment of Technical or Executive Directors	176. (1) The Board of Directors shall have the right from time to time to appoint any person or persons as Technical Director or Executive Director/s and remove any such persons from time to time without assigning any reason whatsoever. A Technical Director or Executive Director shall not be required to hold any qualification shares and shall not be entitled to vote at any meeting of the Board of Directors. (2) Subject to the provisions of Section 262 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.
Ascertainment of Directors retiring by rotation and filling of vacancies	177. Subject to Section 288 (5) of the Act, the Directors retiring by rotation under Article 178 at every Annual General Meeting shall be those, who have been longest in office since their last appointment, but as between those who became Directors on the same day, those who are to retire shall in default of and subject to ay agreement amongst themselves be determined by the lot.
Eligibility for re-election	178. A retiring Director shall be eligible for re-election and shall act as a Director through out and till the conclusion of the Meeting at which he retires.
Company to fill vacancies	179. Subject to Sections 258, 259 and 294 of the Act, the Company at the General Meeting, at which a Director retires in manner aforesaid, may fill up the vacancy by appointing the retiring Director or some other person thereto.
Provision in default of appointment	180. (1) If the place of retiring Director is not so filled up and the Meeting has not expressly resolved not to fill the vacancy, the Meeting shall stand adjourned till the

Title of Article	Article Number and contents
	<p>same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.</p> <p>(2) If at the adjourned Meeting also, the place of the retiring Director is not filled up and the Meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned Meeting, unless:</p> <p>(a) at that Meeting or the previous Meeting a resolution for the re-appointment of such Director has been put to the Meeting and lost.</p> <p>(b) the retiring Director has by a notice in writing addressed to the Company or its Board of Directors expressed his unwillingness to be so re-appointed.</p> <p>(c) he is not qualified or is disqualified for appointment</p> <p>(d) a resolution, whether Special or Ordinary is required for his appointment or re-appointment by virtue of any provisions of the Act, or</p> <p>(e) the provision of the sub-section (2) of section 263 of the Act is applicable to the case.</p>
Company may increase or reduce the number of Directors or remove any Director	<p>181.</p> <p>Subject to the provisions of Section 252,255 and 259 of the Act, the Company may by Ordinary Resolution from time to time, increase or reduce the number of Directors and may alter qualifications.</p>
Appointment of Directors to be voted individually	<p>182.</p> <p>(1) No motion, at any General Meeting of the Company shall be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has been first agreed to by the Meeting without any vote being given against it.</p> <p>(2) A resolution moved in contravention of clause (a) hereof shall be void, whether or not objection was taken at the time of its being so moved, provided where a resolution so moved has passed no provisions or the automatic re-appointment of retiring Directors in default of another appointment as therein before provided shall apply.</p> <p>(3) For the purposes of this Article, a motion for approving a person's appointment, or for nominating a person for appointment, shall be treated as a motion for his appointment.</p>
Notice of candidature for office of Directors except in certain cases	<p>183.</p> <p>(1) No person not being a retiring Director shall be eligible for election to the office of Director at any General Meeting unless he or some other Member intending to propose him has given at least fourteen days notice in writing under his hand signifying his candidature for the office of a Director or the intention of such person to propose him as Director for that office as the case may be, along with a deposit of five hundred rupees which shall be refunded to such person or, as the case may be, to such Member, if the person succeeds in getting elected as a Director.</p> <p>(2) The Company shall inform its Members of the candidature of the person for the office of Director or the intention, of a Member to propose such person as candidate for that office by serving individual notices on the Members not less than seven days before the Meeting provided that it shall not be necessary for the Company to serve</p>

Title of Article	Article Number and contents
	<p>individual notices upon the Members as aforesaid if the Company advertises such candidature or intention not less than seven days before the Meeting in at least two newspapers circulating in the place where the registered office of the Company is located of which one is published in the English language and the other in the regional language of that place.</p> <p>(3) Every person (other than Director retiring by rotation or otherwise or person who has left at the office of the Company a notice under Section 257 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office a Director shall sign and file with the Company his consent in writing to act as a Director, if appointed.</p> <p>(4) A person other than a Director appointed after retirement by rotation or immediately on the expiry of his term of office, or an Additional or Alternate Director or a person filling a casual vacancy in the office of a Director under Section 252 of the Act ,appointed as a Director re- appointed as an additional or alternate Director immediately on the expiry of his term of office shall not act as a Director of the Company unless he has within thirty days of his appointment signed and filled with the Registrar his consent in writing to act as such Director.</p>
Disclosure by Directors of their holdings of their Shares and debentures of the Company	<p>184.</p> <p>Every Director and every person deemed to be Director of the Company by virtue of sub-section (10) of Section 307 of the Act shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that Section. Any such notice shall be given in writing and if it is not given at a meeting of the Board the person giving the notice shall take all reasonable steps to secure that it is brought up and read at the next meeting of the Board after it is given.</p>
Votes of Body Corporate	<p>185.</p> <p>A body corporate, whether a company within the meaning of the Act or not, which is a member of the Company, may by resolution of its Board of Directors or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the company or at any meeting of any class of members of the company and the persons so authorized shall be entitled to exercise the same rights and poser (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise as if it were as individual member of the company and the production of a copy of the Minutes of such resolution certified by a director or the copy of the Minutes of such resolution certified by a Director or the or the Secretary of such body corporate as being a true copy of the Minutes of such resolution shall be accepted as sufficient evidence of the validity of the said representative's appointment and of his right to vote.</p>

CHAIRMAN / MANAGING DIRECTOR

Title of Article	Article Number and contents
Rights of	186.

Title of Article	Article Number and contents
Promoter (s) and Promoter Group to Appoint Chairman:	<p>The Promoter(s) and Promoter Group shall as long as they, jointly and severally, holds not less than 26% of the total paid up share capital of the Company for the time being, be entitled by notice in writing addressed to the Company to appoint any Director as Chairman of the Board of Directors of the Company and to cancel such appointment and on a vacancy being caused in such office from any cause whatsoever whether by such cancellation or by resignation, retirement, death, removal or otherwise, of any such person so appointed, to appoint any Director to fill such vacancy. Any appointment or cancellation of the Director under this Article shall become effective forthwith upon receipt by the Company of the writing aforesaid.</p>
Powers to appoint Managing Director	<p>187.</p> <p>The Promoter(s) and Promoter Group shall as long as they, jointly and severally, holds not less than 26% of the total paid up share capital of the Company for the time being, be entitled by notice in writing addressed to the Company to appoint a Director appointed by it pursuant to the provisions of the Article 149 of Articles of Association as the Managing Director of the Company and to remove such person from office and on a vacancy being caused in such office from any cause whatsoever whether by such cancellation or by resignation, retirement, death, removal or otherwise, of any such person so appointed, to appoint any Director to fill such vacancy. An appointment or removal of the Director under this Article shall become effective forthwith upon receipt by the Company of the writing aforesaid.</p> <p>Subject to the superintendence, direction, control of the Board, the Managing Director, shall have the Management of the affairs of the Company. The remuneration of the Managing Director shall be such as may be determined by the Board from time to time and may be by way of monthly payment fee for such meeting or participation in profits or by any or all these modes or any other mode not expressly prohibited by the Act.</p>
Remuneration of Managing Director	<p>188.</p> <p>Subject to the provisions of Sections 309, 310 and 311 of the Act, a Managing Director shall, in addition to any remuneration that might be payable to him as a Director of the Company under these Articles, receive such remuneration as may from time to time be approved by the Company.</p>
Special position of Managing Director	<p>189.</p> <p>Subject to any contract between him and the Company, a Managing or Wholetime Director shall not, while he continues to hold that office, be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire but (subject to the provision of any contract between him and the Company), he shall be subject to the same provisions as to resignation and removal as the Directors of the Company and shall, <i>ipso facto</i> and immediately, cease to be a Managing Director if he ceases to hold the office of Director from any cause.</p>
Powers of Managing Director	<p>190.</p> <p>The Director may from time to time entrust to and confer upon a Managing Director or Wholetime Director for the time being such of the powers exercisable under these provisions by the Directors, as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as they think expedient, and they may confer such powers, either collaterally with, or to the exclusion of and in substitution for, all</p>

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	or any of the powers of the Directors in that behalf and from time to time, revoke, withdraw, alter, or vary all or any of such powers.
	191. The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Wholetime Director or Wholetime Directors of the Company and may exercise all the powers referred to in these Articles.
	192. Receipts signed by the Managing Director for any moneys, goods or property received in the usual course of business of the Company or for any money, goods, or property lent to or belonging to the Company shall be an official discharge on behalf of and against the Company for the money, funds or property which in such receipts shall be acknowledged to be received and the persons paying such moneys shall not be bound to see to the application or be answerable for any misapplication thereof. The Managing Director shall also have the power to sign and accept and endorse cheques on behalf of the Company.
	193. The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.
	194. Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.
Appointment and powers of Manager	195 The Board may, from time to time, appoint any Manager (under Section 2(24) of the Act) to manage the affairs of the Company. The Board may from time to time entrust to and confer upon a Manager such of the powers exercisable under these Articles by the Directors, as they may think fit, and may, confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as they think expedient.

WHOLE TIME DIRECTOR

Title of Article	Article Number and contents
Power to appoint Whole Time Director and/or Whole-time Directors	196. Subject to the provisions of the Act and of these Articles, the Board may from time to time with such sanction of the Central Government as may be required by law appoint one or more of its Director/s or other person/s as Whole-Time Director or Whole-Time Directors of the Company out of the Directors/ persons nominated under Article only either for a fixed term that the Board may determine or permanently for life time upon

	such terms and conditions as the Board may determine or permanently for life time upon such terms and conditions as the Board thinks fit. The Board may by ordinary resolution and / or an agreement/s vest in such Whole-Time Director or Whole Time Directors such of the powers authorities and functions hereby vested in the Board generally as it thinks fit and such powers may be made exercisable and for such period of periods and upon such conditions and subject to such restrictions as it may be determined or specified by the Board and the Board has the powers to revoke, withdraw, alter or vary all or any of such powers and / or remove or dismiss him or them and appoint another or others in his or their place or places again out of the Directors / persons nominated under Article 198 only. The Whole Time Director or Whole Time Directors will be entitled for remuneration as may be fixed and determined by the Board from time to time either by way of ordinary resolution or a Court act/s or an agreement/s under such terms not expressly prohibited by the Act.
To what provisions Whole time Directors shall subject	197. Subject to the provisions of Section 255 of the Act and these Articles, a Whole Time Director or Whole Time Director shall not, while he/they continue to hold that office, be liable to retirement by rotation but (subject to the provisions of any contract between him/they and the Company) he/ they shall be subject to the same provision as to resignation and removal as the other Directors, and he/they shall ipso facto and immediately ceases or otherwise under the sees to hold the office of Director/s for any reason whatsoever save that if he/they shall vacate office whether by retirement, by rotation or otherwise under the provisions of the Act any Annual General Meeting and shall be re-appointed as a Director of Directors at the same meeting he/they shall not by reason only of such vacation, cease to be a Whole Time Director or Whole Time Directors.
Seniority of Whole Time Director and Managing Director	198. If at any time the total number of Managing Directors and Whole Time Directors is more than one-third who shall retire shall be determined by and in accordance with their respective seniorities. For the purpose of this Article the seniorities of the Whole Time Directors and Managing Directors shall be determined by the date of their respective appointments as Whole Time Directors and Managing Directors of the Company

PROCEEDINGS OF THE BOARD OF DIRECTORS

Title of Article	Article Number and contents
Meeting of Directors	199. The Directors may meet together as a Board for the dispatch of business from time to time, and unless the Central Government by virtue of the provisions of Section 285 of the Act allow otherwise, Directors shall so meet at least once in every three months and atleast four such Meetings shall be held in every year. The Directors may adjourn and otherwise regulate their Meetings as they think fit. The provisions of this Article shall not be deemed to have been contravened merely by reason of the fact that the meeting of the Board which had been called in compliance with the terms of this Article could not be held for want of a quorum.
Quorum	200. (1) Subject to Section 287 of the Act the quorum for a meeting of the Board of

Title of Article	Article Number and contents
	<p>Directors shall be one-third of its total strength (excluding Directors, if any, whose place may be vacant at the time and any fraction contained in that one third being rounded off as one) or two Directors whichever is higher. PROVIDED that where at any time the number of interested Directors at any meeting exceeds or is equal to two-third of the Total Strength, the number of the remaining Directors that is to say, the number of remaining who are not interested) present at the Meeting being not less than two shall be the quorum during such time.</p> <p>(2)for the purpose of clause(1)</p> <p>(a)"Total Strength" means total strength of the Board of Directors of the Company determined in pursuance of the Act after deducting there from number of the Directors if any, whose places may be vacant at the time, and</p> <p>(b) "Interested Directors" means any Directors whose presence cannot by reason of any provisions in the Act count for the purpose of forming a quorum at a meeting of the Board at the time of the discussion or vote on any matter.</p>
Procedure when Meeting adjourned for want of quorum	<p>201.</p> <p>If a meeting of the Board could not be held for want of quorum then, the Meeting shall automatically stand, adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday at the same time and place, unless otherwise adjourned to a specific date, time and place.</p>
Chairman of Meeting	<p>202.</p> <p>The Chairman of the Board of Directors shall be the Chairman of the meetings of Directors, provided that if the Chairman of the Board of Directors is not present within five minutes after the appointed time for holding the same, meeting of the Director shall choose one of their members to be Chairman of such Meeting.</p>
Question at Board meeting how decided	<p>203.</p> <p>Subject to the provisions of Section 316, 372(5) and 386 of the Act, questions arising at any meeting of the Board or in resolution to be passed by circular shall be decided by a majority of votes, and in case of any equality of votes, the Chairman shall have a second or casting vote; provided, however, that no resolution (whether passed at meeting or by circular) shall be deemed to have been passed unless a Director appointed by the Promoter(s) and Promoter Group under Article 149 or his alternate Director designated by the Promoter(s) and Promoter Group for the purpose of this article has voted in favour of this resolution .</p>
	<p>204.</p> <p>The following item of business shall not be included in the Agenda of the meeting of the Board of Directors or transacted unless prior written approval of a director appointed/nominated by the Promoter(s) and Promoter Group under Article 149 has been obtained:</p> <p>Alteration in the capital structure of the Company by way of issue of bonus shares, rights issue, issue of preference shares, debentures, buy back of shares, conversion, capital reduction etc.;</p> <p>issue of or cancellation o any 'Securities', as defined under the Securities Contracts (Regulation) act, 1956, including (i) grant of employee stock options or issue of sweat equity shares by the Company, (ii) preferential issue of shares of the Company;</p>

Title of Article	Article Number and contents
	<p>Declaration of or recommendation of any dividend;</p> <p>Any decision on (i) restructuring of the Company (including, without limitation, any amalgamation, merger, de-merger, reverse mergers, takeovers, acquisitions, consolidations, compromise and arrangements, joint ventures, partnerships, etc.) (ii) voluntary liquidation, dissolution or winding up of the Company;</p> <p>Borrowing of funds;</p> <p>Purchase or sale of land and building;</p> <p>Leasing of or lease out of land and/or building in excess of annual term for rental exceeding INR 100 million;</p> <p>To create charge on the properties of the company, present or future, by way of mortgage or hypothecation or any other methods;</p> <p>Investment in 'securities' and issue of guarantees on behalf of third party;</p> <p>Agreements for receiving or imparting technical know-how, intellectual property rights such as patents, copyrights, designs, trademarks etc.;</p> <p>Capital expenditures involving expansions, diversification in manufacturing operations and making strategic investments by the Company beyond the scope of its yearly budgets and/or powers delegated to the Managing Director in this behalf;</p> <p>Deviation from accounting policy and practices including rates of depreciation and amortization;</p> <p>Approving financial budgets and operating plans and any modifications of such budgets or plans;</p> <p>Appointments, re-appointments and fixing of remuneration of Managing Director, whole Time Director and Executive Directors;</p> <p>Any amendments to the Memorandum and Articles of association of the Company.</p>
Powers of Board meeting	<p>205.</p> <p>A meeting of the Board of Directors at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act, or the Articles for the time being of the Company which are vested in or exercisable by the Board of Directors generally.</p>
Directors may appoint Committee	<p>206.</p> <p>The Board of Directors may subject to the provisions of Section 292 and other relevant provisions of the Act, and of these Articles delegate any of the powers other than the powers to make calls and to issue debentures to such Committee or Committees and may from time to time revoke and discharge any such Committee of the Board, either wholly or in part and either as to the persons or purposes, but every Committee of the Board so formed shall in exercise of the powers so delegated conform to any regulation(s) that may from time to time be imposed on it by the Board of Directors. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purpose of their appointments, but not otherwise, shall have the like force and effect, as if done by the Board. Provided that every such committee shall have as one of its member the Director referred to in Article 152 or his alternate Director.</p>
Meeting of the Committee how to be governed	<p>207.</p> <p>The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by</p>

Title of Article	Article Number and contents
	the Directors under the last preceding article. Quorum for the Committee meetings shall be two.
Circular resolution	<p>208.</p> <p>(1) A resolution passed by circulation without a meeting of the Board or a Committee of the Board appointed under Article 208 shall subject to the provisions of sub-clause (b) hereof and the Act, be as valid and effectual as the resolution duly passed at a meeting of Directors or of a Committee duly called and held.</p> <p>(2) A resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation if the resolution has been circulated in draft together with necessary papers if any to all the Directors, or to all the members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee as the case may be) and to all other Directors or members of the Committee at their usual addresses in India or to such other addresses outside India specified by any such Directors or members of the Committee and has been approved by such of the Directors or members of the Committee, as are then in India, or by a majority of such of them as are entitled to vote on the resolution.</p>
Acts of Board or Committee valid notwithstanding defect in appointment	<p>209.</p> <p>All acts done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered; that there was some defect in the appointment of one or more of such Directors or any person acting as aforesaid; or that they or any of them were disqualified or had vacated office or that the appointment of any of them is deemed to be terminated by virtue of any provision contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be a Director; provided nothing in the Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.</p>

POWERS OF THE BOARD

Title of Article	Article Number and contents
General powers of management vested in the Board of Directors	<p>210.</p> <p>The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid Articles, as may be prescribed by the Company in General Meeting but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.</p> <p>PROVIDED THAT the Board shall not, except with the consent of the Company in General Meeting :-</p> <p>(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</p>

Title of Article	Article Number and contents
	<p>of the whole, or substantially the whole, of any such undertaking;</p> <p>(b) remit, or give time for the repayment of, any debt due by a Director,</p> <p>(c) invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition or any such undertaking as is referred to in clause (a) or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;</p> <p>(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;</p> <p>(e) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed fifty thousand rupees or five per cent of its average net profits as determined in accordance with the provisions of Section 349 and 350 of the Act during the three financial years immediately preceding whichever is greater, provided that the Company in the General Meeting or the Board of Directors shall not contribute any amount to any political party or for any political purposes to any individual or body;</p> <p>(i) Provided that in respect of the matter referred to in clause (d) and clause (e) such consent shall be obtained by a resolution of the Company which shall specify the total amount upto which moneys may be borrowed by the Board under clause (d) or as the case may be total amount which may be contributed to charitable or other funds in a financial year under clause (e);</p> <p>(ii) Provided further that the expression "temporary loans" in clause (d) above shall mean loans repayable on demand or within six months from the date of the loan such as short term cash credit arrangements, the discounting of bills and the issue of other short term loans of a seasonal character, but does not include loans raised for the purpose of financing expenditure of a capital nature.</p>
<p>Certain powers to be exercised by the Board only at Meetings</p>	<p>211.</p> <p>(1) Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at the meeting of the Board;</p> <p>(a) the power to make calls, on shareholders in respect of money unpaid on their Shares,</p> <p>(b) the power to issue Debentures,</p> <p>(c) the power to borrow moneys otherwise than on Debentures,</p> <p>(d) the power to invest the funds of the Company, and</p> <p>(e) the power to make loans</p> <p>PROVIDED THAT the Board may, by resolution passed at a Meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company, the powers specified in sub-clause (c) (d) and (e) to the extent specified below:</p> <p>(2) Every resolution delegating the power referred to in sub-clause (1) (c)</p>

Title of Article	Article Number and contents
	<p>above shall specify the total amount outstanding at any one time, upto which moneys may be borrowed by the delegate.</p> <p>(3) Every resolution delegating the power referred to in sub-clause (1) (d) above shall specify the total amount upto which the funds of the Company may be invested, and the nature of the investments which may be made by the delegate.</p> <p>(4) Every resolution delegating the power referred to in sub-clause (1) (e) above shall specify the total amount upto which loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.</p>
Certain powers of the Board	<p>212.</p> <p>Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have the following powers, that is to say, power:</p> <p>To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.</p> <p>To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 76 and 208 of the Act.</p> <p>Subject to Section 292 and 297 and other provisions applicable of the Act to purchase or otherwise acquire for the Company any property, right or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.</p> <p>At their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially in cash or in share, bonds, debentures, mortgages, or otherwise securities of the Company, and any such Shares may be issued either as fully paid-up or with such amount credited as paid-up thereon as may be agreed upon and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.</p> <p>To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.</p> <p>To accept from any Member, as far as may be permissible by law to a surrender of his Shares or any part thereof, on such terms and conditions as shall be agreed.</p> <p>To appoint any person to accept and hold in trust for the Company any property belonging to the Company, in which it is interested, or for any other purpose and to execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees.</p>

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	<p>To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due and of any claim or demands by or against the Company and to refer any differences to arbitration and observe and perform any awards made thereon either according to Indian law or according to foreign law and either in India or abroad and to observe and perform or challenge any award made thereon.</p> <p>To act on behalf of the Company in all matters relating to bankruptcy and insolvency, winding up and liquidation of companies.</p> <p>To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.</p> <p>Subject to the provisions of Sections 291, 292, 295, 370,372 and all other applicable provisions of the Act, to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security (not being Shares of this Company), or without security and in such manner as they may think fit and from time to time vary or realise such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.</p> <p>To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon.</p> <p>To open bank account and to determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose.</p> <p>To distribute by way of bonus amongst the staff of the Company a Share or Shares in the profits of the Company and to give to any, Director, officer or other person employed by the Company a commission on the profits of any particular business or transaction, and to charge such bonus or commission as a part of the working expenses of the Company.</p> <p>To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 293(1)(e) of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either</p>

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	<p>by reason of locality of operation, or of the public and general utility or otherwise.</p> <p>Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to depreciation fund, or to an insurance fund, or as reserve fund or any special fund to meet contingencies or to repay redeemable preference shares or debentures or debenture stock, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purpose referred to in the preceding clause), as the Board may in their absolute discretion, think conducive to the interest of the Company and subject to Section 292 of the Act, to invest several sums so set aside or so much thereof as required to be invested, upon such investments (other than Shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any such part thereof for the benefit of the Company, in such a manner and for such purposes as the Board in their absolute discretion, think conducive to the interest of the Company notwithstanding that the matters to which the Board apply or upon which they expend the same or any part thereof or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the general reserve or reserve fund into such special funds as the Board may think fit with full power to transfer the whole or any portion of reserve fund or division of a reserve fund and with full power to employ the assets constituting all or any of the above funds, including the depreciation fund, in the business of the Company or in the purchase or repayment of redeemable preference shares or debentures or debenture stock, and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however, to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.</p> <p>To appoint, and at their discretion, remove or suspend, such general managers, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisors, research workers, labourers, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties, and fix their salaries or emoluments or remuneration, and to require security in such instances and to such amount as they may think fit. And also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think and the provisions contained in the four next following sub-clauses shall be without prejudice to the general conferred by this sub-clause.</p> <p>To appoint or authorize appointment of officers, clerks and servants for permanent or temporary or special services as the Board may from time to time think fit and to determine their powers and duties and to fix their salaries and emoluments and to require securities in such instances and of such amounts as the Board may think fit and to remove or suspend any such</p>

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	<p>officers, clerks and servants. Provided further that the Board may delegate matters relating to allocation of duties, functions, reporting etc. of such persons to the Managing Director or Manager.</p> <p>From time to time and at any time to establish any local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person to be members of such local Boards, and to fix their remuneration or salaries or emoluments.</p> <p>Subject to Section 292 of the Act, from time to time and at any time to delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than their power to make calls or to make loans or borrow money, and to authorise the members for the time being of any such local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such terms and subject to such conditions as the Board may think fit, and Board may at any time remove any person so appointed, and may annul or vary any such delegation.</p> <p>At any time and from time to time by Power of Attorney under the Seal of the Company, to appoint any person or person to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and subject to the provisions of Section 292 of the Act) and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favour of any company, or the shareholders, directors, nominees, or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers authorities and discretions for the time being vested in them.</p> <p>Subject to Sections 294 and 297 and other applicable provisions of the Act, for or in relation to any of the matters aforesaid or, otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.</p> <p>From time to time to make, vary and repeal bye-laws for the regulations of the business of the Company, its officers and servants.</p> <p>To purchase or otherwise acquire any land, buildings, machinery, premises, hereditaments, property, effects, assets, rights, credits, royalties, business and goodwill of any joint stock company carrying on the business which the Company is authorized to carry on in any part of India.</p> <p>To purchase, take on lease, for any term or terms of years, or otherwise acquire any factories or any land or lands, with or without buildings and out-houses thereon, situated in any part of India, at such price or rent and under</p>

Title of Article	Article Number and contents
	<p>and subject to such terms and conditions as the Directors may think fit. And in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.</p> <p>To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as it may think proper all or any part of the buildings, machinery, goods, stores, produce and other movable property of the Company, either separately or co jointly, also to insure all or any portion of the goods, produce, machinery and other articles imported or exported-by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.</p> <p>To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how.</p> <p>To sell from time to time any Articles, materials, machinery, plants, stores and other Articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.</p> <p>From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.</p> <p>To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.</p> <p>To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.</p> <p>To let, sell or otherwise dispose of subject to the provisions of Section 293 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.</p> <p>Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.</p> <p>To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.</p>

DIVIDENDS AND CAPITALISATION OF RESERVES

Title of Article	Article Number and contents
Division of profits	<p>219.</p> <p>(1) Subject to the rights of persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid but if and so long as nothing is paid upon any of Share in the Company, dividends may be declared and paid according to the amounts of the Shares;</p> <p>(2) No amount paid or credited as paid on a Share in advance of calls shall be treated for the purpose of this Article as paid on the Shares.</p>
The Company at General Meeting may declare dividend	<p>220.</p> <p>The Company in General Meeting may declare dividends, to be paid to Members according to their respective rights and interest in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 207 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors. However, the Company may declare a smaller dividend than that recommended by the Board in General Meeting.</p>
Dividends out of profits only	<p>221.</p> <p>No dividend shall be payable except out of profits of the Company arrived at the manner provided for in Section 205 of the Act.</p>
Interim dividend	<p>222.</p> <p>The Board of Directors may from time to time pay to the Members such interim dividends as in their judgment the position of the Company justifies.</p>
Debts may be deducted	<p>223.</p> <p>(1) The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.</p> <p>(2) The Board of Directors may retain the dividend payable upon Shares in respect of which any person is, under the Transmission Article, entitled to become a Member or which any person under that Article is entitled to transfer until such person shall become a Member or shall duly transfer the same.</p>
Capital paid-up in advance to carry interest, not the right to earn dividend	<p>224.</p> <p>Where the capital is paid in advance of the 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.</p>
Dividends in proportion to amounts paid-up	<p>225.</p> <p>All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid, but if any Share is issued on terms provided that it shall rank for dividends as from a particular date such Share shall rank for dividend accordingly.</p>
No Member to receive dividend while indebted to the Company and the Company's	<p>226.</p> <p>No Member shall be entitled to receive payment of any interest or dividend or bonus in respect of his Share or Shares, whilst any money may be due or owing from him to the Company in respect of such Share or Shares (or otherwise however either alone or jointly with any other person or persons) and the Board of Directors may</p>

Title of Article	Article Number and contents
right in respect thereof	deduct from the interest or dividend to any Member all such sums of money so due from him to the Company.
Effect of transfer of Shares	227. A transfer of Shares shall not pass the right to any dividend declared therein before the registration of the transfer.
Dividend to joint holders	228. Any one of several persons who are registered as joint holders of any Shares may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such Shares.
Dividend how remitted	229. The dividend payable in cash may be paid by cheque or warrant sent through post directly to registered address of the shareholder entitled to the payment of the dividend or in case of joint holders to the registered address of that one of the joint holders who is first named on the Register of Members or to such person and to such address as the holder or joint holders may in writing direct. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transit or for any dividend lost, to the Member or person entitled thereto by forged endorsement of any cheque or warrant or forged signature on any pay slip or receipt or the fraudulent recovery of the dividend by any other means.
Notice of dividend	230. Notice of the declaration of any dividend whether interim or otherwise shall be given to the registered holders of Share in the manner herein provided.
Reserves	231. The Directors may, before recommending or declaring any dividend set aside out of the profits of the Company such sums as they think proper as reserve or reserves, which shall, at the discretion of the Directors, be applicable for meeting contingencies or for any other purposes to which the profits of the Company may be properly applied and pending such application, may at the like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Directors may from time to time think fit.
Dividend to be paid within time required by law.	232. The Company shall pay the dividend, or send the warrant in respect thereof to the shareholders entitled to the payment of dividend, within such time as may be required by law from the date of the declaration unless:- (a) where the dividend could not be paid by reason of the operation on any law; or (b) where a shareholder has given directions regarding the payment of the dividend and those directions cannot be complied with; or (c) where there is dispute regarding the right to receive the dividend; or (d) where the dividend has been lawfully adjusted by the Company against any sum due to it from shareholder; or (e) where for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.

Title of Article	Article Number and contents
Unpaid or unclaimed dividend	<p>233.</p> <p>(1)Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, , transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty days, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called “the Unpaid Dividend Account of Brooks Laboratories Limited”.</p> <p>(2)The Company shall transfer 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, to the Fund known as Investor Education and Protection Fund established under section 205C of the Act.</p> <p>The Board Shall forfeit no unclaimed or unpaid dividend.</p>
Set-off of calls against dividends	<p>234.</p> <p>Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the Members of such amount as the Meeting fixes but so that the call on each Member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the Members, be set off against the calls.</p>
Dividends in cash	<p>235.</p> <p>No dividends shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalisation of the profits 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 Members of the Company.</p>
Capitalisation	<p>236.</p> <p>(1)The Company in General Meeting may, upon the recommendation of the Board, resolve:</p> <p>(a) That is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and</p> <p>(b) That such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportion.</p> <p>(2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in clause (3) either in or towards;</p> <p>(a) paying up any amount for the time being unpaid on any Shares held by such Members respectively, or</p> <p>(b) paying up in full unissued Shares of the Company to be allocated and distributed, credited as fully paid up, to and amongst Members in the proportion aforesaid, or</p> <p>(c) partly in the way specified in sub clause (a) and partly in that specified in sub-clause(b)</p> <p>(3) A security premium account and capital redemption reserve account may, for the purpose of this Article, only be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus shares.</p>

Title of Article	Article Number and contents
Board to give effect	237. The Board shall give effect to the resolution passed by the Company in pursuance of above Article.
Fractional certificates	238. (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall; (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid Shares and (b) Generally do all acts and things required to give effect thereto. (2)The Board shall have full power: (a) to make such provision by the issue of fractional cash certificate or by payment in cash or otherwise as it thinks fit, in the case of Shares becoming distributable in fractions, also (b) to authorise any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further Shares to which they may be entitled upon such capitalisation or (as the case may require) for the payment by the Company on their behalf by the application thereof of the respective proportions of the profits resolved to be capitalised of the amounts remaining unpaid on their existing Shares. (3) Any agreement made under such authority shall be effective and binding on all such Members. (4)That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any question or difficulties that may arise in regard to any issue including distribution of new Shares and fractional certificates as they think fit.

ACCOUNTS

Title of Article	Article Number and Contents
Books to be kept	239. (1) The Company shall keep at its Registered Office proper books of account as would give a true and fair view of the state of affairs of the Company or its transactions with respect to: all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place all sales and purchases of goods by the Company the assets and liabilities of the Company and if so required by the Central Government, such particulars relating to utilisation of material or labour or to other items of cost as may be prescribed by the Government PROVIDED THAT all or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decides the Company shall within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place. (2)Where the Company has a branch office, whether in or outside India, the

Title of Article	Article Number and Contents
	Company shall be deemed to have complied with the provisions of clause (1) if proper books of account relating to the transaction effected at the branch are kept at that office and proper summarised returns, made upto date at intervals of not more than three months, are sent by the branch office to the Company at its Registered Office or the other place referred to in sub-clause (1). The books of accounts and other books and papers shall be open to inspection by any Director during business hours.
Inspection by Members	240. No Members (not being a Director) shall have any right of inspecting any account books or documents of the Company except as allowed by law or authorised by the Board.
Statements of accounts to be furnished to General Meeting	241. The Board of Directors shall from time to time in accordance with Sections 210, 211, 212, 216 and 217 of the Act, cause to be prepared and laid before each Annual General Meeting a profit and loss account for the financial year of the Company and a balance sheet made up as at the end of the financial year which shall be a date which shall not precede the day of the Meeting by more than six months or such extended period as shall have been granted by the Registrar under the provisions of the Act.
Right of Members or others to copies of balance sheet and Auditors' report and statement under Section 219	242. (1) The Company shall comply with the requirements of Section 219 of the Act. (2) The copies of every balance sheet including the Profit & Loss Account, the Auditors' Report and every other document required to be laid before the Company in General Meeting shall be made available for inspection at the Registered Office of the Company during working hours for a period of 21 days before the Annual General Meeting. A statement containing the salient features of such documents in the prescribed form or copies of the documents aforesaid, as the Company may deem fit will be sent to every Member of the Company and to every trustee of the holders of any Debentures issued by the Company not less than 21 days before the date of the Meeting.
Accounts to be audited	243. Once at least in every year the accounts of the Company shall be examined, balanced and audited and the correctness of the profit and loss Account and the balance sheet ascertained by one or more Auditor or Auditors.
Appointment of Auditors	244. (1) Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with Section 224 to 229 and 231 of the Act. (2) The Company shall at each Annual General Meeting appoint an Auditor or Auditors to hold office from conclusion of that Meeting until the conclusion of the next Annual General Meeting and shall within seven days of the appointment give intimation thereof to the Auditor so appointed unless he is a retiring Auditor. (3) At any Annual General Meeting a retiring Auditor by whatsoever authority appointed shall be reappointed unless: (a) he is not qualified for re-appointment; (b) he has given to the Company notice in writing of his

Title of Article	Article Number and Contents
	<p>unwillingness to be re-appointed;</p> <p>(c) a resolution has been passed at that Meeting appointing some body instead of him or providing expressly that he shall not be re-appointed; or</p> <p>(d) where notice has been given of an intended resolution to appoint some person or persons in the place of retiring Auditor, and by reason of the death, incapacity or disqualification of that person or of all those persons as the case may be, the resolution cannot be proceeded with.</p> <p>(4) Where at any Annual General Meeting no Auditors are appointed or re-appointed, the Central Government may appoint a person to fill the vacancy.</p> <p>(5) The Company shall within seven days of the central government's power under sub-clause (4) becoming exercisable give notice of that fact to that Government.</p> <p>(6) The Directors may fill any casual vacancy in the office of Auditors, but while any such vacancy continues, the surviving or continuing Auditor or Auditors (if any) may act but where such vacancy is caused by the resignation of art Auditor, the vacancy shall only be filled by the Company in General Meeting.</p> <p>(7) A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless a special notice of a resolution for appointment of that person to the office of Auditor has been given by a Member to the Company not less than fourteen days before the Meeting in accordance with Section 190 of the Act and the Company shall send a copy of any such notice to retiring Auditor and shall give notice thereof, to the Members in accordance with Section 190 of the Act and all the other provisions of Section 225 of the Act shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that retiring Auditor shall not be re-appointed.</p>
Accounts when audited and approved to be conclusive except as to errors discovered within 3 months	<p>245.</p> <p>Every account when audited and approved by a General Meeting shall be conclusive except as regards any errors discovered herein within the next three months after the approval thereof. Whenever any such error is discovered within that period, the account shall be corrected, and amendments effected by the Directors in pursuance of this Article shall be placed before the Members in General Meeting for their consideration and approval and, on such approval, shall be conclusive.</p>

SECTION XI – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts which are or may be deemed material have been entered into or will be entered into by our Company. These contracts, copies of which would be attached to the copy of this Draft Red Herring Prospectus, delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at our Registered Office from 10.00 am to 4.00 pm (IST) on Working Days, during the Bidding Period.

Material Contracts to the Issue

1. Issue Agreement dated [•] by and among our Company and the BRLM.
2. Agreement dated [•] by and among our Company and the Registrar to the Issue.
3. Escrow Agreement dated [•] by and among our Company, the BRLM, the Syndicate Members, the Escrow Collection Banks and the Registrar to the Issue.
4. Syndicate Agreement dated [•] by and among our Company, the BRLM, and the Syndicate Members.
5. Underwriting Agreement dated [•] by and among our Company, the BRLM, and the Syndicate Members.

Other Material Contracts

[•]

Material Documents

1. Memorandum and Articles of Association of our Company as amended.
2. Certificate of incorporation dated January 23, 2002.
3. Certificate of commencement of business dated February 19, 2002.
4. Shareholders' resolutions dated October 30, 2010 authorizing the Issue.
5. Resolution of our Board of Directors dated October 6, 2010 authorizing the Issue.
6. Reports of the Statutory Auditors, J.K. Jain & Associates, Chartered Accountants, dated [•], as included in this Draft Red Herring Prospectus.
7. Report on statement of tax benefits dated November 10, 2010, as contained in this Draft Red Herring Prospectus.
8. Copies of annual reports of our Company for the preceding five fiscals.
9. Consents of the Statutory Auditors, J.K. Jain & Associates, Chartered Accountants, for inclusion of their reports on our accounts in the form and context in which they appear in this Red Herring Prospectus.

10. Consents of Auditor, Bankers to our Company, the BRLM, Syndicate Members, Registrar to the Issue, Bankers to the Issue, Domestic Legal Counsel to our Company, Directors of our Company, Company Secretary and Compliance Officer, as referred to, in their respective capacities.
11. Applications dated [•] for in-principle listing approval to the BSE and NSE, respectively.
12. In-principle listing approval dated [•] and [•] from the BSE and NSE respectively.
13. Agreement among NSDL, our Company and the Registrar to the Issue dated [•].
14. Agreement among CDSL, our Company and the Registrar to the Issue dated [•].
15. Due diligence certificate dated November 24, 2010 to SEBI from the BRLM.
16. SEBI observation letter no. [•] dated [•] and the reply of the BRLM dated [•].
17. IPO Grading report dated [•] by [•].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

SECTION XII - DECLARATION

We certify that all relevant provisions of Companies Act, 1956 and the guidelines issued by the Government Of India or the Guidelines and the Regulations issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made or Regulations issued thereunder or guidelines issued, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

Signed by all Directors

1. Mr. Atul Ranchal
2. Mr. Rajesh Mahajan
3. Dr. Durga Sankar Maity
4. Mr.Lalit Mahajan.
5. Mr.Vivek Sharma.
6. Ms.Monika Sabharwal.

SIGNED BY AGM - FINANCE

Ms. Gurjeet Kaur

SIGNED BY THE COMPANY SECRETARY AND COMPLIANCE OFFICER

Ms. Parvinder Kaur

Place:

Date: