DRAFT RED HERRING PROSPECTUS
Dated June 26, 2013
Please read Section 60B of the Companies Act, 1956
(The Draft Red Herring Prospectus will be updated upon filing with the RoC)
Book Built Issue

EMCURE PHARMACEUTICALS LIMITED

Our Company was incorporated as Emcure Pharmaceuticals Private Limited on April 16, 1981, at Pune, as a private limited company under the Companies Act, 1956, as amended (the "**Companies Act**"). Thereafter, our Company was converted into a public limited company on August 20, 2001 and consequently, the name of our Company was changed to Emcure Pharmaceuticals Limited. For details of changes in the name and the registered office of our Company, see the section "History and Certain Corporate Matters" on page 149.

Registered Office: Emcure House, T 184, M.I.D.C., Bhosari, Pune 411 026
Tel: (91 20) 2712 0084 / 3061 0000 / 4070 0000; **Fax:** (91 20) 3061 0111
Contact Person: Kedar P. Phadke, Company Secretary and Compliance Officer
Email: investor.grievance@emcure.co.in; **Website:** www.emcure.co.in

Promoters of our Company: Satish Ramanlal Mehta and Sunil Rajanikant Mehta

PUBLIC ISSUE OF [●] EQUITY SHARES OF FACE VALUE ₹ 10 EACH (THE "EQUITY SHARES") OF EMCURE PHARMACEUTICALS LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) AGGREGATING TO ₹ [●] MILLION CONSISTING OF A FRESH ISSUE OF [●] EQUITY SHARES AGGREGATING UP TO ₹ 3,000 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 2,513,057 EQUITY SHARES BY THE SELLING SHAREHOLDERS (AS DEFINED IN THE SECTION "DEFINITIONS AND ABBREVIATIONS") AGGREGATING UP TO ₹ [●] MILLION (THE "OFFER FOR SALE" AND TOGETHER WITH THE FRESH ISSUE, THE "ISSUE"). THE ISSUE WILL CONSTITUTE [●]% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

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

In case of any revisions in the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**" together with the BSE referred to as the "**Stock Exchanges**"), by issuing a press release, and also by indicating the change on the website of the BRLMs, the Syndicate Members and the Self Certified Syndicate Banks ("**SCSBs**").

In terms of Rule 19(2)(b)(ii) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "**SCRR**"), this is an Issue for at least 10% of the post-Issue capital where the post-Issue capital of our Company calculated at the Issue Price will be more than ₹ 40,000 million. The Issue is being made through the Book Building Process wherein not more than 50% of the Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyer ("**QIB**") Bidders. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. QIBs (other than Anchor Investors) and Non-Institutional Bidders shall participate in the Issue through the Application Supported by Blocked Amount ("**ASBA**") process only providing the details of the bank account which will be blocked by the SCSBs to the extent of the Bid Amount for the same. Retail Individual Bidders may also participate in the Issue through the ASBA process. For details, see the section "Issue Procedure" on page 394.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10 per Equity Share. The Floor Price is [●] times the face value and the Cap Price is [●] times the face value. The Issue Price (determined and justified by our Company in consultation with the BRLMs as stated under the section "Basis for Issue Price" on page 102) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

IPO GRADING

This Issue has been graded by [●], indicating [●]. For details, see the section "General Information" on page 57.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section "Risk Factors" on page 16.

ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

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

LISTING

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

BOOK RUNNING LEAD MANAGERS[#]			REGISTRAR TO THE ISSUE
BofA Merrill Lynch	IDFC	Morgan Stanley	LINK INTIME INDIA PVT LTD
DSP Merrill Lynch Limited 8th Floor, Mafatlal Center, Nariman Point Mumbai 400 021 Tel: (91 22) 6632 8000 Fax: (91 22) 2282 5103 Email: dg.emcure_ipo@baml.com Investor grievance email: dg.india_merchantbanking@baml.com Website: www.dspml.com Contact Person: Kamna Sahni SEBI Registration No.: INM000011625	**IDFC Capital Limited** Naman Chambers C-32, G Block Bandra Kurla Complex Bandra (East), Mumbai 400 051 Tel : (91 22) 6622 2600 Fax : (91 22) 6622 2501 Email : emcure.ipo@idfc.com Investor Grievance Email: complaints@idfc.com Website: www.idfccapital.com Contact Person: Hiren Raipancholia SEBI Registration No.: INM000011336	**Morgan Stanley India Company Private Limited** 18F/19F, Tower 2, One Indiabulls Centre 841, Senapati Bapat Marg Mumbai 400 013 Tel : (91 22) 6118 1000 Fax : (91 22) 6118 1040 Email: Emcure_IPO@morganstanley.com Investor Grievance Email: investors_india@morganstanley.com Website: www.morganstanley.com/indiaofferdocuments Contact Person: Shashank More SEBI Registration No.: INM000011203	**Link Intime India Private Limited** C-13, Pannalal Silk Mills Compound L. B. S. Marg Bhandup (West) Mumbai 400 078 Tel: (91 22) 2596 3838 Fax: (91 22) 2594 5960 Email : shyam.shirodkar@linkintime.co.in Website: www.linkintime.co.in Contact Person: Meghashyam Shirodkar

BID/ ISSUE PROGRAMME*

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

#Names of the Book Running Lead Managers appearing in alphabetical order.
* *Our Company and the Selling Shareholders may, in consultation with BRLMs, consider participation by Anchor Investors in accordance with the SEBI Regulations. The Anchor Investor Bid/ Issue Period shall be one Working Day prior to the Bid/ Issue Opening Date.*
** *Our Company and the Selling Shareholders may, in consultation with BRLMs, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI Regulations.*

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act or regulation shall be to such legislation, act or regulation as amended from time to time.

General Terms

Term	Description
"Our Company", "The Company" or the "Issuer"	Emcure Pharmaceuticals Limited, a company incorporated under the Companies Act and having its Registered Office at Emcure House, T 184, M.I.D.C., Bhosari, Pune 411 026
"We", "our" or "us"	Unless the context otherwise indicates or implies, refers to the Company together with its Subsidiaries

Company Related Terms

Term	Description
Articles/ Articles of Association	Articles of Association of our Company
Auditors/Statutory Auditors	Statutory auditors of our Company, Price Waterhouse, Chartered Accountants
Blackstone	Blackstone GPV Capital Partners Mauritius V-C Limited
Board/ Board of Directors	Board of directors of our Company or a duly constituted committee thereof
Director(s)	Director(s) of our Company
Equity Shares	Equity shares of our Company of face value of ₹ 10 each fully paid-up
Emcure ESOP 2013	The employee stock option scheme of our Company approved at the meeting of the shareholders held on June 14, 2013 pursuant to which the stock options would be granted to our directors and employees
Group Companies	Companies, firms and ventures promoted by our Promoters, irrespective of whether such entities are covered under Section 370(1)(B) of the Companies Act or not
Key Management Personnel/KMP	Key management personnel in terms of Regulation 2(s) of the SEBI Regulations and disclosed in the section "Management" on page 160
Listing Agreement	Listing agreement to be entered by our Company with the Stock Exchanges
Memorandum of Association	Memorandum of Association of our Company
OCRPS	Optionally convertible redeemable preference shares of our Company
Preference Shares	Preference shares of our Company of face value of ₹ 10 each fully paid-up
Promoters	Promoters of our Company, Satish Ramanlal Mehta and Sunil Rajanikant Mehta. For details, see the section "Promoters and Promoter Group" on page 179
Promoter Group	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(zb) of the SEBI Regulations and disclosed in the section "Promoter and Promoter Group" on page 179
Registrar of Companies/RoC	Registrar of Companies, Pune PMT Building, 3rd Floor, Deccan Gymkhana, Pune 411 004
Registered Office	The registered office of our Company, which is located at Emcure House, T 184, M.I.D.C., Bhosari, Pune 411 026
Selling Shareholders	Blackstone, Arun Kumar Khanna, Mahesh Nathalal Shah, Avinash Medhekar, Bhalchandra Khare and Padmini Khare, Shreekant Krushnaji Bapat and Alaka Bapat, R.P. Soonawala, Berjis Minoo Desai, N.K. Sagar, Milind Lad, Uday Borde, Raju P. Kalera, Humayun Dhanrajgir and Jini Dhanrajgir, Vijay Kulkarni, Dr. Mukund Keshao Gurjar, Mukund Ranade, Dev Balaji, Jitendra Vir Singh, Prakash Kumar Guha, Chandrakant V. Shetty, Shriram Balasubramaniam, Dr. Mahedra Patel, Dr. Sanjay Singh and Kavita Singh, Marvin Samson and Fakrul Sayeed
Shareholders	Shareholders of our Company

Term	Description
Subsidiaries	Subsidiaries of our Company being, Zuventus Healthcare Limited, Gennova Biopharmaceuticals Limited, Uth Healthcare Limited, Emcure Pharmaceuticals USA, Inc., Heritage Pharma Holdings, Inc., Emcure Brasil Farmaceutica LTDA, Emcure Pharmaceuticals Mena FZ-LLC, Dubai, Emcure Nigeria Limited, Emcure Pharmaceuticals South Africa (Pty) Limited, Emcure Pharma UK Limited, Emcure Pharmaceuticals Singapore Pte. Limited, Heritage Pharmaceuticals Inc., USA, and Emcure- Heritage Canada Inc. For details, see the section "Subsidiaries" on page 153

Issue Related Terms

Term	Description
Allotment/ Allot/ Allotted	Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the Equity Shares pursuant to the Offer for Sale to the successful Bidders
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who are to be Allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion, with a minimum Bid of ₹ 100 million
Anchor Investor Bid/ Issue Period	The day, one Working Day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Issue Price	Final price at which the Equity Shares will be issued and Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price, but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company in consultation with the BRLMs
Anchor Investor Portion	Up to 30% of the QIB Portion, which may be allocated by our Company and the Selling Shareholders, in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Supported by Blocked Amount/ASBA	A process of submitting the Bid cum Application Form, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid authorising a SCSB to block the Bid Amount in the ASBA Account maintained with the SCSB. ASBA is mandatory for QIBs (except Anchor Investors) and the Non-Institutional Bidders participating in the Issue
ASBA Account	An account maintained with the SCSB and specified in the Bid cum Application Form for blocking the Bid Amount mentioned in the Bid cum Application Form
ASBA Bidder	Prospective investors (except Anchor Investors) in this Issue who intend to submit Bid through the ASBA process
Banker(s) to the Issue/Escrow Collection Bank(s)	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Account will be opened, in this case being [●]
Basis of Allotment	Basis on which the Equity Shares will be Allotted to successful Bidders under the Issue and which is described in the section "Issue Procedure-Basis of Allotment" on page 426
Bid	An indication to make an offer during the Bid/Issue Period by a Bidder pursuant to submission of the Bid cum Application Form, or during the Anchor Investor Bid/Issue Period by the Anchor Investors, to subscribe to the Equity Shares of our Company or purchase the Equity Shares from the Selling Shareholders at a price within the Price Band, including all revisions and modifications thereto
Bid Amount	The highest value of the optional Bids indicated in the Bid cum

Term	Description
	Application Form
Bid cum Application Form	The form used by a Bidder, including an ASBA Bidder, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Bid/ Issue Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Syndicate, the Designated Branches and the Registered Brokers will not accept any Bids for the Issue, which shall be notified in [●] edition of English national newspaper [●], [●] edition of Hindi national newspaper [●], and [●] edition of regional language newspaper [●], each with wide circulation Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI Regulations
Bid/ Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids for the Issue, which shall be notified in [●] edition of English national newspaper [●], [●] edition of Hindi national newspaper [●], and [●] edition of regional language newspaper [●], each with wide circulation
Bid/ Issue Period	Except in relation to Anchor Investors, the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof
Bid Lot	[●]
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form
Book Building Process	The book building process, as provided in Schedule XI of the SEBI Regulations, in terms of which this Issue is being made
Broker Centres	A broker center where the terminals of one or both the Stock Exchanges are available wherein a Registered Broker may accept the Bid cum Application Forms, a list of such broker centers is available on the website of the respective Stock Exchanges
BRLMs/Book Running Lead Managers	The book running lead managers to the Issue, being DSPML, IDFC Capital and Morgan Stanley
CAN / Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/Issue Period
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted
Controlling Branches	Such branches of SCSBs which coordinate Bids under the Issue with the BRLMs, the Registrar and the Stock Exchanges, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised - Intermediaries
Cut-off Price	The Issue Price, finalised by our Company in consultation with BRLMs. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
DSPML	DSP Merrill Lynch Limited
Designated Branches	Such branches of the SCSBs which shall collect the Bid cum Application Forms used by the ASBA Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries
Designated Date	The date on which the funds are transferred from the Escrow Account or the amount blocked by the SCSBs is transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with RoC, following which the

Term	Description
	Board of Directors shall Allot the Equity Shares to successful Bidders in the Fresh Issue and the Selling Shareholders shall give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Stock Exchange	[●]
Draft Red Herring Prospectus or DRHP	This Draft Red Herring Prospectus dated June 26, 2013 issued in accordance with section 60B of the Companies Act and the SEBI Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby and who have opened demat accounts with SEBI registered qualified depository participants
Engagement Letter	The engagement letter dated June 26, 2013 between our Company and the BRLMs
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Bidders (excluding the ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agent	The escrow agent appointed pursuant to the Share Escrow Agreement, being [●]
Escrow Agreement	Agreement to be entered into between our Company, the Selling Shareholders, the Registrar to the Issue, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected to the Bidders (excluding the ASBA Bidders) on the terms and conditions thereof
First Bidder	Bidder whose name appears first in the Bid cum Application Form
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price will be finalised and below which no Bids will be accepted
Fresh Issue	The fresh issue of [●] Equity Shares aggregating up to ₹ 3,000.00 million by our Company
IDFC Capital	IDFC Capital Limited
IPO Grading Agency	[●]
Issue	Public issue of [●] Equity Shares for cash at a price of ₹ [●] each aggregating up to ₹ [●] million comprising of the Fresh Issue and the Offer for Sale
Issue Agreement	The agreement dated June 26, 2013 between our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Price	The final price at which the Equity Shares will be issued/transferred and Allotted in terms of the Red Herring Prospectus. The Issue Price will be decided by our Company in consultation with BRLMs on the Pricing Date
Issue Proceeds	The proceeds of the Issue available to the Company and the Selling Shareholders. For further information about use of the Issue Proceeds, see the section "Objects of the Issue" on page 95
Morgan Stanley	Morgan Stanley India Company Private Limited
Mutual Fund Portion	5% of the QIB Portion (excluding the Anchor Investor Portion), or [●] Equity Shares which shall be available for allocation to Mutual Funds only
Net Proceeds	Proceeds of the Fresh Issue less our Company's share of Issue expenses. For further information about the Issue expenses, see the section "Objects of the Issue" on page 95

Term	Description
Non-Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for the Equity Shares for an amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Issue being not less than 15% of the Issue consisting of [●] Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price
Offer for Sale	The offer for sale of up to 2,513,057 Equity Shares by the Selling Shareholders at the Issue Price, pursuant to the terms of the Red Herring Prospectus
Price Band	Price Band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price), including any revisions thereof. The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company and the Selling Shareholders in consultation with the BRLMs and advertised, at least five Working Days prior to the Bid/Issue Opening Date, in [●] edition of English national newspaper [●], [●] edition of Hindi national newspaper [●], and [●] edition of regional language newspaper [●], each with wide circulation
Pricing Date	The date on which our Company in consultation with BRLMs will finalise the Issue Price
Prospectus	The Prospectus to be filed with RoC in accordance with section 60 of the Companies Act, containing, *inter alia*, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account and from the ASBA Account on the Designated Date
Qualified Foreign Investors or QFIs	Non-resident investors, other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs, who meet 'know your client' requirements prescribed by SEBI and are resident in a country which is (i) a member of Financial Action Task Force or a member of a group which is a member of Financial Action Task Force; and (ii) a signatory to the International Organisation of Securities Commission's Multilateral Memorandum of Understanding or a signatory of a bilateral memorandum of understanding with SEBI. Provided that such non-resident investor shall not be resident in a country which is listed in the public statements issued by Financial Action Task Force from time to time on: (i) jurisdictions having a strategic Anti-Money Laundering/Combating the Financing of Terrorism deficiencies to which counter measures apply; (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the Financial Action Task Force to address the deficiencies
QIB Portion	The portion of the Issue (including the Anchor Investor Portion) amounting to not more than 50% of the Issue being [●] Equity Shares, which shall be available for allocation to QIBs, including the Anchor Investors
Qualified Institutional Buyers or QIBs	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI Regulations
Red Herring Prospectus or RHP	The Red Herring Prospectus issued in accordance with section 60B of the Companies Act and the provisions of the SEBI Regulations, which does not have complete particulars of the price at which the Equity Shares will be 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 the Prospectus upon filing with the RoC after the Pricing Date
Refund Account(s)	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding refunds to ASBA Bidders) shall be made
Refund Bank(s)	[●]

Term	Description
Refunds through electronic transfer of funds	Refunds through NECS, Direct Credit, RTGS or NEFT, as applicable
Registered Brokers	A broker registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub Brokers Regulations), 1992 and who is a member of the Stock Exchange operating from any of the Broker Centers, and is eligible to accept Bid cum Application Forms in terms of the SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012
Registrar to the Issue/Registrar	Registrar to the Issue, in this case being Link Intime India Private Limited
Retail Individual Bidder(s)	Individual Bidders who have Bid for the Equity Shares for an amount not more than ₹ 200,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and Eligible NRIs)
Retail Portion	The portion of the Issue being not less than 35% of the Issue consisting of [●] Equity Shares which shall be available for allocation on a proportionate basis to Retail Individual Bidder(s)
Revision Form	Form used by the Bidders, including ASBA Bidders, to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous revision form(s). Kindly note that QIBs and Non-Institutional Bidders are not allowed to lower their Bid once submitted
Self Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb /home /list/5/33/0/0/Recognised-Intermediaries
Share Escrow Agreement	The agreement dated [●] entered into amongst the Selling Shareholders, our Company and the Escrow Agent in connection with the transfer of Equity Shares under the Issue by the Selling Shareholders and credit of such Equity Shares to the demat accounts of the Allottees
Specified Cities	Cities as specified in the SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely, Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Baroda and Surat
Syndicate Agreement	The agreement to be entered into amongst the BRLMs, the Syndicate Members, our Company and the Selling Shareholders in relation to the collection of Bids in this Issue (excluding Bids from Bidders applying through the ASBA process or Bids submitted to the Registered Brokers)
Syndicate Members	[●]
Syndicate/ members of the Syndicate	BRLMs and the Syndicate Members
TRS/Transaction Registration Slip	The slip or document issued by the Syndicate, or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid
Underwriters	BRLMs and the Syndicate Members
Underwriting Agreement	The agreement amongst the Underwriters, our Company and the Selling Shareholders to be entered into on or after the Pricing Date
Working Days	Any day, other than Saturdays and Sundays, on which commercial banks in Mumbai are open for business, provided however, for the purpose of the time period between the Bid/Issue Closing Date and listing of the Equity Shares on the Stock Exchanges, "Working Days" shall mean all days excluding Sundays and bank holidays in Mumbai in accordance with the SEBI circular no. CIR/CFD/DIL/3/2010 dated April 22, 2010

Technical/Industry Related Terms/Abbreviations

Term	Description
ACTREC	The Advanced Centre for Treatment, Research and Education in Cancer
AIDS	Acquired Immunodeficiency Syndrome
ANDA	Abbreviated New Drug Application
ANVISA, Brazil	National Health Surveillance Agency, Brazil

Term	Description
APIs	Active pharmaceutical ingredients
ARV	Anti-retroviral
BMS	Bristol–Myers Squibb
Biosimilar(s)	Officially approved subsequent versions of innovator biopharmaceutical products
cGMP	Current good manufacturing practices
CDSCO	Central Drugs Standard Control Organisation of India
CRAMS	Custom Research And Manufacturing Services
CTD	Common technical document
DMFs	Drug Master Files
DPP 4	Dipeptidyl peptidase-4
Domestic Market	India
EMA	European Medicines Agency
GCC	Gulf Co-operation Council
GPOs	Group purchasing organizations
HIV	Human Immunodeficiency Virus
ICT	Institute of Chemical Technology
ICU	Intensive Care Unit
IMS	IMS Health Information and Consulting Services India Private Limited, Mumbai
J&J	Johnson & Johnson Limited
mABs	Monoclonal antibodies
MHLW	Minister of Health, Labour and Welfare
MHRA	Medicines and Healthcare Products Regulatory Agency
MNCs	Multi-national corporations
NCL	National Chemical Laboratories
NDA	New Drug Application
NMITLI	New Millennium Indian Technology Leadership Initiative
NPPA	The National Pharma Pricing Authority
Novartis	Novartis Pharmaceutical Corporation
Novartis (India)	Novartis Healthcare Private Limited
PCT	Patent Co-operation Treaty
PEPFAR	President’s Emergency Plan for AIDS Relief
PMDA Japan	Pharmaceuticals and Medical Devices Agency, Japan
Pfizer	Pfizer Inc.
Paragraph IV certification / Para IV	Pursuant to use of a Paragraph IV certification, a generic manufacturer can either challenge the validity of applicable patents in the NDA or certify that the generic equivalent product will not infringe any patent held by the pioneer drug company whose patent(s) is part of the NDA. The generic manufacturer contemporaneously with its Paragraph IV certification must notify the innovator manufacturer that it is filing a Paragraph IV certification with its ANDA.
R&D	Research and development
Regulated Market	United States, Canada, Europe, Australia and Japan
Rest of World	All countries in the world other than the countries forming part of the Regulated Markets and the Domestic Market
Roche	F. Hoffmann La-Roche Limited
Roche India	Roche India Private Limited
SSA	Secondary Stockist Audit
Sanofi	Sanofi India Limited
TNK-tPA	Tenecteplase – tissue plasminogen activator
Teva	Teva Pharmaceutical Industries
UK-MHRA	United Kingdom Medicines and Healthcare Products Regulatory Agency
USEPA	United States Environmental Protection Agency
USFDA	United States Food and Drug Administration
USOSHA	United States Occupational Safety and Health Administration
WHO	World Health Organisation, Geneva

Term	Description
WHO-PQ	World Health Organisation Pre-Qualification

Conventional Terms/ Abbreviations

Term	Description
AGM	Annual general meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
AS/Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India
BSE	BSE Limited
CAGR	Compounded annual growth rate
CDSL	Central Depository Services (India) Limited
CRISIL	CRISIL Limited
CIN	Corporate identity number
Client ID	Client identification number of the Bidder's beneficiary account
Companies Act/Act	Companies Act, 1956
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director identification number
DoT	Department of Telecommunication, Ministry of Communications and Information Technology, Government of India
DP ID	Depository participant's identification
DP/Depository Participant	A depository participant as defined under the Depositories Act
EBITDA	Earnings before interest, tax, depreciation and amortisation
EGM	Extraordinary general meeting
EPS	Earnings per share
FCNR	Foreign currency non-resident
FDI	Foreign direct investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder and amendments thereto
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
FII(s)	Foreign institutional investors as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Financial Year/Fiscal/FY/Fiscal Year	The period of 12 months ending March 31 of that particular year
FIPB	Foreign Investment Promotion Board
FVCI	Foreign venture capital investors as defined and registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
GDP	Gross domestic product
GIR	General index register
GoI/Government	Government of India
HUF	Hindu undivided family
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Income Tax Act/ I.T. Act	The Income Tax Act, 1961
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial public offering
Investment Company Act	United States Investment Company Act of 1940
LLP Act	Limited Liability Partnership Act, 2008
MICR	Magnetic ink character recognition
Mutual Funds	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996

Term	Description
National Investment Fund	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, published in the Gazette of India
NAV	Net asset value
NCT	National Capital Territory
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NR/ Non-Resident	A person resident outside India, as defined under the FEMA and includes an NRI, FIIs registered with SEBI and FVCIs registered with SEBI
NRE Account	Non resident external account
NRI	A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000
NRO Account	Non resident ordinary account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
p.a.	Per annum
P/E Ratio	Price/earnings ratio
PAN	Permanent account number
PAT	Profit after tax
RBI	Reserve Bank of India
RoNW	Return on net worth
₹/Rs./Rupees	Indian Rupees
RTGS	Real time gross settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI ESOP Guidelines	Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
SEBI Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996
Securities Act	United States Securities Act, 1933
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
Sq. Ft./sq. ft.	Square feet
State Government	The government of a State in India
Stock Exchanges	BSE and NSE
UK	United Kingdom
ULIP	Unit Linked Insurance Plan
US/United States/USA	United States of America
US GAAP	Generally Accepted Accounting Principles in the United States of America

Term	Description
USD/US$	United States Dollars
United States QIBs	Qualified Institutional Buyers, as defined in Rule 144A under the Securities Act
VAT	Value added tax
VCFs	Venture capital funds as defined in and registered with SEBI under the SEBI VCF Regulations

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

All references to "India" contained in this Draft Red Herring Prospectus are to the Republic of India and all references to the "U.S.", "U.S.A" or the "United States" are to the United States of America.

Financial Data

Unless stated otherwise, financial data included in this Draft Red Herring Prospectus is derived from the restated stand-alone and consolidated financial information of our Company for the Fiscals 2008, 2009, 2010, 2011 and 2012 and the nine months ended December 31, 2012, prepared in accordance with the Companies Act and restated in accordance with the SEBI Regulations. In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

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

There are significant differences between Indian GAAP, US GAAP and IFRS. The reconciliation of the financial information to IFRS or US GAAP financial information has not been provided. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus, and it is urged that you consult your own advisors regarding such differences and their impact on our Company's financial data. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI Regulations. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, the Companies Act, the SEBI Regulations on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

Unless otherwise indicated, any percentage amounts, as set forth in the sections "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 16, 127 and 324 respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the restated consolidated and stand-alone financial information prepared in accordance with the Companies Act and restated in accordance with the SEBI Regulations.

Currency and Units of Presentation

All references to

"AED" are to United Arab Emirates Dirham, the official currency of United Arab Emirates.

"CDN" or "CAD" are to Canadian Dollar, the official currency of Canada;

"GBP" are to pound sterling, the official currency of the United Kingdom of Great Britan and Northern Ireland, together with its territories and possessions;

"Naira" are to Nigerian Naira, the official currency of the Federal Republic of Nigeria.

"Rand" are to South African Rand, the official currency of South Africa

"Real" are to Brazilian Real, the official currency of Brazil.

"₹" or "Rupees" are to Indian Rupees, the official currency of the Republic of India.

"SGD" are to Singapore Dollar, the official currency of Singapore;

"US$" or "USD" are to United States Dollars, the official currency of the United States of America.

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in "million" units. One million represents 1,000,000 and one billion represents 1,000,000,000.

Exchange Rates

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

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and various other currencies.

Currency	Rate for exchange into ₹ as on March 31, 2013	Rate for exchange into ₹ as on December 31, 2012	Rate for exchange into ₹ as on March 31, 2012[3]	Rate for exchange into ₹ as on March 31, 2011[4]
1 AED[1]	14.82	14.92	13.87	12.18
1CDN[1]	53.44	55.28	51.04	46.08
1 GBP[2]	82.32	88.51	81.80	71.93
1 Naira[1]	0.34	0.35	0.32	0.29
1 Rand[1]	5.91	6.47	6.64	6.56
1 Real[1]	27.00	26.71	27.89	27.48
1 SGD[1]	43.71	45.02	40.52	35.47
1 USD[2]	54.39	54.78	51.16	44.65

Source: [1] Bloomberg; [2] RBI
[3] Latest Practicable Date: March 30, 2012
[4] Latest Practicable Date: March 28, 2011

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus have been obtained or derived from publicly available information as well as industry publications and sources. Industry publications generally state that information contained in those publications 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 decision should be made on the basis of such information. Although we believe that industry data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section "Risk Factors" on page 16. Accordingly, investment decisions should not be based solely on such information.

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

In addition, certain data in relation to our Company used in this Draft Red Herring Prospectus has been obtained or derived from reports published, or studies conducted, by IMS and CRISIL, and differs in certain respects from our restated stand-alone and consolidated financial information as a result of, *inter alia*, the methodologies used in compiling such data. Accordingly, no investment decisions should be made based on such information.

Definitions

For definitions, see the section "Definitions and Abbreviations" on page 3. In the section "Main Provisions of the Articles of Association" on page 434, defined terms have the meaning given to such terms in the Articles of Association.

FORWARD-LOOKING STATEMENTS

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

Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- significant portion of our total income is being generated by certain therapeutic areas;
- manufacturing or quality control problems;
- compliance with regulations prescribed by the government and regulatory agencies;
- exposure to government price controls;
- increase in competition in the pharmaceutical industry; and
- changes in technology.

For further discussion on factors that could cause actual results to differ from expectations, see the sections "Risk Factors", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 16, 127 and 324, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on the management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, the Selling Shareholders, the Directors, the BRLMs nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. Our Company and the Selling Shareholders will ensure that the investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.

SECTION II: RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. If any or some combination of the following risks actually occur, our business, prospects, results of operations and financial condition could suffer, the trading price of the Equity Shares could decline and you may lose all or part of your investment. Investors in the Equity Shares should pay particular attention to the fact that we are subject to extensive regulatory environment that may differ significantly from one jurisdiction to other.

We have described the risks and uncertainties that our management believes are material, but these risks and uncertainties may not be the only ones we face. Some risks may be unknown to us and other risks, currently believed to be immaterial, could be or become material. To obtain a complete understanding of our business, you should read this section in conjunction with the sections "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements" on pages 127, 324 and 184, respectively.

This Draft Red Herring Prospectus also contains forward-looking statements, which refer to future events that involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, which may cause the actual results to be materially different from those expressed or implied by the forward-looking statements. See "Forward-Looking Statements" on page 15. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless otherwise stated, the financial information used in this section is derived from our restated consolidated financial information prepared in accordance with the Companies Act and restated in accordance with the SEBI Regulation.

Internal Risk Factors

1. ***There are outstanding criminal proceedings against our Company, Managing Director and certain Directors and employees.***

   There are certain criminal proceedings pending against our Company, our Company's Managing Director and certain Directors and employees in relation to *inter alia* violation of certain provisions of the Drugs and Cosmetics Act, 1940 and the Drugs and Cosmetics Rules, 1945, misappropriation with regard to payment of insurance amount and alleged unfair labour practices. For further details in relation to the aforesaid proceedings, see the section "Outstanding Litigation and Material Developments - Litigation involving our Company – Litigation against our Company – Criminal Cases" on page 351.

   An adverse outcome in such could have an adverse effect on the ability of our Directors and employees, who are involved in the above proceedings, to serve our Company, which may have an adverse effect on our business, prospects, financial condition and results of operations. Further, an adverse outcome may have an adverse effect on our reputation. We cannot assure you that these proceedings will be decided in favour of our Company or our Directors and employees involved therein.

2. ***Certain therapeutic areas generate a significant portion of our total revenue, and our business, prospects, results of operations and financial condition may be adversely affected if products in these therapeutic areas do not perform as expected or if competing products become available and gain wider market acceptance.***

   We generate a significant portion of our total revenue in India from the sale of products in certain therapeutic areas, such as cardiology, gynecology and anti-infectives. According to IMS, for the 12-months ended March 2013, on a moving annual total basis, the cardiology, gynecology and anti-infectives therapeutic areas contributed 22.7%, 18.1%, and 14.0%, respectively, of our total sales of domestic pharmaceutical products. Our revenues from these therapeutic areas may decline as a result of increased competition, regulatory action, pricing pressures or fluctuations in the demand for or supply of our products. Similarly, in the event of any breakthroughs in the development of alternative drugs for these therapeutic areas, our products may become obsolete or be substituted by such alternatives. Our failure to effectively react to these situations or to successfully introduce new products in these therapeutic areas, could adversely affect our business, prospects, results of operations and financial condition.

3. ***Any manufacturing or quality control problems may damage our reputation for high quality products and expose us to litigation or other liabilities, which could adversely affect our financial results.***

Pharmaceutical manufacturers are subject to significant regulatory scrutiny in many jurisdictions. We own and operate manufacturing facilities in India and the United States and must register, and manufacture products in, these facilities in accordance with current good manufacturing practices ("cGMP") stipulated by the USFDA, UK-MHRA, WHO, Pharmaceuticals and Medical Devices Agency, Japan ("PMDA Japan") the Central Drugs Standard Control Organization of India ("CDSCO") and other regulatory agencies. We are also required to meet various quality standards and specifications for our customers under our supply contracts. Furthermore, we are liable for the quality of our products for the entire duration of the shelf life of the product. After our products reach the market, certain developments could adversely affect demand for our products, including the re-review of products that are already marketed, new scientific information, greater scrutiny in advertising and promotion, the discovery of previously unknown side effects or the recall or loss of approval of products that we manufacture, market or sell.

We have, in the past, faced the recall of two products that we manufactured for other pharmaceutical companies, Albon Bolus, a bacterial infection drug for animals and Lisinopril, a drug that treats hypertension, congestive heart failure and heart attacks which resulted in us having to stop production of these products for a certain period pending investigation. While, pursuant to investigations by us and our customer, no fault was attributable to us or our manufacturing practices, there can be no assurance that there will not be any recalls of any of our products or investigations of our manufacturing facilities or our processes in the future.

Disputes over non-conformity of our products with such quality standards or specifications are generally referred to independent testing laboratories, which generally, or unless the contract specifies, the customer, makes a final decision. If any independent laboratory confirms that our products do not conform to the prescribed or agreed standards and specifications, we would bear the expenses of replacing and testing such products, which could adversely affect our business, results of operations and financial condition.

We also face the risk of loss resulting from, and the adverse publicity associated with, manufacturing or quality control problems. Such adverse publicity harms the brand image of our products. We may be subject to claims resulting from manufacturing defects or negligence in storage and handling of our pharmaceutical products. In certain foreign jurisdictions, the quantum of damages, especially punitive, awarded in cases of product liability can be extremely high. The existence, or even threat, of a major product liability claim could also damage our reputation and affect consumers' views of our other products, thereby adversely affecting our business, results of operations and financial condition. Any loss of our reputation or brand image, for whatsoever reason may lead to a loss of existing business contracts and adversely affect our ability to enter into additional business contracts in the future.

4. ***Any delay in production at, or shutdown of, any of our manufacturing facilities or at any of the third party manufacturing facilities we use, could adversely affect our business, results of operations and financial condition.***

The success of our manufacturing activities depends on, among other things, the productivity of our workforce, compliance with regulatory requirements and the continued functioning of our manufacturing processes and machinery. Disruptions in our manufacturing activities could delay production or require us to shutdown the affected manufacturing facility. Moreover, some of our products are permitted to be manufactured at only such facility which has received specific approvals, and any shut down of such facility will result in us being unable to manufacture such product for the duration of such shut down. Such an event will result in us being unable to meet with our contractual commitments, which will have an adverse effect on our business, results of operation and financial condition.

Any disagreements with our trade union could disrupt our workforce and adversely affect our business, financial condition and results of operations. We may also be subject to manufacturing disruptions due to delays in receiving regulatory approvals, which may require our manufacturing facilities to cease or limit production until the required approvals are received, or disputes concerning these approvals are resolved. Moreover, because regulatory approvals for manufacturing drugs are site-specific, production cannot be transferred to another location which could adversely affect our business, results of operations and financial condition.

Any interruption at our manufacturing facilities, including natural or man-made disasters, workforce disruptions, regulatory approval delays, fire or the failure of machinery, could reduce our ability to meet the conditions of our contracts and earnings for the affected period, which could affect our business, prospects, results of operations and financial condition.

Additionally, we rely on certain third party contract manufacturers for the supply of certain products. In the event that there are disruptions in the manufacturing facilities of such third party contract manufacturers, it will impact our ability to deliver such products and meet with our contractual commitments. Additionally, the use of third party contract manufacturers are subject to certain risks, such as our inability to monitor the quality, safety and manufacturing processes on a continual basis at such third party manufacturing facilities. As a result, there can be no assurance that we will be able to maintain high quality standards in respect of the products that such third party contractors provide us. If these third party manufacturing facilities cease to be available to us at costs acceptable to us or we experience problems with, or interruptions in, such services, and we are unable to find other facilities to provide similar manufacturing capacity on comparable terms and on a timely basis, our operations would be disrupted and our financial condition and results of operations could be adversely affected.

5. ***We are susceptible to product liability claims that may not be covered by insurance which may require substantial expenditure and may adversely affect our reputation and if successful, could require us to pay substantial sums*.**

We face the risk of loss resulting from, and the adverse publicity associated with, product liability lawsuits especially in the United States and Europe, whether or not such claims are valid. We may also be subject to claims resulting from manufacturing defects or negligence in storage or handling which may lead to the deterioration of our products. For example, our products sold by our distributors may have expired or may cause side effect to consumers. Even unsuccessful product liability claims would likely require us to incur substantial amounts on litigation, divert management's time, adversely affect our goodwill and impair the marketability of our products. In addition, we cannot be certain that our product liability insurance will, in fact, be sufficient to cover such claims or our policy limits will be sufficient to cover such claims or that we will be able to maintain adequate insurance coverage in the future at acceptable costs. Further, we may not have taken insurance or may not have vendor extension covers from our partners' insurance policies in the countries into which we export our products. A successful product liability claim that is excluded from coverage or exceeds our policy limits may require us to pay substantial sums and may adversely affect our financial position and results of operations. In addition, insurance coverage for product liability may become prohibitively expensive in the future. From time to time, the pharmaceutical industry has experienced difficulty in obtaining desired product liability insurance coverage.

We currently export and in the future intend to increase our export of products to the United States, a market noted for its litigious nature and high awards of damages. A deterioration in our quality controls could also result in product liability claims against us. The risk of product liability suits is also likely to increase as we develop our own new patented products in addition to making generic versions of drugs that have been in the market for some time. While we have a global product liability insurance policy for products sold by us, if any product liability claim not covered by insurance or exceeding the policy limits were sustained against us, it could adversely affect our business, financial condition and results of operations.

6. ***We are subject to the risk of loss due to fire because the materials we use in our manufacturing processes are highly flammable. We are also subject to the risk of some other natural calamities or general disruptions affecting our production facilities and distribution chain.***

We use highly flammable materials such as acetone, ethanol, methanol and toluene in our manufacturing processes and are therefore subject to the risk of loss arising from fire. Although we have implemented industry acceptable risk management controls at our manufacturing locations and continuously seek to upgrade them, the risk of fire associated with these materials cannot be completely eliminated. In the past, we have had minor interruptions in production as a result of fire. In addition to fire, natural calamities such as floods, earthquakes, rains, inundations and heavy downpours could disrupt our manufacturing and storage facilities. We maintain insurance policies to guard against losses caused by fire, and, for Emcure USA, insurance against loss of profit. Our insurance coverage for damages to our properties and disruption of our business due to these events may not be sufficient to cover all of our potential losses. If any of our manufacturing facilities were to be damaged as a result of fire or other natural calamities, it would temporarily reduce our manufacturing capacity and adversely affect our business operations, financial condition and results of operations.

7. ***If we fail to comply with regulations prescribed by governments and regulatory agencies, our business, results of operations and financial condition could be adversely affected.***

We operate in a highly regulated industry, and our operations are subject to extensive regulation in each market in which we do business. Regulatory authorities in many of these markets must approve our products before we or our distribution agents can market them, irrespective of whether these products are approved in India or other markets. Applicable regulations have become increasingly stringent, a trend which may continue in the future. The penalties for non-compliance with these regulations can be severe, including the revocation or suspension of our business license and the imposition of fines and criminal sanctions in those jurisdictions.

We have ongoing duties to regulatory authorities, such as the CDSCO and the USFDA, both before and after a product's commercial release. Regulatory agencies may at any time reassess our manufacturing facilities or the efficacy of our products based on newly developed scientific knowledge or other factors. For example, our facilities and products are subject to auditing processes by various regulators, including the USFDA. If such audits or other reassessments result in warnings or sanctions, the relevant regulator may amend or withdraw our existing approvals to manufacture and market our products in such relevant jurisdiction, which could adversely affect our business, financial condition and results of operations.

If we fail to comply with applicable statutory or regulatory requirements, there could be a delay in the submission or grant of approval for marketing new products. Moreover, if we fail to comply with the various conditions attached to such approvals, licenses, registrations and permissions once received, the relevant regulatory body may suspend, curtail or revoke our ability to market such products. In the United States, India, and many of the international markets in which we sell our products, the approval process for a new product is complex, lengthy and expensive. The time taken to obtain approvals varies by country but generally takes between six months and several years from the date of application. If we fail to obtain such approvals, licenses, registrations and permissions, in a timely manner or at all, our business, results of operations and financial condition could be adversely affected.

We are also subject to a broad range of safety, health, environmental, labor, workplace and related laws and regulations in the jurisdictions in which we operate, which impose controls on the disposal and storage of raw materials, noise emissions, air and water discharges, on the storage, handling, discharge and disposal of chemicals, employee exposure to hazardous substances and other aspects of our operations. For example, local laws in India limit the amount of hazardous and pollutant discharge that our manufacturing facilities may release into the air and water. The discharge of raw materials that are chemical in nature or of other hazardous substances into the air, soil or water beyond these limits may cause us to be liable to regulatory bodies or third parties. In addition, we may be required to incur costs to remedy the damage caused by such discharges, pay fines or other penalties for non-compliance. Complying with, and changes in, these laws and regulations may increase our compliance costs and adversely affect our business, prospects, results of operations and financial condition.

We are also subject to the laws and regulations governing relationships with employees in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labor and work permits. Our business is also subject to, among other things, the receipt of all required licenses, permits and authorizations including local land use permits, manufacturing permits, building and zoning permits, and environmental, health and safety permits. Changes or concessions required by regulatory authorities could also involve significant costs and delays which could adversely affect our financial condition and results of operation.

In countries where we have limited experience, we are subject to additional risks related to complying with a wide variety of local laws, including restrictions on the import and export of certain intermediates, drugs, technologies and multiple and possibly overlapping tax structures. Further, regulatory requirements are still evolving in many markets and are subject to change and as a result may, at times, be unclear or inconsistent. Consequently, there is increased risk that we may inadvertently fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new products.

8. ***We derive a significant portion of our revenue from a few customers and a loss of one or more such significant customers or a reduction in their demand for products could adversely affect our business, financial condition and results of operations.***

We are dependent on a limited number of customers for a significant portion of our income. For example, for the nine months ended December 31, 2012 and the Fiscal 2012, our top 10 customers contributed, 28.1% and 34.2%, respectively, of our total revenue. Additionally, one of our customers contributed 18.0% and 25.0%, respectively, of our total revenue for the nine months ended December 31, 2012 and the Fiscal 2012. The loss of one or more of these significant customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, financial condition and results of operations. We cannot assure you that we will be able to maintain historic levels of business from our significant customers or that we will be able to significantly reduce customer concentration in the future.

9. ***We have historically derived a substantial portion of our revenue from the Domestic Market and the Regulated Markets.***

During the nine months ended December 31, 2012 and the Fiscal 2012, we derived a significant percentage of our revenue from the Domestic Market and the Regulated Markets. For example, we derived 54.7% and 48.4% of our revenue from operations (net) from the Domestic Market for the nine months ended December 31, 2012 and the Fiscal 2012, respectively, and we derived 38.3% and 42.7% of our revenue from operations (net) from the Regulated Markets for the nine months ended December 31, 2012 and the Fiscal 2012, respectively. We are well positioned in the Domestic Market and we intend to increase our presence in the Regulated Market, especially the United States through our Company's Subsidiary, Heritage Pharmaceuticals Inc. ("Heritage"). We will continue to evaluate initiatives and strategies to increase our presence in the Domestic Market and the Regulated Markets.

We cannot assure you that we will be able to continue to generate a significant portion of our revenue from these markets. Any failure to do so may adversely affect our business, financial condition and results of operations.

10. ***Our Company has allotted Equity Shares to its existing resident and non-resident shareholders on April 19, 2013 pursuant to a rights issue (the "Rights Issue"). In this regard, our Company has received a letter dated June 11, 2013 from the RBI (the "RBI Letter") requiring our Company for a copy of the Government approval. Our Company has responded to the same indicating the rationale for not obtaining prior Government approval for the Rights Issue. In the event, such allotment is considered non-compliant with the foreign exchange laws, our Company may be subject to regulatory actions including imposition of penalties by the regulators.***

In terms of the Consolidated FDI Policy dated April 5, 2013 (the "**FDI Policy**"), the Press Note 3 of 2011 dated November 8, 2011 issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and the circular dated December 9, 2011 notified by the RBI, foreign direct investment in the pharmaceutical sector up to 100% under the Government approval route is permitted for brownfield investment, i.e. investment in existing pharmaceutical companies. With respect to a rights issue, the FDI Policy allows Indian companies to freely issue shares on rights basis to existing non-resident shareholders subject to adherence to sectoral cap, if any. However, such shares on rights basis should be offered to the non-resident shareholders at a price not less than the price at which such shares are offered to the resident shareholders.

Our Company had allotted an aggregate of 10,047,340 Equity Shares to its existing shareholders, including 1,574,306 Equity Shares to its non-resident shareholders, in the Rights Issue. Pursuant to the said Rights Issue, whilst the quantum of holding of our existing non-resident shareholders had changed, there was no change in the percentage shareholding of such non-resident shareholders. In terms of the FDI Policy, our Company believed that it could freely issue Equity Shares to its non-resident shareholders pursuant to the Rights Issue without applying to the Government for approval. In this regard, our Company has received the RBI Letter dated June 11, 2013 seeking documents/clarifications, *inter alia*, the Government approval for such Rights Issue. Our Company has replied to the RBI *vide* its letter dated June 24, 2013 setting out the rationale for undertaking the Rights Issue without obtaining prior Government approval. In the event the RBI so desires, we will approach the FIPB for post facto approval for the Rights Issue. There is a possibility that the government authorities, including the FIPB, may not grant the post-facto approval or take a contrary view and consider such allotment of Equity Shares non-compliant with the FDI Policy and other foreign exchange laws. The regulatory authorities, including RBI, have broad powers to deal with any such non-compliance, including (without limitation), the power to impose a monetary penalty of up to three times the sum involved in the non-compliance, if quantifiable, and take such other actions or issue directions as it may deem appropriate.

11. ***Our inability to attract partners who are looking to us for co-development, outsourcing and licensing in the future could adversely affect our market share. If the covenants in our agreements with such partners are onerous or commercially restrictive, our results of operations and financial condition could be adversely affected.***

Multi-national corporations have outsourced an increasingly higher share of the manufacturing process for pharmaceutical products and APIs. These corporations generally look to enter into outsourcing arrangements with reputed companies that can produce high quality products at lower costs, while adhering to cGMP for the Regulated Markets. In the course of our business, we enter into supply and license agreements with various pharmaceutical companies.

To continue to attract partners for our contract manufacturing, we must maintain our position and continue to improve our reputation for contract manufacturing and research and development. If we cannot maintain our current position in the market, we may not be able to attract partners to enter into supply agreements with us and we may lose market share in this business area, which will consequently affect our business, results of operations and financial condition. Additionally, certain of our contract manufacturing agreements contain covenants that may be onerous and commercially restrictive in nature, including covenants that:

- impose penalties for an event of default as a result of failing to meet with certain requirements; and

- allow them the right to terminate the agreement in the event of a change of control.

Multi-national corporations also look to enter into marketing arrangements with reputed Indian companies that have a significant marketing presence and distribution network in India. Similarly, companies that do not have a marketing presence in the United States look for partners to sell their products in the United States. There can be no assurance that we will be able to enter into such marketing agreements with such multi-national corporations or that we will be able to attract such partners to enter into marketing agreements with us for the Indian and the United States markets.

Additionally, a number of our distribution and supply agreements contain covenants that may be onerous and commercially restrictive in nature, including covenants that:

- restrict our ability to manufacture, sell and market certain products in certain territories;

- require us to pay royalties to manufacture and sell certain products;
- provide for preferential treatment in manufacturing products for certain of our partners; and
- require us to provide additional supply up to certain limits which may require us to maintain capacity margin.

Violating any of these covenants may result in events of default, which may result in breach of contract, claims against us or termination of the contracts, any of which could adversely affect our business, results of operations and financial condition.

12. ***If we do not maintain and increase the number of our arrangements for the distribution of our products, our business, results of operations and financial condition could be adversely affected.***

In most of the markets in which we have a presence, we generally appoint a local third party entity who imports, registers and distributes our products. We have limited control over the operations and businesses of such local third party entities. Our reliance on, and inability to control, our local manufacturers and local sale, marketing and distribution agents could adversely affect our business, financial condition and results of operations.

We may not be able to find suitable partners or successfully enter into arrangements on commercially reasonable terms or at all. Additionally, our distribution partners may make important marketing and other commercial decisions concerning our products without our input. As a result of these arrangements, many of the variables that may affect our business, are not exclusively within our control.

Moreover, we retain some of our partners and distributors on a non-exclusive basis, which allows them to engage with our competitors. We also compete for partners with other leading pharmaceutical companies that may have more visibility, greater brand recognition and financial resources, and a broader product portfolio than we do. If our competitors provide greater incentives to our partners, our partners may choose to promote the products of our competitors instead of our products. Our dependence on distribution partnerships to market some of our products may subject us to a number of risks, including:

- not being able to control the amount and timing of resources that our partners may devote to the marketing of our products;
- our partner's marketing our products outside their designated territory, possibly in violation of the exclusive distribution rights of other distributors;
- financial difficulties; and
- significant changes in a partner's business strategy that may adversely affect its willingness or ability to fulfill its obligations under any arrangement.

13. ***Certain approvals for marketing or manufacturing our products in certain jurisdictions have not been obtained in our name nor in the name of our Subsidiaries. If the parties that hold such approvals default in complying with the terms of such approvals and, as a result, we are unable to market our products in those countries, it would have an adverse effect on our business, financial condition and results of operations.***

The local laws in certain countries impose restrictions on the grant of product registrations and manufacturing licenses to foreign entities. These laws compel us to enter into agreements with local distributors or manufacturers in order to apply for and obtain these registrations and licenses in their name. If the parties that hold such approvals default in complying with the terms of such approvals and, as a result, we are unable to market or manufacture our products in those countries, it would have an adverse effect on our business, financial condition and results of operations.

14. ***Our results of operations are subject to risks arising from exchange rate fluctuations.***

Although our Company's reporting currency is Indian Rupees, we transact a significant portion of our business in several other currencies. Revenues attributable to sales outside India was ₹ 6,813.49 million and represented 45.3% of our revenue from operations (net) for the nine months ended December 31, 2012. Substantially all of our non-Indian revenue is denominated in foreign currencies, primarily United States Dollars and Euros. Additionally, we also procure a significant portion of our raw material requirements outside India and, as a result, incur such costs in currencies other than Indian Rupees. Further, we continue to incur non-Rupee indebtedness in the form of external commercial borrowings and other foreign currency denominated borrowings, which creates foreign currency exposure in respect of our cash flows and ability to service such debt. As of December 31, 2012, we had foreign currency loans from banks amounting to ₹ 2,451.68 million. We are thus exposed to exchange rate fluctuations due to the revenue that we receive, raw materials that we purchase and our financing arrangements that are denominated in currencies other than the Indian Rupee.

We use derivative contracts to hedge our exposure to movements in foreign exchange against future receivables. The use of these derivative contracts is to reduce the risk or cost to us and we do not use the derivative contracts for trading or speculation purposes. For further details on our foreign currency exposure that we hedge by derivative instruments, see "Management's Discussion And Analysis of Financial Condition And Results of Operation—Off-Balance Sheet Arrangements" on page 341. Our use of these derivatives broadly subjects us to market and credit risk, including counterparty credit risk and the risk of incurring financial losses when foreign exchange rates move contrary to expectations or if our risk management procedures prove to be inadequate, which could adversely affect our results of operation, liquidity and financial condition.

15. ***Our international operations expose us to complex management, legal, tax and economic risks, which could adversely affect our business, results of operations and financial condition.***

We generate a significant part of our total revenue from the international markets. We operate our business through our Subsidiaries in certain markets: the United States, the United Kingdom, Singapore, Dubai, Brazil, Nigeria, South Africa and Canada, among others. We also rely on co-marketing arrangements with companies located in such jurisdictions to enable us to accelerate the licensing of our products in these markets and to provide additional marketing opportunities for our products. As a result, we are subject to risks related to our international expansion strategy, including risks related to complying with a wide variety of local laws, restrictions on the import and export of certain intermediates, drugs, technologies, multiple tax and cost structures, cultural and language factors.

Additionally, the accounting standards, tax laws and other fiscal regulations in the jurisdictions we operate in are subject to differing interpretations. Differing interpretations of tax and other fiscal laws and regulations may exist within various governmental ministries, including tax administrations and appellate authorities, thus creating uncertainty and potential unexpected results. Due to our limited operating history in these international jurisdictions, the applicability of the different accounting and taxation standards are subject to complex interpretation and as a result we may be exposed to risks as a result of non-compliance with such standards. The degree of uncertainty in tax laws and regulations, combined with significant penalties for default and a risk of aggressive action by various government or tax authorities, may result in our tax risks being significantly higher than expected. Any of the above events may result in an adverse effect on the business, financial condition and results of operations.

In addition, we may face competition in other countries from companies that may have more experience with operations in such countries or with international operations generally. We may also face difficulties in integrating new facilities in different countries into our existing operations, as well as integrating employees that we hire in different countries into our existing corporate culture.

If we do not effectively manage our international operations and the operations of these Subsidiaries, it may affect our profitability from such countries, which may adversely affect our business, results of operations and financial condition.

16. ***We intend to selectively pursue Paragraph IV filing opportunities in the United States, which may not be successful, may result in extensive and expensive litigation which we may not be successful in defending, and which may adversely affect our business, prospects, results of operations and financial condition.***

A Paragraph IV filing is made when an ANDA applicant believes its product or the use of its product does not infringe on the innovator's patents or where the applicant believes that such patents are not valid or enforceable. If successful, Paragraph IV filings enable the filer to launch the product in the United States prior to the expiry of the patent. These products are often difficult and expensive to manufacture. Innovators will often seek to restrict or will challenge the grant of a successful Paragraph IV filing which, if determined against the ANDA applicant, may result in expensive litigation and/or penalties and a loss of the investment in manufacturing the product.

We may elect to market a generic product before any court decision is rendered or while an appeal from a lower court decision is pending. If the final court decision is adverse to us, we could be required to cease sales of the infringing products and face substantial liability for patent infringement. These damages may be significant as they may be measured differently in various jurisdictions, including by royalties on our sales or by the profits lost by the patent owner. We have currently made five Paragraph IV filings, of which one has resulted in litigation requiring us to incur significant costs. In March 2013 and May 2013, our Subsidiary, Heritage launched two Zoledronic acid injectable products, which are generic versions of Novartis Pharmaceuticals Corporation Reclast® and Zometa®. In March 2013, Novartis Pharmaceuticals Corporation filed a complaint for an infringement of method of use patent of each of these two Zoledronic acid products against our Company and our Subsidiary, Emcure Pharmaceuticals USA, Inc., and seventeen other companies in the United States District Court for the district of New Jersey. The complaint also alleges the infringement of a formulation patent but not against us. If Novartis Pharmaceuticals Corporation is successful in their claims of patent infringement, we could be required to pay damages related to sales of these products made by us, and could be prohibited from making or selling these products in the United States until the expiry of the relevant patents. See the section "Outstanding Litigation and Material Developments" on page 351 for more details.

Because of the differential pricing generally involved with generic pharmaceutical products, patented brand products generally realize a significantly higher profit margin than generic pharmaceutical products. In the case of a willful infringer, the definition of which is unclear, these damages can be substantial.

We continue to evaluate product opportunities involving non-expired patents going forward and this could result in patent litigation, the outcome of which may adversely affect our business, prospects, results of operations and financial condition.

17. ***The unsuccessful integration of any businesses in our recent or any future acquisitions could result in operating difficulties and adversely affect our business, results of operations and financial condition.***

We rely, in part, on inorganic growth to increase our revenue and expand our geographic presence. We have, in the past, evaluated and executed strategic acquisitions. Some of the terms under which we make some of our acquisitions may contain onerous obligations, and there can be no assurance that we will be able to comply with such obligations. For example, in 2011, our Company acquired Heritage, a United States based generic pharmaceutical company focused on the acquisition, licensing and sale and marketing of generic prescription products in the United States market. Under the agreement and plan of merger entered into among our Company, Emcure Pharmaceutical Holdings Inc., Heritage and Heritage Pharma Holdings Inc. dated February 25, 2011 (the "Heritage Acquisition Agreement"), our Company paid, as of March 31, 2012, a total amount of US$ 28.0 million (₹ 1,237.88 million) and is required to pay an additional amount of US$ 3.0 million by December 31, 2013. Additionally, our Company has paid an amount of US$ 1.3 million (₹ 57.47 million) based on the EBITDA of calendar year 2011 as per the agreement. According to our management's estimate, we are required to pay an additional US$ 25.5 million as purchase consideration (such additional purchase consideration is to be determined proportionate to an adjusted EBITDA of Heritage, but is subject to limitations). These additional amounts are subject to a minimum of US$ 5.0 million and a maximum of US$ 25.5 million. See "Financial

Statements—Business Acquisition and Merger” on page 300 for details. Any inability to meet with our obligations under the Heritage Acquisition Agreement, will have an adverse effect on our business.

Additionally, in December 2012, we acquired the worldwide rights of BiCNU®, a branded oncology product prescribed for treatment of brain tumors, multiple myeloma, Hodgkin’s disease and non-Hodgkin’s lymphoma which we intend to serve as an anchor product for our oncology portfolio of products. There can be no assurance that we will be able to realize synergies and the benefits from our acquisitions.

Acquiring companies based outside of India involves additional risks, including those related to integration of operations across different cultures and languages, currency risks and the particular economic, political and regulatory risks associated with specific countries. Additionally, the anticipated benefit of many of our future acquisitions may not materialize. If we are unsuccessful in smoothly integrating an acquired company, our business, financial condition and results of operations may be adversely affected.

We may consider making additional acquisitions in the future to expand our business. Identifying suitable acquisition opportunities can be difficult, time consuming and costly. Our inability to identify suitable acquisition opportunities, reach agreements with such parties or obtain the financing necessary to make such acquisitions could adversely affect our future growth. The rapid pace of technological development in the pharmaceuticals industry and the specialized expertise required makes it difficult for any single company to develop a broad portfolio of products.

In addition, the process of integrating an acquired company, business or technology is risky and may create unforeseen operating difficulties and expenditures, including:

- potentially dilutive issuances of Equity Shares;
- the incurrence of debt, contingent liabilities or amortization expenses or write-offs of goodwill;
- difficulties in integrating the operations, technologies, research and development activities, personnel and distribution, marketing and promotion activities of acquired businesses;
- ineffectiveness or incompatibility of acquired technologies and manufacturing practices;
- additional financing required to make contingent payments;
- unavailability of favorable financing for future acquisitions;
- make certain earn-out payments;
- potential loss of key employees of acquired businesses and cultural challenges associated with integrating employees from the acquired company into our organization;
- inability to obtain the necessary regulatory approvals, including those of the competition authorities, in countries in which we seek to consummate acquisitions;
- inability to maintain the key business relationships and the reputations of acquired businesses;
- responsibility for liabilities of acquired businesses;
- diversion of management’s attention from other business concerns; and
- an inability to maintain our standards, controls, procedures and policies, which could affect our ability to assess the effectiveness of our internal control structure and

procedures for financial reporting and increased fixed costs.

18. ***Compulsory licensing by the Indian Patent Office or by the patent offices in those jurisdictions where we distribute our products could have an adverse effect on our business, financial condition and results of operations.***

Compulsory licensing is when a government allows another manufacturing company to produce the patented product or process without the consent of the patent owner. Our ability to enforce our patents depends on the laws of individual countries and each country's practice with respect to enforcement of intellectual property rights, and the extent to which certain jurisdictions may seek to engage in a policy of routine compulsory licensing of pharmaceutical intellectual property as a result of local political pressure or in the case of national emergencies.

In India, the Patent Act of 1970 provides for compulsory licensing in certain circumstances, such as the non-availability of the patented product to the public at affordable prices or inadequate working of the patented product. Recently, the Indian Patent Office allowed an Indian company to manufacture and sell a generic version of an international drug maker's patented product.

If the authorities in India or in other jurisdictions grant compulsory licensing for any of the pharmaceutical products we sell, it may have an adverse effect on our business, financial condition and results of operations. The grant of a compulsory license and the resultant introduction of generic competition will result in a significant and rapid reduction in net sales and net income for such product as generic versions are generally offered at sharply lower prices.

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

In addition to normal price competition, the prices of our pharmaceutical products are or may be restricted by price controls imposed by governments and healthcare providers in India, or in other countries to which we export our products. Price controls can operate differently across countries and can cause wide variations in prices between markets. The existence of price controls may limit the revenue we earn from our products.

For example, in India, prices of certain pharmaceutical products are determined by the Drug Prices Control Order, 2013 (the "DPCO 2013"), promulgated by the Indian government. Further, the National Pharmaceuticals Pricing Policy, 2012 (the "2012 policy") lays down the principles for pricing essential drugs as specified in the National List of Essential Medicines—2011, to ensure the availability of such medicines at reasonable prices. Under the DPCO 2013, the price of scheduled drugs will be determined on the basis of the average market price of the relevant drug. Such average price will be arrived at by considering the prices charged by all companies that have a market share of equal to or more than 1.0% of the total market turnover on the basis of moving annual turnover of the drug. Recently, the National Pharmaceutical Pricing Authority (the "NPPA") has notified the ceiling price for 151 formulations under the DPCO and NPPA may also notify the ceiling price for some or all of the remaining formulations listed in the National List of Essential Medicines—2011. Some of our products are covered in the recent notification and will be subject to the fixed ceiling prices notified. If the price of one or more of our products is regulated by the DPCO or the NPPA or other similar authorities outside India, our business and results of operations could be adversely affected. Further, any future changes in prices of any of our products due to the changes in the laws and regulations cannot be anticipated and there can be no assurance that any of such changes will not adversely affect our results of operations.

20. ***We are yet to receive certain registrations in connection with the protection of our intellectual property rights, especially trademarks relating to our products. Such failure to protect our intellectual property rights could adversely affect our competitive position, business, financial condition and profitability.***

We depend heavily on our intellectual property. We have applied for certain registrations in connection with the protection of our intellectual property relating to trademarks of our products. Certain of our trademarks, including those for products which we currently sell, are unregistered, have expired, been removed, opposed, withdrawn, refused, objected or are otherwise under dispute.

If any of our unregistered trademarks are registered in favor of a third party, we may not be able to claim registered ownership of such trademarks, and consequently, we may be unable to seek remedies for infringement of those trademarks by third parties other than relief against passing off by other entities. Our inability to obtain or maintain these registrations may adversely affect our competitive business position.

21. ***If we are unable to patent new processes and protect our proprietary information, our business may be adversely affected.***

We rely on a combination of patents, non-disclosure agreements and non-competition agreements to protect our proprietary intellectual property. As of March 31, 2013, we have filed over 230 process patents applications across the world. Due to the different regulatory bodies and varying requirements across the world, we may be unable to obtain intellectual property protection in those jurisdictions for certain aspects of our products or technologies.

While we intend to defend against any threats to our intellectual property, we cannot assure you that our patents, trade secrets or other agreements will adequately protect our intellectual property. Our patent rights may not prevent our competitors from developing, using or commercializing products that are functionally equivalent or similar to our products. The process of seeking patent protection can be lengthy and expensive. Further, our patent applications may fail to result in patents being issued, and our existing and future patents may be insufficient to provide us with meaningful protection or a commercial advantage. We cannot assure you that our pending patent applications will result in grant of patents, that patents issued to or licensed by us in the past or in the future will not be challenged or circumvented by competitors or that such patents will be found to be valid or sufficiently broad to protect our technology or to provide us with any competitive advantage. We may be required to negotiate licenses for patents from third parties to conduct our business, which may not be available on reasonable terms or at all.

We also rely on non-disclosure agreements and non-competition agreements with certain employees, consultants and other parties to protect trade secrets and other proprietary rights that belong to us. We cannot assure you that these agreements will not be breached, that we will have adequate remedies for any breach or that third parties will not otherwise gain access to our trade secrets or proprietary knowledge.

Any inability to patent new processes and protect our proprietary informaton could adversely affect our business.

22. ***If we inadvertently infringe on the patents of others, our business may be adversely affected.***

We operate in an industry characterized by extensive patent litigation, including frivolous litigation by competitors to delay grant of patent. Patent litigation can result in significant damages being awarded and injunctions that could prevent the manufacture and sale of certain products or require us to pay significant royalties in order to continue to manufacture or sell such products. While it is not possible to predict the outcome of patent litigation, we believe any adverse result of such litigation could include an injunction preventing us from selling our products or payment of significant damages or royalty, which would affect our ability to sell current or future products or prohibit us from enforcing our patent and proprietary rights against others. The occurrence of any of these risks could adversely affect our business, financial condition and results of operations. Please also see "—We intend to selectively pursue Paragraph IV filing opportunities in the United States, which may not be successful, may result in extensive and expensive litigation which we may not be successful in defending, and which may adversely affect our business, prospects, results of operations and financial condition."

23. ***Patent laws allowing innovator companies to extend their patents could delay the introduction of generic products and adversely affect our business.***

In many countries, patent holders have the option of extending the terms of their patents. The United States Patent and Trademark Office allows companies to extend the terms of their patents to make up for the time lost while awaiting USFDA approval. The USFDA also allows for exclusivity to be extended if special studies are done in identified populations, such as pediatric studies. Companies are also known to make additional patents publicly known close to patent expiry of a molecule, which effectively extends the patent life and delays competition, a practice called submarining. If a company introduced, authorized or assisted another company to bring an authorized generic to the market, then the appeal of a product for which we intend to file a patent challenge may be reduced. The extension of patent terms or the extension of exclusivity in the marketplace by these or other means may delay our introduction of generic products and may adversely affect our business.

24. ***If we cannot respond adequately to the increased competition we expect to face, we will lose market share and our profits will decline, which will adversely affect our business, results of operations and financial condition.***

Our products face intense competition from products commercialized or under development by competitors in all of our therapeutic areas. We compete with local companies, multi-national corporations and companies from the Rest of World.

If our competitors gain significant market share at our expense, particularly in the therapeutic areas in which we are focused such as oncology, cardiology, gynecology, anti-infectives, blood related illnesses and nephrology, our business, results of operations and financial condition could be adversely affected. Many of our competitors may have greater financial, manufacturing, research and development, marketing and other resources, more experience in obtaining regulatory approvals, greater geographic reach, broader product ranges and stronger sales forces. Our competitors may succeed in developing products that are more effective, more popular or cheaper than any we may develop, which may render our products obsolete or uncompetitive and adversely affect our business and financial results.

Our business faces competition from manufacturers of patented brand products who do not face any significant regulatory approvals or barriers to enter into the generics market for the territories where the brand is already approved. These manufacturers sell generic versions of their products to the market directly or by acquiring or forming strategic alliances with our competitors or by granting them rights to sell. Any failure on our part to gain an advantage could adversely affect our profitability and results of operations.

We also operate in a rapidly consolidating industry. The strength of combined companies could affect our competitive position in all of our business areas. Furthermore, if one of our competitors or their customers acquires any of our customers or suppliers, we may lose business from the customer or lose a supplier of a critical raw material, which may adversely affect our business, results of operations and financial condition.

25. ***We may face difficulties executing our strategy including our expansion plans for our manufacturing facilities.***

We are making significant investments for expanding and upgrading our existing manufacturing facilities. A portion of the Fresh Issue is proposed to be utilized towards expansion of our Hinjewadi manufacturing facility in relation to a steroid injectables, an oncology solid dosage, and other injectables. For further details, see "Objects of the Issue". The expansion of existing facilities are subject to certain risks that could result in delays or cost overruns, which could require us to expend additional capital and, as a result, adversely affect our business and operating results. Expansions and upgrades are subject to a number of events that could delay these projects or increase the costs including:

- shortages and late delivery of building materials and facility equipment;
- delays in the delivery, installation, commissioning and qualification of our manufacturing equipment;
- seasonal factors;

- labor disputes;
- design or construction changes with respect to building spaces or equipment layout;
- delays or failure in securing the necessary governmental approvals; and
- technological capacity and other changes to our plans necessitated by changes in market conditions.

Delays in expansion of any of our facilities could result in the loss or delayed receipt of earnings, an increase in financing costs and construction costs, and our failure to meet profit and earnings budgets 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.

26. ***Changes in technology may render our current technologies obsolete or require us to make substantial capital investments.***

Our industry is continually changing due to technological advances and scientific discoveries. These changes result in the frequent introduction of new products and significant price competition. If our pharmaceutical technologies become obsolete our business and results of operations could be adversely affected. Although we strive to maintain and upgrade our technologies, facilities and machinery consistent with current international standards, the technologies, facilities and machinery we currently employ may become obsolete. The cost of implementing new technologies and upgrading our manufacturing facilities could be significant, which could adversely affect our business, results of operations and financial condition.

27. ***The products that we commercialize may not perform as expected which could adversely affect our business, financial condition and results of operations.***

Our success depends significantly on our ability to commercialize new pharmaceutical products in India and across various markets around the world. Commercialization requires us to successfully develop, test, manufacture and obtain the required regulatory approvals for our products, while complying with applicable regulatory and safety standards. In order to develop a commercially viable product, we must demonstrate, through extensive trials that the products are safe and effective for use in humans. Our products currently under development, if and when fully developed and tested, may not perform as we expect, necessary regulatory approvals may not be obtained in a timely manner, if at all, and we may not be able to successfully and profitably produce and market such products.

Furthermore, even if we are successful in developing a new product, that product may become subject to litigation by third parties claiming our products infringe on their patents or may be seized in-transit by regulatory authorities for alleged infringement of intellectual property or may be otherwise unsuccessful in the market place due to the introduction of superior products by competitors. Moreover, it may take an extended period of time for our new products to gain market acceptance, if at all.

Some of our dossier sale agreements and supply agreements generally provide that in the event market circumstances, generic competition, product innovation or other like factors force our products or our distributors to not be competitive in the market, our distributors and customers have a right to prematurely terminate their respective agreements with us and return any such products which are so rendered uncompetitive which will have an adverse effect on our business financial condition and results of operation.

28. ***If our research and development efforts do not succeed, this may hinder the introduction of new products, which could adversely affect our business and results of operations.***

In order to remain competitive, we must develop, test and manufacture new products, which must meet regulatory standards and receive requisite regulatory approvals. To accomplish this, we commit substantial effort, funds and other resources towards research and development. Our ongoing investments in new product launches and research and development for future products could result in higher costs without a proportionate increase in revenues. Delays in any part of the process, our inability to obtain necessary regulatory approvals for our products or failure of a product to be successful at any stage and therefore not reach the market could adversely affect our goodwill and affect our operating results. We may or may not be able to take our research and development innovations through the different testing stages without repeating our research and development efforts or incurring additional amounts towards such research. Additionally, our competitors may commercialize similar products before us. For further details on the investments we have incurred towards our research and development initiatives, see "Management's Discussion And Analysis of Financial Condition And Results of Operation―Research and Development" on page 326 and for our planned expenditure from the Fresh Issue, see "Objects of the Issue" on page 95.

29. ***Any shortfall in the supply of our raw materials or an increase in raw material costs may adversely impact the pricing and supply of our products and have an adverse effect on our business.***

Raw materials are subject to supply disruptions and price volatility caused by various factors, including commodity market fluctuations, the quality and availability of supply, currency fluctuations, consumer demand and changes in government programs. Substantially all our raw materials are purchased from third parties. Our principal raw materials comprise APIs, excipients, colorants and packaging materials. Though we procure our raw materials from several suppliers, within and outside India to ensure consistent availability, there can be no assurance that we will be able to do so in the future. Our suppliers may be unable to provide us with a sufficient quantity of our raw materials at a suitable price for us to meet the demand for our products. The available amounts of raw materials may not adjust in response to increasing demand in certain circumstances, our suppliers may choose to supply the raw materials to our competitors instead of us. There is a risk that one or more of these existing suppliers could discontinue their operations, which could adversely impact our ability to source raw materials at a suitable price and meet our order requirements. Any increase in raw material prices will result in corresponding increases in our product costs.

We use third party transportation providers for the supply of most of our raw materials and delivery of our products to domestic and overseas customers. Factors such as increased transportation costs and transportation strikes could adversely impact the supply of raw materials that we require and the delivery of our products. In addition, raw materials and products may be lost, delayed or damaged in transit for various reasons including accidents and natural disasters.

We also import our raw materials and some of the equipment used in our manufacturing facilities. The prices we pay for these imports are denominated in foreign currencies, predominantly in United States Dollars and Euros. A significant portion of our raw materials were imported during the Fiscal 2012 and the nine month period ended December 31, 2012. A failure to maintain our required supply of raw materials could adversely affect our ability to deliver our products to customers in an efficient, reliable and timely manner and adversely affect our business, prospects, financial condition and results of operations.

30. ***If we suffer a large uninsured loss or if we suffer an insured loss that significantly exceeds our insurance coverage, our financial condition and results of operations may be adversely affected.***

Our business and assets could suffer damage from claims, fire, natural calamities, misappropriation or other causes, resulting in losses, which may not be fully compensated by insurance. While we believe that we maintain insurance coverage in amounts consistent with industry norms, our insurance policies do not cover all risks and are subject to exclusions and deductibles. If any or all of our facilities are damaged in whole or in part or we are subject to litigation or claims or our operations are interrupted for a sustained period, we cannot assure you that our insurance policies will be adequate to cover the losses that may be incurred as a result of such interruption or the costs of repairing or replacing the damaged facilities. If we suffer a large uninsured loss or if any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be adversely affected.

31. ***Our success depends on our ability to retain and attract key qualified personnel and, if we are not able to retain them or recruit additional qualified personnel, we may be unable to successfully develop our business.***

Our business and operations are led by a highly qualified, experienced and capable management team, comprising scientists, engineers and management school graduates, the loss of whose services might significantly delay or prevent the achievement of our business or scientific objectives. Competition among pharmaceutical companies for qualified employees is intense, and the ability to retain and attract qualified individuals is critical to our success.

Further, the members of our management team and other key personnel are employed pursuant to customary employment agreements, which may not provide adequate incentive for them to remain with us or adequately protect us in the event of their departure or otherwise. If we lose the services of any of the management team or key personnel, we may be unable to locate suitable or qualified replacements, and may incur additional expenses to recruit and train new personnel, which could adversely affect our business operations and affect our ability to continue to manage and expand our business. Furthermore, as we expect to continue to expand our operations and develop new products, we will need to continue to attract and retain experienced management and key research and development personnel.

Moreover, we do not maintain key person insurance to insure against the loss of key personnel. There can be no assurance that we will be able to retain and attract such individuals in the future on acceptable terms, or at all, and the failure to do so may have an adverse effect on our business, prospects, results of operations and financial condition.

32. ***If third parties on whom we rely for clinical trials do not perform their obligations as contractually required or as we expect, and do not comply with cGMP, we may not be able to obtain regulatory approval for or commercialize our products.***

We depend on independent clinical investigators, contract research organizations and other third-party service providers to conduct clinical trials and pre-clinical investigations of our new products and expect to continue to do so. We rely on such parties for successful execution of our clinical trials, but we do not control many aspects of their activities. Third parties may also not complete activities on schedule or may not conduct our studies in accordance with applicable trial, plans and protocols. Nonetheless, we are responsible for confirming that each of our clinical trials is conducted in accordance with its general investigational plan and protocol. If third parties fail to carry out their obligations, product development, approval and commercialization could be delayed or prevented or an enforcement action could be brought against us.

Our reliance on these third parties does not relieve us of our responsibility to comply with the regulations and standards of the USFDA and other regulatory authorities related to good clinical practices. In particular, these third party manufacturers and service providers must comply with cGMP and their failure to do so could result in warning or deficiency letters from regulatory authorities, which could interfere with or disrupt their ability to complete our studies on time, thereby affecting our product approval process or even forcing a withdrawal of our product which may adversely affect our business, financial condition and results of operations.

33. ***Timely and successful implementation of our contracts, including our business arrangements, depends on our performance and, for certain contracts, cooperation from our sub-contractors. Delay or failure in the implementation of our contracts, whether on our part or on the part of a sub-contractor, may adversely affect our business, financial condition and results of operations.***

Our contracts with our partners require us to supply our products, or require our partners to supply us their products, in compliance with specific delivery schedules. Our or their failure to adhere to contractually agreed timelines may have the following consequences:

- delayed payment to us for our products;
- liquidated damages may become payable by us;

- performance guarantees may be invoked against us;
- claims may be brought against us for losses suffered as a result of our non-performance;
- our clients may terminate our contracts; and
- damage to our reputation.

Our failure to deliver or receive our products on a timely basis or at all could adversely affect our business, financial condition and results of operations.

Our licensing and supply agreements with partners contain provisions that require us to provide such partners with certain quantities of our products. Any interruption in the supply by third party suppliers of raw materials, or any disruptions in production at our manufacturing facilities, could adversely affect our ability to supply certain quantities of our products and result in a breach of our contractual obligations with such partners. For example, pursuant to our arrangement with most of our multi-national company partners, if we fail to supply specified quantities of licensed products, such partners have the right to manufacture such products itself or procure such products from third parties, both at our expense, which could adversely affect our business and results of operations.

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

34. ***We may face a risk on account of not meeting our export obligation for our Indian operations. Our failure to fulfill our export obligations in full may make us liable to pay duty proportionate to unfulfilled obligation along with interest.***

Under the export promotion capital goods scheme of the Government of India, we are permitted to import capital goods in India required for export production without the payment of duty provided we export goods from India worth a definite amount within a certain period of time. We imported certain machinery and, as a result, we had an export obligation of ₹ 418.28 million. As of December 31, 2012 we met with our export obligation to the amount of ₹ 146.34 million and have given bank guarantees amounting to ₹ 8.86 million to the Director General of Foreign Trade and a bond of ₹ 161.63 million to the Commissioner of Customs.

As of December 31, 2012 our export obligations amounted to ₹ 271.94 million. In the event that we fail to fulfill these export obligations in full, we will have to pay duty proportionate to the unfulfilled obligations along with the interest.

35. ***We have had negative net cash flows in the past and may have negative cash flows in the future.***

We have had negative net cash flow for the following periods as set out below:

	Fiscal			**Nine Months Ended**
	2010	**2011**	**2012**	**December 31, 2012**
	(₹ in million)			
Net cash generated from operating activities	1,485.78	1,082.02	2,445.41	857.87
Net cash (used in) investing activities	(1,063.10)	(1,676.90)	(2,782.47)	(1,727.82)
Net cash (used in)/generated from financing activities	(300.45)	568.69	574.48	1,069.68

	Fiscal			Nine Months Ended
	2010	2011	2012	December 31, 2012
	(₹ in million)			
Net increase/(decrease) in cash and cash equivalents	122.23	(26.19)	237.42	199.73

For further details in relation to the negative net cash flows, see "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 324. We cannot assure you that our net cash flows will be positive in the future.

36. ***We require substantial financing for our business operations, including for our Subsidiaries, and the failure to obtain additional financing on terms commercially acceptable to us may adversely affect our ability to grow and our future profitability.***

We require substantial capital for our business operations. The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other things, unforeseen delays or cost overruns in developing our products, changes in business plans due to prevailing economic conditions, unanticipated expenses and regulatory changes. To the extent our planned expenditure requirements exceed our available resources, we will be required to seek additional debt or equity financing. Additional debt financing could increase our interest costs and require us to comply with additional restrictive covenants in our financing agreements. Additional equity financing could dilute our earnings per Equity Share and your interest in the Company, and could adversely impact our Equity Share price.

Our ability to obtain additional financing on favorable terms, if at all, will depend on a number of factors, including our future financial condition, results of operations and cash flows, the amount and terms of our existing indebtedness, general market conditions and market conditions for financing activities and the economic, political and other conditions in the markets where we operate.

We cannot assure you that we will be able to raise additional financing on acceptable terms in a timely manner or at all. Our failure to renew arrangements for existing funding or to obtain additional financing on acceptable terms and in a timely manner could adversely impact our planned capital expenditure, our business, results of operations and financial condition.

37. ***Our lenders have imposed certain restrictive conditions on us under our financing arrangements, which may limit our ability to expand our business and our flexibility in planning for, or reacting to, changes in our business and industry. We will also require a significant amount of cash to meet our obligations under such financing arrangements, which we may not be able to generate.***

Most of our financing arrangements are secured by substantially all of our movable and immovable assets. Our financing agreements generally include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions and also covenants such as (a) changing the capital structure of our Company; (b) formulating any scheme of amalgamation or reconstruction; (c) undertaking any new project, implementation of any scheme of expansion or acquisition of fixed assets; (d) declaring dividend except out of profits of that year; (e) making any drastic change in the management set-up; (f) undertaking any guarantee obligations on behalf of any third party; (g) investments by way of share capital in or lend to any other concern; (h) any amendments to the MoA and Articles of our Company; (i) withdrawal or repayment of investments by the principal shareholders or Directors; (j) entering into exotic derivative transactions; (k) personal guarantees by the Promoters; (l) agree that a lender will be the exclusive counterparty to any derivative transactions we enter into related to such lender's facility with us; and (m) agree that certain lenders may convert debt to equity as such lenders deem appropriate.

Our financing agreements also generally contain certain financial covenants including the requirement to maintain, among others, specified debt-to-equity ratios. These covenants vary depending on the requirements of the financial institution extending the loan and the conditions negotiated under each financing document. Such covenants may restrict or delay certain actions or initiatives that we may propose to take from time to time.

In the past, we have not have complied with certain covenants with respect to certain financing facilities entered into with our lenders for which we have sought and obtained waivers from lenders with respect to these facilities. There can be no assurance that we will continue to comply with the covenants with respect to our financing arrangements in the future or that we will be able to secure waivers for any such non-compliance in a timely manner or at all. Any future inability to comply with the covenants under our financing arrangements or to obtain necessary consents required thereunder may lead to the termination of our credit facilities, levy of penal interest, acceleration of all amounts due under such facilities and the enforcement of any security provided. If the obligations under any of our financing agreements are accelerated, we may have to dedicate a substantial portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. Further, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing. In addition, other third parties may have concerns over our financial position and it may be difficult to market our financial products. Any of these circumstances or other consequences could adversely affect our business, credit rating, prospects, results of operations and financial condition. Moreover, any such action initiated by our lenders could adversely affect the price of the Equity Shares.

Our ability to make payments on our indebtedness will depend on our future performance and our ability to generate cash, which to a certain extent is subject to general economic, financial, competitive, legislative, legal, regulatory and other factors, many of which are beyond our control. If our future cash flows from operations and other capital resources are insufficient to pay our debt obligations, meet our contractual obligations, or to fund our other liquidity needs, we may be forced to sell assets or attempt to restructure or refinance our existing indebtedness. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments may restrict us from adopting some of these alternatives. In addition, any failure to make payments of interest and principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our creditworthiness and/or any credit rating we may hold, which could harm our ability to incur additional indebtedness on acceptable terms.

38. ***We have contingent liabilities and our financial condition could be adversely affected if any of these contingent liabilities materializes.***

As of December 31, 2012, contingent liabilities disclosed in our restated consolidated financial information aggregated ₹ 189.20 million. Set forth below are our contingent liabilities that had not been provided for as of December 31, 2012:

Nature of Contingent Liability	***₹ million***
Disputed Dues not Provided	
Provident Fund	₹ 39.79
Sales Tax	₹ 97.44
Excise Matters	₹ 51.97
Total	₹ 189.20

If any of these contingent liabilities materialize, our financial condition and results of operation may be adversely affected.

39. ***We are required to obtain, renew and maintain statutory and regulatory permits, licenses and approvals for our business operations from time to time. Any failure or delay to obtain or renew them may adversely affect our operations.***

We require certain statutory and regulatory permits, licenses and approvals to carry out our business operations and applications for their renewal need to be made within certain timeframes. While we have applied for a few of these approvals and permits, we cannot assure you that we will receive these approvals in a timely manner or at all. Further, in future we will be required to apply for the renewal of approvals and permits for our business operations to continue. If we are unable to renew or obtain necessary permits, licenses and approvals on acceptable terms, in a timely manner or at all, operations may be adversely affected. For further details, see "Government Approvals" on page 364.

40. ***Our Promoters will be able to exercise significant influence and control over us after the Issue and may have interests that are different from those of our other shareholders.***

After completing the Issue, our Promoters, will hold [●]% of the issued and outstanding Equity Shares of our Company. By virtue of their shareholding, our Promoters will have the ability to exercise significant control and influence over our Company and our affairs and business, including the election of Directors, the timing and payment of dividends, the adoption of and amendments to our Memorandum and Articles of Association, the approval of a merger or sale of substantially all of our assets and the approval of most other actions requiring the approval of our shareholders.

The interests of our Promoters may be different from or conflict with the interests of our other shareholders and their influence may result in the delay or prevention of a change of management or control of our Company, even if such a transaction may be beneficial to our other shareholders.

41. ***We rely extensively on our systems including information technology systems and products processing/quality assurance systems and their failure could adversely affect our manufacturing operations.***

We rely extensively on the capacity and reliability of the information technology systems, processing and quality assurance systems supporting our operations. To date, we have not experienced a major disruption in our manufacturing operations due to failure of such systems, but there can be no assurance that we will not encounter disruptions, and any such disruption may adversely affect our business.

42. ***If we fail to establish and maintain effective internal control over our financial reporting, we may have misstatements in our financial statements and we may not be able to report our financial results in a timely manner and as a result current and potential investors could lose confidence in our financial reporting.***

If we fail to maintain the adequacy of our internal controls, we may be unable to provide financial information in a timely and reliable manner. Any such difficulties or failure may have an adverse effect on our business, financial condition and operating results. In the event that we are able to identify any errors or issues with our internal controls over financial reporting and we are not able to remedy the weakness in a timely manner, we may not be able to provide financial information in a timely and reliable manner and we may incorrectly report financial information, either of which could subject us to sanctions or investigation by regulatory authorities. In addition, there could be a negative reaction in the financial markets due to a loss of confidence in the reliability of our financial statements.

43. ***There are outstanding legal proceedings involving us, our Promoter, our Directors and our Group Companies.***

There are outstanding legal proceedings involving us, our Promoter and our Directors and our Group Companies. These proceedings are pending at different levels of adjudication before various courts, tribunals and arbitrators, from which further liability may arise. The details of such outstanding legal proceedings as of the date of this Draft Red Herring Prospectus are as follows:

Litigation against our Company

Sr. No.	**Nature of cases**	**No. of outstanding cases**	**Amount involved** ***(apart from as specified, in ₹ millions)***
1.	Criminal	7	-

Sr. No.	Nature of cases	No. of outstanding cases	Amount involved *(apart from as specified, in ₹ millions)*
2.	Civil	14	45.83
3.	Indirect tax	11	151.11
4.	Direct tax	3	-
5.	Indirect tax notices	3	3.59
6.	Direct tax notices	1	-
7.	Other notices	2	5.44

Litigation by our Company

Sr. No.	Nature of cases	No. of outstanding cases	Amount involved *(apart from as specified, in ₹ millions)*
1.	Criminal	18	5.73
2.	Civil	13	11.86

Litigation against our Directors

Sr. No.	Nature of cases	No. of outstanding cases	Amount involved *(apart from as specified, in ₹ millions)*
1.	Criminal	8	-
2.	Civil	6	1.52

Litigation against our Subsidiaries

Sr. No.	Nature of cases	No. of outstanding cases	Amount involved *(apart from as specified, in ₹ millions)*
1.	Civil	4	39.79 and Naira 20
2.	Indirect tax notices	2	10.07
3.	Other notices	2	3.51

Litigation by our Subsidiaries

Sr. No.	Nature of cases	No. of outstanding cases	Amount involved *(apart from as specified, in ₹ millions)*
1.	Criminal	5	1.11

Litigation against our Promoters

Sr. No.	Nature of cases	No. of outstanding cases	Amount involved *(apart from as specified, in ₹ millions)*

Sr. No.	Nature of cases	No. of outstanding cases	Amount involved *(apart from as specified, in ₹ millions)*
1.	Criminal	5	-
2.	Civil	1	0.71

44. ***Our Promoters and Directors may have interests in us other than reimbursement of expenses incurred or normal remuneration or benefits.***

Our Promoters are interested in our Company to the extent of any transactions entered into or their shareholding and dividend entitlement in our Company or remuneration received from our Company. Our Directors are also interested in our Company to the extent of their shareholding and dividend entitlement, remuneration paid to them for services rendered as Directors of our Company and reimbursement of expenses payable to them. Our Directors may also be interested to the extent of any transaction entered into by our Company with any other company or firm in which they are directors or partners. For further information, see "Management", "Promoters and Promoter Group" and "Related Party Transactions" on pages 160, 179 and 182, respectively.

45. ***Our Company's stand-alone financial information, as restated, contained restatement adjustments as a result of certain audit qualifications that were made in the audited stand-alone financial statements of our Company and our Subsidiary, Zuventus Healthcare Limited, for those relevant Fiscals.***

Our Company's audited stand-alone financial statements contained specific qualifications in the auditor's report for the Fiscals 2008 and 2009 with regard to non-provision of loss on account of mark to market accounting of derivative contracts and non-approval of managerial remuneration by the Government of India. Also, our Subsidiary, Zuventus Healthcare Limited's, audited stand-alone financial statements were also qualified on account of non-provision of loss on account of mark to market accounting of derivative contracts for Fiscal 2008.

All of these qualifications were appropriately adjusted in the respective periods as a part of the restated stand-alone financial information and audited consolidated financial statements of the Company, as may be applicable. For further details, including management's responses, see "Stand-alone Financial Statements – Annexure VI – Statement on Adjustments to Stand-alone Financial Statements" and "Consolidated Financial Statements – Annexure VI – Statement on Adjustments to Consolidated Financial Statements" on pages 228 and 303, respectively.

46. ***We have in the past entered into related party transactions and may continue to do so in the future.***

We have entered into transactions with our key management personnel, relatives of key management personnel and enterprises over which our key management personnel have a significant influence**.** While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. For further details, see the section "Related Party Transactions" on page 182.

47. ***Our Company will not receive any proceeds from the Offer for Sale portion. Further, the deployment of the net proceeds is entirely at our discretion and is not subject to any monitoring by any independent agency.***

This Issue includes an Offer for Sale of 2,513,057 Equity Shares by the Selling Shareholders. The entire proceeds from the Offer for Sale will be paid to the Selling Shareholders in proportion of the Equity Shares offered by the Selling Shareholders in the Offer for Sale and our Company will not receive any proceeds from such Offer for Sale. For further details, see the section "Objects of the Issue" on page 95.

Our Company intends to use the Net Proceeds for capital expenditures described in "Objects of the Issue" on page 95. Subject to this section, our Company's management will have broad discretion to use the Net Proceeds, and investors will be relying on the judgment of our Company's management in relation to the application of the Net Proceeds. The funding plans are in accordance with our Company's own estimates and have not been appraised by any bank or financial institution. Our Company may have to revise its management estimates from time to time and consequently, its requirements may change. Additionally, various risks and uncertainties, including those set forth in this section "Risk Factors", may limit or delay our Company's efforts to use the Net Proceeds to achieve profitable growth in its business.

48. ***We have not entered into any definitive arrangement to utilize certain portions of the Net Proceeds which may mean that we may not achieve the economic benefits expected from such expansion which could impact our business, financial condition and results of operations.***

We intend to utilize the Net Proceeds as indicated in the section "Objects of the Issue" on page 95. A certain portion of the Net Proceeds is proposed to be utilized towards the purchase of plant and machinery, for setting up new manufacturing units and for the expansion of our existing manufacturing facility located at Hinjewadi, Pune. At this stage, we have only received quotations for the purchase of plant and machinery and the associated site related activities for the proposed expansion. The actual procurement of machinery and other related equipment and the civil work associated with such expansion could entail significant outlay of cash in addition to the timeframe involved in procuring them. For further details, see "Objects of the Issue" on page 95. Moreover, some of these quotations may have expired and we may be required to obtain fresh quotations which we may be unable to obtain in a timely manner at the same rates which may impact our estimates or assumptions for the proposed expansion. Further, any delays in the purchase of plant and machinery and associated equipments, cost overruns, delay in construction, may mean that we may not achieve the economic benefits expected from such investment which could impact our business, financial condition and results of operations.

49. ***The availability of counterfeit drugs, such as drugs passed off by others as our products, could adversely affect our goodwill and results of operations.***

Entities in India and abroad could pass off their own products as ours, including counterfeit or pirated products. For example, certain entities could imitate our brand name, packaging materials or attempt to create look-alike products. As a result, our market share could be reduced due to replacement of demand for our products and adversely affect our goodwill. We have also invested in our products to prevent counterfeit versions of our products from being distributed in the markets. Such measures include, monitoring products in the market and initiating actions against counterfeiters, each of which entails incurring significant costs at our end. The proliferation of counterfeit and pirated products, and the time and attention lost to defending claims and complaints about counterfeit products could have an adverse effect on our goodwill and our business, prospects, results of operations and financial condition could suffer.

50. ***We do not own our Registered Office and other premises from which we operate.***

We do not own our Registered Office premises situated at Emcure House, T-184, M.I.D.C., Bhosari, Pune 411 026, and a majority of our manufacturing facilities, research and development facilities and sales and marketing and administration offices are occupied by us on a leasehold basis. Further, the facility located at P-I, I.T.B.T. Park, Phase II, MIDC, Hinjewadi, Pune, where our Company proposes to expand the existing injectables manufacturing unit from the Net Proceeds, is held by our Company on a leasehold basis for the term of one year expiring on November 30, 2013 in terms of the memorandum of understanding dated December 1, 2005 as amended by the supplemental lease agreement dated January 18, 2013 entered with our Subsidiary, Gennova Biopharmaceuticals Limited. Further, lease deeds for our properties may not be adequately stamped and consequently, may not be accepted as evidence in a court of law and we may be required to pay penalties for inadequate stamp duty. The lease periods and rental amounts vary on the basis of their locations. We cannot assure you that we will be able to renew our leases on commercially acceptable terms or at all. In the event that we are required to vacate our current premises, we would be required to make alternative arrangements for new offices and other infrastructure and we cannot assure that the new arrangements will be on commercially acceptable terms. If we are required to relocate our business operations or shut down our manufacturing units during this period, we may suffer a disruption in our operations or have to pay increased charges, which could have an adverse effect on our business, prospects, results of operations and financial condition.

51. ***Actual demand for our products may vary from anticipated or required levels resulting in overproduction of our products.***

If demand from our partners or customers slows, we could, in the future, produce quantities of our pharmaceutical products and API in excess of actual demand. A number of factors may reduce the end-user demand for our products including an over-supply on account of increased competition, among other things. Although we have capabilities to store certain levels of excess output, a sustained decrease in demand from our partners may result in us being required to cease production for a period of time, which may have an adverse effect on business, financial condition and results of operations.

52. ***Fluctuations in interest rates could adversely affect our results of operations.***

An increase in the interest rates on our existing or future debt will increase the cost of servicing such debt. We have entered into certain interest rate hedging transactions in connection with such debt and we may continue to enter into interest hedging contracts or other financial arrangements in the future to minimize our exposure to interest rate fluctuations. We cannot assure you, however, that we will be able to do so on commercially reasonable terms or any of such agreements we enter into will protect us fully against our interest rate risk. Any increase in interest expense may have an adverse effect on our business prospects, financial condition and results of operations.

53. ***We have issued Equity Shares during the last one year at a price that may be below the Issue Price.***

During the last one year we have issued Equity Shares at a price that may be lower than the Issue Price as detailed in the following table:

Sr. No.	Name of Person/Entity	Date of Offer	Number of Equity Shares	Issue Price (₹)	Reasons
1.	Equity Shareholders of our Company, including Promoters and Promoter Group	April 19, 2013	10,047,340[1]	10	Rights Issue in the ratio of 2 (two) Equity Shares for every 7 (seven) Equity Shares held on the record date.

(1) *Our Company had allotted 10,047,340 Equity Shares pursuant to a rights issue approved by our Shareholders in the meeting held on February 8, 2013 which included 1,574,306 Equity Shares allotted to non-resident shareholders. For further details, see "Our Company has allotted Equity Shares to its existing resident and non-resident shareholders on April 19, 2013 pursuant to a rights issue (the "Rights Issue"). In this regard, our Company has received a letter dated June 11, 2013 from the RBI (the "RBI Letter") requiring our Company for a copy of the Government approval. Our Company has responded to the same indicating the rationale for not obtaining prior Government approval for the Rights Issue. In the event, such allotment is considered non-compliant with the foreign exchange laws, our Company may be subject to regulatory actions including imposition of penalties by the regulators" on page 20.*

54. ***Some of our corporate records relating to forms filed with the Registrar of Companies and other authorities in India are not traceable.***

We are unable to trace certain corporate and other documents in relation to our Company including copies of certain prescribed forms filed with the RoC by our Company relating to certain changes in registered office of our Company, transfer and allotment of Equity Shares, copies of minutes of board resolutions for transfer of shares approval and certain agreements, disposal order for certain cases involving our Company. In relation to the RoC filings, we have not been able to obtain copies of these documents in spite of having conducted a search in the records of the RoC through an independent company secretary. In the event that we fail to locate these documents and records, it may have an adverse effect on our business and operations.

External Risk Factors

55. ***A general backlash against outsourcing, as well as a climate of political protectionism in the United States, may adversely impact our business.***

Some organizations have publicly expressed their concerns about a perceived association between offshore outsourcing to India and the loss of jobs in the United States. For example, since January 2003, legislation has been introduced in several states as well as by the United States federal government that would restrict government agencies from outsourcing the manufacture of products or the provision of services to companies located outside the United States, or would cut state subsidies to private companies which engage in such outsourcing. Any changes to existing laws or the enactment of new legislation restricting offshore outsourcing may adversely impact our ability to do business in the United States, particularly if these changes are widespread.

56. ***Regulatory pathways to permit the registration and sale of biotechnology-based products as bioequivalent or biosimilar drugs do not exist in key markets such as the United States, or may otherwise jeopardize which may delay our ability to generate revenue from or otherwise diminish the value of our investments in such products.***

Biosimilars have high entry barriers due to the scientific, regulatory, legal and marketing hurdles required to successfully develop a biosimilars business. We have made, and expect to continue to make, substantial investments in in-house development, manufacturing and marketing of products based on biotechnology with a focus on high-growth therapeutic areas, such as oncology, nephrology, cardiovascular and gynecology. We have commercialized five branded biosimilars in India and have a pipeline of biosimilars in various stages of development. Although some of these products may be sold as innovative products, one of our key strategic goals in making these investments is to position ourselves at the forefront of the development of bioequivalent or biosimilar generic versions of currently marketed biotechnology products.

In many markets, most notably the United States, there does not yet exist a legislative or regulatory pathway for the registration and approval of biogenerics. Significant delays in the development of such pathways, or significant impediments that may be built into such pathways, could diminish the value of the investments that we have made, and will continue to make, in our biosimilar capabilities. As a result, generic competition may be delayed significantly, adversely affecting our ability to develop a successful biosimilars business and risking our ability to recoup our investment in such products.

57. ***Any relevant policy changes may have an adverse effect on us.***

Increasing expenditures for healthcare have been the subject of considerable public debate in India, the United States and other countries in which we sell our products. If our ability to freely set prices for our products is restricted by government regulation, healthcare legislation and pressure from third party payers, our profits will be reduced. Both private and governmental entities are seeking to find ways to reduce or contain healthcare costs. We currently sell APIs and generic pharmaceutical products in the United States and look to expand our sales in this market over the next few years. In India, the Government has been actively reviewing prices for pharmaceuticals and margins offered to trade which has resulted in certain segments of the industry agreeing to a price-freeze for a certain period of time. Although these steps by the Government have not substantially affected our revenue or profits to date, we cannot assure you that they will not adversely affect us in the future. We cannot predict the nature of the measures that may be adopted by governmental and private organizations or their impact on our revenues. If healthcare legislation or third party payer influence results in lower pharmaceutical prices, although the demand for our generic active pharmaceuticals may increase, our overall revenues may decrease and our profits could be adversely affected.

In addition, governments throughout the world heavily regulate the marketing of our products. Most countries also place restrictions on the manner and scope of permissible marketing to physicians, pharmacies and other health care professionals. The effect of such regulations may be to limit the amount of revenue that we may be able to derive from a particular product. Moreover, if we fail to comply fully with such regulations, then civil or criminal actions could be brought against us.

58. ***Reforms in the health care industry and the uncertainty associated with pharmaceutical pricing, reimbursement and related matters could adversely affect the marketing, pricing and demand for our products.***

Our success will depend in part on the extent to which government and health administration authorities, private health insurers and other third-party payors will pay for our products. Increasing expenditures for health care have been the subject of considerable public attention in almost every jurisdiction where we conduct business. Both private and governmental entities are seeking ways to reduce or contain health care costs by limiting both coverage and the level of reimbursement for new therapeutic products. In many countries in which we currently operate, including India, pharmaceutical prices are subject to regulation. The existence of price controls can limit the revenues we earn from our products.

In the United States, numerous proposals that would affect changes in the United States health care system have been introduced or proposed in Congress and in some state legislatures, including the enactment in December 2003 of expanded Medicare coverage for drugs, which became effective in January 2006. The Obama administration has also indicated that it intends to propose legislation aimed at changing the United States healthcare system. While we cannot predict whether legislative or regulatory proposals will be adopted or what effect those proposals might have on our business, the announcement and/or adoption of such proposals could increase our costs and reduce our profit margins.

59. ***If there is a change in policies related to tax, duties or other such levies applicable to us, it may affect our results of operations.***

We benefit from certain tax regulations and incentives that accord favorable treatment to certain of our manufacturing facilities as well as for our research and development activities. These tax benefits include:

- *Benefits under section 80-IB of the IT Act for our Company's Jammu unit.* Our Company has set up a manufacturing unit in Jammu. Accordingly, our Company is eligible to claim deduction from the Fiscal 2010 to the Fiscal 2014 at 100.0% of the profits and gains derived from such facility and from the Fiscal 2015 to the Fiscal 2019 at 30.0% of the profits and gains derived from such facility. Similarly, our Subsidiary, Zuventus, which also has a unit in Jammu, is also entitled to such benefit from the Fiscal 2012 to the Fiscal 2016 at 100.0% of the profits and gains derived from such facility and from the Fiscal 2017 to the Fiscal 2021 at 30.0% of the profits and gains derived from such facility.

- *Deduction under section 35(2AB) of the IT Act.* Under section 35(2AB) of the IT Act, a company engaged in the business of biotechnology or in any business of manufacturing or production of any article where expenditure is incurred towards scientific research (which is not in the nature of cost of any land or buildings) or in-house research and such research and development facility is approved by the relevant authority, then such expenditure shall be permitted to be deducted up to of a sum equal to two times the expenditure incurred. Our Company is entitled to such weighted deduction until the Fiscal 2018. Our Company is currently claiming a weighted deduction of 200.0% on the expenditure incurred on clinical trial research, bioequivalence studies, research expenses, tangible and intangible assets (other than land and building) and other revenue expenditure specified for deduction under the provision of section 35(2AB) of the IT Act.

- *Export incentives and excise refunds*. Our Company is not required to pay any customs or excise duties on purchase of capital goods or materials used in our 100.0% export oriented units for a period currently valid until Fiscal 2014.

- Further, we are entitled to a subsidy in the form of refund of a proportion of the excise duty paid on value additions by our units at Jammu for the period of 10 years from the date of start of production at the units *i.e.* April 25, 2009 .

- Our Company is also entitled to receive certain non-cash export incentives with respect to export of specified products to specified countries under the Focused Market Scheme and the Focused Product Scheme under the current foreign trade policy of the Government of India.

For further details on our favorable tax treatments, see "Statement of Tax benefits" on page 105.

New or revised accounting policies or policies related to tax, duties or other such levies promulgated from time to time by the relevant authorities may significantly affect our results of operations. We cannot assure you that we would continue to be eligible for such lower tax rates or any other benefits. The reduction or termination of our tax incentives, or non-compliance with the conditions under which such tax incentives are made available, will increase our tax liability and adversely affect our business, prospects, results of operations and financial condition.

60. ***Our business and activities may be regulated by the Competition Act, 2002.***

The Competition Act, 2002, as amended (the "Competition Act") was enacted for the purpose of preventing practices that have or are likely to have an adverse effect on competition in India and has mandated the Competition Commission of India (the "CCI") to separate such practices. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties.

Any agreement among competitors which directly or indirectly involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of customers in the relevant market is presumed to have an appreciable adverse effect on competition in the relevant market in India and shall be void. Further, the Competition Act prohibits abuse of dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be guilty of the contravention and liable to be punished.

On March 4, 2011, the Government notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. The combination regulation provisions require that the acquisition of shares, voting rights, assets or control or mergers or amalgamations which cross the prescribed asset and turnover based thresholds shall be mandatorily notified to and pre-approved by the CCI. In addition, on May 11, 2011, the CCI issued the final Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, which sets out the mechanism for implementation of the combination regulation provisions under the Competition Act. It is unclear as to how the Competition Act and the CCI will affect the business environment in India.

The applicability or interpretation of the Competition Act to any merger, amalgamation or acquisition proposed by us, or any enforcement proceedings initiated by the CCI, either suo moto or pursuant to any complaint, for alleged violation of any provisions of the Competition Act may adversely affect our business, financial condition and results of operations.

61. ***Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries may adversely affect the financial markets and our business.***

Terrorist attacks, civil unrest and other acts of violence or war may adversely affect global financial markets including the Indian markets on which our Equity Shares trade. These acts may also result in a loss of business confidence, and adversely affect our business.

In addition, Asia has from time to time experienced instances of civil unrest and hostilities. Hostilities and tensions may occur again in the future and on a wider scale. Military activity or terrorist attacks in India, such as the attacks in July 2011, could increase investor concern about stability in the region, which may adversely affect the price of our Equity Shares. The occurrence of similar events within other countries in Asia in the future, could influence the Indian economy and could have an adverse effect on the market for securities of Indian companies, including our

Equity Shares.

It is possible that future civil unrest as well as other adverse social, economic and political events may adversely affect us. Such incidents may also create a greater perception that investment in Indian companies involves a higher degree of risk and may have an adverse impact on our business and the price of our Equity Shares.

62. ***The occurrence of natural or man-made disasters may adversely affect our business, results of operations and financial condition.***

The occurrence of natural disasters, including hurricanes, floods, earthquakes, tsunamis, pandemic disease, may adversely affect our financial condition and results of operations. We cannot assure prospective investors that such events will not occur in the future or that our business, results of operations and financial condition will not be adversely affected.

63. ***Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business.***

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

64. ***Current economic conditions may adversely affect our business, results of operations and financial condition.***

The global economy is currently undergoing a period of unprecedented volatility, and the future economic environment may continue to be less favorable than that of recent years. We are exposed to many different industries and companies, including our counterparties under our various manufacturing, sale and distribution agreements, co-branding, raw materials supply and other agreements, any of which may be or become unstable in the current economic environment, which could adversely affect our business, results of operations and financial condition.

65. ***Changes in trade policies may affect us.***

Any change in policies by the countries, in terms of tariff and non-tariff barriers, from which our suppliers import their raw materials, components or countries to which we export our products, may have an adverse effect on our profitability.

66. ***If the rate of Indian price inflation increases, our business and results of operations may be adversely affected.***

In the recent past, India has experienced consistently high inflation, which has increased the price of, among other things, our raw materials and wages. If this trend continues, we may be unable to accurately estimate or control our costs of production and this could have an adverse effect on our business and results of operations.

67. ***Public companies in India, including our Company, may be required to prepare financial statements under IFRS or IndAS (a variation of IFRS). The transition to IFRS or IndAS in India is still unclear and our Company may be negatively affected by such transition.***

Our Company currently prepares its annual and interim financial statements under Indian GAAP. Public companies in India, including our Company, may be required to prepare annual and interim financial statements under Indian Accounting Standard 101 "First-time Adoption of Indian Accounting Standards ("IndAS"). The Institute of Chartered Accountants of India ("ICAI") recently published a near final version of IndAS. On February 25, 2011, the Ministry of Corporate Affairs ("MCA") of the Government announced that IndAS will be implemented in a phased manner and the date of such implementation will be notified at a later date. As of the date of this Draft Red Herring Prospectus, the MCA has not yet notified the date of implementation of IndAS.

There is not yet a significant body of established practice on which to draw in forming judgments regarding its implementation and application. Additionally, IndAS differs in certain respects from International Financial Reporting Standard ("IFRS") and therefore financial statements prepared under IndAS may be substantially different from financial statements prepared under IFRS. There can be no assurance that our Company's financial condition, results of operations, cash flow or changes in shareholders' equity will not be present differently under IndAS than under Indian GAAP or IFRS. As our Company adopts IndAS reporting, our Company may encounter difficulties in the ongoing process of implementing and enhancing its management information systems. There can be no assurance that the adoption of IndAS by our Company will not adversely affect its results of operations or financial condition and any failure to successfully adopt IndAS in accordance with the prescribed timelines may have an adverse effect on the financial position and results of operations of our Company.

68. ***Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may affect investors' assessments of our Company's financial condition.***

We have not attempted to explain in a qualitative manner the impact of the IFRS or U.S. GAAP on the financial information included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial information to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Indian GAAP. Indian GAAP differs from accounting principles with which prospective investors may be familiar in other countries. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI Regulations. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI Regulations, on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

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

The price of the Equity Shares may fluctuate after this Issue as a result of various factors, including volatility in the Indian and global securities markets, the results of our operations, the performance of our competitors, significant developments in India's economic fiscal, liberalization and deregulation policies, adverse media reports and changes in developments in, perceptions in the market about investments in or estimates by financial analysts on us and the Indian pharmaceutical industry.

There has been no public market for the Equity Shares prior to this Issue and an active trading market for the Equity Shares may not develop or be sustained after this Issue. Further, the price at which the Equity Shares are initially traded may not correspond to the prices at which the Equity Shares will trade in the market subsequent to this Issue.

70. ***Any future issuance of Equity Shares may dilute your shareholding and sales of our Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of the Equity Shares.***

Any future equity issuances by us, including a primary offering, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences for us including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares.

71. ***We cannot assure you that our Equity Shares will be listed on the BSE and the NSE in a timely manner or at all, which may restrict your ability to dispose of the Equity Shares.***

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

72. ***You will not be able to sell immediately on an Indian stock exchange any of the Equity Shares you purchase in the Issue.***

The Equity Shares will be listed on the Stock Exchanges. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Investor' book entry, or demat accounts, with depository participants in India are expected to be credited within two working days of the date on which Issue and Allotment is approved by the Board. Thereafter, upon receipt of final listing and trading approval from the Stock Exchanges, trading in the Equity Shares is expected to commence within approximately seven working days.

We cannot assure you that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified above. In addition, we are liable to pay interest at 15.0% per annum if Allotment is not made, refund orders are not dispatched or demat credits are not made to investors within 15 days from the Bid Closing Date.

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

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 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.

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

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if securities transaction tax (**"**STT**"**) has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realised on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to short term capital gains tax at a relatively higher rate as compared to the transaction where STT has been paid in India. See the section "Statement of Tax Benefits" beginning on page 105 of this Draft Red Herring Prospectus.

Prominent Notes

1. Public issue of [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating to ₹ 3,000.00 million consisting of Fresh Issue of [●] Equity Shares by the Company and an offer for sale by the Selling Shareholders of 2,513,057 Equity Shares. The Issue will constitute [●]% of the post-Issue paid-up equity share capital of our Company.

2. The net worth of our Company, as of December 31, 2012 was ₹ 5,800.01 million as per our

Company's restated stand-alone financial information and ₹ 5,656.85 million as per our restated consolidated financial information.

3. The book value per Equity Share of our Company, as of December 31, 2012 was ₹ 164.93 as per our Company's restated stand-alone financial information and ₹ 160.86 as per our restated consolidated financial information.

4. The average cost of acquisition of Equity Shares by the Promoters is as follows:

Name of the Promoters	Average cost of acquisition of Equity Shares (₹)
Satish Ramanlal Mehta (individual holding)	11.71
Satish Ramanlal Mehta (joint holding)	4.57
Sunil Rajanikant Mehta (individual holding)	3.09
Sunil Rajanikant Mehta (joint holding)	3.17

5. For details of related party transactions entered into by our Company during the last Fiscal, see the section "Related Party Transactions" on page 182.

6. There are no Group Companies of our Company.

7. Our Company has not changed its name in the last three years immediately preceding the date of filing of this Draft Red Herring Prospectus.

8. There has been no financing arrangement whereby the Promoter Group, the Directors and their relatives have financed the purchase by any other person of securities of our Company other than in normal course of the business of the financing entity during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus with SEBI.

9. Investors may contact the BRLMs who have submitted the due diligence certificate to SEBI for any complaint pertaining to the Issue.

SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY

THE GLOBAL PHARMACEUTICAL INDUSTRY

The pharmaceutical industry is one of the world's largest industries. It includes the development, production and marketing of pharmaceutical products. The growth of the global pharmaceutical industry is driven by a continuing need for medicines to treat disease, demographic changes and an increased focus by world governments to improve healthcare infrastructure.

By 2016, the global pharmaceuticals market is expected to reach approximately US$1,200 billion from US$956 billion in 2011. Between 2011 and 2016 the global pharmaceuticals market is expected to grow at a compound annual growth rate ("CAGR") of approximately 3.0% to 6.0%. The United States is expected to remain the largest market while the share of pharmerging countries is expected to increase significantly. India is expected to become the eighth largest market by 2016.

Historically, brands (innovator drugs), which include off-patent brands, were the largest segment of the global pharmaceutical market. In 2011, brands (innovator drugs) accounted for 63.0% of the market. However, patent expiries in developed markets coupled with rapid growth in pharmerging countries (driven largely by generics spending, which includes branded generics) is expected to lead to a decline of brands (innovator drugs) segment's share to 53.0% in 2016. Global generic spending is expected to increase in value from US$242 billion in 2011 to between US$400 billion and US$430 billion in 2016 representing a 35.0% share in 2016.

INDIAN PHARMACEUTICALS INDUSTRY

The Indian pharmaceuticals industry has become an important part of the global pharmaceuticals market. The Indian pharmaceuticals market is driven largely by its rapidly growing domestic market and increased formulation and bulk drug exports to the regulated and semi-regulated markets. The Indian pharmaceutical industry has grown at a CAGR of 17.7% from the financial year 2007 to the financial year 2012 and is expected to continue the growth in the global pharmaceuticals market with a CAGR of between 14.0% to 16.0% to reach between US$53.0 billion and US$55.0 billion by the financial year 2017. *(Source: CRISIL Research).*

The Indian pharmaceuticals industry can be divided into three segments: domestic formulations, formulations exports and bulk drug exports.

Domestic Formulations Industry

The domestic formulations industry is the largest component of the Indian pharmaceuticals market. The domestic formulations industry was valued at ₹ 556.6 billon for the financial year 2012 and has increased at a CAGR of 14.8% between the financial year 2007 to the financial year 2012. The size of the domestic formulation industry in India expected to increase at a CAGR of between 13.0% to 15.0% to between ₹ 1,050 and ₹ 1,100 billion by the financial year 2017. *(Source: CRISIL Research)*

Formulations Exports

Between the financial years 2006 and 2012, the global generics market grew significantly, resulting in a significant growth opportunity for Indian formulation exports. Accordingly, formulations exports have been a key growth driver for the Indian pharmaceuticals industry. Formulations exports have grown at a CAGR of 21.6% from U.S$3.2 billion in the financial year 2007 to U.S$8.5 billion in the financial year 2012 driven by robust growth in exports to regulated markets (CAGR – 30.6%). This was supplemented by a healthy growth (CAGR- 15.8%) in the semi-regulated markets. *(Source: CRISIL Research)*

Formulations exports are expected to grow at a CAGR of between 14.0% and 16.0% between the financial years 2012 and 2017 to reach between US$16 billion and US$17 billion by the financial year 2017. Exports to regulated markets are expected to increase at a CAGR of between 14.0 and 15.0% for the same period driven by increased genericisation of the regulated markets. Exports to semi-regulated markets are expected to grow at a CAGR between 15.0% and 16.0%. India's low cost base, well developed API industry and similarity in disease profiles will be key growth drivers of exports to the semi-regulated markets. *(Source: CRISIL Research)*

Exports to Regulated Markets

With the opening of the generic opportunity in the Regulated Markets in the last decade, the share of Regulated Markets in India's total formulation exports have increased from 35.0% in the financial year 2007 to approximately 50.0% in the financial year 2012. The United States is expected to remain the key export market. The growth in the US pharmaceuticals market has been driven by increased government pressure on the prescription of generic drugs and innovator drugs going off-patent. The United States will continue to be the mainstay of India's formulations exports and is expected to grow at a CAGR of between 16.0% and 17.0% between the financial years 2012 and 2017. Exports to Europe are also expected to increase from US$1.3 billion in the financial year 2012 between US$2.3 billion and US$2.5 billion in the financial year 2017, albeit at a slower pace as compared to the United States, driven to a large extent by a change in policy of European governments. Due to the Eurozone crisis, governments may consider lowering spending which will provide an incentive to substitute costly patented drugs with generics thereby boosting demand for generics. *(Source: CRISIL Research)*

Exports to Semi-Regulated Markets

Exports to semi-regulated markets have shown strong growth between the financial years 2007 and 2012, driven by increasing healthcare awareness, penetration and rising consumer incomes. Exports to these markets are expected to almost double to between US$8.2 billion and US$8.4 billion in the financial year 2017 from US$4.3 billion in the financial year 2012 representing a CAGR of between 15.0% and 16.0% over the period.

Within the semi-regulated markets, Africa and Asia comprise the majority of the exports. Indian pharmaceutical companies will continue to increase their presence in these markets through a combination of distribution and market alliances and/or setting up their own front end operations.

US PHARMACEUTICALS MARKET

The US pharmaceuticals market is the largest in the world, accounting for 34.0% of the global spending in 2011. In 2011, the US spent an aggregate of approximately US$320 billion on medicines. The US pharmaceuticals market has grown at a CAGR of 3.3% between 2007 and 2011.

Between 2012 and 2016, US growth is expected to remain low at around 1.0% to 4.0%. This could lead to a decrease in its share of global spending to 31.0% by 2016.

The spending mix is expected to change in the near future. Brands (innovator drugs) account for 72.0% of total spending while generics account for 28.0% of total spending. Generics have reached an all-time high, accounting for 84.0% of the total prescriptions in 2012. Increased patent expiries have been driving higher generics sales. With substantial patent expiries in the next five years, share of generics spending is expected to increase further. According to IMS, US$103 billion or 44.0% of 2011 brand spending in the US is expected to move to generics at lower prices.

SUMMARY OF BUSINESS

Overview

We are a fast growing Indian pharmaceutical company engaged in developing, manufacturing and marketing a broad range of pharmaceutical products globally. Our core strength lies in developing and manufacturing differentiated pharmaceutical products in-house, which we commercialize through our marketing infrastructure across geographies and relationships with multi-national pharmaceutical companies.

We are ranked as the 14th largest pharmaceutical company (*Source: IMS Health India, Secondary Stockist Audit ("SSA"), March 2013)* in India in terms of market share based on the domestic sales of pharmaceutical products. Our domestic business has consistently outperformed the market and has grown at a compound annual growth rate ("CAGR") of 16.4%, as compared to the Indian pharmaceutical industry which grew at a CAGR of 13.7%, between March 2008 and March 2013 (*Source: IMS Health India, SSA), March 2013*), making us one of the fastest growing pharmaceutical companies in India as measured by sales of pharmaceutical products in the Domestic Market. We are ranked as the 7th largest pharmaceutical company in the therapeutic areas in which we operate. (*Source: IMS Health India, SSA, March 2013*) We believe that our competitive advantage in the Domestic Market lies in our established presence in all major therapeutic areas including blood related, cardiology, pain and analgesics, HIV, gynecology, nephrology, anti-infective, and vitamins, minerals and nutrients products. We have also recently entered the oncology and diabetes therapeutic areas. We have a pan India marketing and distribution presence with a field force of more than 4,800 personnel, as of March 31, 2013. Given our strong position in India, a number of multi-national companies have entered into agreements with our Company for the sale and distribution in India of some of their key products. Recently, we have entered into co-marketing arrangements for specific products with Roche, Novartis (India) and Sanofi and in-licensed products from BMS and Janssen R&D Ireland (formerly Tibotec Pharmaceuticals).

Our Regulated Markets operations consist of our own sales and marketing infrastructure in the United States and the United Kingdom and sale of products manufactured by us for multi-national pharmaceutical companies through relationships with them. In April 2011, our Company acquired Heritage Pharmaceuticals Inc. ("Heritage"), a New Jersey-based generic pharmaceutical company, which provides us the commercial platform through which we market and sell our portfolio of USFDA approved products in the United States. In addition, we have relationships with companies such as Pfizer, BMS, Teva and Sandoz across multiple dosage forms. These relationships allow us to diversify our business model and build on our regulatory, quality and supply chain management capabilities.

We also sell our portfolio of branded generic products to the Rest of World. Our products are currently shipped to over 65 countries, where we have established our presence by focusing on important alliances with local and multi-national companies that enjoy a leadership position in the therapeutic areas on which we focus. Our Company's subsidiaries in Dubai, Brazil, South Africa, Singapore and Nigeria and branch offices in Russia and Morocco play an important role in liaising and managing our operations in these markets.

In December 2012, our Company acquired the worldwide rights of BiCNU®, a branded oncology product prescribed for treatment of brain tumors, multiple myeloma, Hodgkin's disease and non-Hodgkin's lymphoma. We expect this product to anchor our oncology portfolio, which we intend to launch, and we believe will allow us to expand our presence, in our existing markets as well as facilitate our entry into new markets.

We focus our research and development efforts on developing a portfolio of differentiated products across several platforms, including chiral molecules and biosimilars, and novel drug delivery systems. We have a portfolio of 11 chiral molecules, eight of which we launched for the first time in India. We also have capabilities to develop complex products, including difficult iron preparations, oncology drugs and controlled release products. Our portfolio of in-house manufactured five commercialized biosimilars including TNK-tPA, which we launched for the first time in India, and our brand Vintor is ranked no. 1 in erythropoietin market (Epoetin Alfa Recombinant) (*Source: IMS Health India, SSA, March 2013*).

We operate nine manufacturing facilities, eight of which are located in India and one in the United States. Several of these facilities have approvals from various regulatory bodies, including the USFDA and the UK-MHRA. Our facilities are capable of producing APIs and pharmaceutical products encompassing a wide range of dosage forms including oral solids, oral liquids, soft gelatin capsules and injectables (both liquid and lyophilized). Our manufacturing capabilities allow us to manufacture complex products, including cytotoxic products.

For the nine months ended December 31, 2012, our revenue from operations (net) was ₹ 15,034.93 million of which 54.7% were attributable to sales within India and 45.3% were attributable to sales outside India. For the Fiscal 2012, our revenue from operations (net) was ₹ 18,044.74 million of which 48.4% were attributable to sales within India and 51.6% were attributable to sales outside India. For the Fiscal 2011, our revenue from operations (net) was ₹ 13,497.02 million of which 57.9% were attributable to sales within India and 42.1% were attributable to sales outside India.

Our Competitive Strengths

We believe we have the following competitive strengths:

- Strong Research and Development Capabilities Driving our Portfolio of Differentiated Pharmaceutical Products
- Well Positioned in the Domestic Market
- Core Competency in Manufacturing
- Relationships with multi-national companies
- Diversified Income Base
- Experienced Management Team

Our Strategy

Our objective is to be among the leading Indian companies in the global pharmaceutical industry, and to be ranked among the top 10 companies in the Indian pharmaceutical market. We intend to achieve our objective by capitalizing on our research and development capabilities, fortifying our Indian presence, rapidly expanding our international operations, particularly in the United States and the Rest of World and to continue to focus on existing and new relationships. The primary elements of our strategy are as follows:

- Continue to Focus on Research and Development to Enhance our Portfolio of Differentiated Products
- Increase Market Share in the Domestic Market
- Increase our Sales in the Regulated Markets
- Broaden and Deepen our Rest of World Presence

SUMMARY FINANCIAL INFORMATION

Restated Consolidated Statement of Assets and Liabilities of Emcure Pharmaceuticals Limited

₹ in millions

Particulars	**As at**					
	March 31, 2008	**March 31, 2009**	**March 31, 2010**	**March 31, 2011**	**March 31, 2012**	**December 31, 2012**
Assets						
Non - Current Assets						
Fixed Assets						
Tangible Assets	3,539.40	4,238.77	4,705.73	6,361.43	7,742.91	7,737.85
Less: Revaluation Reserves	(1.24)	(1.01)	(0.78)	(0.55)	(0.32)	-
Tangible Assets after adjustment of Revaluation Reserves	3,538.16	4,237.76	4,704.95	6,360.88	7,742.59	7,737.85
Intangible assets	137.41	145.66	214.14	188.27	1,936.52	2,380.14
Capital work-in-progress	600.67	1,609.05	1,494.77	570.00	19.24	57.73
Intangible assets under development	175.11	365.39	494.03	858.59	1,316.51	1,708.09
Goodwill on Consolidation	-	-	-	-	582.91	939.17
Non-Current Investments	5.27	0.27	0.27	0.27	0.27	0.17
Deferred Tax Assets (net)	-	674.15	-	-	-	-
Long term loans and advances	678.11	329.08	417.31	595.33	720.06	845.20
Other non-current assets	2.62	1.44	3.59	3.71	26.02	34.08
Current Assets						
Current Investments	-	5.00	-	-	-	-
Inventories	1,360.35	1,252.55	1,694.20	2,057.30	2,813.61	3,474.48
Trade Receivables	1,424.59	1,734.77	1,833.94	2,485.14	3,108.68	4,022.57
Cash and Bank Balances	58.60	99.26	213.02	208.73	464.43	653.57
Short-Term Loans and Advances	372.22	394.11	441.76	604.38	702.53	820.12
Other Current Assets	1.45	1.48	1.58	1.97	2.79	4.39
Total (A)	**8,354.56**	**10,849.97**	**11,513.56**	**13,934.57**	**19,436.16**	**22,677.56**
Liabilities						
Non-Current Liabilities						
Long-Term Borrowings	1,476.27	1,533.32	1,653.53	3,138.12	3,839.83	4,414.89
Deferred Tax Liabilities (Net)	162.02	-	129.46	316.96	436.49	592.65
Other Long-Term Liabilities	192.63	233.12	220.92	925.12	1,372.36	1,064.80
Long-Term Provisions	83.36	2,562.77	938.54	134.78	1,137.69	1,224.82
Current liabilities						
Short-Term Borrowings	987.47	1,740.20	1,579.17	1,094.62	1,677.95	3,029.76
Trade Payables	822.25	1,088.59	1,532.16	1,689.92	2,847.40	3,057.88
Other Current Liabilities	904.77	1,261.95	1,393.57	1,920.60	2,440.81	3,105.13
Short-Term Provisions	363.79	494.75	285.61	205.66	361.15	250.83
Total (B)	**4,992.56**	**8,914.70**	**7,732.96**	**9,425.78**	**14,113.68**	**16,740.76**
Minority Interest (C)	71.54	88.54	102.58	141.20	187.46	279.95
Net Worth (A-B-C)	**3,290.46**	**1,846.73**	**3,678.02**	**4,367.59**	**5,135.02**	**5,656.85**
Net Worth Represented By:						
Equity Share Capital (D)	308.66	308.66	308.66	351.66	351.66	351.66
Preference Share Capital (E)	179.32	179.32	179.32	-	-	-
Reserves and Surplus	2,803.72	1,359.76	3,190.82	4,016.48	4,783.68	5,305.19
Less: Revaluation Reserve	(1.24)	(1.01)	(0.78)	(0.55)	(0.32)	-
Reserves and Surplus (Net of Revaluation Reserve) (F)	2,802.48	1,358.75	3,190.04	4,015.93	4,783.36	5,305.19
Net Worth (D+E+F)	**3,290.46**	**1,846.73**	**3,678.02**	**4,367.59**	**5,135.02**	**5,656.85**

Restated Consolidated Statement of Profit and Loss of Emcure Pharmaceuticals Limited

₹ in millions

Particulars	For the year ended					For Nine months interim period ended on
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Revenue						
Revenue from Operations (Net)	6,474.79	8,283.61	10,540.91	13,497.02	18,044.74	15,034.93
Other income	172.85	71.28	10.03	43.17	26.65	147.35
Total Revenue (A)	**6,647.64**	**8,354.89**	**10,550.94**	**13,540.19**	**18,071.39**	**15,182.28**
Expenses						
Cost of Materials Consumed	1,393.49	1,991.43	3,190.49	4,444.83	5,615.62	4,050.17
Purchases of Traded goods	1,107.95	900.90	951.08	1,002.63	2,511.00	2,360.73
Changes in Inventories of Finished goods, Work-in-progress and Traded goods	(169.34)	136.74	(133.27)	(183.93)	(644.45)	(415.65)
Employee benefits expense	1,419.65	1,462.25	1,790.84	2,525.87	3,272.30	2,894.36
Other Expenses	2,150.81	2,370.08	2,565.62	3,395.68	4,263.24	3,800.07
Total Expense (B)	**5,902.56**	**6,861.40**	**8,364.76**	**11,185.08**	**15,017.71**	**12,689.68**
Profit before Interest, Depreciation and Amortization, Taxation and Minority Interest (EBITDA) (A-B)	**745.08**	**1,493.49**	**2,186.18**	**2,355.11**	**3,053.67**	**2,492.60**
Finance Costs	262.62	317.81	354.46	522.65	742.29	638.46
Depreciation and amortisation expense	254.83	347.60	436.57	552.78	1,008.40	893.23
Total (C)	**517.45**	**665.41**	**791.03**	**1,075.43**	**1,750.69**	**1,531.69**
Profit Before Exceptional Items, Taxation and Minority Interest (A-B-C)	**227.63**	**828.08**	**1,395.15**	**1,279.68**	**1,302.98**	**960.91**
Exceptional items (D)	246.89	3,003.17	(1,507.47)	87.78	56.31	25.70
Profit / (Loss) before Taxation and Minority Interest (A-B-C-D)	**(19.26)**	**(2,175.09)**	**2,902.62**	**1,191.90**	**1,246.67**	**935.21**
Tax Expenses:						
Current Tax	109.77	92.97	213.30	261.79	312.62	174.22
MAT Credit Entitlement	(30.29)	-	(106.05)	(122.36)	(190.84)	(30.23)
Deferred Tax charge/(benefit)	(45.28)	(836.17)	803.61	187.51	124.66	159.49
Fringe Benefit Tax	38.80	33.79	-	-	-	-
Total(E)	**73.00**	**(709.41)**	**910.86**	**326.94**	**246.44**	**303.48**
Net Profit/(Loss) after taxation and before Minority Interest (A-B-C-D-E)	**(92.26)**	**(1,465.68)**	**1,991.76**	**864.96**	**1,000.23**	**631.73**
Less: Minority interest	(13.19)	(17.52)	(14.15)	(41.86)	(43.07)	(68.33)
Net Profit/(Loss) after taxation and after Minority Interest	**(105.45)**	**(1,483.20)**	**1,977.61**	**823.10**	**957.16**	**563.40**
Net Profit / (Loss) before Restatement Adjustments	**(105.45)**	**(1,483.20)**	**1,977.61**	**823.10**	**957.16**	**563.40**
Restatement Adjustments:	-	-	-	-	-	-
Net Profit/(Loss) before the adjustments on account of changes in accounting policies	**(105.45)**	**(1,483.20)**	**1,977.61**	**823.10**	**957.16**	**563.40**
Adjustments on account of changes in accounting policies	-	-	-	-	-	-
Net Profit/(Loss) as Restated	**(105.45)**	**(1,483.20)**	**1,977.61**	**823.10**	**957.16**	**563.40**

Restated Consolidated Cash Flow of Emcure Pharmaceuticals Limited

₹ in millions

Particulars	March 31, 2008		March 31, 2009		March 31, 2010		March 31, 2011		March 31, 2012		December 31, 2012	
Cash flow from Operating Activities:												
Restated Profit/(Loss) before taxation and minority interest		**(19.26)**		**(2,175.09)**		**2,902.62**		**1,191.90**		**1246.67**		**935.21**
Adjustments for:												
Exceptional Items	246.89		3,003.17		(1,507.47)		87.78		56.31		25.70	
Depreciation and amortisation expense	254.83		347.60		436.57		552.78		1,008.40		893.23	
Finance Costs	262.62		317.81		354.46		522.65		742.29		638.46	
Provision for Doubtful Debts	6.41		5.57		8.64		-		-		-	
(Profit)/ Loss on sale of Tangible Asset	(0.37)		0.33		(0.65)		1.34		3.16		(1.41)	
Interest Income	(24.78)		(5.32)		(5.04)		(4.43)		(12.12)		(4.87)	
Income from Investments	-		-		-		-		-		(0.02)	
Dividend Received	(29.33)		-		-		-				-	
		716.27		3,669.16		(713.49)		1,160.12		1,798.04		1,551.09
Operating profit before Working Capital Changes		697.01		1,494.07		2,189.13		2,352.02		3,044.71		2,486.30
Changes in Working Capital												
(Increase)/Decrease in Trade and Other Receivables	(78.50)		(311.85)		(62.46)		(689.31)		(555.10)		(890.66)	
(Increase)/Decrease in Inventories	(390.49)		101.43		(438.09)		(364.02)		(586.69		(669.36)	
(Increase)/Decrease in Loans & Advances	(87.28)		(6.67)		(54.23)		(195.41)		(82.38)		(110.82)	
(Increase)/Decrease in Other Current Assets	335.51		13.20		6.32		(22.02)		(23.89)		9.53	
Increase/(Decrease) in Other Liabilities & Provisions	78.34		(220.91)		(364.34)		78.23		152.74		(7.77)	
Increase/(Decrease) in Trade Payables	213.82		266.34		443.57		157.77		797.57		210.48	
		71.40		(158.46)		(469.23)		(1,034.76)		(297.75)		(1,458.60)
Cash Generated from Operations		**768.41**		**1,335.61**		**1,719.90**		**1,317.26**		**2,746.96**		**1,027.70**
Direct Taxes paid (net)		**(223.19)**		**(104.35)**		**(234.12)**		**(235.24)**		**(301.55)**		**(169.83)**
Net Cash from Operating Activities (A)		**545.22**		**1,231.26**		**1,485.78**		**1,082.02**		**2,445.41**		**857.87**
Cash flow from Investing Activities :												
Purchase of Tangible and Intangible assets	(1,682.70)		(1,713.47)		(1,071.02)		(1,683.43)		(1,686.49)		(1,342.34)	
Sale Proceeds of Tangible Asset	3.53		11.06		2.93		6.53		9.46		47.25	
Acquisition/Investment in subsidiaries	-		-		-		-		(1,105.44)		(432.85)	
Investment in Bonds/NSCs	(0.13)		-		(0.01)		-				0.10	
Sale of Investments	600.00		-		5.00		-		-		-	
Interest Income	42.92		-		-		-		-		0.02	

Particulars	March 31, 2008		March 31, 2009		March 31, 2010		March 31, 2011		March 31, 2012		December 31, 2012	
Dividend Received	29.33		-		-		-		-		-	
Net cash used in Investing Activities (B)		**(1,007.05)**		**(1,702.41)**		**(1,063.10)**		**(1,676.89)**		**(2,782.47)**		**(1,727.82)**
Cash Flow From Financing Activities :-												
Proceeds/Repayment of shares in Subsidiaries	18.96		9.28		9.91		(3.63)		-		24.19	
Proceeds from issuance of shares	0.77		-		-		-		-		-	
Secured Loans Taken	1,059.87		775.03		1,012.33		3,141.14		2,862.62		1,531.09	
Secured Loans Repaid	(481.88)		(567.44)		(823.38)		(1,530.58)		(1,957.23)		(1,068.10)	
Unsecured Loan Taken/ (Repaid)	(58.99)		-		-		25.35		-		44.70	
Interest Paid	(261.76)		(306.66)		(355.71)		(471.08)		(750.15)		(625.43)	
Share Issue Expenses	-		-		-		-		(16.70)		(7.00)	
Dividend paid on Equity and Preference shares and tax thereon	(130.66)		(107.56)		-		(108.84)		(128.89)		(169.43)	
Increase in Short Term Borrowings	29.89		721.18		(143.60)		(483.67)		564.83		1,339.66	
Net cash (used) / from in financing activities (C)		**176.20**		**523.83**		**(300.45)**		**568.69**		**574.48**		**1,069.68**
Net (Decrease) / Increase in Cash & Cash Equivalents (A)+(B)+(C)		**(285.63)**		**52.68**		**122.23**		**(26.19)**		**237.42**		**199.73**
Cash and Cash Equivalents at the beginning of the year		320.27		34.64		87.32		209.55		183.36		420.78
Cash and Cash Equivalents at the end of the year		34.64		87.32		209.55		183.36		420.78		620.51
		(285.63)		**52.68**		**122.23**		**(26.19)**		**237.42**		**199.73**
Cash and Cash Equivalent comprise of:												
Cash on hand		0.49		0.34		0.85		0.83		1.10		1.12
Balances With Banks												
Current Account		33.19		75.04		168.59		150.62		385.23		590.24
Demand Deposit		0.96		11.94		40.11		31.91		34.45		29.15
Total		34.64		87.32		209.55		183.36		420.78		620.51

Notes

1. Figures in brackets represent outflows of cash and cash equivalents.

THE ISSUE

Issue	[●] Equity Shares
Of which	
Fresh Issue(1)	[●] Equity Shares
Offer for Sale (2)	2,513,057 Equity Shares
Of which	
A) QIB Portion(3)(4)	not more than [●] Equity Shares
Of which	
Anchor Investor Portion	[●] Equity Shares
Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor In..vestor Portion is fully subscribed)	[●] Equity Shares
Of which:	
Available for allocation to Mutual Funds only (5% of the QIB Portion (excluding the Anchor Investor Portion))	[●] Equity Shares
Balance of QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion(4)	Not less than [●] Equity Shares
C) Retail Portion(4)	Not less than [●] Equity Shares
Pre and post Issue Equity Shares	
Equity Shares outstanding prior to the Issue	45,213,029 Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
Use of Issue Proceeds by our Company	See the section "Objects of the Issue" on page 95 for information about the use of the proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

Allocation to investors in all categories, except the Anchor Investor Portion, if any, shall be made on a proportionate basis.

(1) *The Fresh Issue has been authorised by the Board of Directors and the Shareholders, pursuant to their resolutions dated June 5, 2013 and June 14, 2013 respectively.*

(2) *The Equity Shares offered by the Selling Shareholders in the Issue have been held by them for more than a period of one year as on the date of this Draft Red Herring Prospectus. The Offer for Sale has been authorised by the Selling Shareholders as follows: (i) 1,716,332 Equity Shares offered by Blackstone authorised by the board resolution dated June 14, 2013; and (ii) 76,500 Equity Shares offered by Arun Kumar Khanna as per the consent letter dated June 4, 2013; (iii) 25,000 Equity Shares offered by Mahesh Nathalal Shah as per the consent letter dated May 28, 2013, (iv) 75,625 Equity Shares offered by Avinash Medhekar as per the consent letter dated May 29, 2013, (v) 45,375 Equity Shares offered by Bhalchandra Khare and Padmini Khare (jointly held) as per the consent letter dated May 29, 2013, (vi) 42,150 Equity Shares offered by Shreekant Krushnaji Bapat and Alaka Bapat (jointly held) as per the consent letter dated June 1, 2013, (vii) 26,250 Equity Shares offered by R.P. Soonawala as per the consent letter dated June 3, 2013, (viii) 37,500 Equity Shares offered by Berjis Minoo Desai as per the consent letter dated May 31, 2013, (ix) 9,000 Equity Shares offered by N.K. Sagar as per the consent letter dated May 30, 2013, (x) 2,000 Equity Shares offered by Milind Lad as per the consent letter dated May 28, 2013, (xi) 2,325 Equity Shares offered by Uday Borde as per the consent letter dated June 1, 2013, (xii) 5,125 Equity Shares offered by Raju P. Kalera as per the consent letter dated June 1, 2013, (xiii) 15,000 Equity Shares offered by Humayun Dhanrajgir and Jini Dhanrajgir (jointly held) as per the consent letter dated May 25, 2013, (xiv) 2,025 Equity Shares offered by Vijay Kulkarni as per the consent letter dated June 3, 2013, (xv) 20,000 Equity Shares offered by Dr. Mukund Keshao Gurjar as per the consent letter dated June 1, 2013, (xvi) 25,000 Equity Shares offered by Mukund Ranade as per the consent letter dated May 31, 2013, (xvii) 1,350 Equity Shares offered by Dev Balaji as per the consent letter dated June 4, 2013, (xviii) 120,000 Equity Shares offered by Jitendra Vir Singh as per the consent letter dated May 25, 2013, (xix) 15,000 Equity Shares offered by Prakash Kumar Guha as per the consent letter dated June 4, 2013, (xx) 4,500 Equity Shares offered by Chandrakant V. Shetty as per the consent letter dated May 28, 2013, (xxi) 4,500 Equity Shares offered by Shriram Balasubramaniam as per the consent letter dated May 28, 2013, (xxii) 75,000 Equity Shares offered by Dr. Mahedra Patel as per the consent letter dated May 28, 2013, (xxiii) 75,000 Equity Shares offered by Dr. Sanjay Singh and Kavita Singh (jointly held) as per the consent letter dated June 4, 2013, (xxiv) 80,000 Equity Shares offered by Marvin Samson as per the consent letter dated May 28, 2013; and (xxv) 12,500 Equity Shares offered by Fakrul Sayeed as per the consent letter*

dated May 29, 2013.

(3) *Our Company and the Selling Shareholders may, in consultation with BRLMs, allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. For further details, see the section "Issue Procedure" on page 394.*

(4) *Under subscription, if any, in any category, except in the QIB category, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company and the Selling Shareholders, in consultation with BRLMs and the Designated Stock Exchange.*

GENERAL INFORMATION

Our Company was incorporated on April 16, 1981 as Emcure Pharmaceuticals Private Limited, as a private limited company under the Companies Act. Thereafter, our Company was converted into a public limited company on August 20, 2001 and consequently, the name of our Company was changed to Emcure Pharmaceuticals Limited. For further details, see the section "History and Certain Corporate Matters" on page 149. For further details of the business of our Company, see the section "Our Business" on page 127.

Registered Office of our Company

Emcure Pharmaceuticals Limited
Emcure House
T 184, M.I.D.C.
Bhosari
Pune 411 026
Tel: (91 20) 2712 0084 / 3061 0000 / 4070 0000
Fax: (91 20) 3061 0111
Email: corporate@emcure.co.in
Website: www.emcure.co.in
Corporate Identity Number: U24231PN1981PLC024251
Registration Number: 24251

Address of Registrar of Companies

Our Company is registered with the Registrar of Companies of Pune, Maharashtra, situated at Registrar of Companies, Pune PMT Building, 3rd Floor, Deccan Gymkhana, Pune 411 004.

Board of Directors

The Board of our Company comprises of the following:

Name	Designation	DIN	Address
Humayun Dhanrajgir	Chairman and Independent Director	00004006	Flat No. F-37/38, Dhanraj Mahal C.S.M. Road, Apollo Bunder Mumbai 400 001
Satish Ramanlal Mehta	Managing Director and Chief Executive Officer	00118691	4 Mumbai-Pune Road Kirkee Pune 411 003
Arun Kumar Khanna	Executive Director and Chief Operating Officer	00121686	Clover Hills, Bunglow No. 63 NIBM Road, Kondhwa Pune 411 048
Mahesh Nathalal Shah	Executive Director and Director (Technical)	00118341	301, Abhinav Sankul Plot No. 1/A, Survey No. 132 Opposite Sulzer India, Aundh Pune 411 007
Dr. Mukund Keshao Gurjar	Executive Director, Director (Research and Development) and Chief Scientific Officer	00026843	C-8, Springflowers Panchavati, Off Pashan Road Pune 411 008
Mukund Ranade	Executive Director and President (Business Development)	00109845	C-503, Pride Panorama Near Shivaji Society Bahiratwadi Senapati Bapat Road Pune 411 016
Sunil Rajanikant Mehta	Executive Director and Senior Director (Projects)	00118469	4 Mumbai-Pune Road Kirkee Pune 411 003
Berjis Minoo Desai	Independent and Non-Executive Director	00153675	Yezerina – II 740/741, Dadar Parsi Colony Dadar Mumbai 400 014
Shreekant	Independent and Non-Executive	00621568	Yashodhan, 2nd Floor

Name	Designation	DIN	Address
Krushnaji Bapat	Director		56, Union Western Co-op. Housing Society, Karve Nagar, Pune 411 052
Amit Dixit	Non-Independent and Non-Executive Director	01798942	The Imperial, Flat 2102 South Tower BB Nakashe Marg Tardeo Mumbai 400 034
Marvin Samson	Independent and Non-Executive Director	01824691	752, Riverton Road Moorestown 08057, USA
Dr. Girish L. Telang	Independent and Non-Executive Director	00455125	401, Sagar Darshan 4th Floor Abdul Gafar Khan Road Worli Sea face Mumbai – 400 030

For further details of Directors, see the section “Management” on page 160.

Company Secretary and Compliance Officer

Kedar P. Phadke is the Company Secretary and the Compliance Officer. His contact details are as follows:

Kedar P. Phadke
Emcure House
T -184, M.I.D.C.
Bhosari
Pune 411 026
Tel: (91 20) 2712 0084 / 3061 0000 / 4070 0000
Fax: (91 20) 3061 0111
Email: investor.grievance@emcure.co.in

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre- or post-Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted shares in the respective beneficiary account and refund orders.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the entity and centre where the Bid cum Application Form was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB and the Syndicate Members at the Specified Cities with whom the Bid cum Application Form was submitted, giving full details such as name and address of the applicant, Bid cum Application Form number, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and Designated Branch or the collection centre of the SCSB or the address of the Centre of the Syndicate Member at the Specified Cities where the Bid cum Application Form was submitted by the ASBA Bidder.

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

Book Running Lead Managers

DSP Merrill Lynch Limited
8th Floor, Mafatlal Centre
Nariman Point
Mumbai 400 021

IDFC Capital Limited
Naman Chambers
C-32, G Block
Bandra Kurla Complex

Tel: (91 22) 6632 8000
Fax: (91 22) 2282 5103
E-mail: dg.emcure_ipo@baml.com
Investor Grievance Email:
dg.india_merchantbanking@baml.com
Website: www.dspml.com
Contact Person: Kamna Sahni
SEBI Registration No.: INM000011625

Bandra (East)
Mumbai 400 051
Tel: (91 22) 6622 2600
Fax: (91 22) 6622 2501
Email: emcure.ipo@idfc.com
Investor Grievance
Email: complaints@idfc.com
Website: www.idfccapital.com
Contact Person: Hiren Raipancholia
SEBI Registration No.: INM000011336

Morgan Stanley India Company Private Limited
18F/19F, Tower 2, One Indiabulls Centre
841, Senapati Bapat Marg
Mumbai 400 013
Tel: (91 22) 6118 1000
Fax: (91 22) 6118 1040
Email: Emcure_IPO@morganstanley.com
Investor Grievance e-mail:
investors_india@morganstanley.com
Website:
www.morganstanley.com/indiaofferdocuments
Contact Person: Shashank More
SEBI Registration No.: INM000011203

Inter-se allocation of responsibilities between the BRLMs

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

Activity		Responsibility	Co-ordination
1.	Capital structuring with relative components and formalities etc.	DSPML, IDFC, Morgan Stanley	DSPML
2.	Due diligence of the Company's operations/ management/ business plans/ legal etc. Drafting of Statutory advertisement including memorandum containing salient features of the Prospectus. Drafting, design and finalisation of the Red Herring Prospectus, Prospectus and RoC filing. BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing including co-ordination with Auditors for preparation of financials and drafting and approving all statutory advertisements.	DSPML, IDFC Capital, Morgan Stanley	IDFC Capital
3.	Drafting and design of Draft Red Herring Prospectus in compliance with stipulated requirements.	DSPML, IDFC Capital, Morgan Stanley	DSPML
4.	Drafting and approval of all publicity material other than statutory advertisement including corporate advertisement, brochure etc.	DSPML, IDFC Capital, Morgan Stanley	DSPML
5.	Appointment of other intermediaries viz., Registrar(s), Printers, Escrow Collection Banks, Advertising Agency, IPO Grading Agency, Monitoring Agency (if required)	DSPML, IDFC Capital, Morgan Stanley	IDFC Capital
6.	Preparation of roadshow presentation and FAQs	DSPML, IDFC Capital, Morgan Stanley	Morgan Stanley
7.	International institutional marketing strategy, which will cover, *inter alia* • Finalizing the list and division of investors for one to one meetings	DSPML IDFC Capital, Morgan Stanley	Morgan Stanley

Activity		Responsibility	Co-ordination
	• Finalizing the International road show schedule and investor meeting schedules		
8.	Domestic institutional marketing strategy, which will cover, *inter alia:* • Finalizing the list and division of investors for one to one meetings • Finalizing the domestic road show schedule and investor meeting schedules	DSPML, IDFC Capital, Morgan Stanley	DSPML
9.	Retail/ HNI marketing strategy: • Finalise centers for holding conference for brokers etc; • Finalise media, marketing & PR Strategy; and • Follow up on distribution of publicity and issue materials including form, prospectus and deciding on the quantum of the Issue material • Finalise bidding centers	DSPML, IDFC Capital, Morgan Stanley	IDFC Capital
10.	Managing the book, co-ordination with the Stock Exchanges for book building software, bidding terminals and mock trading.	DSPML, IDFC Capital, Morgan Stanley	IDFC Capital
11.	Finalization of pricing in consultation with the Company	DSPML, IDFC Capital, Morgan Stanley	DSPML
12.	The post bidding activities including management of escrow accounts, co-ordinate non-institutional and institutional allocation, intimation of allocation and dispatch of refunds to bidders, etc. The Post Issue activities for the Issue will involve essential follow up steps, which include the finalisation of basis of allotment, dispatch of refunds, demat and delivery of shares, finalisation of listing and trading of instruments with the various agencies connected with the work such as the Registrar(s) to the Issue and Escrow Collection Banks, (BRLMs shall be responsible for ensuring that these agencies fulfill their functions and enable it to discharge this responsibility through suitable agreements with the Company)	DSPML, IDFC Capital, Morgan Stanley	DSPML
13.	Payment of the applicable Securities Transaction Tax (“STT”) on sale of unlisted equity shares by the Selling Shareholders under the offer for sale included in the Issue to the Government and filing of the STT return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004.	DSPML, IDFC Capital, Morgan Stanley	DSPML

Syndicate Members

[●]

Legal Advisers to our Company as to Indian Law

ALMT Legal
4th Floor Express Towers
Nariman Point
Mumbai 400 021
Tel: (91 22) 4001 0000
Fax: (91 22) 4001 0001

Legal Advisers to the Underwriters as to Indian Law

Amarchand & Mangaldas & Suresh A. Shroff & Co.
Peninsula Chambers
Peninsula Corporate Park
Ganpatrao Kadam Marg
Lower Parel
Mumbai 400 013
Tel: (91 22) 2496 4455
Fax: (91 22) 2496 3666

International Legal Advisers to the Underwriters

Jones Day
3 Church Street
#14-02 Samsung Hub
Singapore 049483
Tel: +65 6538 3939
Fax: +65 6536 3939

Statutory Auditors of our Company

Price Waterhouse
Suite 8, 5th Floor
Off Airport Road
Yerawada
Pune 411 006
Tel: (91 20) 4100 4433
Fax: (91 20) 4100 6161
Contact Person : Jeetendra Mirchandani
Email: jeetendra.mirchandani@in.pwc.com

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 3838
Fax: (91 22) 2594 5960
Email: shyam.shirodkar@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Meghashyam Shirodkar
SEBI Registration No.: INR000004058

Bankers to the Issue and Escrow Collection Banks

[●]

Bankers to our Company

Bank of Maharashtra
35/B, Tejasingh Building
Mumbai – Pune Road Dapodi
Pune 411 012
Tel: (91) 94229 38080
Fax: (9120) 2714 5700
Email: brmgr114@mahabank.co.in
Website: www.bankofmaharashtra.in
Contact Person: M. M. Dubey

Citibank N.A.
Onyx Towers, 1st Floor
Near Westin Hotel, North Main Road
Koregaon Park, Pune 411 001
Tel: (91) 90113 84940
Fax: (9120) 6601 1831
Email: aditya.agarwal@citi.com
Website: www.citibank.co.in
Contact Person: Aditya Agrawal

HDFC Bank Limited
Fortune Square, Deep Bungalow Chowk
Model Colony, Shivaji Nagar
Pune 411 016
Tel: (91) 93235 04969
Fax: (9120) 2567 3008
Email: mayuresh.apte@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Mayuresh Apte

Axis Bank Limited
Corporate Banking Branch
214-215 City Mall, Plot No.1, S.No.132
Ganeshkhind (University) Road
Pune 411 007
Tel: (91) 95273 55330
Fax: (9120) 6622 3777
Email: j.bhanuprasad@axisbank.com
Website: www.axisbank.com
Contact Person: J. Bhanuprasad

State Bank of India
Tara Chambers Wakdewadi
Pune Mumbai Road
Pune 411 003
Tel: (91) 96191 96632
Fax: (9120) 2581 2648
Email: shirish.naik@sbi.co.in
Website: www.statebankofindia.com
Contact Person: Shirish Naik

Bank of Baroda
Mantri Court
39, Ambedkar Road
Pune 411 001
Tel: (91) 98220 48932
Fax: (9120) 2605 8240
Email: CORPUN@bankofbaroda.com
Website: www.bankofbaroda.com
Contact Person: Ashwini Sharma

Bank of India
Pune Corporate Banking Branch
1162/6, Shivaji Nagar
University Road
Pune 411 005
Tel: (91) 9920059497
Fax: (9120) 25536134
Email: lcb.pune@bankofindia.co.in
Website: www.bankofindia.com
Contact Person: G. H. Sarangi

Standard Chartered Bank
B-2, Cerebrum IT Park
Kumar City, Kalyani Nagar
Pune 411 014
Tel: (91) 99701 56665
Fax: (9120) 6680 3918
Email: pallavi.raje@sc.com
Website: www.standardchartered.co.in
Contact Person: Pallavi Raje

HDFC Limited
1500 University Road
Shivaji Nagar
Pune 411 005
Tel: (91) 98900 38391
Fax: (9120) 2553 6213
Email: pushpr@hdfc.com
Website: www.hdfc.com/
Contact Person: Pushp Raina

Credit Rating

As this is an offer of the Equity Shares, there is no credit rating for the Issue.

IPO Grading Agency

The IPO grading and the rationale furnished by the grading agency for its grading of the Issue will be updated prior to filing of the Red Herring Prospectus with the RoC.

Monitoring Agency

There is no requirement to appoint a monitoring agency for the Issue, as the Fresh Issue is for an amount less than ₹ 5,000 million.

Appraising Entity

None of the objects of the Issue for which the Net Proceeds will be utilised have been appraised.

Trustees

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

Experts

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

(i) Our Company has received written consent from the Statutory Auditors namely, Price Waterhouse, Chartered Accountants, to include its name as an expert under Section 58 of the Companies Act in this Draft Red Herring Prospectus in relation to the reports of the Statutory Auditors dated June 26, 2013 on the restated stand-alone financial information, the restated consolidated financial information, the statement of tax benefits and declaration by the Company in relation to acquisition of a Subsidiary, included in this Draft Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus for registration with the RoC. A written consent under the provisions of the Companies Act is different from a consent filed with the U.S. Securities and Exchange Commission under Section 7 of the Securities Act which is applicable only to transactions involving securities registered under the Securities Act. As the Equity Shares are proposed to be offered as a part of an initial public offering in India and the Equity Shares have not been and will not be registered under the Securities Act, the Statutory Auditors have not given consent under Section 7 of the Securities Act. In this regard, the Statutory Auditors have given consent to be referred to as "experts" in this Draft Red Herring Prospectus in accordance with the requirements of the Companies Act. The term "experts" as used in this Draft Red Herring Prospectus is different from those defined under the Securities Act which is applicable only to transactions involving securities registered under the Securities Act. The reference to the Statutory Auditors as "experts" in this Draft Red Herring Prospectus is not made in the context of the Securities Act but solely in the context of this initial public offering in India or the Issue.

(ii) The report of [●] in respect of the IPO grading for the Issue, which will be annexed to the Red Herring Prospectus; [●], the IPO Grading Agency engaged by us for the purpose of obtaining IPO grading in respect of this Issue, has given its written consent to include its name as an expert in relation to the inclusion of its report in the form and context in which it would appears in the Red Herring Prospectus and such consent and report has not been and will not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

Self Certified Syndicate Banks

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

Registered Brokers

Bidders can submit Bid cum Application Forms in the Issue using the stock broker network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 and http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively.

Book Building Process

The book building, in the context of the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band, which will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs, and advertised at least five Working Days prior to the Bid/Issue Opening Date. The Issue Price is finalised after the Bid/Issue Closing Date. The principal parties involved in the Book Building Process are:

- Company;

- Selling Shareholders;
- BRLMs;
- Syndicate Members;
- SCSBs;
- Registered Brokers;
- Registrar to the Issue; and
- Escrow Collection Banks.

The Issue is being made through the Book Building Process wherein not more than 50% of the Issue shall be made available for allocation on a proportionate basis to QIBs, provided that our Company may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Under subscription if any, in any category, except in the QIB category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange.

QIBs (excluding Anchor Investors) and Non-Institutional Bidders can participate in the Issue only through the ASBA process and Retail Individual Bidders have the option to participate through the ASBA process. Anchor Investors are not permitted to participate through the ASBA process.

In accordance with the SEBI Regulations, QIBs bidding in the QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids at any stage. Allocation to the Anchor Investors will be on a discretionary basis. For further details, see the section “Issue Procedure” on page 394.

Our Company will comply with the SEBI Regulations and any other ancillary directions issued by SEBI for this Issue. In this regard, we have appointed the BRLMs to manage the Issue and procure subscriptions to the Issue.

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

Illustration of Book Building Process and Price Discovery Process

Investors should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes bidding by Anchor Investors or under the ASBA process.

Bidders can bid at any price within the price band. For instance, assume a price band of ₹ 20 to ₹ 24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at bidding centres during the bidding period. The illustrative book given below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

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

Steps to be taken by Bidders for Bidding:

1. Check eligibility for making a Bid (see the section "Issue Procedure – Who Can Bid?" on page 395);

2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;

3. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the State of Sikkim, who, in terms of the SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, for Bids of all values, ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction (see the section "Issue Procedure" on page 394);

4. Ensure that the Bid cum Application Form is duly completed as per the instructions given in the Red Herring Prospectus and in the Bid cum Application Form;

5. Bids by QIBs (except Anchor Investors) and the Non-Institutional Bidders shall be submitted only through the ASBA process;

6. Bids by non-ASBA Bidders will have to be submitted to the Syndicate (or their authorised agents) or the Registered Brokers;

7. Bids by ASBA Bidders will have to be submitted to the Designated Branches or the Syndicate in the Specified Cities or the Registered Brokers in physical form. It may also be submitted in electronic form to the Designated Branches of the SCSBs only. ASBA Bidders should ensure that the specified bank accounts have adequate credit balance at the time of submission to the SCSB to ensure that the Bid cum Application Form submitted by the ASBA Bidders is not rejected;

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

Underwriting Agreement

After the determination of the Issue Price and allocation of the Equity Shares, but prior to filing of the Prospectus with the RoC, our Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein.

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

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

Name and Address of the Underwriters	Indicative Number of the Equity Shares to be Underwritten	Amount Underwritten (₹ In million)
DSP Merrill Lynch Limited 8th Floor, Mafatlal Centre Nariman Point Mumbai 400 021 Tel: (91 22) 6632 8000 Fax: (91 22) 2282 5103 E-mail: dg.emcure_ipo@baml.com	[●]	[●]
IDFC Capital Limited Naman Chambers C-32, G Block Bandra Kurla Complex Bandra (East) Mumbai 400 051 Tel : (91 22) 6622 2600 Fax : (91 22) 6622 2501 Email: emcure.ipo@idfc.com	[●]	[●]
Morgan Stanley India Company Private Limited 18F/19F, Tower 2, One Indiabulls Centre 841, Senapati Bapat Marg Mumbai 400 013Tel: (91 22) 6118 1000 Fax: (91 22) 6118 1040 Email: Emcure_IPO@morganstanley.com	[●]	[●]
[●]	[●]	[●]

The abovementioned underwriting commitments are indicative and will be finalised after pricing of the Issue and actual allocation.

In the opinion of the Board of Directors (based on certificates provided by Underwriters), resources of the above-mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as stock brokers with the Stock Exchanges. The Board of Directors / Committee of Directors, at its meeting held on [●], has accepted and entered into the Underwriting Agreement on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment.

Notwithstanding the above table, the BRLMs and the Syndicate Members shall be responsible for ensuring payment with respect to the Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure/subscribe to the Equity Shares to the extent of the defaulted amount.

CAPITAL STRUCTURE

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

(In ₹, except share data)

		Aggregate value at face value	Aggregate value at Issue Price
A	**AUTHORISED SHARE CAPITAL**		
	120,000,000 Equity Shares	1,200,000,000	
B.	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE**		
	45,213,029 Equity Shares	452,130,290	
C	**PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**		
	Issue of [●] Equity Shares	[●]	[●]
	of which		
	Fresh Issue of [●] Equity Share aggregating to ₹ 3,000 million(1)	[●]	[●]
	Offer for Sale of 2,513,057 Equity Shares aggregating up to ₹ [●] million (2)	25,130,570	[●]
D	**SHARE PREMIUM ACCOUNT**		
	Before the Issue	2,196,763,206(3)	
	After the Issue	[●]	
E.	**PAID-UP CAPITAL AFTER THE ISSUE**		
	[●] Equity Shares	[●]	[●]

1. *The Fresh Issue has been authorised by the Board of Directors and the Shareholders, pursuant to their resolutions dated June 5, 2013 and June 14, 2013, respectively.*
2. *The Equity Shares being offered by the Selling Shareholders in the Issue by way of Offer for Sale have been held by them for a period of more than one year as on the date of this Draft Red Herring Prospectus and are eligible for being offered for sale in the Issue. The Offer for Sale has been authorised by the Selling Shareholders as follows: (i) 1,716,332 Equity Shares offered by Blackstone by a board resolution dated June 14, 2013; (ii) 76,500 Equity Shares offered by Arun Kumar Khanna as per the consent letter dated June 4, 2013; (iii) 25,000 Equity Shares offered by Mahesh Nathalal Shah as per the consent letter dated May 28, 2013; (iv) 75,625 Equity Shares offered by Avinash Medhekar as per the consent letter dated May 29, 2013; (v) 45,375 Equity Shares offered by Bhalchandra Khare and Padmini Khare (jointly held) as per the consent letter dated May 29, 2013; (vi) 42,150 Equity Shares offered by Shreekant Krushnaji Bapat and Alaka Bapat (jointly held) as per the consent letter dated June 1, 2013; (vii) 26,250 Equity Shares offered by R.P. Soonawala as per the consent letter dated June 3, 2013; (viii) 37,500 Equity Shares offered by Berjis Minoo Desai as per the consent letter dated May 31, 2013; (ix) 9,000 Equity Shares offered by N.K. Sagar as per the consent letter dated May 30, 2013; (x) 2,000 Equity Shares offered by Milind Lad as per the consent letter dated May 28, 2013; (xi) 2,325 Equity Shares offered by Uday Borde as per the consent letter dated June 1, 2013; (xii) 5,125 Equity Shares offered by Raju P. Kalera as per the consent letter dated June 1, 2013; (xiii) 15,000 Equity Shares offered by Humayun Dhanrajgir and Jini Dhanrajgir (jointly held) as per the consent letter dated May 25, 2013; (xiv) 2,025 Equity Shares offered by Vijay Kulkarni as per the consent letter dated June 3, 2013; (xv) 20,000 Equity Shares offered by Dr. Mukund Keshao Gurjar as per the consent letter dated June 1, 2013; (xvi) 25,000 Equity Shares offered by Mukund Ranade as per the consent letter dated May 31, 2013; (xvii) 1,350 Equity Shares offered by Dev Balaji as per the consent letter dated June 4, 2013; (xviii) 120,000 Equity Shares offered by Jitendra Vir Singh as per the consent letter dated May 25, 2013; (xix) 15,000 Equity Shares offered by Prakash Kumar Guha as per the consent letter dated June 4, 2013; (xx) 4,500 Equity Shares offered by Chandrakant V. Shetty as per the consent letter dated May 28, 2013; (xxi) 4,500 Equity Shares offered by Shriram Balasubramanian as per the consent letter dated May 28, 2013; (xxii) 75,000 Equity Shares offered by Dr. Mahedra Patel as per the consent letter dated May 28, 2013; (xxiii) 75,000 Equity Shares offered by Dr. Sanjay Singh and Kavita Singh (jointly held) as per the consent letter dated June 4, 2013; (xxiv) 80,000 Equity Shares offered by Marvin Samson as per the consent letter dated May 28, 2013; and (xxv) 12,500 Equity Shares offered by Fakrul Sayeed as per the consent letter dated May 29, 2013.*
3. *Securities premium account consists of premium of ₹ 270,163,053 received by our Company from allotment of 45,213,029 equity shares and premium of ₹ 1,926,600,153 received by our Company from allotment of 17,931,642 optionally convertible redeemable preference shares. As of the date of this Draft Red Herring Prospectus, all optionally convertible redeemable preference shares issued by our Company have been converted into equity shares and there are no outstanding preference shares in our Company. For details, see the section "Capital Structure – Share Capital History of our Company" on page 68.*

Changes in the Authorised Capital

(1) The initial authorised share capital of ₹ 100,000 divided into 1,000 equity shares of ₹ 100 each was increased to ₹ 500,000 divided into 5,000 equity shares of ₹ 100 each pursuant to a resolution of

our Shareholders passed on May 25, 1981. See the section, "Risk Factors - Some of our corporate records relating to forms filed with the Registrar of Companies and other authorities in India are not traceable" on page 39.

(2) The authorised share capital of ₹ 500,000 divided into 5,000 equity shares of ₹ 100 each was increased to ₹ 2,000,000 divided into 20,000 equity shares of ₹ 100 each pursuant to a resolution of our Shareholders passed on March 15, 1982.

(3) The authorised share capital of ₹ 2,000,000 divided into 20,000 equity shares of ₹ 100 each was increased to ₹ 5,000,000 divided into 50,000 equity shares of ₹ 100 each pursuant to a resolution of our Shareholders passed on May 24, 1986.

(4) The authorised share capital of ₹ 5,000,000 divided into 50,000 equity shares of ₹ 100 each was increased to ₹ 20,000,000 divided into 200,000 equity shares of ₹ 100 each pursuant to a resolution of our Shareholders passed on February 26, 1994.

(5) The authorised share capital of ₹ 20,000,000 divided into 200,000 equity shares of ₹ 100 each was sub-divided into 2,000,000 equity shares of ₹ 10 each pursuant to a resolution of our Shareholders passed on February 26, 1994.

(6) The authorised share capital of ₹ 20,000,000 divided into 2,000,000 equity shares of ₹ 10 each was increased to ₹ 35,000,000 divided into 3,500,000 equity shares of ₹ 10 each pursuant to a resolution of our Shareholders passed on May 2, 1994.

(7) The authorised share capital of ₹ 35,000,000 divided into 3,500,000 equity shares of ₹ 10 each was increased to ₹ 120,000,000 divided into 12,000,000 equity shares of ₹ 10 each pursuant to a resolution of our Shareholders passed on August 31, 2000.

(8) The authorised share capital of ₹ 120,000,000 divided into 12,000,000 equity shares of ₹ 10 each was increased to ₹ 200,000,000 divided into 20,000,000 equity shares of ₹ 10 each pursuant to a resolution of our Shareholders passed on August 14, 2004.

(9) The authorised share capital of ₹ 200,000,000 divided into 20,000,000 equity shares of ₹ 10 each was increased to ₹ 600,000,000 divided into 40,000,000 equity shares of ₹ 10 each and 20,000,000 preference shares of ₹ 10 each pursuant to a resolution of our Shareholders passed on May 27, 2006.

(10) The authorised preference share capital of 20,000,000 preference shares of ₹ 10 each was converted into 20,000,000 equity shares of ₹ 10 each and as a result of which the authorised equity share capital was reconstituted from ₹ 600,000,000 divided into 40,000,000 equity shares of ₹ 10 each and 20,000,000 preference shares of ₹ 10 each to ₹ 600,000,000 divided into 60,000,000 equity shares of ₹ 10 each pursuant to a resolution of our Shareholders passed on February 8, 2013. In the same meeting, the authorised share capital of ₹ 600,000,000 divided into 60,000,000 equity shares of ₹ 10 each was increased to ₹ 1,200,000,000 divided into 120,000,000 equity shares of ₹ 10 each pursuant to a resolution of our Shareholders.

Notes to Capital Structure

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

(a) The history of the equity share capital and the share premium account of our Company is set out in the following table:

Date of allotment of equity shares	Number of equity shares allotted	Face value (₹)	Issue price (₹)	Consideration	Cumulative number of equity shares	Cumulative paid-up equity capital (₹)	Cumulative share premium (₹)
May 15, 1981	20	100	100	Cash	20	2000	-
May 15, 1982	1,000	100	100	Cash	1,020	102,000	-
May 15,	3,984	100	100	Cash	5,004	500,400	-

Date of allotment of equity shares	Number of equity shares allotted	Face value (₹)	Issue price (₹)	Consideration	Cumulative number of equity shares	Cumulative paid-up equity capital (₹)	Cumulative share premium (₹)
1982							
September 10, 1982	3,000	100	100	Cash	8,004	800,400	-
December 26, 1984	2,006	100	100	Cash	10,010	1,001,000	-
May 22, 1986	9,990	100	100	Cash	20,000	2,000,000	-
May 25, 1987	4,500	100	100	Cash	24,500	2,450,000	-
June 27, 1987	50	100	100	Cash	24,550	2,455,000	
March 31, 1989	5	100	100	Cash	24,555	2,455,500	-
January 24, 1994	24,555	100	-	Other than cash(1)	49,110	4,911,000	-
February 22, 1994	25,890	100	100	Cash	75,000	7,500,000	-
March 18, 1994	75,000	100	-	Other than cash(2)	150,000	15,000,000	-
March 18, 1994	The equity shares of our Company were sub-divided into face value of ₹ 10 per equity share of our Company from face value of ₹ 100 each				1,500,000	15,000,000	-
January 23, 1999	10,000	10	10	Cash	1,510,000	15,100,000	-
May 22, 1999	80,000	10	-	Other than cash(3)	1,590,000	15,900,000	-
September 23, 2000	8,000	10	80	Cash	1,598,000	15,980,000	560,000
June 15, 2001	967,498	10	-	Other than cash(4)	2,565,498	25,654,980	560,000
September 29, 2001	5,130,996	10	-	Other than cash(5)	7,696,494	76,964,940	560,000
March 30, 2004	103,506	10	10	Cash	7,800,000	78,000,000	560,000
March 30, 2004	50,000	10	60	Cash	7,850,000	78,500,000	3,060,000
August 27, 2004	3,925,000	10	10	Cash	11,775,000	117,750,000	3,060,000
April 6, 2005	150,000	10	80	Cash	11,925,000	119,250,000	13,560,000
June 1, 2006	17,887,500	10	-	Other than cash(6)	29,812,500	298,125,000	13,560,000
August 3, 2006	226,325	10	497.30	Cash	30,038,825	300,388,250	123,848,173
November 15, 2006	350,000	10	10	Cash	30,388,825	303,888,250	123,848,173
November 15, 2006	400,000	10	35	Cash	30,788,825	307,888,250	133,848,173
January 18, 2008	76,710	10	10	Cash	30,865,535	308,655,350	133,848,173
September 28, 2010	4,300,154	10	-	Other than cash(7)	35,165,689	351,656,890	270,163,053(8)
April 19, 2013	10,047,340(9)	10	10	Cash	45,213,029	452,130,290	270,163,053

(1) *Bonus issue in the ratio 1:1 authorised by our Shareholders through a resolution passed in the EGM dated January 24, 1994.*

(2) *Bonus issue in the ratio 1:1 authorised by our Shareholders through a resolution passed in the EGM dated March 18, 1994.*

(3) *Allotment made to the shareholders of Lasor Drugs Private Limited in the ratio 16:100 pursuant to the court order dated May 18, 1999 approving the scheme of amalgamation. For further details, see the section titled "History and Certain Corporate Matters" on page 149.*

(4) *Pursuant to the court order dated May 11, 2001 approving the scheme of amalgamation, allotment was made in the following proportion: (i) for every 100 equity shares of ₹10 each of Nucron Pharmaceuticals Limited ("NPL"), 25 shares of ₹10 each of*

our Company was allotted to the shareholders of NPL; (ii) for every 100 equity shares of ₹ 10 each of Lasor Laboratories Limited ("LLL"), 45 shares of ₹ 10 each of our Company was allotted to the shareholders of LLL; (iii) for every 100 equity shares of ₹ 100 each of Lasor Remedies Limited ("LRL"), 550 shares of ₹ 10 each of our Company was allotted to the shareholders of LRL; (iv) for every 100 equity shares of ₹ 100 each of Emcure Laboratories Private Limited ("ELPL"), 1000 shares of ₹ 10 each of our Company was allotted to the shareholders of ELPL; and (v) for every 100 equity shares of ₹ 100 each of Hiralal Mehta Sales Private Limited ("HMS"), 150 equity shares of ₹ 10 each of our Company was allotted to the shareholders of HMS. For further details, see the section "History and Certain Corporate Matters" on page 149.

(5) *Bonus issue in the ratio 2:1 authorised by our Shareholders through a resolution passed in the AGM dated August 31, 2000.*

(6) *Bonus issue in the ratio 3:2 authorised by our Shareholders through a resolution passed in the EGM dated May 27, 2006.*

(7) *Upon conversion of 17,931,642 optionally convertible redeemable preference shares in the ratio of 100:417 and in accordance with the terms and conditions of the share subscription agreement dated July 10, 2006, our Company allotted 4,300,154 equity shares to Blackstone.*

(8) *Upon conversion of 17,931,642 optionally convertible redeemable preference shares in the ratio of 100:417 in accordance with the terms and conditions of the share subscription agreement dated July 10, 2006, our Company considered a nominal value of ₹ 41.70 for each such equity share so issued on conversion and accordingly accounted for a share premium of ₹ 31.70 per equity share aggregating to ₹ 136,314,880.*

(9) *Our Company had allotted 10,047,340 Equity Shares pursuant to a rights issue approved by our Shareholders in the meeting held on February 8, 2013 which included 1,574,306 Equity Shares allotted to non-resident shareholders. For further details, see the section "Risk Factors – Our Company has allotted Equity Shares to its existing resident and non-resident shareholders on April 19, 2013 pursuant to a rights issue (the "Rights Issue"). In this regard, our Company has received a letter dated June 11, 2013 from the RBI (the "RBI Letter") requiring our Company for a copy of the Government approval. Our Company has responded to the same indicating the rationale for not obtaining prior Government approval for the Rights Issue. In the event, such allotment is considered non-compliant with the foreign exchange laws, our Company may be subject to regulatory actions including imposition of penalties by the regulators" on page 20.*

(b) The history of the preference share capital of our Company is set out in the following table:

Date of allotment of preference shares	**Number of preference shares allotted**	**Face value (₹)**	**Issue price (₹)**	**Consideration**	**Cumulative number of preference shares**	**Cumulative paid-up preference share capital (₹)**	**Cumulative preference share premium (₹)**
July 7, 2006	17,931,642[1]	10	119.20	Cash	17,931,642	179,316,420	1,926,600,153[2]

(1) *On September 28, 2010, 17,931,642 optionally convertivle redeemable preference shares were converted into 4,300,154 Equity Shares pursuant to the option exercised by Blackstone and hence, as of the date of this Draft Red Herring Prospectus, our Company does not have any outstanding Preference Shares.*

(2) *Each of the hereinmentioned expenses were adjusted against the securities premium account as on November 28, 2006: (i) ₹ 20,000,000 was paid as fees towards advisory services provided by Blackstone on September 5, 2006; (ii) ₹ 227,120 was paid towards stamp duty applicable on the share subscription agreement dated July 10, 2006 on August 18, 2006; (iii) stamp duty of ₹ 2,250,005 was paid on the issue of 17,931,642 optionally convertivle redeemable preference shares on March 31, 2007; (iv) ₹ 8,650,000 was paid as fees towards documentation in relation to the issue of 17,931,642 optionally convertivle redeemable preference shares on November 7, 2006; (v) ₹ 408,028 incurred on account of miscellaneous expenditure such as travel and communications.*

(c) The details of the Equity Shares allotted for consideration other than cash are set out below:

Date of allotment of the equity shares	**Name of the allottee**	**Number of the equity shares**	**Face value (₹)**	**Issue price**	**Reasons for allotment**	**Benefits accrued to our Company**
January 24, 1994	Equity Shareholders of our Company	24,555	100	-	Bonus issue in the ratio 1:1 authorised by our shareholders through a resolution dated January 24, 1994	General corporate purpose
March 18, 1994	Equity Shareholders of our Company	75,000	100	-	Bonus issue in the ratio 1:1 authorised by our shareholders through a resolution dated March 18, 1994	General corporate purpose
May 22, 1999	Shareholders of Lasor Drugs Private Limited	80,000	10	-	Equity shares allotted pursuant to the scheme of amalgamation in the	Business structuring

Date of allotment of the equity shares	Name of the allottee	Number of the equity shares	Face value (₹)	Issue price	Reasons for allotment	Benefits accrued to our Company
					ratio 16:100 pursuant to the court order dated May 18, 1999. For further details, see the section titled "History and Certain Corporate Matters" on page 149	
June 15, 2001	Shareholders of Nucron Pharmaceuticals Limited, Lasor Laboratories Limited, Lasor Remedies Limited, Emcure Laboratories Private Limited, Hiralal Mehta Sales Private Limited	967,498	10	-	Equity shares allotted pursuant to the scheme of amalgamation pursuant to the court order dated May 11, 2001. For further details, see the section titled "History and Certain Corporate Matters" on page 149	Business structuring
September 29, 2001	Equity Shareholders of our Company	5,130,996	10	-	Bonus issue in the ratio 2:1 authorised by our shareholders through a resolution dated August 31, 2000	General corporate purpose
June 1, 2006	Equity Shareholders of our Company	17,887,500	10	-	Bonus issue in the ratio 3:2 authorised by our shareholders through a resolution dated May 27, 2006	General corporate purpose

2. **History of the Equity Share Capital held by our Promoters**

(a) *Details of the build up of our Promoter's shareholding in our Company*:

Satish Ramanlal Mehta									
Date of transaction	Nature of transaction	Number of the equity shares	Nature of consideration	Face value (₹)	Issue/ acquisition/sale price (₹)	Cumulative no. of equity shares	Percentage of cumulative pre-Issue paid-up capital	Percentage of cumulative post-Issue paid-up capital	Percentage of pledged shares, if any
May 15, 1981	Allotment	10	Cash	100	1,000	10	0.00	[●]	Nil
May 15, 1982	Allotment	200	Cash	100	20,000	210	0.00	[●]	Nil
September 10, 1982	Allotment	50	Cash	100	5,000	260	0.00	[●]	Nil
May 22, 1986	Allotment	1,490	Cash	100	149,000	1,750	0.00	[●]	Nil
June 27, 1987	Allotment	20	Cash	100	2,000	1,770	0.00	[●]	Nil
February 20, 1992(1)	Transfer	250	Cash	100	25,000	2,020	0.00	[●]	Nil
January 24, 1994	Allotment	1,770	Bonus issue in the ratio of 1:1	100	-	3,790	0.00	[●]	Nil
January 24, 1994(1)	Allotment	250	Bonus issue in the ratio of 1:1	100	-	4,040	0.00	[●]	Nil

Satish Ramanlal Mehta									
Date of transaction	**Nature of transaction**	**Number of the equity shares**	**Nature of consideration**	**Face value (₹)**	**Issue/ acquisition/sale price (₹)**	**Cumulative no. of equity shares**	**Percentage of cumulative pre-Issue paid-up capital**	**Percentage of cumulative post-Issue paid-up capital**	**Percentage of pledged shares, if any**
February 22, 1994	Allotment	4,500	Cash	100	450,000	8,540	0.00	[●]	Nil
March 18, 1994	Allotment	8,040	Bonus issue in the ratio of 1:1	100	-	16,580	0.02	[●]	Nil
March 18, 1994(1)	Allotment	500	Bonus issue in the ratio of 1:1	100	-	17,080	0.00	[●]	Nil
March 18, 1994	Sub-division of shares of face value from ₹100 each to ₹10 each	Subdivision of 16,080 equity shares into 160,800 equity shares	-	10	-	160,800	-	[●]	Nil
March 18, 1994(1)	Sub-division of shares of face value from ₹100 each to ₹10 each	Subdivision of 1,000 equity shares into 10,000 equity shares	-	10	-	170,800	-	[●]	Nil
April 5, 1995	Transfer	8,000	Cash	10	115,200	178,800	0.02	[●]	Nil
June 24, 1996	Transfer	40	Cash	10	400	178,840	0.00	[●]	Nil
April 3, 1997	Transfer	40	Cash	10	400	178,880	0.00	[●]	Nil
April 3, 1997	Transfer	40	Cash	10	400	178,920	0.00	[●]	Nil
April 3, 1997	Transfer	40	Cash	10	400	178,960	0.00	[●]	Nil
August 22, 1997	Transfer	120	Cash	10	2,160	179,080	0.00	[●]	Nil
May 22, 1999	Allotment	8,000	Scheme of amalgamation with Lasor Drugs Private Limited	10	250,000	187,080	0.41	[●]	Nil
May 22, 1999(2)	Allotment	1,920	Scheme of amalgamation with Lasor Drugs Private Limited	10	60,000	189,000	0.42	[●]	Nil
May 22, 1999(1)	Allotment	4,000	Scheme of amalgamation with Lasor Drugs Private Limited	10	125,000	193,000	0.43	[●]	Nil
July 8, 2000	Transfer	3,180	Cash	10	3,18,000	196,180	0.43	[●]	Nil
July 8, 2000	Transfer	180	Cash	10	18,000	196,360	0.43	[●]	Nil
July 8, 2000	Transfer	2,000	Cash	10	20,000	198,360	0.44	[●]	Nil
July 8, 2000	Transfer	1,160	Cash	10	11,600	199,520	0.44	[●]	Nil
July 8, 2000	Transfer	15,200	Cash	10	152,000	214,720	0.47	[●]	Nil
July 8, 2000	Transfer	6,000	Cash	10	60,000	220,720	0.49	[●]	Nil
July 8, 2000	Transfer	2,000	Cash	10	20,000	222,720	0.49	[●]	Nil
September 23, 2000(1)	Transfer	(2,700)	Cash	10	(27,000)	220,020	0.49	[●]	Nil
September 23, 2000(1)	Transfer	(2,400)	Cash	10	(24,000)	217,620	0.48	[●]	Nil
September 23, 2000(1)	Transfer	(2,400)	Cash	10	(24,000)	215,220	0.48	[●]	Nil
September 23, 2000(1)	Transfer	(1,000)	Cash	10	(10,000)	214,220	0.47	[●]	Nil
September 23, 2000(1)	Transfer	(1,000)	Cash	10	(10,000)	213,220	0.47	[●]	Nil
September 23, 2000(1)	Transfer	(500)	Cash	10	(5,000)	212,720	0.47	[●]	Nil
September 23, 2000(1)	Transfer	(1,000)	Cash	10	(10,000)	211,720	0.47	[●]	Nil
September 23, 2000(1)	Transfer	(1,000)	Cash	10	(10,000)	210,720	0.47	[●]	Nil
September 23, 2000(1)	Transfer	(1,000)	Cash	10	(10,000)	209,720	0.46	[●]	Nil
September 23, 2000(1)	Transfer	(500)	Cash	10	(5,000)	209,220	0.46	[●]	Nil

Satish Ramanlal Mehta									
Date of transaction	**Nature of transaction**	**Number of the equity shares**	**Nature of consideration**	**Face value (₹)**	**Issue/ acquisition/sale price (₹)**	**Cumulative no. of equity shares**	**Percentage of cumulative pre-Issue paid-up capital**	**Percentage of cumulative post-Issue paid-up capital**	**Percentage of pledged shares, if any**
September 23, 2000[(1)]	Transfer	(500)	Cash	10	(5,000)	208,720	0.46	[●]	Nil
September 23, 2000	Transfer	(300)	Cash	10	(3,000)	208,420	0.46	[●]	Nil
September 23, 2000	Transfer	(300)	Cash	10	(3,000)	208,120	0.46	[●]	Nil
September 23, 2000	Transfer	(300)	Cash	10	(3,000)	207,820	0.46	[●]	Nil
September 23, 2000	Transfer	(300)	Cash	10	(3,000)	207,520	0.46	[●]	Nil
September 23, 2000	Transfer	(300)	Cash	10	(3,000)	207,220	0.46	[●]	Nil
September 23, 2000	Transfer	(300)	Cash	10	(3,000)	206,920	0.46	[●]	Nil
September 23, 2000	Transfer	(300)	Cash	10	(3,000)	206,620	0.46	[●]	Nil
September 23, 2000	Transfer	(500)	Cash	10	(5,000)	206,120	0.46	[●]	Nil
September 23, 2000	Transfer	(500)	Cash	10	(5,000)	205,620	0.45	[●]	Nil
September 23, 2000	Transfer	(7,500)	Cash	10	(75,000)	198,120	0.44	[●]	Nil
September 23, 2000	Transfer	(500)	Cash	10	(5,000)	197,620	0.44	[●]	Nil
December 4, 2000	Transfer	32,000	Cash	10	320,000	229,620	0.51	[●]	Nil
December 4, 2000	Transfer	8,000	Cash	10	80,000	237,620	0.53	[●]	Nil
December 4, 2000	Transfer	6,000	Cash	10	60,000	243,620	0.54	[●]	Nil
December 4, 2000	Transfer	5,000	Cash	10	50,000	248,620	0.55	[●]	Nil
December 4, 2000	Transfer	1,000	Cash	10	10,000	249,620	0.55	[●]	Nil
January 3, 2001	Transfer	(2,000)	Cash	10	(20,000)	247,620	0.55	[●]	Nil
January 3, 2001	Transmission	136,800	-	10	-	384,420	0.85	[●]	Nil
January 3, 2001	Transfer	(2,000)	Cash	10	(20,000)	382,420	0.85	[●]	Nil
January 3, 2001	Transfer	(500)	Cash	10	(5,000)	381,920	0.84	[●]	Nil
June 15, 2001	Transmission	20,500	-	10	-	402,420	0.89	[●]	Nil
June 15, 2001	Allotment	31,400	Scheme of amalgamation with Emcure Laboratories Private Limited	10	314,000	433,820	0.96	[●]	Nil
June 15, 2001	Allotment	12,500	Scheme of amalgamation with Nucron Pharmaceuticals Limited	10	500,000	446,320	0.99	[●]	Nil
June 15, 2001	Allotment	81,900	Scheme of amalgamation with Lasor Laboratories Limited	10	845,000	528,220	1.17	[●]	Nil
June 15, 2001	Allotment	8,137	Scheme of amalgamation with Hiralal Mehta Sales Private Limited	10	517,500	536,357	1.19	[●]	Nil
June 15, 2001	Allotment	60,830	Scheme of amalgamation with Lasor Remedies Limited	10	1,106,000	597,187	1.32	[●]	Nil
June 15, 2001	Transfer	(1,000)	Cash	10	(10,000)	596,187	1.32	[●]	Nil
June 15,	Transfer	(10,000)	Cash	10	(100,000)	586,187	1.30	[●]	Nil

Satish Ramanlal Mehta									
Date of transaction	**Nature of transaction**	**Number of the equity shares**	**Nature of consideration**	**Face value (₹)**	**Issue/ acquisition/sale price (₹)**	**Cumulative no. of equity shares**	**Percentage of cumulative pre-Issue paid-up capital**	**Percentage of cumulative post-Issue paid-up capital**	**Percentage of pledged shares, if any**
2001									
June 15, 2001	Transfer	(1,500)	Cash	10	(15,000)	584,687	1.29	[●]	Nil
June 15, 2001	Transfer	(2,000)	Cash	10	(20,000)	582,687	1.29	[●]	Nil
June 15, 2001	Transfer	(500)	Cash	10	(5,000)	582,187	1.29	[●]	Nil
June 15, 2001	Transfer	(500)	Cash	10	(5,000)	581,687	1.29	[●]	Nil
June 15, 2001	Transfer	(500)	Cash	10	(5,000)	581,187	1.29	[●]	Nil
September 29, 2001	Allotment	1,158,534	Bonus issue in the ratio of 2:1	10	-	1,739,721	3.85	[●]	Nil
September 29, 2001(2)	Allotment	3,840	Bonus issue in the ratio of 2:1	10	-	1,743,561	3.86	[●]	Nil
May 11, 2002	Transfer	3,000	Cash	10	10,000	1,746,561	3.86	[●]	Nil
June 17, 2002	Transferred to Arun Kumar Khanna	(10,000)	Cash	10	(100,000)	1,736,561	3.84	[●]	Nil
June 17, 2002	Transferred to Mahesh Nathalal Shah	(3,000)	Cash	10	(30,000)	1,733,561	3.83	[●]	Nil
June 17, 2002	Transferred to Avinash Medhekar	(3,000)	Cash	10	(30,000)	1,730,561	3.83	[●]	Nil
June 17, 2002	Transferred to Shreekant Krushnaji Bapat	(3,000)	Cash	10	(30,000)	1,727,561	3.82	[●]	Nil
June 17, 2002	Transferred to Berjis Minoo Desai	(3,000)	Cash	10	(30,000)	1,724,561	3.81	[●]	Nil
June 17, 2002	Transferred to Manjusha Joshi	(1,000)	Cash	10	(10,000)	1,723,561	3.81	[●]	Nil
June 17, 2002	Transferred to Mukund Ranade	(3,000)	Cash	10	(30,000)	1,720,561	3.81	[●]	Nil
June 17, 2002	Transferred to Dev Balaji	(900)	Cash	10	(9,000)	1,719,661	3.80	[●]	Nil
June 17, 2002	Transferred to Chaitanya Golikare	(500)	Cash	10	(5,000)	1,719,161	3.80	[●]	Nil
June 17, 2002	Transferred to Rajesh Nair	(500)	Cash	10	(5,000)	1,718,661	3.80	[●]	Nil
June 17, 2002	Transferred to Nishith Trivedi	(500)	Cash	10	(5,000)	1,718,161	3.80	[●]	Nil
June 17, 2002	Transferred to Dilip Deobagkar	(1,000)	Cash	10	(10,000)	1,717,161	3.80	[●]	Nil
June 17, 2002	Transferred to Ajay Bharadwaj	(5,000)	Cash	10	(50,000)	1,712,161	3.79	[●]	Nil
June 17, 2002	Transferred to Rakesh Bamzai	(5,000)	Cash	10	(50,000)	1,707,161	3.78	[●]	Nil
May 10, 2003	Transfer	20,660	Cash	10	1,033,000	1,727,821	3.82	[●]	Nil
October 21, 2003	Transfer	12,600	Cash	10	7,30,800	1,740,421	3.85	[●]	Nil
May 1, 2004	Transfer	900	Cash	10	9,000	1,741,321	3.85	[●]	Nil
July 12, 2004	Transfer	1,500	Cash	10	15,000	1,742,821	3.85	[●]	Nil
July 12, 2004	Transfer	900	Cash	10	9,000	1,743,721	3.86	[●]	Nil
August 27, 2004	Allotment	1,121,695	Cash	10	11,216,950	2,865,416	6.34	[●]	Nil
August 27, 2004(2)	Allotment	2,880	Cash	10	28,800	2,868,296	6.34	[●]	Nil
October 15, 2004	Transfer	1,500	Cash	10	15,000	2,869,796	6.35	[●]	Nil
May 3, 2005	Transfer	750	Cash	10	7,500	2,870,546	6.35	[●]	Nil

Satish Ramanlal Mehta									
Date of transaction	**Nature of transaction**	**Number of the equity shares**	**Nature of consideration**	**Face value (₹)**	**Issue/ acquisition/sale price (₹)**	**Cumulative no. of equity shares**	**Percentage of cumulative pre-Issue paid-up capital**	**Percentage of cumulative post-Issue paid-up capital**	**Percentage of pledged shares, if any**
May 3, 2005	Transfer	2,000	Cash	10	20,000	2,872,546	6.35	[●]	Nil
December 19, 2005	Transfer	750	Cash	10	7,500	2,873,296	6.36	[●]	Nil
December 19, 2005	Transfer	1,350	Cash	10	13,500	2,874,646	6.36	[●]	Nil
June 1, 2006	Allotment	4,299,009	Bonus issue in the ratio of 3:2	10	-	7,173,655	15.87	[●]	Nil
June 1, 2006(2)	Allotment	12,960	Bonus issue in the ratio of 3:2	10	-	7,186,615	15.90	[●]	Nil
November 18, 2006	Transfer	18,750	Cash	10	656,250	7,205,365	15.94	[●]	Nil
November 18, 2006	Transfer	18,750	Cash	10	656,250	7,224,115	15.98	[●]	Nil
April 28, 2007	Transfer	5,625	Cash	10	56,250	7,229,740	15.99	[●]	Nil
January 18, 2008	Transfer	11,250	Cash	10	1,012,500	7,240,990	16.02	[●]	Nil
January 18, 2008	Transfer	3,375	Cash	10	303,750	7,244,365	16.02	[●]	Nil
January 18, 2008	Transfer	3,375	Cash	10	303,750	7,247,740	16.03	[●]	Nil
January 18, 2008	Transfer	3,375	Cash	10	303,750	7,251,115	16.04	[●]	Nil
January 18, 2008	Transfer	5,625	Cash	10	506,250	7,256,740	16.05	[●]	Nil
April 21, 2008	Transfer	649,275	Cash	10	6,492,750	7,906,015	17.49	[●]	Nil
April 21, 2008	Transfer by way of partition of Satish Ramanlal Mehta HUF	827,437	-	10	-	8,733,452	19.32	[●]	Nil
April 21, 2008	Transfer	16,200	Cash	10	1,458,000	8,749,652	19.35	[●]	Nil
April 21, 2008	Transfer	10,800	Cash	10	972,000	8,760,452	19.38	[●]	Nil
April 21, 2008	Transfer	3,375	Cash	10	303,750	8,763,827	19.38	[●]	Nil
April 21, 2008	Transfer	13,125	Cash	10	500,000	8,776,952	19.41	[●]	Nil
April 21, 2008	Transfer	5,625	Cash	10	506,250	8,782,577	19.42	[●]	Nil
April 21, 2008	Transfer	3,000	Cash	10	30,000	8,785,577	19.43	[●]	Nil
April 21, 2008	Transfer	6,000	Cash	10	60,000	8,791,577	19.44	[●]	Nil
July 21, 2008	Transfer	15,000	Cash	10	150,000	8,806,577	19.48	[●]	Nil
July 21, 2008	Transmission	605,550	-	10	-	9,412,127	20.82	[●]	Nil
June 1, 2009	Transfer	1,875	Cash	10	18,750	9,414,002	20.82	[●]	Nil
March 25, 2013	Transfer	125,000	Cash	10	68,627,443	9,539,002	21.10	[●]	Nil
March 25, 2013	Transfer	45,000	Cash	10	25,142,578	9,584,002	21.20	[●]	Nil
April 19, 2013	Rights issue	8,063,535	Cash	10	80,635,350	17,647,537(3)	39.03	[●]	Nil
Total		**17,647,537(3)**							

(1) *Equity Shares held jointly by Satish Ramanlal Mehta and Bhavna Mehta, Satish Ramanlal Mehta being the first holder.*
(2) *Equity Shares held jointly by Bhavna Mehta and Satish Ramanlal Mehta, Bhavna Mehta being the first holder.*
(3) *Includes Equity Shares held jointly as per notes (1) and (2) above.*

Sunil Rajanikant Mehta									
Date of transaction	**Nature of transaction**	**Number of the Equity Shares**	**Nature of consideration**	**Face value (₹)**	**Issue/ acquisition price (₹)**	**Cumulative no. of Shares**	**Percentage of cumulative pre-Issue paid-up capital**	**Percentage of cumulative post-Issue paid-up capital**	**Percentage of pledged shares, if any**
May 15, 1982	Allotment	31	Cash	100	3,100	31	0.00	[●]	Nil
September	Allotment	20	Cash	100	2,000	51	0.00	[●]	Nil

Sunil Rajanikant Mehta									
Date of transaction	**Nature of transaction**	**Number of the Equity Shares**	**Nature of consideration**	**Face value (₹)**	**Issue/ acquisition price (₹)**	**Cumulative no. of Shares**	**Percentage of cumulative pre-Issue paid-up capital**	**Percentage of cumulative post-Issue paid-up capital**	**Percentage of pledged shares, if any**
10, 1982									
May 22, 1986	Allotment	150	Cash	100	15,000	201	0.00	[●]	Nil
May 25, 1987	Allotment	20	Cash	100	2,000	221	0.00	[●]	Nil
December 11,1990	Transmission	186	-	100	-	407	0.00	[●]	Nil
January 24, 1994	Allotment	407	Bonus issue in the ratio of 1:1	100	-	814	0.00	[●]	Nil
March 18, 1994	Allotment	814	Bonus issue in the ratio of 1:1	100	-	1,628	0.00	[●]	Nil
March 18, 1994	Sub-division of shares of face value from ₹100 each to ₹10 each	Subdivision of 1,628 equity shares into 16,280 equity shares	-	10	-	16,280	0.04	[●]	Nil
April 5, 1995	Transfer	4,000	Cash	10	57,600	20,280	0.04	[●]	Nil
December 11, 1995[(4)]	Transmission	23,000	-	10	-	43,280	0.10	[●]	Nil
December 11, 1995[(2)]	Transmission	12,000	-	10	-	55,280	0.12	[●]	Nil
June 24, 1996	Transfer	40	Cash	10	400	55,320	0.12	[●]	Nil
May 22, 1999[(1)]	Allotment	2,400	Scheme of amalgamation of Lasor Drugs Private Limited	10	75,000	57,720	0.13	[●]	Nil
May 22, 1999	Allotment	5,600	Scheme of amalgamation of Lasor Drugs Private Limited	10	175,000	63,320	0.14	[●]	Nil
June 15, 2001	Allotment	1,612	Scheme of amalgamation with Hiralal Mehta Sales Private Limited	10	82,500	64,932	0.14	[●]	Nil
June 15, 2001[(4)]	Allotment	450	Scheme of amalgamation with Hiralal Mehta Sales Private Limited	10	30,000	65,382	0.14	[●]	Nil
June 15, 2001[(2)]	Allotment	375	Scheme of amalgamation with Hiralal Mehta Sales Private Limited	10	25,001	65,757	0.15	[●]	Nil
June 15, 2001	Allotment	9,735	Scheme of amalgamation with Lasor Remedies Limited	10	177,000	75,492	0.17	[●]	Nil
June 15, 2001	Allotment	8,500	Scheme of amalgamation with Emcure Laboratories Private Limited	10	85,000	83,992	0.19	[●]	Nil
June 15, 2001	Allotment	1,575	Scheme of amalgamation with Nucron Pharmaceuticals Limited	10	63,000	85,567	0.19	[●]	Nil
June 15, 2001[(4)]	Allotment	875	Scheme of amalgamation with Nucron Pharmaceuticals Limited	10	35,000	86,442	0.19	[●]	Nil

Sunil Rajanikant Mehta									
Date of transaction	**Nature of transaction**	**Number of the Equity Shares**	**Nature of consideration**	**Face value (₹)**	**Issue/ acquisition price (₹)**	**Cumulative no. of Shares**	**Percentage of cumulative pre-Issue paid-up capital**	**Percentage of cumulative post-Issue paid-up capital**	**Percentage of pledged shares, if any**
June 15, 2001(2)	Allotment	700	Scheme of amalgamation with Nucron Pharmaceuticals Limited	10	28,000	87,142	0.19	[●]	Nil
June 15, 2001(4)	Allotment	2,700	Scheme of amalgamation with Lasor Laboratories Limited	10	60,000	89,842	0.20	[●]	Nil
June 15, 2001	Allotment	24,300	Scheme of amalgamation with Lasor Laboratories Limited	10	140,000	114,142	0.25	[●]	Nil
September 29, 2001	Allotment	143,284	Bonus issue in the ratio of 2:1	10	-	257,426	0.57	[●]	Nil
September 29, 2001(2)	Allotment	26,150	Bonus issue in the ratio of 2:1	10	-	283,576	0.63	[●]	Nil
September 29, 2001(4)	Allotment	54,050	Bonus issue in the ratio of 2:1	10	-	337,626	0.75	[●]	Nil
September 29, 2001(1)	Allotment	4,800	Bonus issue in the ratio of 2:1	10	-	342,426	0.76	[●]	Nil
May 10, 2003(4)	Transfer	5,000	Cash	10	250,000	347,426	0.77	[●]	Nil
October 21, 2003(1)	Transfer	8,400	Cash	10	487,200	355,826	0.79	[●]	Nil
August 27, 2004	Allotment	307,469	Cash	10	3,074,690	663,295	1.47	[●]	Nil
August 27, 2004(2)	Allotment	19,612	Cash	10	196,120	682,907	1.51	[●]	Nil
August 27, 2004(1)	Allotment	7,800	Cash	10	78,000	690,707	1.53	[●]	Nil
August 27, 2004(4)	Allotment	43,037	Cash	10	430,370	733,744	1.62	[●]	Nil
June 1, 2006	Allotment	783,592	Bonus issue in the ratio of 3:2	10	-	1,517,336	3.36	[●]	Nil
June 1, 2006(2)	Allotment	88,256	Bonus issue in the ratio of 3:2	10	-	1,605,592	3.55	[●]	Nil
June 1, 2006(4)	Allotment	193,668	Bonus issue in the ratio of 3:2	10	-	1,799,260	3.98	[●]	Nil
June 1, 2006(1)	Allotment	35,100	Bonus issue in the ratio of 3:2	10	-	1,834,360	4.06	[●]	Nil
July 7, 2006(1)	Transmission	620,793	-	10	-	2,455,153	5.43	[●]	Nil
July 7, 2006(1)	Transmission	12,188	-	10	-	2,467,341	5.46	[●]	Nil
November 18, 2006(1)	Transfer	16,500	Cash	10	165,000	2,483,841	5.49	[●]	Nil
April 21, 2008	Transfer	202,488	Cash	10	2,024,880	2,686,329	5.94	[●]	Nil
April 21, 2008	Transfer by way of partition of Rajanikant Hiralal Mehta (HUF)	399,837	Cash	10	-	3,086,166	6.83	[●]	Nil
April 21, 2008(3)	Transfer	275,000	-	10	2,750,000	3,361,166(5)	7.43	[●]	Nil
		3,361,166(5)							

(1) Equity Shares held jointly by Sunil Rajanikant Mehta and Kamini Mehta, Sunil Rajanikant Mehta being the first holder.
(2) Equity Shares held jointly by Rutav Mehta and Sunil Rajanikant Mehta, Rutav Mehta being the first holder.
(3) Equity Shares held jointly by Neeraj Mehta and Sunil Rajanikant Mehta, Neeraj Mehta being the first holder.
(4) Equity Shares held jointly by Kamini Mehta and Sunil Rajanikant Mehta, Kamini Mehta being the first holder.
(5) Includes Equity Shares held jointly as per notes (1) to (4) above.

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares.

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

Pursuant to the SEBI Regulations, an aggregate of 20% of the post-Issue equity share capital of our Company held by our Promoters (single holding) shall be locked-in as minimum Promoters' contribution for a period of three years from the date of Allotment pursuant to the Issue. The Equity Shares that are being locked-in are not ineligible for computation of Promoters' contribution under Regulation 33 of the SEBI Regulations.

Accordingly, [●] Equity Shares, aggregating up to 20% of the post-Issue equity share capital of our Company, held by our Promoters (single holding), shall be locked-in for a period of three years from the date of Allotment in the Issue. Details of the same are as follows:

Date of transaction and when made fully paid-up	Nature of transaction	Number of the Equity Shares	Face value (₹)	Issue/acquisition price per Equity Share (₹)	Percentage of post-Issue paid-up capital
Satish Ramanlal Mehta					
[●]	[●]	[●]	[●]	[●]	[●]
Sunil Rajanikant Mehta					
[●]	[●]	[●]	[●]	[●]	[●]

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

Details of the Equity Shares locked-in for one year

In addition to the above Equity Shares that are locked-in for three years, the entire pre-Issue equity share capital of our Company, except the Equity Shares offered in the Offer for Sale and certain Equity Shares held by Blackstone, would be locked-in for a period of one year from the date of Allotment. Blackstone is an FVCI under the SEBI FVCI Regulations and accordingly, in terms of Regulation 37(2) of the SEBI Regulations and the proviso thereto, 1,315,197 Equity Shares allotted to Blackstone pursuant to the allotment made by our Company in the rights issue completed on April 19, 2013, would be locked-in for a period of one year from April 19, 2013. Additionally, Blackstone has agreed for lock-in of all its Equity Shares (other than the Equity Shares offered in the Offer for Sale) ("**Locked-in Shares**"): (i) for a period of 90 days from the date of allotment in the Issue; (ii) upon expiry of such period of 90 days referred to in clause (i) above, 50% of the Locked-in Shares shall be released from lock-in and the balance 50% shall continue to be subject to lock-in for a further period of 90 days commencing from the 91st day from the date of allotment in the Issue.

As of the date of this Draft Red Herring Prospectus, none of the employee stock options have been granted by our Company pursuant to the Emcure ESOP 2013 (defined below).

(c) *Lock-in of the Equity Shares to be Allotted, if any, to the Anchor Investor*

Any Equity Shares Allotted to Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

(d) *Other requirements in respect of lock-in*:

The Equity Shares held by our Promoters which are locked-in for a period of three years from the date of Allotment in the Issue can be pledged with any scheduled commercial bank or public financial institution as collateral security for loans granted by such bank or institution, provided that the loan has been granted by such bank or financial institution for financing one or more of the objects of the Issue and pledge of Equity Shares is one of the terms of sanction of the loan.

The Equity Shares held by our Promoters which are locked-in for a period of one year may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of the loan.

The Equity Shares held by our Promoters and locked-in may be transferred to any person of our

Promoter Group or to any new promoter or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI Takeover Regulations.

The Equity Shares held by persons other than our Promoters and locked-in for a period of one year from the date of Allotment in the Issue may be transferred to any other person holding the Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the SEBI Takeover Regulations.

3. **Details of the share capital held by the Selling Shareholders**

(a) The details of the build-up of shareholding of Blackstone in our Company is set forth below:

Blackstone					
Date of transaction	**Nature of transaction**	**Number of Equity Shares**	**Face value (₹)**	**Issue/ acquisition price per Equity Share (₹)**	**Nature of consideration**
August 3, 2006	Allotment	226,325	10	497.30	Cash
January 18, 2008	Allotment	76,710	10	10	Cash
September 28, 2010	Allotment - Conversion of optionally convertible redeemable preference shares into Equity Shares	4,300,154	10	-	Other than cash[(1)]
April 19, 2013	Allotment	1,315,197	10	10	Cash
Total		**5,918,386**			

[(1)] *Upon conversion of 17,931,642 optionally convertible redeemable preference shares in the ratio of 100:417 and in accordance with the terms and conditions of the share subscription agreement dated July 10, 2006, our Company allotted 4,300,154 equity shares to Blackstone.*

(b) The details of the build-up of shareholding of Arun Kumar Khanna in our Company is set forth below:

Arun Kumar Khanna					
Date of transaction	**Nature of transaction**	**Number of Equity Shares**	**Face value (₹)**	**Issue/ acquisition price per Equity Share (₹)**	**Nature of consideration**
January 23, 1999	Allotment	5,500	10	10	Cash
September 23, 2000	Transfer	7,500	10	10	Cash
June 15, 2001	Transfer	10,000	10	10	Cash
September 29, 2001	Bonus issue in the ratio of 2:1	46,000	10	-	Other than cash
June 17, 2002	Transfer	10,000	10	10	Cash
March 30, 2004	Allotment	21,000	10	10	Cash
August 27, 2004	Allotment	50,000	10	10	Cash
June 1, 2006	Bonus issue in the ratio of 3:2	225,000	10	-	Other than cash
November 15, 2006	Allotment	125,000	10	10	Cash
April 19, 2013	Allotment	142,857	10	10	Cash
Total		**642,857**			

(c) The details of the build-up of shareholding of Mahesh Nathanlal Shah in our Company is set forth below:

Mahesh Nathalal Shah					
Date of transaction	**Nature of transaction**	**Number of Equity Shares**	**Face value (₹)**	**Issue/ acquisition price per Equity Share (₹)**	**Nature of consideration**
January 23,1999	Allotment	1,500	10	10	Cash
September 23, 2000	Transfer	1,000	10	10	Cash
June 15, 2001	Transfer	1,500	10	10	Cash
September 29, 2001	Bonus issue in the ratio of 2:1	8,000	10	-	Other than cash
June 17, 2002	Transfer	3,000	10	10	Cash
March 30, 2004	Allotment	5,000	10	10	Cash
August 27, 2004	Allotment	10,000	10	10	Cash
June 1, 2006	Bonus issue in the ratio of 3:2	45,000	10	-	Other than cash
April 19, 2013	Allotment	21,428	10	10	Cash
Total		**96,428**			

(d) The details of the build-up of shareholding of Avinash Medhekar in our Company is set forth below:

Avinash Medhekar					
Date of transaction	**Nature of transaction**	**Number of Equity Shares**	**Face value (₹)**	**Issue/ acquisition price per Equity Share (₹)**	**Nature of consideration**
January 23,1999	Allotment	1,500	10	10	Cash
September 23, 2000	Transfer	1,000	10	10	Cash
June 15, 2001	Transfer	2,000	10	10	Cash
September 29, 2001	Bonus issue in the ratio of 2:1	9,000	10	-	Other than cash
June 17, 2002	Transfer	3,000	10	10	Cash
March 30, 2004	Allotment	5,000	10	10	Cash
August 27, 2004	Allotment	10,750	10	10	Cash
June 1, 2006	Bonus issue in the ratio of 3:2	48,375	10	-	Other than cash
April 19, 2013	Allotment	23,036	10	10	Cash
Total		**103,661**			

(e) The details of the build-up of shareholding of Bhalchandra Khare and Padmini Khare in our Company is set forth below:

Bhalchandra Khare and Padmini Khare					
Date of transaction	**Nature of transaction**	**Number of Equity Shares**	**Face value (₹)**	**Issue/ acquisition price per Equity Share (₹)**	**Nature of consideration**
September 23,	Transfer	2,700	10	10	Cash

Bhalchandra Khare and Padmini Khare					
Date of transaction	**Nature of transaction**	**Number of Equity Shares**	**Face value (₹)**	**Issue/ acquisition price per Equity Share (₹)**	**Nature of consideration**
2000					
September 29, 2001	Bonus issue in the ratio of 2:1	5,400	10	-	Other than cash
March 30, 2004	Allotment	4,000	10	10	Cash
August 27, 2004	Allotment	6,050	10	10	Cash
June 1, 2006	Bonus issue in the ratio of 3:2	27,225	10	-	Other than cash
April 19, 2013	Allotment	25,928	10	10	Cash
Total		**71,303**			

(f) The details of the build-up of shareholding of Shreekant Krishnaji Bapat and Alaka Bapat in our Company is set forth below:

Shreekant Krushnaji Bapat and Alaka Bapat					
Date of transaction	**Nature of transaction**	**Number of Equity Shares**	**Face value (₹)**	**Issue/ acquisition price per Equity Share (₹)**	**Nature of consideration**
September 23, 2000	Transfer	2,400	10	10	Cash
September 29, 2001	Bonus issue in the ratio of 2:1	4,800	10	-	Other than cash
June 17, 2002	Transfer	3,000	10	10	Cash
March 30, 2004	Allotment	4,000	10	10	Cash
August 27, 2004	Allotment	7,100	10	10	Cash
June 1, 2006	Bonus issue in the ratio of 3:2	31,950	10	-	Other than cash
November 15, 2006	Allotment	10,000	10	10	Cash
April 19, 2013	Allotment	18,071	10	10	Cash
Total		**81,321**			

(g) The details of the build-up of shareholding of R.P. Soonawala in our Company is set forth below:

R. P. Soonawala					
Date of transaction	**Nature of transaction**	**Number of Equity Shares**	**Face value (₹)**	**Issue/ acquisition price per Equity Share (₹)**	**Nature of consideration**
September 23, 2000	Transfer	1,000	10	10	Cash
September 29, 2001	Bonus issue in the ratio of 2:1	2,000	10	-	Other than cash
March 30, 2004	Allotment	4,000	10	10	Cash
August 27, 2004	Allotment	3,500	10	10	Cash
June 1, 2006	Bonus issue in the ratio of 3:2	15,750	10	-	Other than cash
April 19, 2013	Allotment	7,500	10	10	Cash

R. P. Soonawala					
Date of transaction	**Nature of transaction**	**Number of Equity Shares**	**Face value (₹)**	**Issue/ acquisition price per Equity Share (₹)**	**Nature of consideration**
Total		**33,750**			

(h) The details of the build-up of shareholding of Berjis Minoo Desai in our Company is set forth below:

Berjis Minoo Desai					
Date of transaction	**Nature of transaction**	**Number of Equity Shares**	**Face value (₹)**	**Issue/ acquisition price per Equity Share (₹)**	**Nature of consideration**
September 23, 2000	Transfer	1,000	10	10	Cash
September 29, 2001	Bonus issue in the ratio of 2:1	2,000	10	-	Other than cash
June 17, 2002	Transfer	3,000	10	10	Cash
March 30, 2004	Allotment	4,000	10	10	Cash
August 27, 2004	Allotment	5,000	10	10	Cash
June 1, 2006	Bonus issue in the ratio of 3:2	22,500	10	-	Other than cash
April 19, 2013	Allotment	10,714	10	10	Cash
Total		**48,214**			

(i) The details of the build-up of shareholding of N.K. Sagar in our Company is set forth below:

N.K. Sagar					
Date of transaction	**Nature of transaction**	**Number of Equity Shares**	**Face value (₹)**	**Issue/ acquisition price per Equity Share (₹)**	**Nature of consideration**
September 23, 2000	Transfer	500	10	10	Cash
June 15, 2001	Transfer	500	10	10	Cash
September 29, 2001	Bonus issue in the ratio of 2:1	2,000	10	-	Other than cash
March 30, 2004	Allotment	3,000	10	10	Cash
August 27, 2004	Allotment	3,000	10	10	Cash
June 1, 2006	Bonus issue in the ratio of 3:2	13,500	10	-	Other than cash
April 19, 2013	Allotment	6,429	10	10	Cash
Total		**28,929**			

(j) The details of the build-up of shareholding of Milind Lad in our Company is set forth below:

Milind Lad					
Date of transaction	**Nature of transaction**	**Number of Equity Shares**	**Face value (₹)**	**Issue/ acquisition price per Equity Share (₹)**	**Nature of consideration**
September 23, 2000	Transfer	250	10	10	Cash
September 23, 2000	Transfer	250	10	10	Cash

Milind Lad					
Date of transaction	**Nature of transaction**	**Number of Equity Shares**	**Face value (₹)**	**Issue/ acquisition price per Equity Share (₹)**	**Nature of consideration**
September 29, 2001	Bonus issue in the ratio of 2:1	1,000	10	-	Other than cash
August 27, 2004	Allotment	750	10	10	Cash
June 1, 2006	Bonus issue in the ratio of 3:2	3,375	10	-	Other than cash
April 19, 2013	Allotment	1,607	10	10	Cash
Total		**7,232**			

(k) The details of the build-up of shareholding of Uday Borde in our Company is set forth below:

Uday Borde					
Date of transaction	**Nature of transaction**	**Number of Equity Shares**	**Face value (₹)**	**Issue/ acquisition price per Equity Share (₹)**	**Nature of consideration**
September 23, 2000	Transfer	300	10	10	Cash
September 29, 2001	Bonus issue in the ratio of 2:1	600	10	-	Other than cash
August 27, 2004	Allotment	450	10	10	Cash
June 1, 2006	Bonus issue in the ratio of 3:2	2,025	10	-	Other than cash
April 19, 2013	Allotment	964	10	10	Cash
Total		**4,339**			

(l) The details of the build-up of shareholding of Raju P. Kalera in our Company is set forth below:

Raju P. Kalera					
Date of transaction	**Nature of transaction**	**Number of Equity Shares**	**Face value (₹)**	**Issue/ acquisition price per Equity Share (₹)**	**Nature of consideration**
September 23, 2000	Transfer	500	10	10	Cash
September 29, 2001	Bonus issue in the ratio of 2:1	1,000	10	-	Other than cash
August 27, 2004	Allotment	750	10	10	Cash
June 1, 2006	Bonus issue in the ratio of 3:2	3,375	10	-	Other than cash
April 19, 2013	Allotment	1,607	10	10	Cash
Total		**7,232**			

(m) The details of the build-up of shareholding of Humayun Dhanrajgir and Jini Dhanrajgir in our Company is set forth below:

Humayun Dhanrajgir and Jini Dhanrajgir					
Date of transaction	**Nature of transaction**	**Number of Equity Shares**	**Face value (₹)**	**Issue/ acquisition price per Equity Share (₹)**	**Nature of consideration**
September 23, 2000	Transfer	2,000	10	10	Cash

Humayun Dhanrajgir and Jini Dhanrajgir					
Date of transaction	**Nature of transaction**	**Number of Equity Shares**	**Face value (₹)**	**Issue/ acquisition price per Equity Share (₹)**	**Nature of consideration**
September 29, 2001	Bonus issue in the ratio of 2:1	4,000	10	-	Other than cash
March 30, 2004	Allotment	4,000	10	10	Cash
August 27, 2004	Allotment	5,000	10	10	Cash
June 1, 2006	Bonus issue in the ratio of 3:2	22,500	10	-	Other than cash
November 15, 2006	Allotment	10,000	10	10	Cash
April 19, 2013	Allotment	13,571	10	10	Cash
Total		**61,071**			

(n) The details of the build-up of shareholding of Vijay Kulkarni in our Company is set forth below:

Vijay Kulkarni					
Date of transaction	**Nature of transaction**	**Number of Equity Shares**	**Face value (₹)**	**Issue/ acquisition price per Equity Share (₹)**	**Nature of consideration**
June 15, 2001	Allotment in pursuance of amalgmation	300	10	-	Other than cash
September 29, 2001	Bonus issue in the ratio of 2:1	600	10	-	Other than cash
August 27, 2004	Allotment	450	10	10	Cash
June 1, 2006	Bonus issue in the ratio of 3:2	2,025	10	-	Other than cash
April 19, 2013	Allotment	964	10	10	Cash
Total		**4,339**			

(o) The details of the build-up of shareholding of Dr. Mukund Keshao Gurjar in our Company is set forth below:

Dr. Mukund Keshao Gurjar					
Date of transaction	**Nature of transaction**	**Number of Equity Shares**	**Face value (₹)**	**Issue/ acquisition price per Equity Share (₹)**	**Nature of consideration**
June 15, 2001	Transfer	1,000	10	10	Cash
September 29, 2001	Bonus issue in the ratio of 2:1	2,000	10	-	Other than cash
March 30, 2004	Allotment	7,000	10	10	Cash
August 27, 2004	Allotment	5,000	10	10	Cash
June 1, 2006	Bonus issue in the ratio of 3:2	22,500	10	-	Other than cash
November 15, 2006	Allotment	20,000	10	10	Cash
April 19, 2013	Allotment	16,429	10	10	Cash
Total		**73,929**			

(p) The details of the build-up of shareholding of Mukund Ranade in our Company is set forth below:

Mukund Ranade					
Date of transaction	**Nature of transaction**	**Number of Equity Shares**	**Face value (₹)**	**Issue/ acquisition price per Equity Share (₹)**	**Nature of consideration**
June 17, 2002	Transfer	3,000	10	10	Cash
March 30, 2004	Allotment	10,000	10	10	Cash
August 27, 2004	Allotment	6,500	10	10	Cash
June 1, 2006	Bonus issue in the ratio of 3:2	29,250	10	-	Other than cash
November 15, 2006	Allotment	25,000	10	10	Cash
April 19, 2013	Allotment	21,071	10	10	Cash
Total		**94,821**			

(q) The details of the build-up of shareholding of Dev Balaji in our Company is set forth below:

Dev Balaji					
Date of transaction	**Nature of transaction**	**Number of Equity Shares**	**Face value (₹)**	**Issue/ acquisition price per Equity Share (₹)**	**Nature of consideration**
June 17, 2002	Transfer	900	10	10	Cash
August 27, 2004	Allotment	450	10	10	Cash
June 1, 2006	Bonus issue in the ratio of 3:2	2,025	10	-	Other than cash
April 19, 2013	Allotment	964	10	10	Cash
Total		**4,339**			

(r) The details of the build-up of shareholding of Jitendra Vir Singh in our Company is set forth below:

Jitendra Vir Singh					
Date of transaction	**Nature of transaction**	**Number of Equity Shares**	**Face value (₹)**	**Issue/ acquisition price per Equity Share (₹)**	**Nature of consideration**
March 30, 2004	Allotment	50,000	10	10	Cash
August 27, 2004	Allotment	25,000	10	10	Cash
June 1, 2006	Bonus issue in the ratio of 3:2	112,500	10	-	Other than cash
April 19, 2013	Allotment	53,571	10	10	Cash
Total		**241,071**			

(s) The details of the build-up of shareholding of Prakash Kumar Guha in our Company is set forth below:

Prakash Kumar Guha					
Date of transaction	**Nature of transaction**	**Number of Equity Shares**	**Face value (₹)**	**Issue/ acquisition price per Equity Share (₹)**	**Nature of consideration**
March 30,	Allotment	10,000	10	10	Cash

Prakash Kumar Guha					
Date of transaction	**Nature of transaction**	**Number of Equity Shares**	**Face value (₹)**	**Issue/ acquisition price per Equity Share (₹)**	**Nature of consideration**
2004					
August 27, 2004	Allotment	5,000	10	10	Cash
June 1, 2006	Bonus issue in the ratio of 3:2	22,500	10	-	Other than cash
April 19, 2013	Allotment	10,714	10	10	Cash
Total		**48,214**			

(t) The details of the build-up of shareholding of Chandrakant V. Shetty in our Company is set forth below:

Chandrakant V. Shetty					
Date of transaction	**Nature of transaction**	**Number of Equity Shares**	**Face value (₹)**	**Issue/ acquisition price per Equity Share (₹)**	**Nature of consideration**
March 30, 2004	Allotment	2,000	10	10	Cash
August 27, 2004	Allotment	1,000	10	10	Cash
June 1, 2006	Bonus issue in the ratio of 3:2	4,500	10	-	Other than cash
April 19, 2013	Allotment	2,143	10	10	Cash
Total		**9,643**			

(u) The details of the build-up of shareholding of Shriram Balasubramaniam in our Company is set forth below:

Shriram Balasubramanian					
Date of transaction	**Nature of transaction**	**Number of Equity Shares**	**Face value (₹)**	**Issue/ acquisition price per Equity Share (₹)**	**Nature of consideration**
March 30, 2004	Allotment	2,000	10	10	Cash
August 27, 2004	Allotment	1,000	10	10	Cash
June 1, 2006	Bonus issue in the ratio of 3:2	4,500	10	-	Other than cash
April 19, 2013	Allotment	2,143	10	10	Cash
Total		**9,643**			

(v) The details of the build-up of shareholding of Dr. Mahendra Patel in our Company is set forth below:

Dr. Mahendra Patel					
Date of transaction	**Nature of transaction**	**Number of Equity Shares**	**Face value (₹)**	**Issue/ acquisition price per Equity Share (₹)**	**Nature of consideration**
April 06, 2005	Allotment	100,000	10	80	Cash
June 1, 2006	Allotment – Bonus issue	150,000	10	-	Other than cash
April 19,	Allotment	71,429	10	10	Cash

Dr. Mahendra Patel					
Date of transaction	**Nature of transaction**	**Number of Equity Shares**	**Face value (₹)**	**Issue/ acquisition price per Equity Share (₹)**	**Nature of consideration**
2013					
Total		**321,429**			

(w) The details of the build-up of shareholding of Dr. Sanjay Singh and Kavita Singh in our Company is set forth below:

Dr. Sanjay Singh and Kavita Singh					
Date of transaction	**Nature of transaction**	**Number of Equity Shares**	**Face value (₹)**	**Issue/ acquisition price per Equity Share (₹)**	**Nature of consideration**
November 15, 2006	Allotment	75,000	10	10	Cash
April 19, 2013	Allotment	21,429	10	10	Cash
Total		**96,429**			

(x) The details of the build-up of shareholding of Marvin Samson in our Company is set forth below:

Marvin Samson					
Date of transaction	**Nature of transaction**	**Number of Equity Shares**	**Face value (₹)**	**Issue/ acquisition price per Equity Share (₹)**	**Nature of consideration**
November 15, 2006	Allotment	200,000	10	35	Cash
April 19, 2013	Allotment	57,143	10	10	Cash
Total		**257,143**			

(y) The details of the build-up of shareholding of Fakrul Sayeed in our Company is set forth below:

Fakrul Sayeed					
Date of transaction	**Nature of transaction**	**Number of Equity Shares**	**Face value (₹)**	**Issue/ acquisition price per Equity Share (₹)**	**Nature of consideration**
November 15, 2006	Allotment	50,000	10	35	Cash
April 19, 2013	Allotment	14,286	10	10	Cash
Total		**64,286**			

4. **Shareholding Pattern of our Company**

(i) The table below presents the shareholding pattern of the Equity Shares before the proposed Issue and as adjusted for the Issue:

Category Code	**Category of Shareholder**	**Number of Shareholders**	**Pre-Issue**				**Post-Issue**				**Shares Pledged or otherwise encumbered**	
			Total Number of Shares	**Number of Shares held in Dematerialised form**	**Total Shareholding as a percentage of total number of shares**		**Total Number of Shares**	**Number of Shares held in Dematerialised form**	**Total Shareholding as a percentage of total number of shares**			
					As a Percentage of (A+B)	**As a Percentage of (A+B+C)**			**As a Percentage of (A+B)**	**As a Percentage of (A+B+C)**	**No. of Shares**	**As a Percentage**
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)					(VIII)	(IX)= (VIII)/(IV)*100
(A)	**Promoter and**											

Category Code	Category of Shareholder	Number of Shareholders	Pre-Issue				Post-Issue				Shares Pledged or otherwise encumbered	
			Total Number of Shares	Number of Shares held in Dematerialised form	Total Shareholding as a percentage of total number of shares		Total Number of Shares	Number of Shares held in Dematerialised form	Total Shareholding as a percentage of total number of shares			
					As a Percentage of (A+B)	As a Percentage of (A+B+C)			As a Percentage of (A+B)	As a Percentage of (A+B+C)	No. of Shares	As a Percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)					(VIII)	(IX)= (VIII)/(IV)*100
	Promoter Group											
1	**Indian**											
(a)	Individual / HUF	22	34,999,992	-	77.41	77.41	[●]	[●]	[●]	[●]	-	-
(b)	Central / State Government(s)	-	-	-	-	-	[●]	[●]	[●]	[●]	-	-
(c)	Bodies Corporate	-	-	-	-	-	[●]	[●]	[●]	[●]	-	-
(d)	Financial Institutions / Banks	-	-	-	-	-	[●]	[●]	[●]	[●]	-	-
(e)	Any Others (Specify)	-	-	-	-	-	[●]	[●]	[●]	[●]	-	-
	Sub Total (A)(1) :	22	34,999,992	-	77.41	77.41	[●]	[●]	[●]	[●]	-	-
2	**Foreign**											
(a)	Individual(Non-Resident Individuals / Foreign Individuals)	2	108,483	-	0.24	0.24	[●]	[●]	[●]	[●]	-	-
(b)	Bodies Corporate		-	-	-	-	[●]	[●]	[●]	[●]	-	-
(c)	Institutions		-	-	-	-	[●]	[●]	[●]	[●]	-	-
(d)	Qualified Foreign Investor		-	-	-	-	[●]	[●]	[●]	[●]	-	-
	Any Others (Specify)											
	Sub Total (A)(2) :	2	108,483	-	0.24	0.24	[●]	[●]	[●]	[●]	-	-
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1) + (A)(2)	**24**	**35,108,475**	**-**	**77.65**	77.65	[●]	[●]	[●]	[●]	-	-
(B) Public shareholding												
1	**Institutions**											
(a)	Mutual Funds / UTI		-	-	-	-	[●]	[●]	[●]	[●]	-	-
(b)	Financial Institutions / Banks		-	-	-	-	[●]	[●]	[●]	[●]	-	-
(c)	Central / State Government(s)		-	-	-	-	[●]	[●]	[●]	[●]	-	-
(d)	Venture Capital Funds		-	-	-	-	[●]	[●]	[●]	[●]	-	-
(e)	Insurance Companies		-	-	-	-	[●]	[●]	[●]	[●]	-	-
(f)	Foreign Institutional Investors		-	-	-	-	[●]	[●]	[●]	[●]	-	-
(g)	Foreign Venture Capital Investors	1	5,918,386	-	13.09	13.09	[●]	[●]	[●]	[●]	-	-
(h)	Qualified Foreign Investor		-	-	-	-	[●]	[●]	[●]	[●]	-	-
(I)	Others (Specify)		-	-	-	-	[●]	[●]	[●]	[●]	-	-
	Private Equity						[●]	[●]	[●]	[●]		
	Investment Fund						[●]	[●]	[●]	[●]		
	Sub Total (B)(1) :	1	5,918,386	-	13.09	13.09	[●]	[●]	[●]	[●]	-	-
B 2.	**Non-Institutions**											
(a)	Bodies Corporate		-	-	-	-	[●]	[●]	[●]	[●]	-	-
(b)	Individual											
(i)	Indiviual Shareholders Holding Nominal Share Capital upto ` 1 lakh	27	1,157,986	-	2.56	2.56	[●]	[●]	[●]	[●]	-	-
(ii)	Indiviual Shareholders Holding Nominal Share Capital in excess of ₹ 1 lakh	10	3,028,182	-	6.70	6.70	[●]	[●]	[●]	[●]	-	-
(c)	Qualified Foreign		-	-	-	-		[●]	[●]	[●]	-	-

Category Code	Category of Shareholder	Number of Shareholders	Pre-Issue				Post-Issue				Shares Pledged or otherwise encumbered	
			Total Number of Shares	Number of Shares held in Dematerialised form	Total Shareholding as a percentage of total number of shares		Total Number of Shares	Number of Shares held in Dematerialised form	Total Shareholding as a percentage of total number of shares			
					As a Percentage of (A+B)	As a Percentage of (A+B+C)			As a Percentage of (A+B)	As a Percentage of (A+B+C)	No. of Shares	As a Percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)					(VIII)	(IX)= (VIII)/(IV)*100
	Investor											
(d)	Any Others (Specify)		-	-	-	-		[●]	[●]	[●]	-	-
	Sub Total (B)(2) :	37	4,186,168	-	9.26	9.26		[●]	[●]	[●]	-	-
	Total (B)=(B)(1) + (B)(2)	**38**	**10,104,554**	-	**22.35**	**22.35**		[●]	[●]	[●]	-	-
	Total (A) + (B)	**62**	**45,213,029**	-	**100.00**	**100.00**		[●]	[●]	[●]	-	-
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**	-	-	-		-		[●]	[●]	[●]		
(i)	Promoter and Promoter Group	-	-	-		-		[●]	[●]	[●]		
(ii)	Public	-	-	-		-		[●]	[●]	[●]		
	Total (A) + (B) + (C)	**62**	**45,213,029**	-	100.00	**100.00**		[●]	[●]	[●]		
(D)	**Public pursuant to the Issue**											
	Grand Total (A)+(B)+(C)+(D)											

5. **Public shareholders holding more than 1% of the pre-Issue paid-up capital of our Company:**

The details of the public shareholders holding more than 1% of the pre-Issue paid-up capital of our Company and their pre-Issue and post-Issue shareholding are set forth in the table below:

S. No.	Name of the Shareholder	Pre-Issue		Post-Issue	
		Number of the Equity Shares held	Percentage (%)	Number of the Equity Shares held	Percentage (%)
1.	Blackstone GPV Capital Partners Mauritius V-C Limited	5,918,386	13.09	[●]	[●]
2.	Sonali Mehta	691,530	1.53	[●]	[●]
3.	Arun Kumar Khanna	642,857	1.42	[●]	[●]

6. The list of top 10 Shareholders and the number of the Equity Shares held by them is as under:

(a) As of the date of the Draft Red Herring Prospectus:

Sr. No.	Name of the shareholder	Number of the Equity Shares held	Percentage
1.	Satish Ramanlal Mehta(1)	17,647,537	39.03
2.	Blackstone GPV Capital Partners Mauritius V-C Limited	5,918,386	13.09
3.	Sanjay Rajanikant Mehta(2)	4,246,690	9.39
4.	Sunil Rajanikant Mehta(3)	3,361,166	7.43
5.	Samit Satish Mehta	3,336,130	7.38
6.	Kamini Mehta(4)	2,766,421	6.12
7.	Bhavna Mehta(5)	2,305,990	5.10
8.	Sonali Mehta(6)	1,764,054	3.90
9.	Namita Thapar	1,584,950	3.51
10.	Pushpa Mehta(7)	1,084,013	2.40

Sr. No.	Name of the shareholder	Number of the Equity Shares held	Percentage
TOTAL		**44,015,337**	**97.35**

(1) *Includes joint holding of Satish Ramanlal Mehta with Bhavna Mehta.*
(2) *Includes joint holdings of Sanjay Rajanikant Mehta with Sonali Mehta and Manan Mehta.*
(3) *Includes joint holdings of Sunil Rajanikant Mehta with Kamini Mehta, Rutav Mehta and Neeraj Mehta.*
(4) *Includes joint holding of Kamini Mehta with Sunil Rajanikant Mehta and Rutav Mehta.*
(5) *Includes joint holding of Bhavna Mehta with Satish Ramanlal Mehta.*
(6) *Includes joint holding of Sonali Mehta with Sanjay Rajanikant Mehta and Anvi Mehta.*
(7) *Includes joint holding of Pushpa Mehta with Rajanikant Mehta.*

(b) As of 10 days prior to the date of the Draft Red Herring Prospectus:

Sr. No.	Name of the shareholder	Number of the Equity Shares held	Percentage
1.	Satish Ramanlal Mehta(1)	17,647,537	39.03
2.	Blackstone GPV Capital Partners Mauritius V-C Limited	5,918,386	13.09
3.	Sanjay Rajanikant Mehta(2)	4,246,690	9.39
4.	Sunil Rajanikant Mehta(3)	3,361,166	7.43
5.	Samit Satish Mehta	3,336,130	7.38
6.	Kamini Mehta(4)	2,766,421	6.12
7.	Bhavna Mehta(5)	2,305,990	5.10
8.	Sonali Mehta(6)	1,764,054	3.90
9.	Namita Thapar	1,584,950	3.51
10.	Pushpa Mehta(7)	1,084,013	2.40
TOTAL		**44,015,337**	**97.35**

(1) *Includes joint holding of Satish Ramanlal Mehta with Bhavna Mehta.*
(2) *Includes joint holdings of Sanjay Rajanikant Mehta with Sonali Mehta and Manan Mehta.*
(3) *Includes joint holdings of Sunil Rajanikant Mehta with Kamini Mehta, Rutav Mehta and Neeraj Mehta.*
(4) *Includes joint holding of Kamini Mehta with Sunil Rajanikant Mehta and Rutav Mehta.*
(5) *Includes joint holding of Bhavna Mehta with Satish Ramanlal Mehta.*
(6) *Includes joint holding of Sonali Mehta with Sanjay Rajanikant Mehta and Anvi Mehta.*
(7) *Includes joint holding of Pushpa Mehta with Rajanikant Mehta.*

(c) As of two years prior to the date of the Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholder	Number of the Equity Shares held	Percentage (%)
1.	Satish Ramanlal Mehta(1)	9,414,002	26.77
2.	Blackstone GPV Capital Partners Mauritius V-C Limited	4,603,189	13.09
3.	Sanjay Rajanikant Mehta(2)	4,246,690	12.08
4.	Sunil Rajanikant Mehta(3)	3,361,166	9.56
5.	Samit Satish Mehta	3,276,130	9.32
6.	Kamini Mehta(4)	2,766,421	7.87
7.	Bhavna Mehta(5)	2,305,990	6.56
8.	Sonali Mehta(6)	1,764,054	5.02
9.	Namita Thapar	1,517,450	4.32
10.	Pushpa Mehta(7)	1,084,013	3.08
TOTAL		**34,339,105**	**97.67**

(1) *Includes joint holding of Satish Ramanlal Mehta with Bhavna Mehta.*
(2) *Includes joint holdings of Sanjay Rajanikant Mehta with Sonali Mehta and Manan Mehta.*
(3) *Includes joint holdings of Sunil Rajanikant Mehta with Kamini Mehta, Rutav Mehta and Neeraj Mehta.*
(4) *Includes joint holding of Kamini Mehta with Sunil Rajanikant Mehta and Rutav Mehta.*
(5) *Includes joint holding of Bhavna Mehta with Satish Ramanlal Mehta.*
(6) *Includes joint holding of Sonali Mehta with Sanjay Rajanikant Mehta and Anvi Mehta.*
(7) *Includes joint holding of Pushpa Mehta with Rajanikant Mehta.*

7. The table below sets forth the details of the Equity Shares issued by our Company at a price which may be lower than the Issue Price during a period of one year preceding the date of this Draft Red

Herring Prospectus:

Sr. No.	Name of Person/Entity	Date of Allotment	Number of the Equity Shares	Issue price (₹)	Reason
1.	Equity shareholders of our Company including Promoters and Promoter Group	April 19, 2013	10,047,340[(1)]	10	Rights issue in the ratio of two Equity Shares for every seven Equity Shares held by our Shareholders on the record date

(1) *Our Company had allotted 10,047,340 Equity Shares pursuant to a rights issue approved by our Shareholders in the meeting held on February 8, 2013 which included 1,574,306 Equity Shares allotted to non-resident shareholders. For further details, see the section "Risk Factors – Our Company has allotted Equity Shares to its existing resident and non-resident shareholders on April 19, 2013 pursuant to a rights issue (the "Rights Issue"). In this regard, our Company has received a letter dated June 11, 2013 from the RBI (the "RBI Letter") requiring our Company for a copy of the Government approval. Our Company has responded to the same indicating the rationale for not obtaining prior Government approval for the Rights Issue. In the event, such allotment is considered non-compliant with the foreign exchange laws, our Company may be subject to regulatory actions including imposition of penalties by the regulators" on page 20.*

8. **Employee Stock Option Scheme**

Our Company instituted the Emcure Employee Stock Option Plan 2013 ("**Emcure ESOP 2013**") on June 14, 2013 effective from the same date, pursuant to the Board resolution dated June 5, 2013 and the Shareholders' resolution dated June 14, 2013.The purpose of the Emcure ESOP 2013 is to reward our employees for their performance and to motivate them to contribute to the growth and profitability of our Company. The options pursuant to the Emcure ESOP 2013 would be granted to the employees as determined by the Remuneration Committee of our Company.

The Board, pursuant to its resolution dated June 26, 2013, has approved the grant of 710,000 options convertible into Equity Shares which shall be granted by our Company after the date of filing the Draft Red Herring Prospectus but prior to the date of filing the Red Herring Prospectus with the RoC. The Company may grant options under Emcure ESOP 2013 (or any other stock option schemes), in one or more tranches, to the employees not exceeding 5.0% of the issued and paid-up Equity Shares, with each such option conferring a right upon the employee to apply for one Equity Share of the Company, in accordance with the terms and conditions of the Emcure ESOP 2013. The maximum aggregate number of the Equity Shares in respect of which the options may be granted under the ESOP 2013 is 2,260,651 Equity Shares. Provided however that the number of the Equity Shares to be issued pursuant to the conversion of the options under the Emcure ESOP 2013 can be increased with the prior approval of the Shareholders such that the Equity Shares do not exceed five per cent of the paid-up capital as on the date of the approval of the Shareholders.

The following table sets forth the particulars of the options that may be granted under Emcure ESOP 2013:

Particulars	Details
Options granted as of the date of the Draft Red Herring Prospectus	Nil
The pricing formula	Fair Market Value of the Equity Shares as determined by an independent valuer
Exercise price of options	₹ 885.00
Total options vested	Nil
Options exercised	Nil
Total number of the Equity Shares that would arise as a result of full exercise of options already granted	N.A.
Options forfeited/lapsed/cancelled	Nil
Variation in terms of options	Nil
Money realised by exercise of options	Nil
Options outstanding (in force)	Nil
Person wise details of options granted to	

Particulars		Details
(i)	Directors and key management employees	Nil
(ii)	Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Nil
(iii)	Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	Nil
Fully diluted EPS on a pre-Issue basis on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'		N.A.
Difference between employee compensation cost using the intrinsic value method and the employee compensation cost that shall have been recognised if the Company had used fair value of options and impact of this difference on profits and EPS of the Company		N.A.
Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock		N.A.
Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option		N.A.
Vesting schedule		N.A.
Lock-in		N.A.
Impact on profits of the last three years		Nil
Intention of the holders of equity shares allotted on exercise of options to sell their shares within three months after the listing of the Equity Shares pursuant to the Issue		N.A.
Intention to sell equity shares arising out of the exercise of shares granted under the scheme within three months after the listing of equity shares by directors, senior managerial personnel and employees amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)		N.A.

9. As on the date of this Draft Red Herring Prospectus, the BRLMs and their respective associates do not hold any Equity Shares in our Company.

10. Any under-subscription in any category, except QIBs, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange.

11. Except as disclosed under the "Capital Structure - Share Capital History of our Company" on page 68, our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act.

12. Except as disclosed below, none of our Promoters, Promoter Group or Directors and their immediate relatives have purchased or sold any Equity Shares during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus with SEBI:

Name of the Director/ Promoters/ Promoter Group	Date of the Transaction	No. of Equity Shares	Transfer price (₹)	Nature of Transaction
Satish Ramanlal Mehta	March 25, 2013	125,000	68,627,443	Transfer
	March 25, 2013	45,000	25,142,578	Transfer
	April 19, 2013	8,063,535	80,635,350	Rights issue
Samit Satish Mehta	March 25, 2013	30,000	8,662,500	Transfer
	March 25, 2013	30,000	8,662,500	Transfer

Name of the Director/ Promoters/ Promoter Group	Date of the Transaction	No. of Equity Shares	Transfer price (₹)	Nature of Transaction
Namita Thapar	March 25, 2013	45,000	12,993,750	Transfer

13. Except as disclosed below, none of our Promoters, Promoter Group or the Directors have purchased/subscribed or sold any securities of our Company within three years immediately preceding the date of filing this Draft Red Herring Prospectus with the SEBI which in aggregate is equal to or greater than 1% of pre-Issue capital of our Company:

Name of the shareholder	Promoter/ Promoter Group/ Director	Total no. of Equity Shares purchased/ subscribed	Percentage of pre-Issue capital
Satish Ramanlal Mehta	Promoter	8,233,535	18.21

14. As of the date of the filing of this Draft Red Herring Prospectus, the total number of holders of the Equity Shares is 62.

15. Our Company, our Directors and the BRLMs have not entered into any buy-back and/or standby arrangements for purchase of the Equity Shares from any person.

16. Except for the approval by the Board for the grant of 710,000 options which will be granted after the filing of the Draft Red Herring Prospectus but prior to the filing of the Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into the Equity Shares as on the date of this Draft Red Herring Prospectus.

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

18. All Equity Shares in the Issue are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

19. Except for the approval by the Board for the grant of 710,000 options which will be granted after the filing of the Draft Red Herring Prospectus but prior to the filing of the Red Herring Prospectus, our Company presently does not intend or propose any further issue of the Equity Shares, whether by way of issue of bonus shares, preferential allotment and rights issue or in any other manner during the period commencing from submission of this Draft Red Herring Prospectus with the SEBI until the Equity Shares have been listed on the Stock Exchanges.

20. Except for the approval by the Board for the grant of 710,000 options which will be granted after the filing of the Draft Red Herring Prospectus but prior to the filing of the Red Herring Prospectus, our Company presently do not intend or propose to alter its capital structure for a period of six months from the Bid/Issue Opening Date, by way of split or consolidation of the denomination of the Equity Shares or further issue of the Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for the Equity Shares) whether on a preferential basis or by way of issue of bonus issue or on a rights basis or by way of further public issue of the Equity Shares or qualified institutional placements or otherwise.

21. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

22. An oversubscription to the extent of 10% of the Issue can be retained for the purposes of rounding off to the nearer multiple of minimum allotment lot.

23. Our Promoters and Promoter Group will not participate in the Issue.

24. There have been no financial arrangements whereby our Promoter Group, Directors and their relatives have financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity during a period of six months preceding the date of filing of this Draft Red Herring Prospectus.

OBJECTS OF THE ISSUE

The Issue consists of the Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders.

Offer for Sale

Our Company will not receive any proceeds from the Offer for Sale by the Selling Shareholders.

Fresh Issue

The Net Proceeds are estimated to be approximately ₹ [●] million.

Our Company intends to utilise the Net Proceeds for the following objects:

(i). meeting capital expenditure requirements in relation to setting up of new manufacturing facilities and expansion of existing manufacturing facilities;
(ii). meeting costs related to research and development; and
(iii). meeting expenses in relation to general corporate purposes.

The main objects and objects incidental and ancillary to the main objects set out in the Memorandum of Association enable our Company to undertake its existing activities and the activities for which funds are being raised by our Company through the Fresh Issue.

The details of the Net Proceeds are summarised in the table below:

Particulars	Amount (₹ in million)
Gross Proceeds from the Issue(1)	[●]
(Less) Issue related expenses(1)(2)	[●]
(Less) Offer for Sale portion(1)	[●]
Net Proceeds(1)	**[●]**

(1) *To be finalised upon determination of the Issue Price.*
(2) *Only the proportionate Issue related expenses borne by our Company would be included. Except for listing fee which will be borne by the Company, all expenses relating to the Issue will be borne by the Company and the Selling Shareholders in proportion to the Equity Shares contributed by each of them to the Issue.*

Utilisation of the Net Proceeds

The proposed utilisation of the Net Proceeds is set forth in the table below:

(₹ in million)

Particulars	Amount
Capital expenditure requirements in relation to setting up of new manufacturing facilities and expansion of existing manufacturing facilities	1,197.1
Expenditure related to research and development	1,150.0
General corporate purposes	[●](1)
Total Net Proceeds	[●]

(1) *To be finalised upon determination of the Issue Price.*

The fund requirements for the objects of the Issue are based on internal management estimates and have not been appraised by any bank or financial institution. For further details, see "Risk Factors - Our Company will not receive any proceeds from the Offer for Sale portion. Further, the deployment of the net proceeds is entirely at our discretion and is not subject to any monitoring by any independent agency" on page 37. Our Company may have to revise its capital expenditure and fund requirements due to external factors including economic and business conditions, increased competition and government policies in relation to pharmaceutical industry, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management.

Schedule of Utilisation of the Net Proceeds

The fund requirements in respect of setting up of new manufacturing facilities and expansion of existing manufacturing facilities and research and development, as described below, are proposed to be entirely funded from the Net Proceeds. The Net Proceeds are currently expected to be deployed in accordance with the schedule set forth below:

(₹ in million)

Sr. No.	Particulars	Estimated schedule of deployment of Net Proceeds		
		Fiscal 2015	Fiscal 2016	Total
1.	Capital expenditure for setting up of new manufacturing facilities and expansion of existing manufacturing facilities	655.1	542.0	**1,197.1**
2.	Expenditure related to research and development	613.1	536.9	**1,150.0**
3.	General corporate purposes	[●]	[●]	[●]
Total		[●]	[●]	[●]

In case of any variation in the actual utilisation of funds earmarked for the objects set forth above, any additional fund requirements for a particular object may be financed from the surplus funds, if any, available in respect of the other objects for which funds are being raised pursuant to the Fresh Issue. In case of the Net Proceeds raised pursuant to the Issue are inadequate to meet the objects stated above, our Company may explore a range of options including utilising its internal accruals and obtaining debt from lenders. In the event that the estimated utilisation of the Net Proceeds in a Fiscal is not completely met, the same shall be utilised in the next Fiscal.

Any amount deployed by our Company out of internal accruals towards the aforementioned objects during the period between the date of filing of the Draft Red Herring Prospectus and the date of receipt of Net Proceeds shall be reimbursed to our Company from the Net Proceeds.

Details of the Objects of the Fresh Issue

I. Capital expenditure for setting up of new manufacturing facilities and expansion of the existing manufacturing facilities

We operate nine manufacturing facilities which includes eight manufacturing facilities in India and one manufacturing facility in the United States capable of manufacturing a wide range of dosage forms including oral solids, oral liquids, soft gelatin capsules and injectables. Our state-of-the-art facilities implement international cGMP to produce quality products. Our advanced manufacturing facilities have helped us to establish long standing relationships with multi-national pharmaceutical companies through long-term manufacturing contracts.

Our manufacturing facility located at I.T.B.T. Park, Phase II, MIDC, Hinjewadi, Pune (the "**Hinjewadi Facility**") currently manufactures variety of solid orals, injectables, oncology related injectable and vials and biopharmaceutical related APIs. For further details, see the section "Our Business – Manufacturing" on page 141. The Hinjewadi Facility comprises of Plot No. P-I (the "**P-I Facility**") and Plot No. P-II (the "**P-II Facility**"). The P-I Facility of the Hinjewadi Facility is located on a land admeasuring 126,786 square feet which is occupied by our Company on a leasehold basis for the term of one year expiring on November 30, 2013 in terms of the memorandum of understanding dated December 1, 2005 as amended by the supplemental lease agreement dated January 18, 2013 entered with Gennova Biopharmaceuticals Limited. For further details, see "Risk Factors - We do not own our Registered Office and other premises from which we operate" on page 38. The P-II Facility of the Hinjewadi Facility is located on a land admeasuring 39,829 square metres which is occupied by our Company on a leasehold basis for the term of 95 years beginning from May 1, 2003 in terms of the lease deed dated March 24, 2003 entered with the Maharashtra Industrial Development Corporation.

As part of our growth strategy, we intend to expand our operations and manufacturing capacity at the Hinjewadi Facility by setting up a new oncology solid dosage unit at the P-II Facility and a steroid injectables unit at P-II Facility as well as expanding the existing injectables unit at P-I Facility. In relation to the above, we estimate a total capital expenditure of ₹ 1,195.3 million and intend to utilise the Net Proceeds for the said expenditure during Fiscals 2015 and 2016. This estimate is primarily based on the quotations received from various suppliers of certain equipments required for coating, calibrating, validation and others, purchase and installation of plant and machinery as well as associated project site development activities including civil and construction works.

In the event, our Company has to engage suppliers and architects other than our regular suppliers or architects, for any reason, it is possible that their estimates and actual costs may differ from our current estimates. Further, the quotations received from suppliers may also differ due to change in the requirement of equipments resulting from the change in the process, technology or product specifications or prevailing market prices. For further details, see "Risk Factors – We have not entered into any definitive arrangement to utilize certain portions of the Net Proceeds which may mean that we may not achieve the economic benefits expected and could impact our business, financial condition and results of operations" on page 38.

Our Company undertakes to apply and obtain all the necessary approvals and consents for setting up new facilities and expanding existing facility at the Hinjewadi Facility during the course of implementing these expansion plans in Fiscals 2015 and 2016, in accordance with the requirements under applicable law.

The details of our proposed utilisation of the Net Proceeds for these expansion plans at the Hinjewadi Facility are as follows:

Facility	**Estimated cost (in ₹ million)**		
	Fiscal 2015	**Fiscal 2016**	**Total**
Addition of oncology solid dosage unit at the P-II Facility	193.5	223.6	417.2
Addition of steroid injectables unit at P-II Facility	139.2	221.5	360.8
Expansion of the existing injectables manufacturing unit at P-I Facility	322.4	96.9	419.4
Total	**655.1**	**542.0**	**1,197.4**

a. Addition of Oncology Solid Dosage Unit at the P-II Facility

We intend to increasingly focus on oncology as we believe that we have significant growth potential in this therapeutic area. Accordingly, we propose to add the solid dosage manufacturing capability to our existing oncology capability at the P-II Facility. In line with the existing oncology facility, the new unit will also be based on the total isolation system and the following table indicates the details of the estimated expenses:

Sr. No.	**Particulars**	**Estimated cost (in ₹ million)**
1.	Establishing oncology oral solid dosage line along with packaging equipment[1]	288.6
2.	Undertaking associated site activities including civil and construction works[2]	48.0
3.	Installing HVAC[3]	24.0
4.	Installing Utilities[4]	21.6
5	Others[5]	35.0
Total		**417.2**

[1] Based on the quotations received from various vendors.
[2] Based on the quotations received from various vendors including quotation received from Scon Projects Private Limited.
[3] Based on the quotations received from various vendors including quotation received from Trans Tech Turnkey Private Limited.
[4] "Utilities" include items such as insulation, diesel generators, chillers, UPS systems, etc. and the estimates are based on the quotations received from various vendors including quotation received from Indian Cables and Electricals Private Limited.
[5] "Others" include items such as air showers, clean room panels, electrical installations, safety items, etc. and the estimates are based on the quotations received from various vendors including quotation received from Nicomac Clean Rooms Fareast Private Limited.

Implementation

The addition of oncology oral solid dosage unit at the P-II Facility is expected to complete by end of Fiscal 2016.

b. Addition of Steroid Injectables at the P-II Facility

We propose to add a manufacturing unit at the P-II Facility capable of manufacturing steroid injectables. We intend to utilize an aggregate of ₹ 360.1 million to purchase specialized plant and machinery and undertake requisite civil infrastructure work to set up this manufacturing unit. This estimate primarily includes the cost of purchase of specialised plant and machinery as the P-II Facility at the Hinjewadi

Facility has the requisite civil infrastructure for installation of such plant and machinery. The following table indicates the details of the estimated expenses:

Sr. No.	Particulars	Estimated cost (in ₹ million)
1.	Installing Sterilizing lines including isolators[1]	287.8
2.	Installing Utilities[2]	20.7
3.	Installing HVAC[3]	20.0
4.	Undertaking associated site activities including civil works[4]	3.0
5.	Others[5]	29.3
Total		**360.8**

[1]Based on the quotations received from various vendors.
[2]"Utilities" include items such as pumps, chillers, diesel generator, UPS systems, insulation and compressors and the estimates are based on the quotations received from various vendors including quotation received from Powerica Limited.
[3]Based on the quotations received from various vendors including quotation received from Trans Tech Turnkey Private Limited.
[4] Based on quotations received from various vendors including quotation received from Scon Projects Private Limited.
[5]"Others" include items such as air showers, clean room panels, electrical installations, safety items, etc. and the estimates are based on the quotations received from various vendors including quotation received from Nicomac Clean Rooms Fareast Private Limited.

Implementation

The addition of steroid injectables unit at the P-II Facility at Hinjewadi Facility is expected to complete by the end of Fiscal 2016.

c. Expansion of the Existing Injectables Manufacturing Unit at the P-I Facility

We propose to expand the existing injectables manufacturing unit at the P-I Facility at Hinjewadi Facility and install an additional line capable of manufacturing both liquid and lyophilized injectables. We intend to utilize ₹ 419.5 million from the Net Proceeds for the aforesaid additional line. Since the Hinjewadi Facility already has the requisite civil infrastructure for installation of the plant and machinery for estabilishing the existing injectables manufacturing unit, the Net Proceeds will be primarily utilised for purchase of plant and machinery for the proposed additional line. The following table indicates the details of the estimated expenses:

Sr. No.	Particulars	Estimated cost (in ₹ million)
1.	Installing vial line[1]	323.0
2.	Installing HVAC[2]	35.5
3.	Installing Utilities[3]	21.4
4.	Undertaking associated site activities including civil works[4]	1.5
5.	Others[5]	38.0
Total		**419.4**

[1]Based on the quotations received from various vendors.
[2] Based on the quotations received from various vendors including quotation received from Trans Tech Turnkey Private Limited.
[3]"Utilities" include items such as pumps, chillers, insulation, compressors, UPS systems and the estimates are based on the quotations received from various vendors including quotation received from Powerica Limited.
[4] Based on the quotations received from various vendors including Scon Projects Private Limited.
[5]"Others" include items such as air showers, clean room panels, electrical installations, safety items, etc. and the estimates are based on the quotations received from various vendors including quotation received from Nicomac Clean Rooms Fareast Private Limited.

Implementation

The expansion of the existing injectables manufacturing unit at the P-I Facility is expected to be completed by the end of Fiscal 2016.

II. Expenditure related to research and development

The research and development forms cornerstone of our operations and continued growth and is essential to ensure robust product pipeline for the future. Our research and development team consists of over 400 scientists and we conduct research and development activities at our various facilities located at Bhosari, Pimpri and Hinjewadi at Pune and the facility located at East Brunswick, New Jersey. Our research and development team is experienced in handling regulatory filings including, submitting DMFs, ANDAs and

Marketing Authorizations in common technical document format, with regulators in the United States. As of March 31, 2013, our research and development team had filed filed 229 patent applications including 21 PCT applications, had developed over 300 formulations and had filed 68 DMFs (including four DMFs for our partners) and 155 ANDAs (including 36 for our partners) for the United States market and had obtained numerous product registrations across other geographies.

The development of an ANDA can be broadly categorized in the following four stages subsequent to identification of the source of an API:

- ***Formulation development:*** This stage is initiated by conducting a feasibility study for selecting the appropriate excipients for aiding the manufacture of the API. Upon completion of the feasibility study, a formulation is developed which could result in a product that is bioequivalent to the relevant product (which might be the innovator product or already approved and established product). Subsequently, test for quality, purity and stability of the formulation is conducted in small research and development batches as per the analytical method developed in relation to the product. Once successful testing of the small batches is completed, the technology and process for development of the formulation is transferred to a large scale manufacturing facility for manufacture of the formulation in large batches. The entire process is typically completed in six to twenty one months depending on the complexity of the product.

- ***Validation batch manufacturing and stability studies:*** At this stage, the formulation is manufactured in large batches in a cGMP compliant manufacturing facility. Upon completion of manufacture of large batches, the large batches are analysed and tested against the agreed specification as per the aforesaid analytical methods. These batches are also subjected to accelerated stability testing to ascertain the shelf life of the product. This stage typically takes around eight to ten months for completion.

- ***Bio-equivalence studies:*** In case of products where bio-equivalence study is required to be conducted, the large batches are subjected to bio-equivalence studies on healthy volunteers to verify the effectiveness of the product including its ability of absorption, time to act and the performance in comparison with the relevant product. This stage takes around three to six months on an average to complete, which typically overlaps with the time during which accelerated stability studies are undertaken.

- ***Regulatory filing and approval:*** Once all the aforesaid stages in the developmental cycle of an ANDA have been completed with necessary reports, all the reports and other relevant documents are compiled as prescribed by the regulatory authority. This process typically takes around two to four weeks. Upon completion of the compilation of necessary documents, the filing is made with the relevant regulatory authority. The final grant of approval by the relevant regulatory authority typically takes two to three years depending upon lapses and errors in the documents submitted and the queries raised by the regulatory authorities. However, in certain cases, the approval may be received in a shorter period especially in case of shortage of that particular drug.

  USFDA has, with effect from October 1, 2012, introduced a filing fee for submittting the application for an ANDA and increased the minimum requirements for obtaining approval. Both of these steps have resulted in increasing the cost of developing a product. However, these review commitments by USFDA are expected to significantly reduce the time for receiving approval for original ANDAs.

We intend to utilize ₹ 1,150.0 million from the Net Proceeds towards funding of research and development for ANDA filing for 44 products. We intend to utilize ₹ 613.1 million in Fiscal 2015 and ₹ 536.9 million in Fiscal 2016 based on our cost estimation of the various stages as indicated above and related expenses which are summarised below:

Stages	**Fiscal 2015**	**Fiscal 2016**	**Total**
Formulation development	324.7	47.8	372.5
Validation batch manufacturing and stability studies	136.6	120.6	257.2
Bio-equivalence studies	151.8	243.8	395.6
Regulatory filing	-	124.7	124.7
Total	**613.1**	**536.9**	1,150.0

Implementation

Our Company expects to make regulatory filings for all 44 products by the end of Fiscal 2016. However, the process of developing products for regulatory filing is dynamic and the list of products so identified or the timeline of their development may need to be reviewed by our Company subsequently. Accordingly, we may be required to review the requirement of funds for developing the products and making regulatory filing for such products depending on any change in potential demand of products in the relevant markets, changes in assumptions for reaching an estimate of the total number of products or the estimated cost involved, any change in regulatory fee in one or more jurisdiction and changes in commerical viability of undertaking the development of the aforesaid products.

III. General Corporate Purposes

Our Company proposes to deploy the balance Net Proceeds aggregating ₹ [●] million towards general corporate purposes, including but not limited to strategic initiatives, partnerships and joint ventures, meeting exigencies which our Company may face in the ordinary course of business, meeting expenses incurred in the ordinary course of business, strengthening our Company's marketing capabilities and any other purpose as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act. Our Company's management, in accordance with the policies of the Board, will have flexibility in utilising any surplus amounts.

Means of Finance

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

The requirements of the objects detailed above are intended to be funded entirely from the Net Proceeds. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the proposed Issue. In case of a shortfall in the Net Proceeds, we may explore a range of options including utilizing our internal accruals, and/or seeking additional debt from existing and or other lenders.

Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds. However, depending on business requirements, our Company may consider raising bridge financing facilities, pending receipt of the Net Proceeds.

Interim use of Net Proceeds

Our management will have flexibility in deploying the Net Proceeds. Pending utilization for the purposes described above, we intend to temporarily invest the funds from the Net Proceeds in various investment avenues such as money market mutual funds, deposits with banks, parking with our Company's bank account and interest bearing securities for the necessary duration. Such investments will be approved by our Board or a committee thereof from time to time. Our Company confirms that pending utilization of the Net Proceeds, it shall not use the funds for any investment in equity or equity linked securities.

Issue Expenses

Other than listing fees, which will be paid by our Company, all expenses with respect to the Issue will be shared between the Selling Shareholders and our Company in proportion to the Equity Shares contributed by each of them to the Issue. The break-up for the estimated Issue expenses is as follows:

Activity	Estimated expenses* (₹ in million)	As a % of the total estimated Issue expenses*	As a % of the total Issue size*

Activity	Estimated expenses* (₹ in million)	As a % of the total estimated Issue expenses*	As a % of the total Issue size*
Book Running Lead Manager (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Commission/processing fee for SCSBs	[●]	[●]	[●]
Brokerage and selling commission for Registered Brokers	[●]	[●]	[●]
Registrar to the Issue	[●]	[●]	[●]
Other advisors to the Issue	[●]	[●]	[●]
Others			
- Listing fees	[●]	[●]	[●]
- Printing and stationary	[●]	[●]	[●]
- Advertising and marketing expenses	[●]	[●]	[●]
- Miscellaneous	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

**To be completed after finalization of the Issue Price*

Monitoring of Utilization of Funds

Since the proceeds from the Fresh Issue are less than ₹ 5,000 million, in terms of Regulation 16(1) of the SEBI Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue. As required under the listing agreements with the Stock Exchanges, the Audit Committee appointed by the Board shall monitor the utilization of the proceeds of the Issue. We will disclose the utilization of the proceeds of the Issue under a separate head along with details, if any in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilised proceeds of the Issue in our balance sheet for the relevant financial years.

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

Our Company shall, in terms of Clause 43A of the Listing Agreement, be required to inform material deviations in the utilisation of Net Proceeds to the Stock Exchanges and shall also be required to simultaneously make the material deviations/adverse comments of the Audit Committee public through advertisements in newspapers.

No part of the Net Proceeds will be paid by us as consideration to our Promoters, Directors, Key Management Personnel or other management personnel of our Company, except in the normal course of business and in compliance with applicable law.

BASIS FOR ISSUE PRICE

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

Investors should also refer to the sections "Our Business", "Risk Factors" and "Financial Statements" on pages 127, 16 and 184, respectively to have an informed view before making an investment decision.

Qualitative Factors

We are a fast growing Indian pharmaceutical company engaged in developing, manufacturing and marketing a broad range of pharmaceutical and biopharmaceutical products globally. We believe the following are our competitive strengths:

- Strong research and development capabilities driving our portfolio of differentiated pharmaceutical products;
- Well positioned in the Domestic Market – as of March 31, 2013, we have become the 14th ranked pharmaceutical company in the market based on the domestic sales of formulations *(Source: IMS Health India, SSA, MAT March 2013);*
- Core competency in manufacturing;
- Diversified income base; and
- Experienced management team.

For further details, see the sections "Our Business" and "Risk Factors" on pages 127 and 16, respectively.

Quantitative Factors

Information presented in this section is derived from the restated consolidated financial information prepared in accordance with the Companies Act and the SEBI Regulations.

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

1. Earning Per Share ("EPS")

As per the restated consolidated financial information:

Financial Period	Basic EPS (₹)	Dilued EPS (₹)#	Weight
Year ended March 31, 2010	63.66	56.24	1
Year ended March 31, 2011	24.91	23.40	2
Year ended March 31, 2012	27.22	27.22	3
Weighted Average	**32.52**	**30.78**	
Nine month period ended December 31, 2012*	16.02	16.02	

Note: EPS calculations have been done in accordance with Accounting Standard 20 -"Earning per share" issued by the Institute of Chartered Accountants of India.
** Not annualized and not comparable to full year EPS.*
 # Adjusted for change in capital.

2. Price Earning Ratio ("P/E" Ratio)

P/E Ratio in relation to Price Band of ₹ [●] to ₹ [●] per Equity Share:

Particulars	P/E at the lower end of Price Band (no. of times)	P/E at the higher end of Price Band (no. of times)
Based on Consolidated Basic EPS for Fiscal 2012	[●]	[●]
Based on Consolidated Basic EPS for the nine month period ending December 31, 2012	[●]	[●]

Particulars	P/E at the lower end of Price Band (no. of times)	P/E at the higher end of Price Band (no. of times)
Based on Consolidated Weighted Average Basic EPS	[●]	[●]

Industry P/E*:

Particulars	P/E
Highest	64.7
Lowest	2.2
Average	22.0

**Note: The P/E ratio is calculated by dividing the current market price (as on June 18, 2012) by the trailing twelve months EPS ended March 2012 of companies with trailing twelve months sales ended march 2012 greater than ` 5,000 million in 'Pharmaceuticals Bulk Drugs and formulations" industry category reported by Capital Markets. (Source: Capital Markets, Vol. XXVII/09 dated June 25 – July 8, 2012)*

3. *Return on Net Worth (RoNW)**

As per restated consolidated financial information:

Particulars	RONW%	Weight
Year ended March 31, 2010	56.16%	1
Year ended March 31, 2011	18.85%	2
Year ended March 31, 2012	18.64%	3
Weighted Average	**24.96%**	

** RoNW is calculated as net profit after taxation and minority interest attributable to the equity shareholders of the Company divided by shareholders' funds for that year. Shareholders' funds = Share capital + reserves & surplus – revaluation reserves. For further details, see the section "Financial Statements" on page 184.*

4. *Minimum Return on Increased Net Worth required for maintaining pre-issue EPS as at March 31, 2012 is:*

To maintain pre-Issue basic EPS

(a) Based on restated consolidated financial information of our Company:
- (i) At the Floor Price - [●]%
- (ii) At the Cap Price - [●]%

To maintain pre-Issue diluted EPS

(b) Based on restated consolidated financial information of our Company:
- (i) At the Floor Price - [●]%
- (ii) At the Cap Price - [●]%

5. *Net Asset Value ("NAV") Per Equity Share**

(a) Net Asset Value per Equity Share as of March 31, 2012 is ₹ 146.02* on a consolidated basis

(b) After the Issue as per restated consolidated financial information of our Company:
- (i) At the Floor Price - [●]%
- (ii) At the Cap Price - [●]%

(c) Issue Price: ₹ [●]#

** NAV (book value per share) = Total shareholders' funds divided by number of shares outstanding as on March 31, 2012.*
 # Issue Price will be determined on the conclusion of the Book Building Process.

6. *Comparison of Accounting Ratios with Industry Peers*

	EPS (₹)		NAV (₹ per share)	P/E	RONW (%)
	Basic	**Diluted**			
Peer Group					
Sun Pharmaceutical Industries Limited	25.00	25.00	117.48	40.8x	21.27%
Cipla Limited	14.25	14.25	95.03	26.3x	15.00%
Dr. Reddy's Laboratories Limited	76.76	76.37	294.23	28.0x	26.08%
Lupin Limited	19.43	19.36	89.85	39.5x	21.62%
Cadila Healthcare Limited	31.87	31.87	125.70	25.6x	25.36%
Glenmark Pharmaceuticals Limited	17.03	17.01	88.77	35.1x	19.17%
Aurobindo Pharma Limited	(4.24)	(4.24)	80.37	NM	(5.28%)
Torrent Pharmaceuticals Limited	33.57	33.57	141.09	24.8x	23.79%
IPCA Laboratories Limited	21.98	21.97	99.66	27.8x	22.09%
Wockhardt Limited	31.31	31.15	134.42	38.3x	23.30%

Source: Respective annual report of the company, as available, for the Financial Year 2012. Information on industry peer is on a consolidated basis.

Notes:

1. *Above information is based on consolidated financials as of and for the year ended March 31, 2012.*
2. *Shareholders' funds = Share capital + reserves & surplus – revaluation reserve.*
3. *NAV (book value per share) = Total shareholders' funds divided by number of shares outstanding as on March 31, 2012.*
4. *Ratio of the closing price as on June 4, 2013 on BSE and basic earnings per share for the year ended March 31, 2012.*
5. *RONW is calculated as net profit after taxation and minority interest attributable to the equity shareholders of the respective companies divided by shareholders' funds (Share capital + reserves & surplus- revaluation reserve) for the year ending March 31, 2012.*

The peer group above has been determined on the basis of listed public companies comparable in size to our Company whose business portfolio is comparable with our Company's business.

Since the Issue is being made through the Book Building Process, the Issue Price will be determined on the basis of investor demand.

The face value of the Equity Shares is ₹ 10 each and the Issue Price is [●] times of the face value of the Equity Shares.

The Issue Price of ₹ [●] has been determined by our Company in consultation with the BRLMs on the basis of the demand from investors for the Equity Shares through the Book Building Process and is justified based on the above accounting ratios. For further details, see the section "Risk Factors" on page 16 and the financials of our Company including important profitability and return ratios, as set out in the section "Financial Statements" on page 184 to have a more informed view. The trading price of the Equity shares of our Company could decline due to the factors mentioned in the section "Risk Factors" on page 16 and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

To
The Board of Directors
Emcure Pharmaceuticals Limited
Emcure House
T-184, MIDC,
Bhosari
Pune - 411026

Auditors' Report on statement of tax benefits available to Emcure Pharmaceuticals Limited and its shareholders

1. This report is issued in accordance with the terms of our agreement dated January 25, 2013.

2. The accompanying statement of tax benefits (the "Statement") available to Emcure Pharmaceuticals Limited ("EPL" or the "Company") and its shareholders under the Income-tax Act, 1961 (read with Income-tax Rules, circulars, notifications) as amended by Finance Act, 2013 and the Wealth Tax Act, 1957 (hereinafter referred to as the "Income Tax and Wealth Tax Regulations"), has been prepared by the Management of the Company, pursuant to the requirements of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (herein after referred to as the "SEBI Regulations") and paragraph B of Part I of Schedule II to the Companies Act, 1956 (hereinafter referred to as the "Act") in connection with the Initial Public Offering of Equity Shares of the Company, which we have initialed for identification purposes.

Management's Responsibility for the Statement

3. The preparation of the Statement as at the date of our report, which is to be included in the Draft Red Herring Prospectus (DRHP), is the responsibility of the Management of the Company and has been approved by the Board of Directors at its meeting held on June 26, 2013, for the purpose set out in paragraph 9 below. The Management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditors' Responsibility

4. Our work has been carried out in accordance with Generally Accepted Auditing Standards in India, as per the 'Guidance Note on Audit Reports and Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India. Our work has not been carried out in accordance with the auditing standards generally accepted in the United States of America ("U.S.") and accordingly should not be relied upon by U.S. investors as if it had been carried out in accordance with those standards or any other standards besides the standards referred to in this report.

5. Pursuant to SEBI Regulations, it is our responsibility to report whether the Statement presents, in all material respects, the possible benefits available as of December 31, 2012 to the Company and its shareholders, in accordance with the Income Tax and Wealth Tax Regulations as at the date of our report.

6. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the SEBI Regulations in connection with the proposed public Issue.

Inherent Limitation

7. We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information.

Several of the benefits mentioned in the accompanying statement are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which may or may not be fulfilled. The benefits discussed in the accompanying statement are not exhaustive.

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

Further, we give no assurance that the Revenue authorities/ Courts will concur with our 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.

Opinion

8. In our opinion, the Statement presents, in all material respects, the possible benefits available as of December 31, 2012 to the Company and its shareholders, in accordance with the Income Tax and Wealth Tax Regulations as at the date of our report.

   Considering the matter referred to in paragraph 7 above, we are unable to express any opinion or provide any assurance as to whether:

(i) The Company or its shareholders will continue to obtain the benefits per the Statement in future; or

(ii) The conditions prescribed for availing the benefits per the Statement have been/ would be met with.

Restriction on Use

9. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the DRHP, prepared in connection with the proposed Initial Public Offering of Equity Shares of the Company, to be filed by the Company with the SEBI and the concerned Registrar of Companies.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership Number 48125

Place: Pune
Date : June 26, 2013

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO EMCURE PHARMACEUTICALS LIMITED ('EMCURE' OR 'THE COMPANY') AND ITS SHAREHOLDERS

The tax benefits listed below are the possible benefits available under the current direct tax laws presently in force in India. Several of these benefits are dependent on the company or its shareholders fulfilling specified conditions prescribed under the relevant tax laws. Hence, the ability of the company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperative it faces in the future, it may or may not choose to fulfill. This Statement is only intended to provide the tax benefits to the company and its shareholders in a general and summary manner and does not purport to be a complete analysis or listing of all the provisions or possible tax consequences of the subscription, purchase, ownership or disposal etc. of shares. In respect of non-residents, the tax rates and the consequent taxation mentioned above will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has Fiscal domicile. In view of the individual nature of tax consequences and the changing tax laws, each investor is advised to consult his/her own tax adviser with respect to specific tax implications arising out of their participation in the issue.

The following key tax benefits are available to the company and the prospective shareholders under the current direct tax laws in India for the financial year ('FY') 2013-14.

I. SPECIAL TAX BENEFITS TO THE COMPANY

The Company is entitled to following special tax benefits under the Act.

1. **Benefit under section (u/s) 80-IB for the Jammu Unit –** The Company has set up a manufacturing unit in Jammu on 25 April 2009 (FY 2009-10). Accordingly, it is eligible to claim deduction under section 80-IB from AY 2010-11 till AY 2014-15 at 100% of profits and gains derived from industrial undertaking and from AY 2015-16 to 2019-20 at 30% of profits and gains derived from industrial undertaking located at Jammu location.

The company has claimed this deduction in its Return of Income in the past years. The deduction would be available subject to fulfillment of conditions such as obtaining Audit report in form 10CCB and other conditions specified u/s 80-IB(2).

2. **Deduction under section 35(2AB) –** As per section 35(2AB), where a company engaged in the business of bio-technology or in any business of manufacture or production of any article or thing, incurs any expenditure on scientific research (not being expenditure in the nature of cost of any land or building) on in-house research and development facility as approved by the prescribed authority, then, there shall be allowed a deduction of [a sum equal to two times of the expenditure] so incurred. Such weighted deduction under section 35(2AB) is available till AY 2017-18.

The Company is claiming a weighted deduction of 200% on the expenditure incurred on clinical trial research, Bioequivalence studies Research expenses, tangible and intangible assets (other than land and building) and other revenue expenditure specified for deduction under section 35(2AB).

3. **Deduction under section 35(i)(iv) –** As per section 35(i)(iv), expenditure of capital nature on scientific research related to the business carried on by the assessee, would be allowed as deduction in the year of in which such capital expenditure is incurred.

The company is claiming 100% deduction of expenditure incurred on prescribed assets, which qualify as per section 35(1)(iv).

4. As per section 115BBD(1), the dividend received during FY 2013-14 by the company from a foreign company (where the equity stake of the company is 26 percent or more) would be chargeable to tax in the hands of the company at a concessional rate of 15% (plus applicable surcharge and education cess).

Further, as per section 115BBD(2), no deduction would be allowed in respect of expenditure incurred in earning such dividend. Further, credit of taxes, if any, paid in the country of residence of the company from whom dividend is received should be available based on specific provisions of tax treaty entered into between India and such country.

II. GENERAL TAX BENEFITS TO THE COMPANY

A. Under the Income-tax Act, 1961 ('the Act')

Subject to the fulfillment of conditions prescribed under the sections mentioned hereunder, the Company will be eligible, *inter-alia,* for the following specified exemptions/ deductions/benefits in respect of its total income-

1. Deductions/exemptions/benefits available while computing business income

1.1. Depreciation

Under section 32 of the Act, the company is entitled to claim depreciation subject to the specified conditions and at the prescribed rates on assets used for the purposes of business. In case of any new plant and machinery (other than specified exclusions) acquired by the Company, the company is entitled to a further sum equal to twenty per cent of the actual cost of such machinery or plant subject to conditions specified in Section 32 of the Act.

Unabsorbed depreciation, if any, for any assessment year can be carried forward and set off against any source of income of subsequent assessment years as per section 32 of the Act. There is no time limit for set off or carry forward of unabsorbed depreciation.

1.2. Investment allowance for new investment in plant and machinery exceeding INR 1000 million

As per the newly inserted section 32AC, the company is entitled to claim an investment allowance at the rate of 15% of the actual cost of new assets, subject to satisfaction of conditions specified in the section. Such conditions include investment of more than INR 1000 million in the plant and machinery within a window of 2 years (i.e after 31 March 2013 but before 1 April 2015).

1.3. Additional deduction for employment of new workmen

As per the provisions of section 80JJAA, the Company is entitled to a deduction of an amount equal to 30% of additional wages paid to new regular workmen employed during the previous year for 3 assessment years. The deduction is available subject to satisfaction of prescribed conditions, which include employment of more than 100 regular employees in the previous year for a period of more than 300 days.

2. Deductions/exemptions/benefits available while computing capital gains

2.1. As per section 10(38) of the Act, the company would be entitled to an exemption from tax in respect of long-term capital gains arising from sale of equity shares or units of equity oriented mutual fund (equity oriented mutual funds are those funds where more than sixty five percent of the investible funds are invested in equity shares of domestic companies), provided that the transaction of sale of such equity shares or units has happened on Recognized Stock Exchange in India and is chargeable to Securities Transaction Tax ("STT"). The shares/units would be considered as long term capital assets provided they are held for a period exceeding 12 months.

However, such income shall be taken into account while computing the book profits under section 115JB of the Act.

2.2. As per section 111A of the Act, short-term capital gains on sale of equity shares or units of an equity oriented fund, where the transaction of such sales is subject to STT, would be chargeable to income-tax at a concessional rate of 15% (plus applicable surcharge and education cess).

2.3. As per section 112 of the Act, long term capital gains arising on transfer of listed securities/units or zero coupon bond (shares/units would be considered as a long term capital asset provided they are held for a period exceeding 12 months), would be taxed at a rate of 20% (plus applicable surcharge and education cess) after indexation, as provided in the second proviso to section 48 of the Act, or at 10% (plus applicable surcharge and education cess) without indexation, at the option of the Company.

2.4. As per section 54EC of the Act and subject to the conditions specified therein, long-term capital gains [not exempt under section 10(38)], can be claimed as exempt from tax to the extent such capital gains are invested in certain notified bonds (currently bonds issued by National Highways Authority of India and Rural Electrification Corporation Limited have been notified for this purpose) within six months from the date of transfer. If only part of the capital gains is so reinvested, the exemption shall be allowed proportionately. However, it is also provided under section 54EC that investments made on or after 1st April 2007 in such bonds, should not exceed Indian Rupees five million during any financial year.

Further, it may be noted that if such bonds are transferred or converted into money (availing loan or advance on the security of such bonds would be considered as conversion into money for this purpose), within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier, would become chargeable to tax as long-term capital gains in the year in which the bonds are so transferred or converted into money.

2.5. According to the provisions of section 74 of the Act, short-term capital loss arising during the year can be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight assessment years for claiming set-off against subsequent assessment years, short term as well as long term capital gains. As per section 74 of the Act, long term capital loss suffered during the year can be set-off only against long-term capital gains. Balance loss, if any, could be carried forward for eight assessment years for claiming set-off against subsequent assessment years, long - term capital gains only.

3. Deductions/exemptions/benefits available while computing income from other sources

3.1. Under section 10(34) of the Act, the company would be eligible for an exemption in respect of income by way of dividend (interim or final) referred to in section 115-O of the Act, received from a domestic company.

Finance Act, 2013 has amended section 115-O with a view to remove the cascading effect in respect of dividends received by a domestic company from a similarly placed foreign subsidiary. Accordingly, where tax on dividend received from the foreign company is payable under section 115BBD by the holding domestic company then, any dividend distributed by the holding company in the same year, to the extent of such dividend shall not be subject to dividend distribution tax under section 115-O of the Act.

3.2. In accordance with and subject to the conditions of provisions of section 10(35) of the Act, the company will be eligible for an exemption in respect of the following income:

- Income received from units of mutual funds specified under section 10(23D) of the Act;
- Income received in respect of units from the Administrator of specified undertaking; and
- Income received in respect of units from the specified company.

4. Other deductions/exemptions/benefits

4.1. As per the provisions of section 14A, the company will not be entitled for deduction in respect of expenditure incurred by the assessee in relation to income which does not form part of total income under this Act.

4.2. As per the provisions of section 72(1) of the Act, the company is entitled to 'set-off' of brought forward business loss, not being loss sustained in a speculation business, against income in subsequent years.

4.3. Subject to the conditions of section 32(2) read with section 72(2) of the Act, the company is entitled to 'set-off' of brought forward unabsorbed depreciation, against income in subsequent years.

4.4. In accordance with and subject to the conditions of section 80G of the Act, the company will be entitled for a deduction of a qualifying amount in respect of specified donations.

4.5. MAT is payable by a company when the income-tax payable on the total income as computed under the Act is less than 18.5% (plus applicable Surcharge + Education and Secondary & Higher Education cess) of its book profit computed as per the specified method.

Under section 115JAA (1A) of the Act, tax credit will be allowed of any tax paid under section 115JB of the Act. The eligible credit for carry forward is the difference between MAT and the tax computed as per the normal provisions of the Act. Such tax credit shall not be available for set-off beyond 10 years succeeding the year in which the tax credit becomes available. The Company shall be eligible to 'set-off' the tax credit only to the extent of the difference between the tax payable under the normal provisions of the Act and MAT in that year.

4.6. In accordance with the provisions of section 90 of the Act, the company may choose to apply the provisions of Act or the provisions of tax treaty entered into by India with other foreign countries, whichever are more beneficial. Also, subject to the provisions of Act and the treaty, the company can claim foreign tax credit in India in respect of doubly taxed income (i.e. where taxes are paid on same income in India as well as outside India).

4.7. Deduction and amortization of certain expenditure

4.7.1. Under section 35D of the Act, the company is entitled to a deduction equal to 1/5th of the expenditure incurred of the nature specified in the said section, including expenditure incurred on present issue, such as underwriting commission, brokerage and other charges, as specified in the provision, by way of amortisation over a period of 5 successive years, beginning with the previous year in which the business commences or after the commencement of its business in connection with the extension of its industrial undertaking or in connection with setting up a new industrial unit, subject to the stipulated limits.

4.7.2. Under section 35DD of the Act, for any expenditure incurred wholly and exclusively for the purposes of amalgamation or demerger, the company is eligible for deduction of an amount equal to 1/5th of such expenditure for each of the five successive years beginning with the year in which amalgamation or demerger takes place.

4.7.3. Under section 35DDA of the Act, the company is eligible for deduction in respect of payments made to its employees in connection with his voluntary retirement for an amount equal to 1/5th of such expenses over 5 successive AY subject to conditions specified in the section.

III. GENERAL TAX BENEFITS TO THE SHAREHOLDERS

A. Under the Act

1. To all shareholders

1.1. Under section 10(34) of the Act, the shareholders will be eligible for an exemption in respect of income by way of dividend (interim or final) referred to in section 115-O of the Act, received on shares from a domestic company.

1.2. In accordance with and subject to the conditions of provisions of section 10(35) of the Act, the shareholders will be eligible for an exemption in respect of the following income:

- Income received from units of mutual funds specified under section 10(23D) of the Act;
- Income received in respect of units from the Administrator of specified undertaking; and
- Income received in respect of units from the specified company.

1.3. Under section 10(38) of the Act, long-term capital gains arising out of sale of equity shares or units of equity oriented fund (shares/units would be considered as a long term capital asset, provided they are held for a period exceeding 12 months), are exempt provided that the transaction of sale of such equity shares or units is chargeable to STT. However, such income shall be taken into account while computing the book profits under section 115JB for corporate assessees.

1.4. Also, as per section 111A of the Act, short-term capital gains on sale of equity shares or units of an equity oriented fund, where the transaction of such sales is subject to STT, shall be chargeable to income-tax at a concessional rate of 15% (plus applicable surcharge and education cess).

2. To resident shareholders

In addition to the tax benefits specified in para 1 above, following are the exemptions/deductions available to the resident shareholder:

2.1. Under section 112 of the Act and other relevant provisions of the Act, long term capital gains arising on transfer of listed securities/units or zero coupon bond (shares/units would be considered as a long term capital asset provided they are held for a period exceeding 12 months), shall be taxed at a rate of 20% (plus applicable surcharge and education cess) after indexation as provided in the second proviso to section 48 or at 10% (plus applicable surcharge and education cess) without indexation, at the option of the shareholders.

Further in case of an individual or a Hindu Undivided Family, where the total taxable income as reduced by the long term capital gains is less than the basic exemption limit, the long term capital gains will be reduced to the extent of the shortfall and only the balance long term capital gains will be subject to tax in accordance with the proviso to sub section (1) of section 112 of the Act.

2.2. Short-term capital gains arising on transfer of the shares (i.e. held for less than 12 months) of the company will be chargeable to tax at the rate of 15% (plus applicable surcharge and education cess) as per the provisions of section 111A of the Act, if securities transaction tax is chargeable on such transaction.

Further, in case of an individual or Hindu Undivided Family, where the total taxable income as reduced by short-term capital gains is below the basic exemption limit, the short-term capital gains will be reduced to the extent of the shortfall and only the balance short-term capital gains will be subjected to such tax in accordance with the proviso to sub-section (1) of section 111A of the Act.

2.3. As per section 54EC of the Act and subject to the conditions specified therein, long-term capital gains [not exempt under section 10(38)], can be claimed as exempt from tax to the extent such capital gains are invested in certain notified bonds (currently bonds issued by National Highways Authority of India and Rural Electrification Corporation Limited have been notified for this purpose) within six months from the date of transfer. If only part of the capital gains is so reinvested, the exemption shall be allowed proportionately. However, it is also provided under section 54EC that investments made on or after 1st April 2007 in such bonds, should not exceed Indian Rupees five million during any financial year.

Further, it may be noted that if such bonds are transferred or converted into money (availing loan or advance on the security of such bonds would be considered as conversion into money for this purpose), within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier, would become chargeable to tax as long-term capital gains in the year in which the bonds are so transferred or converted into money.

2.4. Under section 54F of the Act and subject to the conditions specified therein, long term capital gains arising to an individual or Hindu Undivided Family (HUF) on transfer of shares of the company will be exempt from capital gain tax, if the net consideration from such shares is used for purchase of residential house property within a period of one year before or two years after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer.

2.5. Where the business income of an assessee includes profits and gains of business arising from transactions on which securities transaction tax has been charged, such securities transaction tax shall be a deductible expense from business income as per the provisions of section 36(1)(xv) of the Act.

2.6. According to the provisions of section 74 of the Act, short-term capital loss arising during a year can be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight assessment years for claiming set-off against subsequent assessment years, short term as well as long term capital gains. As per section 74 of the Act, long term capital loss suffered during the year can be set-off only against long-term capital gains. Balance loss, if any, could be carried forward for eight assessment years for claiming set-off against subsequent assessment years, long - term capital gains only.

2.7. As per the provisions of section 14A, the shareholder will not be entitled for deduction in respect of expenditure incurred in relation to income which does not form part of total income under this Act.

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

3. To non-resident shareholders (other than Foreign Institutional Investors and Foreign Venture Capital Investors)

In accordance with the provisions of section 90 of the Act, the non resident shareholder may choose to apply the provisions of Act or the provisions of tax treaty entered into by India with other foreign countries, whichever are more beneficial (subject to furnishing of Tax Residency Certificate). Also, subject to the provisions of Act and the treaty, the non resident shareholder can claim the tax credit in respect of doubly taxed income (i.e. where taxes are paid on same income in India as well as outside India).

In addition to the tax benefits specified above following are the specific exemptions/deductions available to the non-resident shareholder:

3.1. A non-resident Indian (i.e. an individual being a citizen of India or person of Indian origin) has an option of being governed by the provisions of Chapter XII-A of the Act, which *inter-alia* entitles them to the following benefits in respect of income from shares of an Indian company acquired, purchased or subscribed in convertible foreign exchange.

a) As per the provisions of section 115A of the Act, where the total income of a Non-resident (not being a company) or of a foreign company includes dividends (other than dividends referred to in section 115O of the Act), tax payable on such income shall be aggregate of amount of income-tax calculated on the amount of income by way of dividends included in the total income, at the rate of 20 per cent (plus applicable surcharge and education cess).

b) According to the provisions of section 115D read with section 115E of the Act and subject to the conditions specified therein, long-term capital gains arising on transfer of shares in an Indian company, will be subject to income-tax at the rate of 10% (plus applicable surcharge and education cess) without indexation benefit.

c) According to the provisions of section 115F of the Act and subject to the conditions specified therein, gains arising on transfer of a long-term capital asset being shares in an Indian company (shares would be considered as a long term capital asset provided they are held for a period exceeding 12 months) shall not be chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period of six months in any specified asset or specified savings certificates. If part of such net consideration is invested within the prescribed period of six months in any specified asset or specified savings certificate, the exemption will be allowed on a proportionate basis. The amount so exempted shall be chargeable to tax subsequently, if the specified assets or any such savings certificates are transferred or converted into money within three years from the date of their acquisition.

d) As per the provisions of section 115G of the Act, non-resident Indians are not obliged to file a return of income under section 139(1) of the Act, if their source of income is only investment income and/or long-term capital gains defined in section 115C of the Act, provided income-tax has been deducted at source from such income as per the provisions of chapter XVII-B of the Act.

e) As per section 115H of the Act, where a non-resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under section 139 of the Act to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are transferred or converted into money.

f) As per the provisions of section 115-I of the Act, a non-resident Indian may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing his return of income for that assessment year under section 139 of the Act, declaring therein that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act.

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

3.3. Under section 112 of the Act and other relevant provisions of the Act, long term capital gains arising on transfer of listed securities/units or zero coupon bond (shares/units would be considered as a long term capital asset provided they are held for a period exceeding 12 months), shall be taxed at a rate of 20% (plus applicable surcharge and education cess) after indexation as provided in the second proviso to section 48 or at 10% (plus applicable surcharge and education cess) without indexation, at the option of the shareholders. However, in view of the divergent judicial precedents on this aspect, the applicability of this section needs to be evaluated on a case to case basis.

3.4. As per section 112 of the Act and other relevant provisions of the Act, long term capital gains arising on transfer of unlisted securities would be taxed at a rate of 10% (plus applicable surcharge and education cess) without giving effect to the indexation.

3.5. As per section 54EC of the Act and subject to the conditions specified therein, long-term capital gains [not exempt under section 10(38)], can be claimed as exempt from tax to the extent such capital gains are invested in certain notified bonds (currently bonds issued by National Highways Authority of India and Rural Electrification Corporation Limited have been notified for this purpose) within six months from the date of transfer. If only part of the capital gains is so reinvested, the exemption shall be allowed proportionately. However, it is also provided under section 54EC that investments made on or after 1st April 2007 in such bonds, should not exceed Indian Rupees five million during any financial year.

Further, it may be noted that if such bonds are transferred or converted into money (availing loan or advance on the security of such bonds would be considered as conversion into money for this purpose), within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier, would become chargeable to tax as long-term capital gains in the year in which the bonds are so transferred or converted into money.

3.6. Under section 54F of the Act and subject to the conditions specified therein, long term capital gains arising to an individual or HUF on transfer of shares of the Company will be exempt from capital gain tax, if the net consideration from such shares is used for purchase of residential house property within a period of one year before or two years after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer.

4. To mutual funds

In addition to the tax benefits specified in para 1 above, following are the exemptions/deductions available to mutual funds:

4.1. In terms of section 10(23D) of the Act, mutual funds registered under the Securities and Exchange Board of India Act 1992 and such other mutual funds set up by public sector banks or public financial institutions authorized by the Reserve Bank of India and subject to the conditions specified therein, are eligible for exemption from income tax on their entire income, including income from investment in the shares of the Company.

4.2. As per the provisions of section 14A, the mutual fund will not be entitled for deduction in respect of expenditure incurred by in relation to income which does not form part of total income under this Act.

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

5. To foreign institutional investors ('FIIs')

In addition to the tax benefits specified in para 1 above, following are the exemptions/deductions available to FIIs:

5.1. The income by way of short-term capital gains or long-term capital gains [not exempt under section 10(38) of the Act] realized by FIIs on sale of such securities of the Company would be taxed at the following rates as per section 115AD of the Act-

- Short-term capital gains, other than those referred to under section 111A of the Act shall be taxed @ 30% (plus applicable surcharge and education cess).
- Short-term capital gains, referred to under section 111A of the Act shall be taxed @ 15% (plus applicable surcharge and education cess).
- Long-term capital gains shall be taxed @10% (plus applicable surcharge and education cess) without any cost indexation.

5.2. As per section 54EC of the Act and subject to the conditions specified therein, long-term capital gains [not exempt under section 10(38)], can be claimed as exempt from tax to the extent such capital gains are invested in certain notified bonds (currently bonds issued by National Highways Authority of India and Rural Electrification Corporation Limited have been notified for this purpose) within six months from the date of transfer. If only part of the capital gains is so reinvested, the exemption shall be allowed proportionately. However, it is also provided under section 54EC that investments made on or after 1st April 2007 in such bonds, should not exceed Indian Rupees five million during any financial year.

Further, it may be noted that if such bonds are transferred or converted into money (availing loan or advance on the security of such bonds would be considered as conversion into money for this purpose), within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier, would become chargeable to tax as long-term capital gains in the year in which the bonds are so transferred or converted into money.

5.3. In accordance with the provisions of section 90 of the Act, FIIs being non residents will be entitled to choose the provisions of Act or the provisions of tax treaty entered into by India with other foreign countries, whichever are more beneficial, while deciding taxability in India (subject to furnishing of Tax Residency Certificate).

6. To venture capital companies/funds

6.1. As per section 90 of the Act, FIIs being non residents, who are eligible to claim treaty benefits (subject to furnishing of Tax Residency Certificate in the specified format), will be entitled to choose the provisions of Act or the provisions of tax treaty entered into by India with other foreign countries, whichever are more beneficial, while deciding taxability in India.

6.2. Any income received by venture capital companies or venture capital funds set up to raise funds for investment in a venture capital undertaking registered with the Securities and Exchange Board of India, subject to conditions specified in section 10(23FB) of the Act, is eligible for exemption from income-tax. However, the income distributed by the Venture Capital Companies/ Funds to its investors would be taxable in the hands of the recipient.

6.3. As per the provisions of section 14A, the venture capital companies / funds will not be entitled for deduction in respect of expenditure incurred in relation to income which does not form part of total income under this Act.

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

B. Under the Wealth Tax Act, 1957

Shares of the company held by the shareholder will not be treated as an asset within the meaning of section 2(ea) of Wealth Tax Act, 1957.

C. Under the Gift Tax Act, 1958

Gift tax is not leviable in respect of any gifts made on or after October 1, 1998. Therefore, any gift of shares will not attract gift tax under the Gift Tax Act, 1958. However, as per section 56(1)(vii)(c) of the Act, gift of shares to an individual or Hindu undivided family would be taxable in the hands of the donee as ―Income From Other Sources subject to the provisions of the Act.

Notes:

1. All the above benefits are as per the provisions of the Income-tax Act, 1961, Income-tax Rules, circulars, notifications as amended by Finance Act, 2013 and the Wealth Tax Act, 1957, presently in force in India. They shall be available only to the sole/ first named holder in case the shares are held by the joint holders.
2. The current Act is proposed to be replaced by New Direct Tax Code 2010 (DTC) likely date of which is not certain. The tax implications on account of proposed DTC have not been examined by us.
3. In respect of non-residents, the tax rates and the consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Taxation Avoidance Agreement (DTAA), if any, entered into between India and the country in which the non-resident has fiscal domicile. (subject to furnishing of Tax Residency Certificate)
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 IPO.
5. The above Statement of Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
6. 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. We will not be liable to any other person in respect of this Statement.

SECTION IV: ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in this section has been extracted from various government publications and industry sources. Neither we, the Selling Shareholders, the BRLMs nor any other person connected with the Issue have 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 that 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.

CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing the report(Report) used in this section. Information has been obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data/Report and is not responsible for any errors or omissions or for the results obtained from the use of Data/Report. This Report is not a recommendation to invest/disinvest in any company covered in the Report. CRISIL especially states that it has no liability whatsoever to the subscribers/users/transmitters/distributors of this Report. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division/CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Division/CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval.

IMS has taken due care and caution in preparing the report used in this section. Information has been obtained by IMS from sources which it considers reliable (Data). The information provided in the report is provided on an as is basis without any warranties of any kind. IMS shall not be liable for any expressions of opinion, evaluations or forecasts contained within the report. The report is not a recommendation to invest/divest in any company covered in the report. No part of the report may be published/reproduced in any form without IMS's prior written approval.

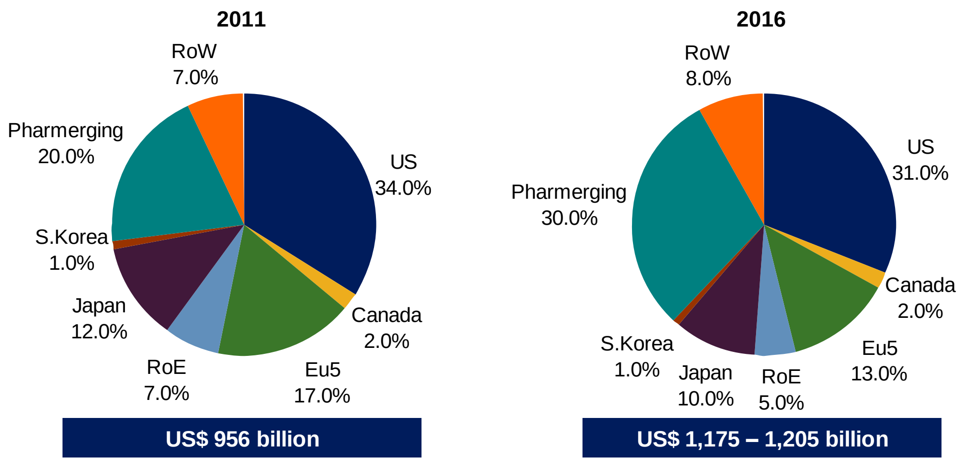
THE GLOBAL PHARMACEUTICAL INDUSTRY

The pharmaceutical industry is one of the world's largest industries. It includes the development, production and marketing of pharmaceutical products. The growth of the global pharmaceutical industry is driven by a continuing need for medicines to treat disease, demographic changes and an increased focus by world governments to improve healthcare infrastructure. The global pharmaceutical industry has recently experienced increased genericization. This was driven by rapid growth in emerging markets as well as an increased focus by governments in developed markets to reduce healthcare costs.

In terms of products sold, the global pharmaceutical industry is broadly divided into generic and branded formulations (brands or innovator drugs). A generic product is produced and distributed after the expiry of the patent on its active ingredient. Globally, generic pharmaceuticals are generally preferred over their branded counterparts because they are significantly cheaper. This coupled with the patent expiry of branded products are the key growth drivers of the global generic pharmaceuticals industry.

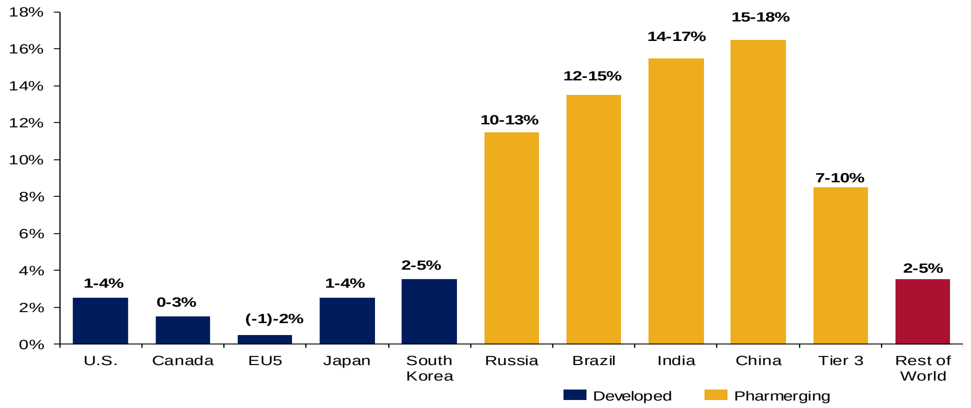
Size and Mix of Global Pharmaceuticals industry

By 2016, the global pharmaceuticals market is expected to reach approximately US$1,200 billion from US$ 956 billion in 2011. Between 2011 and 2016 the global pharmaceuticals market grew at a compound annual growth rate ("CAGR") of approximately 3.0% to 6.0%. The U.S. market will remain the largest, but its share is expected to decline from 34.0% in 2011 to 31.0% in 2016. Pharmerging countries (pharmerging countries are defined as those countries with absolute pharmaceutical spending growth of more than US$1 billion during 2012 and 2016 and that have gross domestic product per capita of less than US$25,000 on a purchasing power parity basis. Using this criteria pharmerging countries include Tier – I - China, Tier II – India, Brazil and Russia and Tier III - Mexico, Turkey, Poland, Venezuela, Argentina, Indonesia, South Africa, Thailand, Romania, Egypt, Ukraine, Pakistan and Vietnam) is expected to increase to 30.0% of global spending in 2016 as compared to 20.0% in 2011 while the share of EU5 countries (EU5 countries include Germany, France, Italy, Spain and United Kingdom) is expected to decline to 13.0% in 2016 from 17.0% in 2011. The United States is expected to remain the largest market while the share of pharmerging countries is expected to increase significantly. India is expected to become the eighth largest market by 2016. The charts below illustrate spending by geography for the years 2011 and 2016:



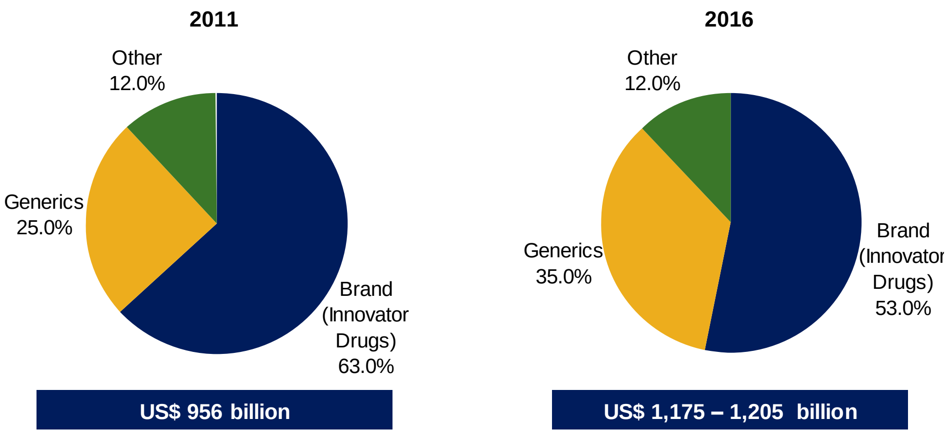
Source: IMS Market Prognosis, May 2012

The chart below illustrates the expected growth of total spending on medicines for the years 2012 to 2016:



Source: IMS Market Prognosis, May 2012
Spending in US$ with variable exchange rates. Growth in US$ with constant exchange rate. Compound Annual Growth Rate (CAGR) expressed in US$ with constant exchange rates.
Tier 3 Pharmerging in descending order: Mexico, Turkey,Poland, Venezuela, Argentina, Indonesia, South Africa, Thailand, Romania, Egypt, Ukraine, Pakistan and Vietnam.

Historically, brands (innovator drugs), which include off-patent brands, were the largest segment of the global pharmaceutical market. In 2011, brands (innovator drugs) accounted for 63.0% of the market. However, patent expiries in developed markets coupled with rapid growth in pharmerging countries (driven largely by generics spending, which includes branded generics) is expected to lead to a decline of brands (innovator drugs) segment's share to 53.0% in 2016. Global generic spending is expected to increase in value from US$242 billion in 2011 to between US$400 billion and US$430 billion in 2016 representing a 35.0% share in 2016. The chart below illustrates spending by certain segments for the years 2011 and 2016:



Source: IMS Market Prognosis, May 2012
Spending share in US$ with variable exchange rates. Brands defined using IMS proprietary market segmentation methodology and include vaccines, but exclude branded generics. Generics are defined as unbranded generics and branded generics but exclude over the counter ("OTC"). Other products include OTC, diagnostics and non-therapeutics

Factors Influencing Growth of Global Pharmaceuticals Market:

Between 2011 and 2016, growth in global pharmaceutical spending will be driven predominantly by increased generics spending, rapid growth in pharmerging countries and growth from emerging segments, such as Biosimilars.

Patent Expiries to be Compensated by Increased Generic Spending in the Developed Markets

Spending for branded (innovator drugs) in developed markets is expected to be impacted by increased generic competition post patent expiries. The use of generic drugs is expected to be boosted further by increased government encouragement aimed at reducing the overall cost of healthcare. This is expected to significantly increase the share of generics in the developed markets. On an aggregate basis, expiring patents in developed markets are expected to yield net savings of US$106 billion to payers through 2016. The largest increase in generics spending is expected to be from the United States. This will present a lucrative opportunity for generics companies in these markets. By 2015, generics is expected to exceed 20.0% of spending in value terms in most developed markets.

Emerging Markets Growth

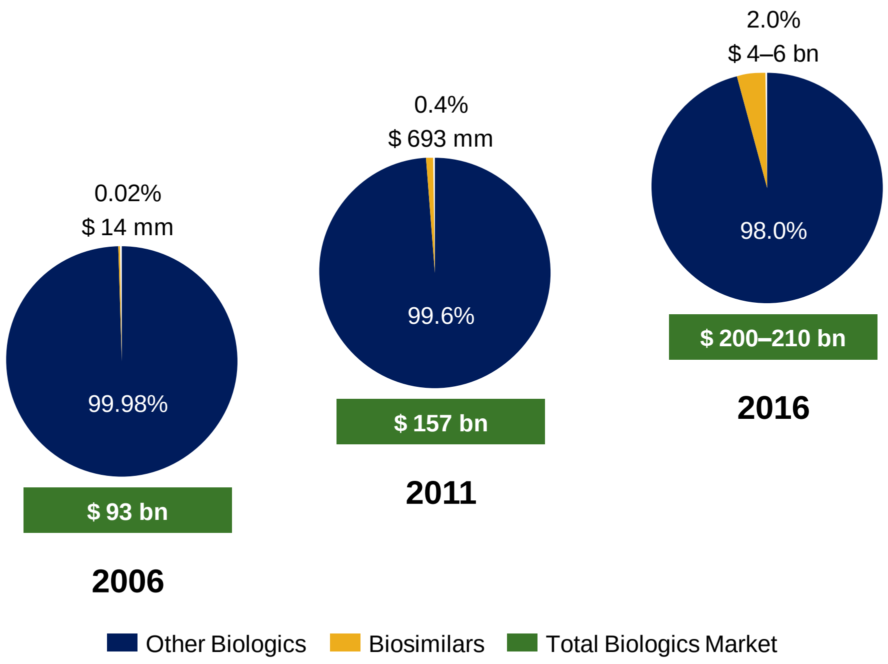
Between 2011 and 2016, pharmerging countries are expected to double their spending on medicines, adding between US$150 billion and US$165 billion. Of the total increase in spending, approximately 83.0% will come from generic products. Patients pay for the majority of medicines out-of-pocket in these markets which limits the use of expensive brands (innovator drugs). Additionally, strong economic growth, government commitments to expand healthcare access and the presence of domestic companies with strong capabilities to manufacture low cost generics will further fuel the growth in these markets.

Growth from Emerging Segments such as Biosimilars

Biosimilar products are biologic products approved in a country which has an abbreviated approval process for biologic products that reference an originator biologic in the regulatory submission. Biosimilars are an emerging segment though their adoption has been low due to a lack of clarity on policy related to biosimilars. Biosimilars spending is expected to increase to between US$ 4.0 billion and US$6.0 billion in 2016 from US$693 million in 2011. Biosimilar option to increase worldwide even though the segment is in its nascent stage.

The charts below illustrate global biologics spending for the years 2006, 2011 and 2016:

Global Biologics Spending



Source: IMS Consulting Group, May 2012
Biologics include single identified components, whole cells, and include some forms of polymers. They can be purified from human, animal, plant or micro-organism sources. Biologics can be produced by recombinant DNA technology or chemically synthesized.
Biosimilar products are biologic products approved in a country which has an abbreviated approval process for biologic products that reference an originator biologic in the regulatory submission.

INDIAN PHARMACEUTICALS INDUSTRY

The Indian pharmaceuticals industry has become an important part of the global pharmaceuticals market. The Indian pharmaceuticals market is driven largely by its rapidly growing domestic market and increased formulation and bulk drug exports to the regulated and semi-regulated markets. The Indian pharmaceutical industry has grown at a CAGR of 17.7% from the financial year 2007 to the financial year 2012 and is expected to continue the growth in the global pharmaceuticals market with a CAGR of between 14.0% to 16.0% to reach between US$53.0 billion and US$55.0 billion by the financial year 2017. *(Source: CRISIL Research)*.

The Indian pharmaceuticals industry can be divided into three segments: domestic formulations, formulations exports and bulk drug exports.

Domestic Formulations Industry

The domestic formulations industry is the largest component of the Indian pharmaceuticals market. It has certain unique characteristics. Branded generics dominate the market, with approximately 70.0% to 80.0% market share. The market is dominated by local companies driven by strong formulation development capabilities. The price levels are low due to fierce competition.

The domestic formulations industry was valued at ₹ 556.6 billon for the financial year 2012 and has increased at a CAGR of 14.8% between the financial year 2007 to the financial year 2012. India still spends approximately 1.4% of its total GDP on healthcare and hence ranks amongst the lowest globally. The size of the domestic formulation industry in India expected to increase at a CAGR of between 13.0% to 15.0% to between ₹ 1,050 and ₹ 1,100 billion by the financial year 2017. *(Source: CRISIL Research)* This growth will be primarily driven by enhanced medical infrastructure including new and upcoming hospitals and nursing homes, a rise in the prevalence and treatment of chronic diseases, increased disposable income and greater health insurance coverage, among others.

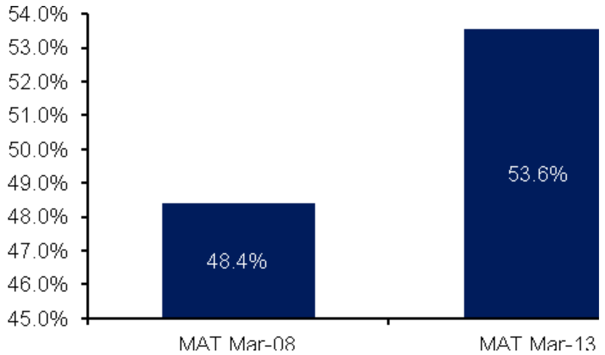
Some of the other key characteristics and trends in the domestic formulations market are outlined below:

A Fragmented but Consolidating Market

The domestic formulations market is highly fragmented in terms of the number of manufacturers and the variety of products. There are between 300 and 400 manufacturers in the organized sector as well as approximately 15,000 small scale manufacturers, which together manufacture over 100,000 drugs across various therapeutic categories. *(Source: CRISIL Research).* However, between March 2008 and March 2013, the market has witnessed some consolidation as the Top 15 companies have gradually increased their market share. The Top 15 companies currently control 53.6% of the domestic formulation market compared to 48.4% in March 2008.

The market share of the Top 15 companies over the last five years based on IMS MAT for the twelve months ending March 31, 2008 and 2013 is depicted in the chart below:

Market Share of Top 15 Players



Source: IMS Health India, Secondary Stockist Audit, Medical Audit

The dominance of leading companies is expected to continue given the size and scale benefits that they command, their market recognition and the number of established brands that they possess.

Brand Building Even Within Generics Space is Critical to Success

India is predominantly a generics market. Companies have however differentiated themselves in the market through the creation of brands. The domestic formulations market primarily constitutes branded generics. The top 300 brands comprise 32.5% of the total market. *(Source: IMS Health India, Total Sales Audit Data for March 2013)*

Chronic therapies outpacing market growth; Acute therapies continue to comprise a sizeable chunk of the overall market

Chronic therapies, such as anti-diabetics, cardiovascular system ("CVS") and central nervous system ("CNS") have grown at a significantly higher pace than the market. Key growth drivers responsible for the increase in chronic therpaies are the changing pattern of the working population, higher stress levels and irregular eating habits, resulting in an increase of lifestyle related diseases.

As a result of such growth, the share of chronic therapies in the overall spend has increased from 25.2% in 2008 to 29.5% in 2013. (*Source: IMS Secondary Sales Audit MAT for March 2008 and March 2013)*.

The share of acute therapies in overall spend has declined from 74.8% in 2008 to 70.5% in 2013(*Source: IMS Secondary Sales Audit MAT for March 2008 and March 2013)* largely due to a sharp increase in chronic therapies. While chronic therapies continue to grow rapidly, acute therapies will continue to comprise a bulk of the market. Acute therapies such as gynaecology and dermatology have grown on par with the chronic segments and are expected to continue outpacing market growth through the financial year 2017. The prevailing hygiene and sanitation conditions in India are expected to result in continued growth in the anti-infectives segment which is expected to grow at a CAGR of between 10.0% and 12.0% between the financial year 2012 and the financial year 2017.

The key therapeutic categories as measured by sales along with their market share and growth rates are set out below:

(₹ billion)	2006-07	% Mkt Share	2011-12E	% Mkt Share	2016-17P	% Mkt Share	CAGR (%) '06-'07 to '11-'12	CAGR (%) '11-'12 to '16-'17
Anti Diabetic	**12.5**	**4.5%**	**36.5**	**6.6%**	**80-87**	**8%**	**23.9%**	**17%-19%**
Anti-infectives	49.7	17.8%	91.3	16.4%	147-161	14-15%	12.9%	10%-12%
CVS	**28.2**	**10.1%**	**66.7**	**12.0%**	**128-140**	**12-13%**	**18.8%**	**14%-16%**
Dermatology	**15.5**	**5.6%**	**31**	**5.6%**	**62-68**	**6%**	**14.9%**	**15%-17%**
Gastro Intestinal	30.5	10.9%	59.2	10.6%	109-119	10-11%	14.2%	13%-15%
Gynaecological	15.2	5.4%	31.5	5.7%	58-61	6%	15.7%	13%-14%
Neuro / CNS	**15**	**5.4%**	**31.4**	**5.6%**	**63-69**	**6%**	**15.9%**	**15%-17%**
Pain / Analgesics	26.3	9.4%	46.4	8.3%	82-89	8%	12.1%	12%-14%
Respiratory	25.8	9.2%	47.3	8.5%	83-91	8%	12.9%	12%-14%
Vitamins / Minerals / Nutrients	**23.8**	**8.5%**	**44.4**	**8.0%**	**85-93**	**8%**	**13.2%**	**14%-16%**
Others	36.4	13.0%	70.9	12.7%	125-137	12%	14.3%	12%-14%
Total	**279.0**	**100.0%**	**557.0**	**100.0%**	**1,050-1,100**	**100%**	**14.8%**	**13-15%**

Source: CRISIL Research, ORG IMS Data
Note: Market share for 2016-17P has been calculated based on the midpoint of the range;
Rows shaded 'Grey' indicate therapeutic areas that are expected to grow at a rate higher than the market.

Share of Hospitals in Total Domestic Sales is Currently Low; Expected to Increase Substantially in the Future

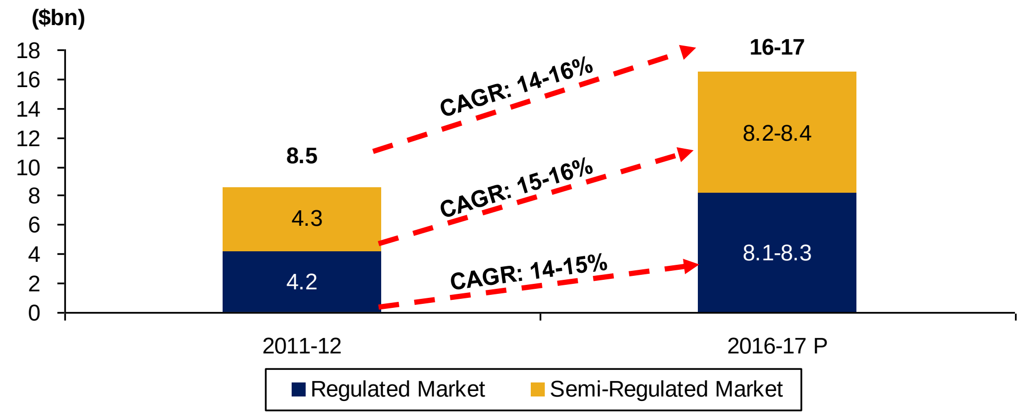
The retail segment currently dominates the domestic pharmaceuticals market. However, the share of the hospitals segment has recently increased, driven by increased investments in hospital infrastructure. India continues to lack hospital infrastructure in contrast to other economies. According to the World Health Organization ("WHO") World Health Statistics 2012, India's bed-to-population ratio is 9 for every 10,000 people, as compared to the global median of 26. A growth in the hospitals network will correspondingly result in an increased share of hospitals in the overall pharmaecutical sales in the near future.

Formulations Exports

Between the financial years 2006 and 2012, the global generics market grew significantly, resulting in a significant growth opportunity for Indian formulation exports. Accordingly, formulations exports have been a key growth driver for the Indian pharmaceuticals industry. Formulations exports have grown at a CAGR of 21.6% from U.S$3.2 billion in the financial year 2007 to U.S$8.5 billion in the financial year 2012 driven by robust growth in exports to regulated markets (CAGR – 30.6%). This was supplemented by a healthy growth (CAGR- 15.8%) in the semi-regulated markets. *(Source: CRISIL Research)*

Formulations exports are expected to grow at a CAGR of between 14.0% and 16.0% between the financial years 2012 and 2017 to reach between US$16 billion and US$17 billion by the financial year 2017. Exports to regulated markets are expected to increase at a CAGR of between 14.0 and 15.0% for the same period driven by increased genericisation of the regulated markets. Exports to semi-regulated markets are expected to grow at a CAGR between 15.0% and 16.0%. India's low cost base, well developed API industry and similarity in disease profiles will be key growth drivers of exports to the semi-regulated markets. *(Source: CRISIL Research)*

Outlook on India's Formulation Exports

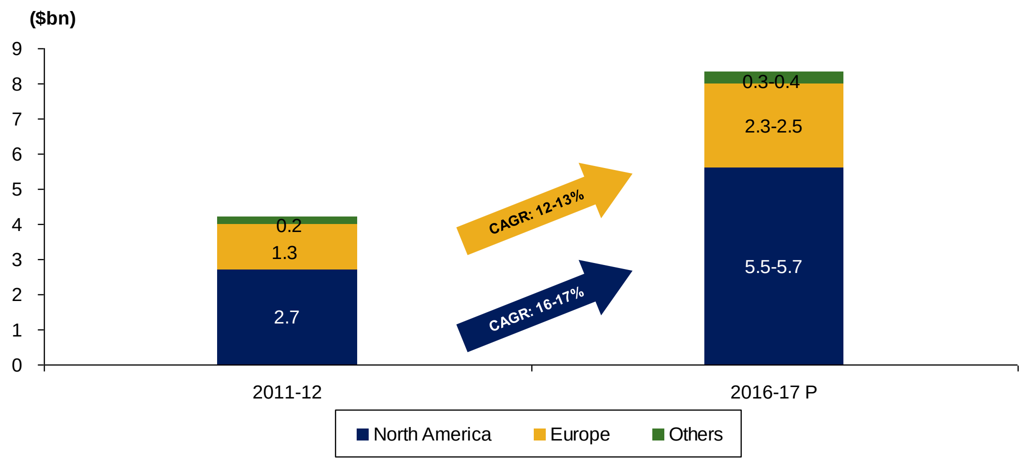


Source: DGFT, CRISIL Research; Note: P – Projected

Exports to Regulated Markets

With the opening of the generic opportunity in the regulated markets in the last decade, the share of regulated markets in India's total formulation exports have increased from 35.0% in the financial year 2007 to approximately 50.0% in the financial year 2012. The United States is expected to remain the key export market. The growth in the US pharmaceuticals market has been driven by increased government pressure on the prescription of generic drugs and innovator drugs going off-patent. The United States will continue to be the mainstay of India's formulations exports and is expected to grow at a CAGR of between 16.0% and 17.0% between the financial years 2012 and 2017. Exports to Europe are also expected to increase from US$1.3 billion in the financial year 2012 between US$2.3 billion and US$2.5 billion in the financial year 2017, albeit at a slower pace as compared to the United States, driven to a large extent by a change in policy of European governments. Due to the Eurozone crisis, governments may consider lowering spending which will provide an incentive to substitute costly patented drugs with generics thereby boosting demand for generics. *(Source: CRISIL Research)*

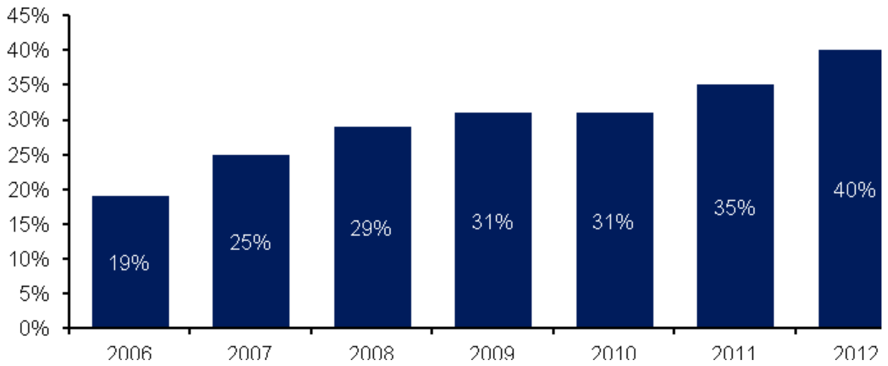
Formulations Exports to Regulated Markets



Source: DGFT, CRISIL Research; Note: P – Projected

India is better positioned than most countries to address the growing formulations exports opportunity in the United States. Indian companies rank second to U.S. companies in the total number of ANDA approvals. Additionally, Indian companies have consistently been increasing share in the total number of ANDA approvals given out each year. The charts below illustrate these points:

ANDA Approvals by India as a % of Total



Source: US FDA, CRISIL Research

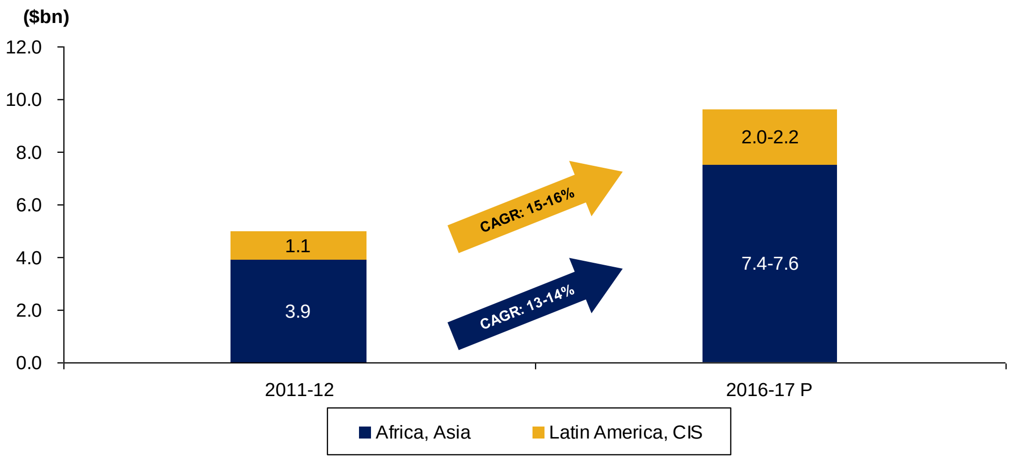
In order to cater to the needs of the US market, Indian companies have different business models that are either contract manufacturing or marketing on their own or a combination of both. From a contract manufacturing perspective, many Indian companies have entered into agreements with global pharmaceutical companies. Over a period of time, Indian companies have moved up the value chain and built manufacturing capabilities to target niche molecules and complex delivery systems in order to enhance margins. Additionally, an increasing number of Indian companies are establishing their front end presence in those markets in order to take advantage of their high process chemistry skills, low manufacturing costs as well as the huge growth potential in the generics segment.

Exports to Semi-regulated Markets

Exports to semi-regulated markets have shown strong growth between the financial years 2007 and 2012, driven by increasing healthcare awareness, penetration and rising consumer incomes. Exports to these markets are expected to almost double to between US$8.2 billion and US$8.4 billion in the financial year 2017 from US$4.3 billion in the financial year 2012 representing a CAGR of between 15.0% and 16.0% over the period.

Within the semi-regulated markets, Africa and Asia comprise the majority of the exports. Exports to these regions are expected to grow at a CAGR of between 13.0% and 14.0% from the financial year 2012 to the financial year 2017. However, the share of Latin America and CIS is expected to increase in the future driven by a higher CAGR of between 15.0% and 16.0% over the from the financial year 2012 to the financial year 2017 . Indian pharmaceutical companies will continue to increase their presence in these markets through a combination of distribution and market alliances and/or setting up their own front end operations. The chart below illustrates formulations exports to semi regulated markets for the financial year 2012 to the financial year 2017:

Formulation Exports to Semi-Regulated Markets



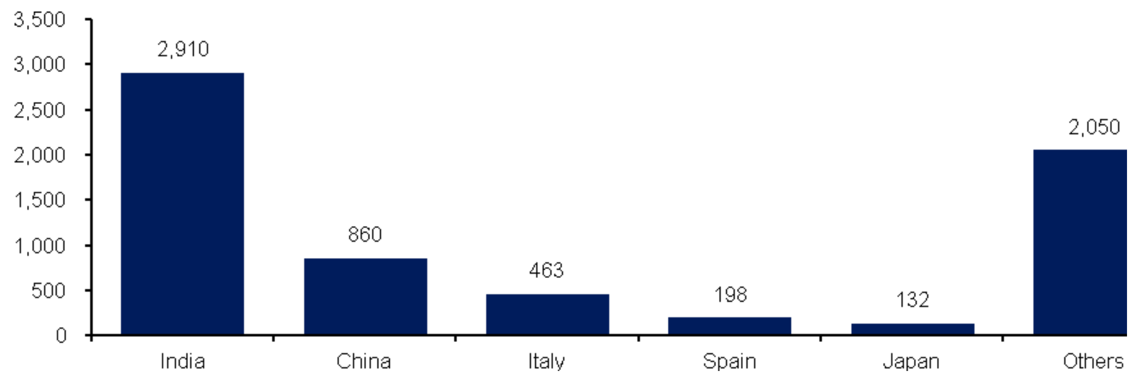
Source: DGFT, CRISIL Research; Note: P – Projected

Bulk Drug Exports

Bulk drug exports are expected to increase at a CAGR of between 14.0% and 16.0% from the financial year 2012 to the financial year 2017 to increase to between US$17 billion and US$18 billion. This increase is attributable to large number of drugs going off-patent in the next five years, an expected increase in penetration of Indian bulk drug companies and the need for global companies to outsource API manufacturing to cut costs. On the back of Indian companies' high process chemistry skills, low manufacturing costs, increasing DMFs, the expected expansion of key generic markets and cost reduction initiatives by large global companies, the share of regulated markets in bulk drug exports is expected to increase to approximately 65.0% by the financial year 2017. *(Source: CRISIL Research)*

The share of DMFs filed by Indian companies with the USFDA increased to 49.0% for the financial year 2012 from 20.0% for the financial year 2001. The cumulative DMF filings by selected countries for the periods indicated are set out below, amongst which the share of India remains the highest:

Country-wise Cumulative DMFs (2001-2012)



Source: US FDA, CRISIL Research

National Pharmaceuticals Pricing Policy, 2012

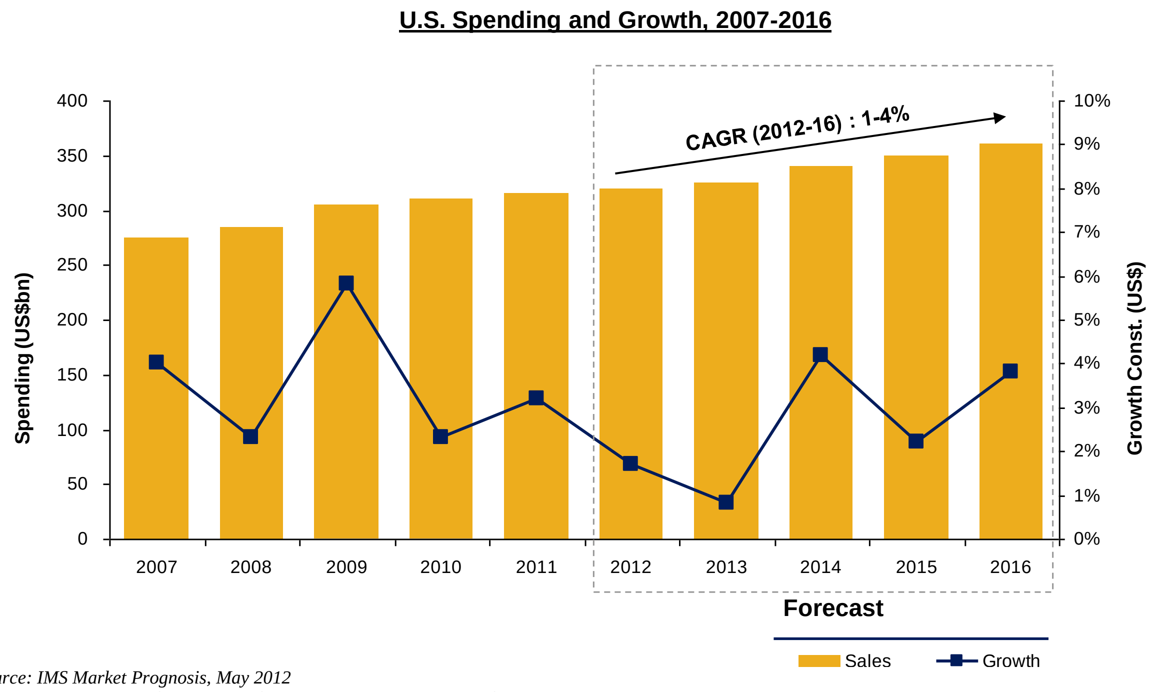
The National Pharmaceuticals Pricing Policy 2012 replaces the drug policy of 1994 and aims to set out the principles for pricing of essential drugs as specified in the National List of Essential Medicines – 2011 ("NLEM") declared by the Ministry of Health and Family Welfare, Government of India and modified from time to time, so as to ensure the availability of such medicines at reasonable price, while providing sufficient opportunity for innovation and competition to support the growth of the Industry. The prices will be regulated based on essentiality of drugs rather than the economic criteria/market share principle adopted in the drug policy of 1994.

This policy will increase the extent of price control by the government (through the National Pharmaceutical Pricing Authority) from the current 74 bulk drugs and their formulations to cover 348 drugs. According to the policy, prices of 348 medicines will be capped at the average price of all drugs which have more than 1.0% market share by value in the sales (MAT – Moving Annual Turnover) of that particular molecule.

US PHARMACEUTICALS MARKET

The US pharmaceuticals market is the largest in the world, accounting for 34.0% of the global spending in 2011. In 2011, the US spent an aggregate of approximately US$320 billion on medicines. The US pharmaceuticals market has grown at a CAGR of 3.3% between 2007 and 2011.

The chart below illustrates US spending on pharmaceuticals and growth between 2007 and 2016:



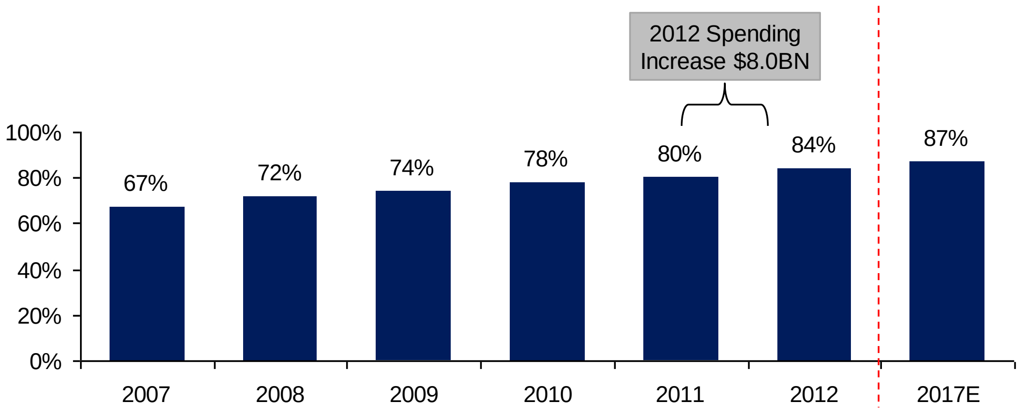
Source: IMS Market Prognosis, May 2012
Chart shading indicates forecast, and forecasted growth shows point forecast and high-low ranges.
Spending includes retail pharmacy, mail order, long-term care and institutional drug spending tracked by IMS audits.

Between 2012 and 2016, US growth is expected to remain low at around 1.0% to 4.0%. This could lead to a decrease in its share of global spending to 31.0% by 2016.

The spending mix is expected to change in the near future. Brands (innovator drugs) account for 72.0% of total spending while generics account for 28.0% of total spending. Generics have reached an all-time high, accounting for 84.0% of the total prescriptions in 2012. The number of patent expiries in the next five years is expected to be smaller and generics are expected to account for 87.0% of total prescriptions by 2017.

The chart below illustrates the generic share of prescriptions between 2007 and 2013:

Generic Share of Prescriptions

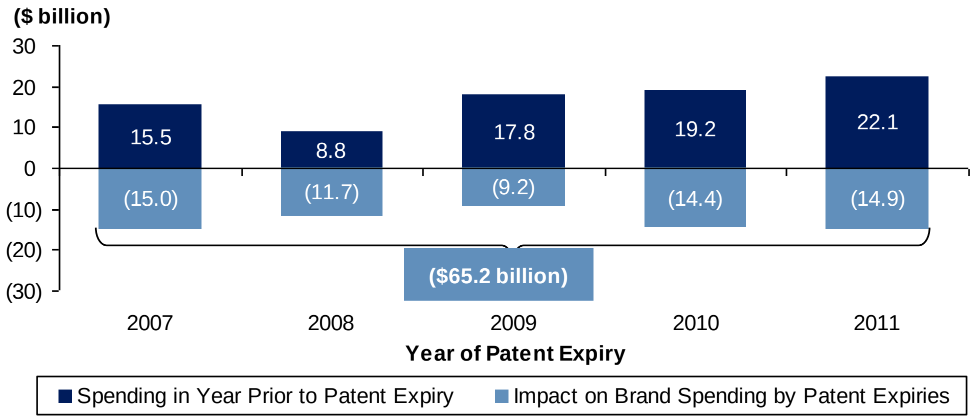


Generics have Reached All-time High Shares

Source: IMS Health, National Prescription Audit, Dec 2012. "Declining Medicine Useand Costs: For Better or Worse? A Review of the Use of Medicines
in the United States in 2012" report dated May 2013
Includes all prescriptions dispensed through retail pharmacies, including independent and chain drug stores, food store pharmacies and mail order as ell as long-term care facilities.
Generics include branded and unbranded generic medicines dispensed in retail pharmacies, mail order and long-term care pharmacies.
Prescription counts are not adjusted for length of therapy. 90-day and 30-day prescriptions are both counted as one prescription

Increased patent expiries have been driving higher generics sales. In 2011, brands exposed to generics for the first time totaled US$22.1 billion. Between 2007 and 2011, a decline in brand (innovator drugs) sales due to patent expiry totaled $65.2 billion. The chart below illustrates the pre-expiry spending and expiry impact between 2007 and 2011:

Pre-Expiry Spending and Expiry Impact



Source: IMS Health, MIDAS, Dec 2011. The Use of Medicines in the United States: Review of 2011

Note:
Sales of brands are sales of those that lost patent protection in each year.

With substantial patent expiries in the next five years, share of generics spending is expected to increase further. According to IMS, US$103 billion or 44.0% of 2011 brand spending in the US is expected to move to generics at lower prices.

OUR BUSINESS

Overview

We are a fast growing Indian pharmaceutical company engaged in developing, manufacturing and marketing a broad range of pharmaceutical products globally. Our core strength lies in developing and manufacturing differentiated pharmaceutical products in-house, which we commercialize through our marketing infrastructure across geographies and relationships with multi-national pharmaceutical companies.

We are ranked as the 14th largest pharmaceutical company (*Source: IMS Health India, Secondary Stockist Audit ("SSA"), March 2013)* in India in terms of market share based on the domestic sales of pharmaceutical products. Our domestic business has consistently outperformed the market and has grown at a compound annual growth rate ("CAGR") of 16.4%, as compared to the Indian pharmaceutical industry which grew at a CAGR of 13.7%, between March 2008 and March 2013 (*Source: IMS Health India, SSA), March 2013*), making us one of the fastest growing pharmaceutical companies in India as measured by sales of pharmaceutical products in the Domestic Market. We are ranked as the 7th largest pharmaceutical company in the therapeutic areas in which we operate. (*Source: IMS Health India, SSA, March 2013*) We believe that our competitive advantage in the Domestic Market lies in our established presence in all major therapeutic areas including blood related, cardiology, pain and analgesics, HIV, gynecology, nephrology, anti-infective, and vitamins, minerals and nutrients products. We have also recently entered the oncology and diabetes therapeutic areas. We have a pan India marketing and distribution presence with a field force of more than 4,800 personnel, as of March 31, 2013. Given our strong position in India, a number of multi-national companies have entered into agreements with our Company for the sale and distribution in India of some of their key products. Recently, we have entered into co-marketing arrangements for specific products with Roche, Novartis (India) and Sanofi and in-licensed products from BMS and Janssen R&D Ireland (formerly Tibotec Pharmaceuticals).

Our Regulated Markets operations consist of our own sales and marketing infrastructure in the United States and the United Kingdom and sale of products manufactured by us for multi-national pharmaceutical companies through relationships with them. In April 2011, our Company acquired Heritage Pharmaceuticals Inc. ("Heritage"), a New Jersey-based generic pharmaceutical company, which provides us the commercial platform through which we market and sell our portfolio of USFDA approved products in the United States. In addition, we have relationships with companies such as Pfizer, BMS, Teva and Sandoz across multiple dosage forms. These relationships allow us to diversify our business model and build on our regulatory, quality and supply chain management capabilities.

We also sell our portfolio of branded generic products to the Rest of World. Our products are currently shipped to over 65 countries, where we have established our presence by focusing on important alliances with local and multi-national companies that enjoy a leadership position in the therapeutic areas on which we focus. Our Company's subsidiaries in Dubai, Brazil, South Africa, Singapore and Nigeria and branch offices in Russia and Morocco play an important role in liaising and managing our operations in these markets.

In December 2012, our Company acquired the worldwide rights of BiCNU®, a branded oncology product prescribed for treatment of brain tumors, multiple myeloma, Hodgkin's disease and non-Hodgkin's lymphoma. We expect this product to anchor our oncology portfolio, which we intend to launch, and we believe will allow us to expand our presence, in our existing markets as well as facilitate our entry into new markets.

We focus our research and development efforts on developing a portfolio of differentiated products across several platforms, including chiral molecules and biosimilars, and novel drug delivery systems. We have a portfolio of 11 chiral molecules, eight of which we launched for the first time in India. We also have capabilities to develop complex products, including difficult iron preparations, oncology drugs and controlled release products. Our portfolio of in-house manufactured five commercialized biosimilars including TNK-tPA, which we launched for the first time in India, and our brand Vintor is ranked no. 1 in erythropoietin market (Epoetin Alfa Recombinant) (*Source: IMS Health India, SSA, March 2013*).

We operate nine manufacturing facilities, eight of which are located in India and one in the United States. Several of these facilities have approvals from various regulatory bodies, including the USFDA and the UK-MHRA. Our facilities are capable of producing APIs and pharmaceutical products encompassing a wide range of dosage forms including oral solids, oral liquids, soft gelatin capsules and injectables (both liquid and lyophilized). Our manufacturing capabilities allow us to manufacture complex products, including cytotoxic products.

For the nine months ended December 31, 2012, our revenue from operations (net) was ₹ 15,034.93 million of which 54.7% were attributable to sales within India and 45.3% were attributable to sales outside India. For the Fiscal 2012, our revenue from operations (net) was ₹ 18,044.74 million of which 48.4% were attributable to sales within India and 51.6% were attributable to sales outside India. For the Fiscal 2011, our revenue from operations (net) was ₹ 13,497.02 million of which 57.9% were attributable to sales within India and 42.1% were attributable to sales outside India.

Our Competitive Strengths

We believe we have the following competitive strengths:

Strong Research and Development Capabilities Driving our Portfolio of Differentiated Pharmaceutical Products

We have strong in-house research and development expertise, which has allowed us to develop a differentiated portfolio of pharmaceutical products that we believe, gives us a competitive advantage in the markets that we cover. Our research team, which, as of March 31, 2013, consists of over 400 scientists, 47 of which hold Ph.D.s, focuses on developing complex APIs, finished formulations and biosimilars by using our chemistry, biologics, analytical, regulatory and intellectual property expertise.

Our successful research and development operations consist of, among others:

- Chiral molecules, in most of which we are pioneers in India. We have launched 11 chiral molecules in India. We have also commercialized several of our chiral molecules in the Rest of World;

- Several key oncology pharmaceutical products, of which we have filed ANDAs for seven injectable oncology pharmaceutical products and are currently pursuing ANDAs for 10 additional pharmaceutical products for our pipeline which is consistent with our focus on oncology;

- Novel drug delivery systems, including fast dissolving, controlled release, liposomal platform, complex iron preparations, nano-technology and suspensions and emulsions; and

- Biopharmaceuticals, in which we have developed biosimilar products using three platform expression technologies: yeast, mammalian and bacterial. Our portfolio of five commercialized biosimilars includes TNK-tPA and our brand Vintor is ranked no. 1 in erythropoietin market (Epoetin Alfa Recombinant) (*Source: IMS Health India, SSA, March 2013*). We have also recently initiated our own development work for mABs.

As of March 31, 2013, we filed 229 patent applications including 21 PCT applications across the world and also filed 155 ANDAs (including 36 for our partners) and 68 DMFs (including four for our partners) with the USFDA.

We intend to continue to file ANDAs and DMFs to enhance our product portfolio. We currently have 74 ANDAs under development in the areas of oncology, anti-hypertension, anti-depressant, vitamin D, anti-convulsants, anti-epilepsy, diabetology, blood related, anti-migraines and muscle relaxants for which we intend to file ANDAs.

Well Positioned in the Domestic Market

We commenced our focus on Indian domestic branded generics in 1995, when we were the 75th ranked *(Source: IMS Health India, IRI File 1991-2003)* pharmaceutical company in the market based on the domestic sales of pharmaceutical products, and have, as of March 31, 2013, become the 14th ranked pharmaceutical company in the market based on the domestic sales of pharmaceutical products. Since March 2008, our domestic sales of pharmaceutical products have grown at a CAGR of 16.4%%, as compared to the Indian pharmaceutical industry, which grew at a CAGR of 13.7% over the same period. Our growth was driven by a CAGR of 18.8% in the chronic segment and a CAGR of 15.6% in the acute segment.

We are currently among the market leaders in the high growth therapeutic areas of cardiology, where we are currently ranked 9th, gynecology, where we are currently ranked 2nd, HIV, where we are ranked 2nd and blood-related, where we are currently ranked 1st in terms of domestic sales. *(Source: IMS Health India, SSA, MAT March 2013).* We also have a strong presence in anti-infective, where we are currently ranked 15th in terms of domestic sales. *(Source: IMS Health India, SSA, MAT March 2013)* According to IMS, we are the 7th ranked company in India in terms of market share for our covered markets, and have the largest market share in haematinics, calcium channel blockers and hypotensive combinants in India. *(Source: IMS Health India, SSA, March 2013)* We have eight megabrands, which are brands that IMS categorizes as being among the top 300 pharmaceutical brands in India in terms of sales. *(Source: IMS Health India, Total Stock Audit ("TSA"), MAT March 2013.)*

We also have strong marketing and distribution capabilities. Our marketing and distribution network in India is anchored by a specialized field force of more than 4,800 personnel, as of March 31, 2013. Our strength in marketing and distribution is acknowledged and leveraged by different multi-national companies that enter into in-licensing arrangements to distribute their products in India.

Core Competency in Manufacturing

We operate nine manufacturing facilities, including eight in India and one in the United States. Our state-of-the-art facilities implement international cGMP to produce quality products. Our facilities comply with international cGMP as required by the various regulatory bodies that have accredited us including those in India, the USFDA, the UK-MHRA, ANVISA Brazil and MHLW Japan.

We are capable of manufacturing a wide range of dosage forms including oral solids, oral liquids, soft gelatin capsules and injectables. We have also demonstrated our ability to handle complex manufacturing processes, such as lyophilization and complete isolation technology to manufacture cytotoxic products. We also handle products that require a specialized environment with, among other things, controlled release pharmaceutical products, controlled humidity and temperature conditions.

We also manufacture APIs that are needed in certain key pharmaceutical products which have helped us to attain a significant degree of vertical integration, allowing us to source APIs in a cost effective manner, ensure quality and security of availability of an essential raw material and protect our intellectual property.

Relationships with multi-national companies

Our advanced manufacturing facilities have helped us to establish or initiate relationships with multi-national pharmaceutical companies such as Pfizer, Roche, BMS and Teva. Many of these relationships are through long-term and broad based manufacturing contracts. Our quality assurance procedures, supply chain management and adherence to cGMP in our facilities and environment, health and safety standards have allowed us continue our relationships with these companies. We believe that we have emerged as a technologically dependable and quality conscious company of choice for these companies. For example, we are an important outsourcing partner to Teva for oral solids pharmaceutical products for the U.S. market. Roche has chosen us to partially manufacture two of its key biological products for the Domestic Market.

Diversified Income Base

Our business is diversified in terms of geographies, therapeutic areas and business segments within the pharmaceutical industry. In terms of geographical diversity, we are present in the Domestic Market, the Regulated Markets (more specifically the United States) and in the Rest of World markets. For the nine months ended December 31, 2012, of our revenue from operations (net), 54.7% was from the Domestic Market, 38.3% was from the Regulated Markets and 7.1% was from the Rest of World. For the Fiscal 2012, of our revenue from operations (net), 48.4% was from the Domestic Market, 42.7% was from the Regulated Markets and 8.9% was from the Rest of World. For the Fiscal 2011, of our revenue from operations (net), 57.9% was from the Domestic Market, 31.7% was from the Regulated Markets and 10.4% was from the Rest of World. Over the past few years we have also increased our presence in the Rest of World as part of our attempt to further diversify our business geographically.

In India, we have multiple brands across multiple therapeutic areas, and no single brand contributed more than 10.0% of our total income for the Fiscals 2012 and 2011.

Our operations in the Regulated Markets consist of contract manufacturing, licensing and our own marketing business. We believe that our diversified revenue sources and product base have helped de-risk our business and at the same time provided us with the flexibility to venture into newer markets.

Experienced Management Team

Our business and operations are led by a highly qualified, experienced and capable management team, comprising scientists, engineers and management school graduates. Our Promoter and Managing Director, Satish Ramanlal Mehta, a graduate of the Indian Institute of Management at Ahmedabad, has over thirty years of experience in the pharmaceutical industry, and under his leadership, we have emerged as a leading participant in the Indian pharmaceutical industry. In addition to Mr. Mehta, our other Executive Directors, Arun Kumar Khanna, who is our Chief Operating Officer, Mukund Ranade, who is our President-Regulated Markets, Dr. Mukund Gurjar, who is our Chief Scientific Officer and Mahesh Shah, who is our Director (Technical), who each have more than thirty years of experience in the pharmaceutical industry, have been instrumental in building our brand. Recently, Sunil Rajanikant Mehta, Senior Director (Projects) of our Company and who has been driving various expansion projects for our Company, joined our Board as an Executive Director.

Additionally, our independent Board of Directors include Humayun Dhanrajgir, the former head of GlaxoSmithKline Pharmaceuticals Limited, who has more than thirty six years of experience, Marvin Samson, the former chief executive officer of Marsam Inc., Sicor Inc. and Qualitest Inc., who has more than forty five years of experience in the United States pharmaceutical industry with significant knowledge of injectables manufacturing and Dr. Girish Telang, who was vice-chairman and managing director for Roche Products (India) Private Limited and has more than thirty four years of experience overall. We believe that our Board of Directors and senior management provides us with a significant competitive advantage as we seek to expand in our existing markets and enter new geographic markets. We also rely on Mr. Bapat, a former officer holding senior positions with the Indian Police Service who has previously served as Joint Director - Intelligence Bureau, Commissioner of Police Mumbai and Mr. Desai, an eminent corporate and business lawyer.

Our Strategy

Our objective is to be among the leading Indian companies in the global pharmaceutical industry, and to be ranked among the top 10 companies in the Indian pharmaceutical market. We intend to achieve our objective by capitalizing on our research and development capabilities, fortifying our Indian presence, rapidly expanding our international operations, particularly in the United States and the Rest of World and to continue to focus on existing and new relationships. The primary elements of our strategy are as follows:

Continue to Focus on Research and Development to Enhance our Portfolio of Differentiated Products

We intend to continue our initiatives in research and development in order to enhance our differentiated product portfolio in both the Domestic Market and international markets. As part of our strategy, we will continue to focus on vertical integration for better control over our quality, supply chain and costs, by predominantly using in-house APIs.

We have made, and expect to continue to make, substantial investments in high-growth therapeutic areas such as pain management and analgesics, cardiology, gynecology, HIV, diabetology and oncology where we believe we have significant growth potential. We are also working on niche areas with high entry barriers such as sustained release preparations, soft gelatin capsules and injectables including complex iron supplements, cytotoxics and suspensions. We also intend to selectively pursue Paragraph IV filing opportunities. We intend to continue to expand our portfolio of products and have identified biopharmaceuticals as another long term growth opportunity. We also have scientists with expertise in polymer based chemistry, peptides chemistry and complex products. We intend to continue to invest in research and development efforts in these areas.

Increase Market Share in the Domestic Market

We intend to continue to consolidate our position in our key therapeutic areas such as cardiology, gynecology, pain management and analgesics, blood related, HIV, nephrology (related to kidney ailments) and vitamins, minerals and nutrients and increase our overall Domestic Market share. We also intend to increasingly focus on oncology and diabetology where we believe we have significant growth potential.

We will continue to increase our penetration across India with an increased focus on hospitals and pharmacy chains as well as in rural and semi-rural parts of India where we believe there is strong potential for our products. In addition to marketing and selling our own products, we have recently entered into various agreements including in-licensing agreements to sell multi-national pharmaceutical companies' branded products in India and intend to continue to do so.

Increase Our Sales in the Regulated Markets

In North America, we intend to further grow our United States operations through our Company's subsidiary, Heritage, by leveraging its established relationships with key retail and institutional national accounts including chain pharmacies, wholesalers, distributors, group purchasing organizations and mail-order customers and its sales and marketing expertise, to launch additional products from our pipeline. In addition to products from our Company, Heritage will also continue to expand its product portfolio by in-licensing products from third parties.

We recently entered the European market through our acquisition of BiCNU® and intend to expand our operations through our newly formed subsidiary in the United Kingdom. We have initiated the process of evaluating which of our current product offerings are best suited for introduction and growth in the European markets.

We also intend to build on our relationships with multi-national pharmaceutical companies for the Regulated Markets by increasing the volume and range of the products we currently manufacture.

We will continue to evaluate additional markets and product opportunities, including potential acquisitions and relationships which we believe will be beneficial to increase our presence in the Regulated Markets.

Broaden and Deepen Our Rest of World Presence

Our current portfolio consists of more than 25 products focused on key therapeutic areas such as cardiology, nephrology, blood related, HIV and gynecology, which are being exported to more than 65 countries. Our product portfolio is primarily focused on offering differentiated product platforms such as chiral, injectables, and biosimilar products based on differentiated delivery technologies. We intend to continue to grow our sales in Africa, Russia, the Commonwealth of Independent States, Asia and Latin America by aggressively registering our products in these markets.

Our growth strategy in the Rest of World will vary from country to country depending on country specific regulatory requirements. We may either form important relationships with companies with strong local presence or alternatively appoint local distributors through which we can undertake our own sales and marketing. We currently have subsidiaries in Nigeria, Dubai, Singapore, South Africa and Brazil and branch offices in Russia and Morocco, which are liaison operations.

Our History and Evolution

We commenced operations in 1983, beginning as a contract manufacturer for leading multi-national companies in the Domestic Market. We benefited significantly from our experience in working with, and manufacturing brands for, these multi-national companies. Since 1995, we began to focus on our own domestic branded generics for distribution in the Indian pharmaceutical market. Since then, we have become the 14^{th} largest pharmaceutical company in India in terms of market share based on domestic sales of pharmaceutical products. *(Source: IMS Health India, SSA, March 2013)*

Our growth story in the Regulated Markets has mirrored that in the Domestic Market, evolving from a contract manufacturer to now having our own front-end operations. Since 2007, we have developed our Regulated Markets capabilities through relationships with leading multi-national companies, including Pfizer, Teva, Sandoz and BMS, handling various dosage forms including more specialized manufacturing areas such as cytotoxic products and injectables (liquid and lyophilized). In April 2011, we acquired Heritage, which has become our sales and marketing platform to commercialize our own approved ANDAs that span solid orals, injectable and oncology pharmaceutical products. In December 2012, our Company acquired the world-wide rights for BiCNU®, which will be our anchor brand for our oncology portfolio.

Description of Our Business

We develop, manufacture and market our pharmaceutical products in the Domestic Market and international markets. In addition, we also have relationships with leading multi-national pharmaceutical companies in the Regulated Markets. The following table represents a breakdown of our income, from the

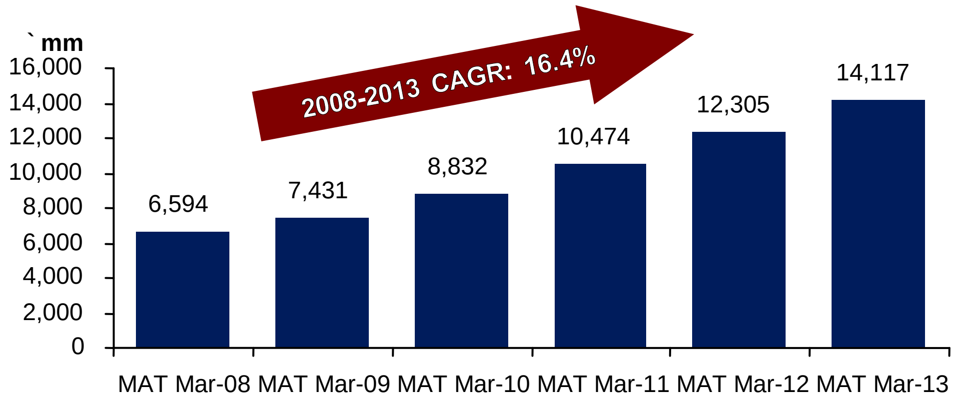
Domestic Market and international markets, for the periods indicated:

	For the Fiscal						For The Nine Month Period Ended	
	2010		2011		2012		December 31, 2012	
Particulars	**₹ in million**	**% of Total revenue**	**₹ in million**	**% of Total revenue**	**₹ in million**	**% of Total revenue**	**₹ in million**	**% of Total revenue**
Domestic Market	**5,908.68**	**56.1**	**7,815.78**	**57.9**	**8,734.17**	**48.4**	**8,221.44**	**54.7**
International market								
Regulated Markets	**2,939.86**	**27.9**	**4,276.11**	**31.7**	**7,700.23**	**42.7**	**5,753.39**	**38.3**
Rest of World	**1,692.37**	**16.1**	**1,405.13**	**10.4**	**1,610.34**	**8.9**	**1,060.10**	**7.1**

Our Domestic Business

We were the 75th ranked pharmaceutical company in India in 1995 and have grown significantly since then. Between the 12 months ended March 31, 2008 and the 12 months ended March 31, 2013, our domestic branded generics business has grown at a CAGR of 16.4% while the Indian pharmaceutical market has grown at a CAGR of 13.7%.

Our Growth between March 2008 and March 2013



Source: IMS Health India, SSA, March 2013.
Notes:
(1) These amounts are based on data from IMS and will differ from the amounts stated in our restated consolidated financial statements.
(2) Moving annual total over the 12 month period ended March 31, 2013.
(3) Growth rate is 5 year CAGR for IMS Health India, SSA, March 2008 to March 2013.

We are currently ranked as the 14th largest pharmaceutical company in India in terms of market share based on the domestic sales of pharmaceutical products. (*Source: IMS Health India, SSA, March 2013*).

The table below illustrates the current rankings of pharmaceutical companies in terms of domestic sales of pharmaceutical products:

Rank	Companies	Indian/MNC
1.	Abbott Laboratories	MNC
2.	Cipla Limited	Indian
3.	Ranbaxy Laboratories Limited	MNC
4.	Sun Pharmaceutical Industries Limited	Indian
5.	Cadila Healthcare Limited	Indian
6.	Glaxosmithkline	MNC
7.	Mankind Pharma Limited	Indian
8.	Alkem Laboratories Limited	Indian
9.	Pfizer	MNC
10.	Macleods Pharmaceuticals Limited	Indian
11.	Lupin Limited	Indian
12.	Intas Pharmaceuticals Limited	Indian
13.	Sanofi	MNC
14.	Emcure	Indian
15.	Aristo Pharmaceuticals Private Limited	Indian
16.	Reddy’s Laboratories Limited	Indian
17.	Torrent Pharmaceuticals Limited	Indian
18.	USV Pharmaceuticals Limited	Indian
19.	Wockhardt Limited	Indian
20.	Glenmark Pharma Limited	Indian

(*Source: IMS Health India, Ranking based on SSA, MAT March 2013*)

A brief description of our therapeutic areas are as set out below:

Chronic and Acute Therapeutic Areas

We have increased our focus on chronic therapeutic areas, which have grown at a faster rate than acute therapeutic areas. The share of our total sales attributable to chronic therapies has increased from 25.7% to 28.4% between March 2008 and March 2013, a ratio similar to the industry average. We intend to continue to build our pipeline of products for chronic therapies. The table below illustrates the growth rate in sales for acute and chronic therapies between March 2008 and March 2013:

	Market Growth Rate (March 2008 to March 2013)	Our Growth Rate (March 2008 to March 2013)
Acute..	12.4%	15.6%
Chronic	17.4%	18.8%

(Source: IMS Health India, SSA, March 2008 to March 2013)

Key Therapeutic Areas

Our products are classified on the basis of their therapeutic use. The table below provides details of our therapeutic areas and income generated for the 12 months ended March 31, 2013 and as a percentage of total IMS sales of domestic pharmaceutical products and certain other industry data:

	Value MAT (₹ in millions)	% of Total sales of domestic pharmaceutical products	Industry-wide MAT Growth -Five year CAGR	Our MAT Growth - Five year CAGR
Cardiology......................................	3,203.25	22.7%	15.8%	17.9%
Gynecology	2,560.12	18.1%	13.2%	17.7%
Anti-infectives	1,970.08	14.0%	10.9%	7.8%

Vitamins, minerals, nutrients	1,090.17	7.7%	12.9%	17.5%
Blood related	1,056.51	7.5%	13.5%	33.3%
Pain / analgesics	972.89	6.9%	12.5%	8.3%
Gastrointestinal	730.73	5.2%	13.4%	0.3%
Respiratory	668.18	4.7%	12.0%	34.0%
HIV	274.50	1.9%	14.5%	39.4%

Source: IMS Health India, SSA, March 2008 to March 2013.

Notes:
(1) These amounts are based on data from IMS and will differ from the amounts stated in our restated consolidated financial statements.
(2) Moving annual total over the 12 month period ended March 31, 2013.
(3) Growth rate is 5 year CAGR for IMS Health India, SSA, March 2008 to March 2013.

Our top three therapeutic areas, cardiology, gynecology and anti-infectives, together constituted 54.8% of our total sales in Domestic Market. *(Source: MAT, March 2013)*

- Cardiology. Our cardiology portfolio includes calcium channel blockers, beta blockers, hypotensive combinations, statins, anti-coagulants and diuretic combinations and our sales grew at a CAGR of 17.9%, as compared to market growth in this therapeutic area at a CAGR of 15.8%, between March 2008 and March 2013. *(Source: IMS Health India, SSA, March 2008 and March 2013)* We are ranked 1st in selling calcium channel blockers and hypotensive combinations and are ranked 9th in the overall therapeutic area in terms of domestic sales. Our key brands in the cardiology therapeutic area include Asomex, Metpure, S-Numlo, Eslo, Lomoh, Elaxim, Velix and Atorec.

- Gynecology. Our gynecology portfolio includes Haematinics and Iron combinations, Progestogen and Simi combinations and our sales grew at a CAGR of 17.7%, as compared to market growth in this therapeutic area at a CAGR of 13.2%, between March 2008 and March 2013 and we are ranked 2nd as on March 2013 in terms of domestic sales. *(Source: IMS Health India, SSA, March 2008 to March 2013)* Our portfolio also includes India's leading iron supplement, Ferium - XT. Our key brands in the gynecology therapeutic area include Orofer-XT, Orofer-S, Encicarb, Ferium-XT and Feronia-XT.

- Anti-infectives. Our anti-infectives portfolio consists primarily of cephalosporins and ampicillin (or amocycillin). We have the 12th rank in terms of domestic sales of cephalosporins and the 15th highest unit sales of ampicillin/amocycillin. Our key brands in the anti-infectives therapeutic area include include Zostum, Merotec, Netromax and Augpen.

- Vitamins, minerals, nutrients. Our vitamins, minerals and nutrients portfolio includes multi-vitamins with nutrients, vitamin B12 and metabolites and protein and nutrients supplements and our sales grew at a CAGR of 17.5%, as compared to market growth in this therapeutic area at a CAGR of 12.9%, between March 2008 and March 2013. *(Source: IMS Health India, SSA, March 2008 to March 2013)* We are ranked 13th in this therapeutic area in terms of domestic sales. Our key brands in the vitamins, minerals and nutrients therapeutic area include Bevon, Xplode, Hosit, Zinconia and Full-365.

- Blood related. Our blood related portfolio primarily includes antifibrinolytics and Erythropoietin and our sales grew at a CAGR of 33.3%, as compared to market growth in this therapeutic area at a CAGR of 13.5%, between March 2008 through March 2013. *(Source: IMS Health India, SSA, March 2008 to March 2013)* We are ranked 1st in this therapeutic area in terms of domestic sales. Our key brands in the blood related therapeutic area include Vintor, Pause, Pause MF and Eporise.

- Pain and analgesics. Our pain and analgesics portfolio includes anti-rheumatic, anti-osteoporosis, muscle relaxants and our sales grew at a CAGR of 8.3%, as compared to market growth in this therapeutic area at a CAGR of 12.5%, between March 2008 to March 2013 and will continue to remain a key focus area for us in the future. *(Source: IMS Health India, SSA, December 2007 to December 2012)* Our key brands in the pain and analgesics therapeutic area include Infen, Emanzen-D, Celol, Myotop and Proxym.

- Gastrointestinal. Our gastrointestinal portfolio includes antipeptic ulcerants, ofloxacin combinations, laxatives. We are ranked 24th in terms of domestic sales in this therapeutic area. Our key brands in the gastrointestinal therapeutic area include Normet, Emigo, Gutclear, Diof, Rabifast DSR and Ancool.

- Respiratory. Our respiratory portfolio includes cold preparations, cough preparations and antihistamines and our sales grew at a CAGR of 34.0%, as compared to market growth in this therapeutic area at a CAGR of 12.0% between March 2008 and March 2013. *(Source: IMS Health India, SSA, March 2008 and March 2013)* Our key brands in the respiratory therapeutic area include Maxtra, Maxtra-P, Soventus and Nukast.

- HIV. Our HIV portfolio includes antiviral ex-vaccines and our sales grew at a CAGR of 39.4%, as compared to market growth in this therapeutic area at a CAGR of 14.5% between March 2008 and March 2013. *(Source: IMS Health India, SSA, March 2008 and March 2013*). Currently, we rank 2nd in terms of domestic sales in this therapeutic areas. Our key brands in the HIV therapeutic area include Vanavir, Atazor, Emtri, Tavin and Efcure.

- Diabetology. Our diabetology portfolio comprises of oral anti-diabetic products. We have key molecules such as Glibenclemide (plain and metformin combination), Glimepride (Plain and Metformin combination). We also have Vildagliptin (plain and metformin combination), which helps us enter DPP 4 market, which is growing at CAGR of 137.2% between March 2008 and March 2013 and is currently valued at ₹ 6,372.00 million (*Source: IMS Health India, SSA, March 2008 and March 2013*). Key brands in the diabetology therapeutic area include Vysov, Daonil, and Xilia.

- Oncology. Our oncology portfolio comprises key injectable molecules such as bendamustin, carmustine, gemcitabine and irinotecan.

Brands

Among the top 300 brands in India, we have eight brands covering diverse therapeutic areas:

- Orofer XT (Haematologics/ iron preparations)
- Vintor (blood related)
- Orofer S (Haematologics/ iron preparations)
- Asomex (cardio/ anti hypertension)
- Metpure XL (cardio/ anti hypertension)
- Augpen (antibiotics)
- Bevon (vitamins/ minerals/ nutrients)
- Zostum (antibiotics)

(Source: IMS Health India, TSA, MAT March 2013.)

In addition, we have number of other brands that contribute to more than ₹ 100.00 million per year in sales, according to IMS and that have the potential to be among top 300 brands in India.

Chiral and Biopharmaceutical Portfolio

Chirality produces many benefits, which ultimately improve the efficacy and safety of treatment. For example, chirality increases receptor selectivity and potency, which reduces the required dosage (and metabolic load on the patient's body) and in many cases enhances the pharmacological effects. Chirality also reduces adverse effects and the potential for drug interactions because chirality removes the inactive isomer. We are pioneers in commercializing chiral technology in India. Our portfolio includes 11 commercialized molecules, eight of which were introduced for the first time in India.

List of Chiral molecules launched our Company for the first time in India
Levamlodipine Besilate (S-Amlodipine)
Dexketoprofen Trometamol
Dexrabeprazole
R-Ondansetron Hydrochloride
S-Metoprolol Succinate
S-Pantoprazole Sodium Salt
S-Etodolac
Esatenolol

(Source: SSA MAT March 2013)

Our chiral portfolio has been particularly successful in our target specialities, and allows us to expand into newer therapeutic areas.

We were the first company to launch TNK-tPA (Tenecteplase Recombinant) (Elaxim) in India in the area of thrombolytics after which the innovator company also made its product available in India. Also our brand Vintor is ranked no. 1 in the erythropoietin market (Epoetin Alfa Recombinant) in India *(Source: IMS Health India, SSA, March 2013*). We are also taking steps to export this product to the Rest of World. In addition, we also have developed, erythropoietin (EPO), sargramostim (GMCSF), filgrastim (GCSF), and pegylated filgrastim (PegGCSF) and are currently working on additional biosimilars, which we intend to launch in the Domestic and international markets.

In-licensing, Intellectual Property License Rights and Other Partnerships

We have partnered with several multi-national corporations to market their products in India. The collaboration enables these corporations to leverage our strength in sales and marketing to expand their presence in India and on the other hand, allows us to expand and offer a larger portfolio of products. Recently, we have entered into the following in-licensing arrangements, intellectual property license rights or other partnership rights:

- Roche – We have an co-marketing arrangement with Roche for three of its key innovative biologial products within India - Peg-interferon alfa – 2A 40KD (Taspiance), Trastuzumab (Biceltis) and Rituximab (Ikgdar). Within this arrangement we are marketing these products under separate Roche trademarks in India

  Under an existing memorandum of understanding, we will also enter into loan-license agreements with Roche (India). under which we will initially label and pack and later fill-finish Trastuzumab and Rituximab to be marketed by both, Roche and us under separate Roche trademarks, for Indian market.

- Sanofi – Through our Subsidiary, we have an agreement to exclusively market Sanofi – Pasteur's Verorab® (Rabies Vaccine) in India. We also have a non-exclusive distribution agreement with Sanofi India for their anti-diabetic product "Daonil" for India and Nepal.

- Novartis – We have entered into a co-marketing agreement with Novartis (India) for its products Vysov® and Vysov®-M across India.

- Vifor – We have been granted an IP license to be able to manufacture and commercialize our own iron complex (ferric carboxymaltose) product in India.

- Janssen R&D Ireland (formerly Tibotec Pharmaceuticals) – We have been granted a non-exclusive license to manufacture and commercialize rilpivirine in 112 countries including India.

- BMS – We have been granted a royalty free exclusive license to market Atazanavir in India.

Sales and Marketing

We have a dedicated sales and marketing team with more than 4,800 professionals and an extensive domestic distribution network. Our sales and marketing team is divided into the following seven business units focusing on different therapeutic areas and specialists:

Business Units	Therapeutic Areas	Specialists
BU 1	Gynaecology	Gynaecologists, infertility specialists, general physicians, consulting physicians, surgeons
BU 2	Cardiology, Diabetology	Diabetologists, cardiologists, nephrologists, general practitioner, consulting physicians, surgeons
BU 3	Nephrology	Nephrologists, haematologists, cardiologists, consulting physicians
BU 4	Pain / Analgesics, anti-infectives, gastroenterology, respiratory, vitamins, minerals and nutrients	Orthopedic surgeons, gastroenterologists, ear-nose-throat consultants, dentists, dermatologists, general physicians, surgeons, consulting physicians
BU 5	Anti – retrovirals	Physicians with HIV practice, dermatologists
BU 6	Oncology	Oncologists, hematologists, urologists, neuro surgeons
BU 7	Virology, Rheumatoid Arthritis	Hepatologists, gastroenterologists, nephrologists, rheumatologists

Our International Business

For the nine months ended December 31, 2012, the international markets contributed 45.3% of our revenue from operations (net). For the Fiscals 2012 and 2011, the international markets contributed 51.6% and 42.1% of our revenue from operations (net), respectively. Our international operations which commenced in 1996 currently include our operations in the Regulated Markets and the supply of pharmaceutical products in more than 60 countries.

Regulated Markets

For the nine months ended December 31, 2012, the Regulated Markets contributed 38.3% of our revenue from operations (net). For the Fiscals 2012 and 2011, the Regulated Markets contributed 42.7% and 31.7% of our revenue from operations (net), respectively, with the U.S. market being a significant contributor to our revenue from the Regulated Markets.

We commenced our sales and marketing operations in the United States through our acquisition of Heritage in April 2011. Heritage, our wholly owned Subsidiary, is a New Jersey-based generic pharmaceutical company focused on the acquisition, licensing, development, sale and marketing of generic prescription products in the United States. Heritage was incorporated in 2006 and currently has an established generic product label and a national sales and marketing platform spanning chain pharmacies, wholesalers, distributors, hospitals, managed care, group purchasing organizations and mail order customers.

Heritage has built an extensive global supply chain and resource network for developing and manufacturing products. This network includes third-party contract research organizations and contract manufacturers in North America and India. Heritage's product portfolio currently includes 37 commercial products of various strengths. The products cover various therapeutic areas, including oncology, cardiovascular, diabetes, metabolic disease, anti-infectives and pain management.

Under the Heritage label, we focus our sales primarily on the retail market, which includes national drug wholesalers, distributors, cooperatives and chain pharmacies. We also promote the sales efforts of wholesalers and drug distributors that sell Heritage's products to clinics, governmental agencies and other managed health care organizations. We have also expanded from the retail class of trade into institutional contract tenders with successful contract awards with large, national group purchasing organizations ("GPOs").

We have an experienced sales and marketing team with demonstrated success in commercializing and selling generic prescription products. We have successfully placed products with U.S. chain pharmacies, national wholesalers, distributors, managed care, mail order and group purchasing organizations.

Since its acquisition, Heritage's revenues have increased significantly on account of number of product launches. Notable product launches during the last six months include BiCNU® (Carmustine, acquired in December 2012), Zoledronic (launched as Paragraph IV "At risk") and Cidofovir. We expect further growth in the institutional segment to come from our injectables portfolio.

We have relationships with some of the leading multi-national pharmaceutical companies in the world such as Pfizer, BMS, Teva and Mylan, for whom we currently manufacture products for Regulated Markets. While we will continue to focus on building our sales, focusing on products with high entry barriers and limited competition, and build on our existing relationships.

- Pfizer – We have a manufacturing and supply agreement for different oral solid products for the United States market. We have also out-licensed an Injectable product for the North American market.

- BMS – We supply three solid oral products for the Regulated Markets – Sustiva, Zerit and Videx.

- Teva – Since 2007, we have been manufacturing solid orals. We currently produce several products for the North American markets.

- Sandoz – We are a supplier of products to Sandoz for the United States.

- Mylan – We have recently signed a manufacturing and supply agreement to handle various products for the United States.

- Sagent – We developed and handle commercial supplies of technologically challenging products such as Atracurium for the United States markets under Sagent's ANDAs.

Relationships with multi-national companies have provided us with a deeper understanding of the Regulated Markets in terms of regulatory requirements, logistics and supply chain management.

Rest of World

For the nine months ended December 31, 2012, the Rest of World contributed 7.1% of our revenue from operations (net). For the Fiscals 2012 and 2011, the Rest of World contributed 8.9% and 10.4% of our revenue from operations (net), respectively.

We sell and market our products in over 65 countries in the Rest of World, targeting Africa, the Commonwealth of Independent States, Latin America, the Middle East, and South East Asia. Many of these markets have similar characteristics to the Indian pharmaceutical market, such as rising income levels, improving healthcare infrastructure, self-pay healthcare systems and less stringent regulations than the Regulated Markets, all of which we believe creates a favorable market environment for selling pharmaceutical products (branded generics).

We cater to the Rest of World through our differentiated portfolio (including chiral molecules and biosimilars) of pharmaceutical products (branded generics) focused on oncology, cardiology, nephrology, blood related, antiretrovirals and gynecology. We continue to file product registrations to further penetrate the Rest of World.

We sell and market our products through important alliances with local partners and multi-national pharmaceutical companies and, increasingly, through our own in-house sales efforts in select markets. We expect to continue to expand our in-house sales and marketing efforts in select geographies. In some of these markets, we also enter into technology transfer agreements on either profit sharing or royalty based models whereby our partners import APIs from us and locally manufacture (under our manufacturing process) the pharmaceutical product.

Additionally, we sell and market products in the Rest of World through marketing and supply arrangements. For example, our chiral molecule S-amlodipine, is sold as a calcium-channel blocker in 46 countries. It is marketed in South Korea, by our partner Ahngook Pharmaceutical Company Limited, in Ukraine, by our partner Actavis Group and in Brazil, by our partner, Biolab Sanus Farmaceutica Limited.

In South America, we have a presence through our Subsidiary in Brazil. We market our portfolio primarily consisting of chiral products in South America through our partner Biolab Sanus Farmaceutica Limited. In Argentina, we market select oncology products through our partner Varifarma.

In the Middle East and Africa, we have a presence through our Subsidiaries in Dubai, Nigeria and South Africa. Our products are marketed through various local distributors to whom we supply our products directly.

In South East Asia (excluding India), we market our products through local distributors. We have also recently incorporated a Subsidiary in Singapore.

Research and Development

Our in-house research and development capabilities are the cornerstone of our operations and continued growth. Our research and development teams focus on API, pharmaceutical products and biopharmaceutical development and are divided between the Domestic Market, the Regulated Markets and the Rest of World markets. As of March 31, 2013, our research and development team filed filed 229 patent applications including 21 PCT applications, developed over 300 pharmaceutical products, and filed 68 DMFs (including four for our partners) and 155 ANDAs (including 36 for our partners) for the U.S. market. Our filed and approved ANDAs are set out below:

		Duration since Filed, as of March 31, 2013			
	Approved	**Less than 12 Months**	**12 to 24 Months**	**More than 24 Months**	**Total**
ANDAs					
- Own	50	22	34	13	**119**
- Partner / co developed[1]................	22	2	2	10	**36**
Total	72	24	36	23	**155**

Note:
[1] *Partner or co-developed ANDAs are those ANDAs developed by us and filed in the name of a partner or co-developer. These ANDAs are owned either exclusively by our partner or co-developer, or co-owned by us.*

Out of our own 119 filed ANDAs, we have a mix of 68 solid orals and 51 injectables ANDAs. Within solid orals, we have filed a number of soft gel and extended release products. We have filed eight ANDAs under Paragraph IV of which two are for partners.

Most of the DMFs filed are for in-house pharmaceutical products. Some of our key DMF filings are acamprosate calcium, argatroban, cidofovir, enoxaparin, raltegravir potassium, sevelamer carbonate, sevelamer hydrochloride, sodium ferric gluconate and zileuton. Some of the key DMFs in oncology are busulfan, carmustine, cyclophosphamide, decitabine, docetaxel, gemcitabine, irinotecan, melphalan oxaliplatin and topotecan.

API Research

As API research is the starting point for most of our initiatives in pharmaceutical products, we develop multiple synthetic routes for the same molecule and choose the route that is most robust and cost effective and matches innovator product specifications. Our scientists have expertise in chiral chemistry, polymer based chemistry, peptides chemistry and complex products.

- *Chiral Chemistry.* We believe that we are leaders in chiral chemistry. We believe that chirality produces many benefits, which ultimately improve the efficacy and safety of treatment. For example, chirality increases receptor selectivity and potency, which reduces the required dosage (and metabolic load on the patient’s body) and in many cases enhances the pharmacological effects. Also, chirality in many cases reduces adverse effects and the potential for drug interactions because chirality removes the inactive isomer. We introduced 11 chiral products for the first time in India.

- *Polymer Based Chemistry.* We are one of the few companies to have leveraged the technology and commercialized APIs based on polymer based chemistry, including Sevelamer HCL and Sevelamer carbonate in India. The worldwide market size for Sevelamer is approximately U.S. Dollar 1 billion (*Source: IMS Health India, WRM, Dec 2011)*.

- *Peptides Chemistry.* Peptides chemistry allows us to explore new areas of peptides research, such as high end separation and characterization for development of peptides in both solid and solution state. Our peptides chemistry research team carries out sophisticated characterization of all molecules to ensure their structures, purity and potency. Peptides have a market size of U.S. Dollar 3.9 billion (*Source: IMS Health India, WRM, Dec 2011)*. with expected patent expiry from 2016.

- *Complex Products.* These products have complex structures that require special skills to develop. Unlike a majority of injectables products, these complex molecules require sophisticated characterization and bio equivalence studies mandated by USFDA. We have already developed and commercialized some of these products in the Domestic Market, such as iron preparations and low molecular weight heparin.

Pharmaceutical Products Research

Our pharmaceutical products research team offers a portfolio of differentiated drugs and we have the ability to handle multiple dosage forms such as:

- Solid dosage pharmaceutical products (capsules, effervescent tablets, softgels, tablets for immediate release or extended release);
- Injectables (sterile solutions and anticancer injectables);
- Lyophilized pharmaceutical products (including lyophilized cytotoxic injectables);
- Novel pharmaceutical products (suspension and emulsion injectables, liposomes and nanoparticles for injection);
- Oral liquids (syrups, suspensions);
- Topical pharmaceutical products (sprays, patches, ointments); and
- Respiratory (inhalers).

Our primary objective in pharmaceutical products research is to develop and launch niche products with limited competition and high entry barriers.

- *First to market opportunities in the Domestic Market*: Our domestic pharmaceutical products research team has a proven record in speed to market, having launched several pharmaceutical products for the first time in India, including dapoxetine, troxipide and ferric carboxymaltose and most of our range of chiral molecules such as S-amlodipine, S-metoprolol and S-atenol.
- *Novel drug delivery systems.* We are developing novel drug delivery systems based on the liposomal and nanotechnology platforms. We have identified several antifungal, antibiotic and oncology products that will be developed and commercialized using these platforms and are currently developing a few . We believe that these platforms will benefit patients by reducing *in vivo* toxicity.
- *Wide range of dosage forms*. We have in-house capability to develop a wide range of dosage forms. For solid orals, we have the capabilities to develop products with controlled release pharmaceutical products, taste masking, orally dissolving tablets and soft gels formulations. For injectables, we handle liquids, lyophilized and sterile powder fill in vials as well as pre-filled syringes. Our injectable portfolio includes complex iron injectables, oncology, steroids, suspensions and emulsions.
- *Paragraph IV opportunity in the United States.* We develop pharmaceutical products that are candidates for Paragraph IV to gain early market access in the United States.

Biotechnology Research

Through our Subsidiary, Gennova, we focus on biotechnology research for biosimilars, vaccines and mAbs using recombinant DNA technology.

- *Biosimilars.* We focus on biosimilars of recombinant therapeutic innovator products, particularly for three key therapeutic areas: cardiovascular, nephrology and oncology. Our biosimilar research benefits from Gennova's three commonly used expression platforms (mammalian, yeast and bacterial) and perfusion-based bioreactor systems. We have also patented the manufacturing process used to produce some of the products we market in India.
- *Vaccines and mAbs.* We have various vaccines and mAbs programs in the development phase that are funded by public-private partnerships. Funding for our vaccines and mAbs research has allowed us to collaborate with leading medical institutions on several blood stage and transmission blocking malaria vaccine candidates. These partnerships allow us to build our analytical capabilities as we build our in house mAbs program using our perfusion based production system.

Research and Development Infrastructure

Our research and development team consists of over 400 scientists, 47 of which hold Ph.D.s as of March 31, 2013. We conduct research and development activities at eight dedicated R&D centers located in Bhosari, Pune; Hinjewadi, Pune; Pimpri, Pune; and East Brunswick, New Jersey. We have two centers focused on API research, four on formulation products and two centers working on biotechnology research.

Our research and development team includes an in-house regulatory affairs unit that is experienced in handling regulatory filings with regulators in the United States, the European Union, WHO-PQ and other jurisdictions and is capable of submitting DMFs, ANDAs and Marketing Authorizations in common technical document ("CTD") format. We also have an in-house medical affairs unit, which is experienced in monitoring clinical trials, bioequivalence studies, pharmacovigilance, and toxicology studies.

Manufacturing

We operate nine manufacturing facilities including eight in India and one in the United States. Five of our facilities are approved by USFDA. We manufacture a wide range of pharmaceutical products for Domestic Market and international markets as well as APIs predominantly for use in manufacturing of pharmaceutical products, which has allowed us to benefit from vertical integration, allowing us to source quality APIs in a cost effective and timely manner.

We believe that quality, compliance and the environment, health and safety of our manufacturing facilities are of paramount importance to our manufacturing operations. Our environment, health and safety initiatives help us to ensure the safety of the manufactured products, our employees and the environment. For example, we have created facilities to handle products with special needs such as facility using isolator technology for high potency products, temperature and humidity controlled environments.

Solid Orals

We currently produce several billions of tablets annually at our facilities located in Hinjewadi, Jammu and East Brunswick, New Jersey. We are also able to produce a wide range of pharmaceutical products including dissolvable and chewable tablets and hard and soft-shelled capsules with a focus on controlled release. We have the ability to develop taste masking tablets as well, such as anti-allergic and iron tablets with no metallic aftertaste to ensure better patient compliance. Other novel drug delivery systems that we build into solid orals include sublingual and oral disintegration technology. Hot melt technology is currently being applied to antiretrovirals such as Ritonovir to make it heat resistant. Some of our products also include tablet in tablet / bi-layer tablet technologies to pair multiple pharmaceutical products.

Injectables

We currently manufacture injectable products in our facility at Hinjewadi and have commenced manufacturing injectable products at our Jammu facility. Our injectables manufacturing facilities are able to handle different packaging formats, such as vials and pre-filled syringes, and forms, such as lyophilized and liquid. We are also able to produce high potency injectables, particularly oncology products, at our cytotoxic facility by using isolation technology, which is particularly complex.

Soft-gelatin Capsules

We manufacture pharmaceutical products as soft-gelatin capsules through our manufacturing facility in East Brunswick, New Jersey, which is USFDA, U.S. Environmental Protection Agency ("EPA") and U.S. Occupational Safety and Health Administration ("OSHA") compliant. We believe that the U.S. market for soft-gelatin capsules will continue to grow as the average age of the U.S. population increases.

APIs

Our manufacturing facilities in Kurkumbh and Pimpri allow us to manufacture several different APIs simultaneously. Our Kurkumbh manufacturing facility has four distinct blocks: intermediates, iron compounds, general purpose and cytotoxics. The facility is capable of handling various reactions including Grignard, Palladium based Heck and Suzuki cross-coupling, Friedel-Craft alkylation, asymmetric reactions and reductions, as well as the capability to handle various pyrophoric and hazardous reagents at very low temperatures.

The table below sets forth the details of our manufacturing facilities with an indicative list of major approvals that have been obtained by us for our manufacturing facilities:

Facility	Product manufactured	Major Approvals	Registered Capacity (per annum)
Hinjewadi, Pune	Solid Orals	• US FDA • UK MHRA • MCC South Africa • MHLW Japan • ANVISA Brazil • GCC • cGMP India	- Tablets: 5,000 million* - Capsules: 1,000 million*
Hinjewadi, Pune	Injectables	• US FDA • UK MHRA • MHLW Japan • ANVISA Brazil • GCC • cGMP India	- Vials: 43.2 million** - Pre-filled syringes: 12 million**
Hinjewadi, Pune	Cyto toxic (Injectables)	• USFDA • UK MHRA • ANVISA Brazil • GCC • Health Canada • cGMP India • TGA Australia	- Vials - 1.5 million**
Hinjewadi, Pune (Gennova)	Biopharmaceuticals (APIs, vial)	• cGMP India	- API – 6 kg* - Vial – 17.8 million**
Kurkumbh, Pune	APIs	• US FDA • cGMP India • TGA Australia	- API – 240 Tonnes**
Pimpri, Pune	APIs	• cGMP India	- API - 2.4 Tonnes**
Jammu	Tablets, Capsules and Liquids	• CDDA Sri Lanka • cGMP India	- Tablet - 720 million** - Capsules - 75 million** Liquids – 23.8 million**
Jammu (Zuventus)	Injectables Powder Injectables	• cGMP India	- Dry Powder Suspension - 1.8 million** - Vials – 15.3 million** - Tablets - 36 million**
East Brunswick, New Jersey (Emcure USA)	Soft Gelatin Capsules	• USFDA • EMA	N/A

**As per the industrial entrepreneurs memorandum submitted with the Secretariat for Industrial Assistance.*
***As per the approval received from the Pollution Control Board of the respective states.*

Quality Control

We believe that quality function is critical to our brand and continued growth. We perform regular audits on our manufacturing facilities and regularly review and update our procedures and practices to ensure compliance with international regulatory and cGMP requirements. Our manufacturing facilities have successfully been inspected by various regulatory authorities including USFDA, MHRA, Canada and Brazil.

Our quality assurance unit is independent of our production units, reporting directly to our Chief Executive Officer.We implement and maintain best industry practices including for, adequate premises and space, suitable equipment and services, appropriate materials, approved procedures and instructions, and equipped laboratories. We recruit employees with a range of qualifications, including B. Pharm, M. Pharm, M.Sc. and Ph.D. to maintain diverse knowledge base. All personnel are required to undergo thorough training programs designed to update them on latest quality norms and standards periodically.

We have a comprehensive and harmonized approach towards quality. We have a centralized corporate quality function that tracks all changes in quality requirements and standards and ensures implementation across all our facilities, which maintain uniform standard of quality. Any remedial action or improvement done in one facility are ported to all other facilities.

Our quality function monitors all stages of product development. Various in-process quality checks are performed to monitor product quality during manufacturing process. Final finished products are tested as per the predetermined quality specifications before release in the market. All products are subjected to extensive stability testing program to understand the real product behavior during its shelf life. We also monitor in-market product quality through annual product quality review mechanism.

All of our manufacturing facilities also have waste management and environment protection systems designed to comply with laws on environmental pollution.

Competition

Our competition varies by market, therapeutic areas and type of product. Our principal competitors within India include leading Indian generics players such as Zydus, Abbot and Sun Pharma as well as leading multi-national pharmaceutical companies such as Glaxo-Smith Kline, who operate in the Indian pharmaceutical market, in similar therapeutic areas. In the Rest of World, we compete with regional players and multinationals, whereas in the United States generics market, our competitors are primarily Mylan and Watson.

Insurance

Our property, plant and equipment are insured for standard perils, including fire and earthquake. We maintain director and officers liability insurance and product liability insurance for the APIs, pharmaceutical products and contract research and manufacturing products that we sell. We also maintain medical insurance policies and personal accident insurance policies for our employees. Our policies are subject to customary exclusions and deductibles.

Employees

The breakdown of the number of our employees, as of March 31, 2013, is set out below:

Location	Number of Employees
India	8,416
United States	137
Other Countries	17
Total	**8,570**

Properties

Our registered and corporate office is located at Emcure House, T-184, M.I.D.C., Bhosari, Pune - 411 026, covering approximately 1,209 square metres and it is occupied by us on leasehold basis. In addition, we have our manufacturing facilities, research and development facilities, sales and marketing and administration offices in various locations such as Jammu, several districts of Pune, Ahmedabad and Mumbai, majority of which are occupied by us on leasehold basis. For further details, see "Risk Factors―We do not own our Registered Office and other premises from which we operate" on page 38.

Corporate and Social Responsibility

Through active involvement of our employees, we fund various CSR initiatives broadly encompassing three segments:

- Health – Through the "TAAL" initiative, we support five HIV community centers for better awareness and treatment for HIV positive people. We also partner with FOGSI (Federation of Obstertrics and Gynaec Society of India) on programs such as village adoption programs and camps at various schools to spread awareness on anemia and its treatment. Similarly, we conduct several camps for earlly detection and treatment of hypertension. We also have a helpline on diabetes and obesity and a program that works with various schools on these issues. On a smaller scale, at the regional level, we have doctors and medical vans that visit various NGOs and slums to conduct essential and regular health camps.

- Education – We have partnered with "Teach for India" to fund few schools in our city. In addition we sponsor education, provide scholarships and distribute essential school supplies to needy children.

- Environment – Our Company works with various NGOs on programs such as safe Holi, cleaning rivers during Ganesh festival as well as various workshops to spread awareness on environment issues.

REGULATIONS AND POLICIES

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

The Drugs and Cosmetics Act, 1940 (the "DCA")

The DCA regulates the import, manufacture, distribution and sale of drugs and cosmetics in India as well as aspects relating to labelling, packing and testing. The DCA also provides the procedure for testing and licensing of new drugs. The DCA also prohibits the import of certain categories of drugs and cosmetics. It further mandates that every person holding a license must keep and maintain such records, registers and other documents as may be prescribed which may be subject to inspection by the relevant authorities.

Under the DCA, the Government may, by notification in the official gazette, regulate or prohibit the manufacture, sale or distribution of a drug, if it is satisfied 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. Penalties in terms of fine and imprisonment are prescribed under the DCA for contravention of its provisions. The Central Government has also notified the Drugs and Cosmetics Rules in 1945 (the "**DC Rules**") to give effect to the provisions of the DCA. The DC Rules lay down the process for obtaining various approvals and licenses as required under the DCA, including licenses required for new drugs and imported drugs. It also lays down guidelines for good manufacturing practices and requirements of premises, plants and equipments for pharmaceutical products. It provides for general requirements for, including, location and surrounding of the factory building, maintenance of water systems, waste disposal mechanisms, warehousing, sanitation in manufacturing premises, health, clothing and sanitation of workers etc.

The Essential Commodities Act, 1955 (the "ECA")

The ECA gives powers to the Central Government, to control production, supply and distribution of, trade and commerce in certain essential commodities for maintaining or increasing supplies and for securing their equitable distribution and availability at fair prices or for securing any essential commodity for the defence of India or the efficient conduct of military operations. Using the powers under it, various ministries/departments of the Central 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 also issued various control orders to regulate various aspects of trading in essential commodities such as food grains, edible oils, pulses kerosene, sugar and drugs. Penalties in terms of fine and imprisonment are prescribed under the ECA for contravention of its provisions.

National Pharmaceuticals Pricing Policy, 2012 (the "2012 Policy")

The 2012 Policy replaces the drug policy of 1994 and presently seeks to lay down the principles for pricing of essential drugs specified in the National List of Essential Medicines – 2011 ("**NLEM**") declared by the Ministry of Health and Family Welfare, Government of India and modified from time to time, so as to ensure the availability of such medicines at reasonable price, while providing sufficient opportunity for innovation and competition to support the growth of the Industry. The prices would be regulated based on the essential nature of the drugs rather than the economic criteria/market share principle adopted in the drug policy of 1994. Further, the 2012 Policy will regulate the price of formulations only, through market based pricing which is different from the earlier principle of cost based pricing. Accordingly, the formulations will be priced by fixing a ceiling price and the manufacturers of such drugs will be free to fix any price equal to or below the ceiling price.

The Drugs (Price Control) Order, 2013 (the "DPCO")

The DPCO was issued by the Central Government under section 3 of the ECA and in supersession of the

Drugs (Prices Control) Order, 1995, thereby giving effect to the 2012 Policy. The DPCO, *inter alia*, provides that the Central Government may issue directions to the manufacturers of active pharmaceutical ingredients or bulk drugs and formulations to increase production or sell such active pharmaceutical ingredient or bulk drug to such manufacturer of formulations and direct the formulators to sell the formulations to institutions, hospitals or any agency, procedures for fixing the ceiling price of scheduled formulations of specified strengths or dosages, retail price of new drug for existing manufacturers of scheduled formulations, method of implementation of prices fixed by Government and penalties for contravention of its provisions. The Government has the power under the DPCO to recover amounts charged in excess of the notified price from the manufacturer, importer or distributor and the said amounts are to be deposited in the Drugs Prices Equalization Account. The DPCO prescribes certain instances in which case the provision of the DPCO will not be applicable. These provisions are applicable to all scheduled formulations irrespective of whether they are imported or patented, unless they are exempted. However, the prices of other drugs can be regulated, if warranted in public interest. Recently, the National Pharmaceutical Pricing Authority ("**NPPA**") has notified the ceiling price for 151 drugs under the DPCO.

Clinical trial

The DC Rules lay down the process mechanics and guidelines for clinical trial, including procedure for approval for clinical trials. Clinical trials require obtaining of free, informed and written consent from each study subject. The DC Rules also provide for compensation in case of injury or death caused during clinical trials. The Central Drugs Standard Control Organization has issued the Guidance for industry for submission of clinical trial application for evaluating safety and efficacy, for the purpose of submission of clinical trial application as required under the DC Rules. The Indian Council of Medical Research has issued the Ethical Guidelines for Biomedical Research on Human Participants, 2006 which envisages that medical and related research using human beings as research participants must, necessarily, *inter alia*, ensure that the research is conducted in a manner conducive to, and consistent with, their dignity, well being and under conditions of professional fair treatment and transparency. Further such research is subjected to evaluation at all stages of the same.

The Narcotic Drugs and Psychotropic Substances Act, 1985 (the "Narcotic Act")

The Narcotic Act sets out the statutory framework for drug law enforcement in India. It prohibits cultivation, production, manufacture, possession, sale, purchase, transportation, warehousing, consumption, inter-state movement, transshipment and import and export of narcotic drugs and psychotropic substances, except for medical or scientific purposes. It also controls and regulates selected chemicals, commonly known as precursors, which can be used in the illicit manufacture of narcotic drugs and psychotropic substances. Offences under the Narcotic Act are essentially related to violations of the various prohibitions imposed under it, punishable by both imprisonment and monetary fines. The Narcotic Act was amended in 1989 to mandate death penalty for second offences relating to contraventions involving more than certain quantities of specified narcotic drugs and psychotropic substances.

The Poisons Act, 1919 (the "Poisons Act")

The Poisons Act regulates the import, possession and sale of poisons. It empowers the State Government to frame rules for regulation of possession for sale and sale of poisons. It also empowers the Central Government to prohibit the import of any specified poison into India across any customs frontier defined by the Central Government and also regulates the grant of license. Any contravention of the provisions of the Poisons Act may be punished with imprisonment or fine or both.

The Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954 (the "DMRA")

The DMRA seeks to control advertisements of drugs in certain cases and prohibits advertisement of remedies that claim to possess magic qualities. In terms of the DMRA, advertisements include any notice, circular, label, wrapper or other document or announcement. It also specifies the ailments for which no advertisement is allowed and prohibits advertisements that misrepresent, make false claims or mislead. Further, the Drugs and Magic Remedies (Objectionable Advertisements) Rules, 1955 have been framed for effective implementation of the provisions of the DMRA.

The Sales Promotion Employees (Conditions of Service) Act, 1976 (the "Sales Promotion Act")

The Sales Promotion Act regulates the conditions of service of sales promotion employees and applies to pharmaceutical industry. It provides the conditions of appointment, leave and maintenance of registers and other documents of such employees. It provides enabling provision for application of the provisions of labour laws including The Workmen's Compensation Act, 1923, The Industrial Disputes Act, 1947, The Minimum Wages Act, 1948, The Maternity Benefit Act, 1961, The Payment of Bonus Act 1965 and The Payment of Gratuity Act, 1972 to sales promotion employees. The Sales Promotion Act provides monetary penalties for breach of its provisions.

Intellectual Property Legislations

Intellectual property in India enjoys protection under both common law and statute. Under statute, India provides for the patent protection under the Patents Act, 1970 (the "**Patents Act**"). The Patents Act governs the patent regime in India and recognises process patents as well as product patents. The form and manner of application for patents is set out under Chapter III and Chapter VIII deals with the grant of patents. Patents obtained in India are valid for a period of 20 years from the date of filing the application. The Patents Act also provides for grant of compulsory license on patents after expiry of three years of its grant in certain circumstances such as reasonable requirements of the public, non-availability of patented invention to public at affordable price or failure to work the patented invention.

Separately, trademark protection is provided under the Trade Marks Act, 1999 (the "**Trade Marks Act**"). The purpose of the Trademarks Act is to grant exclusive rights to marks such as a brand, label, heading and to obtain relief in case of infringement for commercial purposes as a trade description. It prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks.

In addition to the domestic laws, India is a party to several international intellectual property related instruments including the Patent Co-operation Treaty, 1970, the Paris Convention for the Protection of Industrial Property, 1883, and as a member of the World Trade Organisation, India is a signatory to the Agreement on Trade Related aspects of Intellectual Property Rights, 1995. Our Company's intellectual property rights primarily include patents and trademarks for its various products and process. Our Company spends considerable time and effort on developing new products and rely upon various forms of intellectual property legislation to protect the process as well as the products. For details of the intellectual property we seek to protect, see "Our Business" on page 127.

Foreign Ownership

Under the Consolidated FDI Policy dated April 5, 2013 (the "**FDI Policy**"), foreign direct investment upto 100% is permitted under approval route in our Company. Separately, the FDI Policy allows foreign direct investment upto 100% under automatic route in Greenfield projects/companies.

Indian Environmental Regulations

The three major statutes in India, which seek to regulate and protect the environment against pollution in India are The Environment Protection Act, 1986, The Water (Prevention and Control of Pollution) Act 1974 and The Air (Prevention and Control of Pollution) Act, 1981. The basic purpose of these statutes is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards ("**PCBs**"), which are vested with diverse powers to deal with water and air pollution, have been established at the Central level and in each State. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking investigations to ensure that industries are functioning in compliance with the standards prescribed. All industries and factories are required to obtain consent orders from the PCBs, which are indicative of the fact that the factory or industry in question is functioning in compliance with the pollution control norms laid down. These are required to be renewed annually.

Other Laws

Our Company must also comply at all times with the provisions of various other laws, rules and regulations including The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008, The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989, The Chemical Accidents

(Emergency Planning Preparedness and Response) Rules, 1996, The Bio-Medical Waste (Management and Handling) Rules, 1998, The Public Liability Insurance Act, 1991, The Legal Metrology Act, 2009, The Explosives Act, 1884 and The Explosive Rules, 1983, Importer Exporter Code along with the Foreign Trade (Development & Regulation) Act, 1992, The Factories Act, 1948, The Boilers Act, 1923, Indian Boiler Regulations, 1950, The Bombay Prohibition Act, 1949, The Petroleum Act, 1934, The Maharashtra State Tax on Profession, Trades, Callings and Employment Act, 1975, labour laws including The Minimum Wages Act, 1948, The Payment of Bonus Act, 1965, The Employee State Insurance Act, 1948, The Contract Labour (Regulation and Abolition) Act, 1970, The Employees Provident Fund and Miscellaneous Provisions Act, 1952, legislations relating to shops and commercial establishments, electricity and other revenue and tax legislations.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

Our Company was incorporated as Emcure Pharmaceuticals Private Limited on April 16, 1981 as a private limited company under the Companies Act. Thereafter, our Company was converted into a public limited company on August 20, 2001 pursuant to the resolution passed by our Shareholders and consequently, the name of our Company was changed to Emcure Pharmaceuticals Limited. A fresh certificate of incorporation pursuant to the change of name was issued by the RoC on September 18, 2001.

For information on our Company's activities, services, market, growth, technology, managerial competence, standing with reference to prominent competitors, major suppliers and customers, see the sections "Management", "Our Business" and "Industry Overview" on pages 160, 127 and 116, respectively.

Changes in the registered office

The details of changes in the registered office of our Company are set forth below:

Date of change of registered office	Details of the address of registered office
November 3, 1981	Registered office of our Company was changed from 4, Bombay - Poona Road, Kirkee, Pune 411 003 to 502, Ashok Nagar, V N Purao Marg, Sion Trombay Road, Mumbai 400 022
April 24, 1982	Registered office of our Company was changed from 502, Ashok Nagar, V N Purao Marg, Sion Trombay Road, Mumbai 400 022 to R B Estate, Phugewadi, Dapodi, Pune 411 012
July 23, 2001	Registered office of our Company was changed from R B Estate, Phugewadi, Dapodi, Pune 411 012 to "Emcure House", T-184, MIDC, Bhosari, Pune 411 026

The above mentioned changes were made to our registered office to enable greater operational efficiency. The changes to the name of our Company was undertaken upon conversion of our Company from a private limited company to a public limited company.

Main objects of Company

The main objects contained in the Memorandum of Association of our Company are as follows:

To manufacture, buy, sell, refine, manipulate, process, distill, compound, tablet, acquire, import, export or otherwise deal in pharmaceuticals, drugs and medicines, antibiotics, herbal, bacteriological and biological products, preparations and supplies of insecticides, pesticides, surgical supplies, pharmaceutical supplies, adhesives, disinfectants, sprays, cosmetics and all other similar products, perfumes and essences, soaps, washing materials, salves, oinments, powders, toilet preparations and similar articles, plaster of paris, gypsum, oils, laboratory reagents.

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently carried out as well as business proposed to be carried out and the activities proposed to be undertaken pursuant to the objects of the Issue. For further details, see the section "Objects of the Issue" on page 95.

Amendments to the Memorandum of Association

Date of shareholders' resolution	Nature of Amendment
May 25, 1981	Amendment of Clause V of the Memorandum of Association to reflect increase in the initial authorised share capital of ₹100,000 divided into 1,000 equity shares of ₹ 100 each to ₹ 500,000 divided into 5,000 equity shares of ₹ 100 each.
March 15, 1982	Amendment of Clause V of the Memorandum of Association to reflect increase in the authorised share capital of ₹ 500,000 divided into 5,000 equity shares of ₹ 100 each to ₹ 2,000,000 divided into 20,000 equity shares of ₹ 100 each.
May 24, 1986	Amendment of Clause V of the Memorandum of Association to reflect increase in the

Date of shareholders' resolution	Nature of Amendment
	authorised share capital of ₹ 2,000,000 divided into 20,000 equity shares of ₹ 100 each to ₹ 5,000,000 divided into 50,000 equity shares of ₹ 100 each.
February 26, 1994	Amendment of Clause V of the Memorandum of Association to reflect increase in the authorised share capital of ₹ 5,000,000 divided into 50,000 equity shares of ₹ 100 each to ₹ 20,000,000 divided into 200,000 equity shares of ₹ 100 each.
February 26, 1994	Amendment of Clause V of the Memorandum of Association to reflect sub-division of the authorised share capital from ₹ 20,000,000 divided into 200,000 equity shares of ₹ 100 each into ₹ 20,000,000 divided into 2,000,000 equity shares of ₹ 10 each.
May 2, 1994	Amendment of Clause V of the Memorandum of Association to reflect increase in the authorised share capital from ₹ 20,000,000 divided into 2,000,000 equity shares of ₹10 each to ₹ 35,000,000 divided into 3,500,000 equity shares of ₹ 10 each.
August 31, 2000	Amendment of Clause V of the Memorandum of Association to reflect increase in the authorised share capital from ₹ 35,000,000 divided into 3,500,000 equity shares of ₹ 10 each to ₹ 120,000,000 divided into 12,000,000 equity shares of ₹ 10 each.
August 20, 2001	Amendment of Clause I of the Memorandum of Association to reflect change in the name of our Company from Emcure Pharmaceuticals Private Limited to Emcure Pharmaceuticals Limited.
August 14, 2004	Amendment of Clause V of the Memorandum of Association to reflect increase in the authorised share capital from ₹ 120,000,000 divided into 12,000,000 equity shares of ₹ 10 each to ₹ 200,000,000 divided into 20,000,000 equity shares of ₹ 10 each.
May 27, 2006	Amendment of Clause V of the Memorandum of Association to reflect increase in the authorised share capital from ₹ 200,000,000 divided into 20,000,000 equity shares of ₹ 10 each was increased to ₹ 400,000,000 divided into 40,000,000 equity shares of ₹ 10 each and ₹ 200,000,000 divided into 20,000,000 preference shares of ₹ 10 each.
February 8, 2013	Amendment of Clause V of the Memorandum of Association to reflect conversion of preference share capital of ₹ 200,000,000 divided into 20,000,000 preference shares of ₹ 10 each into equity share capital of ₹ 200,000,000 divided into 20,000,000 equity shares of ₹ 10 each resulting in reconstitution of the authorised share capital from ₹ 400,000,000 divided into 40,000,000 equity shares of ₹ 10 each to ₹ 600,000,000 divided into 60,000,000 equity shares of ₹ 10 each.
February 8, 2013	Amendment of Clause V of the Memorandum of Association to reflect increase in the authorised share capital from ₹ 600,000,000 divided into 60,000,000 equity shares of ₹ 10 each to ₹ 1,200,000,000 divided into 120,000,000 equity shares of ₹ 10 each.

Major events of our Company

The table below sets forth some of the key events in the history of our Company:

Major Events of our Company	
Year	**Events**
1981	Our Company was incorporated as Emcure Pharmaceuticals Private Limited
1983	Our first manufacturing facility became operational in Bhosari, Pune
2001	Our Company was converted into a public company and the name of our Company was changed to Emcure Pharmaceutical Limited
2002	Our Company launched its first chiral product "Asomex (S – Amlodipine)"
	Our Subsidiary, Zuventus Healthcare Limited, was incorporated
2004	Our Subsidiary, Emcure Pharmaceuticals USA, Inc., was incorporated
	Our Company commenced in-house research and development activities in relation to APIs
2005	Our Company received first USFDA approval for the solid oral facility at Hinjewadi
2006	Blackstone's first private equity investment in India: Blackstone subscribed to 226,325 Equity Shares of our Company and 17,931,642 optionally convertible redeemable preference shares of our Company convertible into 100 Equity Shares for every 417 optionally convertible redeemable preference shares for the total investment of ₹ 2,250 million
	Our Company established its API facility at Kurkumbh
	Our Company commenced operations of injectables facility at Hinjewadi
	Facility established by Emcure Biotech Limited became fully operational

Major Events of our Company	
2007	Our Company received approval from the USFDA for its injectible facility at Hinjewadi
	Our Company received approval from the USFDA for its API facility at Kurkumbh
	Gennova Biopharmaceuticals Limited, our Subsidiary (renamed from Emcure Biotech Limited, in 2006), launched its first in-house developed biosimilar TNK-tPA
2009	Our Company commenced operations at the solid orals facility at Jammu
2010	Our Company commenced operations in Dubai with the incorporation of our Subsidiary, Emcure Pharmaceuticals Mena FZ-LLC, Dubai
	Our Company commenced operations at the cytotoxic facility at Hinjewadi
2011	Our Company entered into an agreement and plan of merger for merger of Heritage Pharmaceuticals Holdings Inc., a pharmaceutical marketing company based in New Jersey, United States with our Subsidiary, Emcure Pharmaceutical Holdings Inc.
	Our Subsidiary, Emcure Brasil Farmaceutica LTDA, was incorporated
2012	Our Company acquired worldwide rights of BiCNU®, a branded oncology product prescribed for treatment of brain tumors, multiple myeloma, Hodgkin's disease and non-Hodgkin's lymphoma
	Our Subsidiary, Emcure Pharma UK Limited, was incorporated

Scheme of Amalgamation between our Company and Lasor Drugs Private Limited ("LDPL")

On August 14, 1998, our Board approved a scheme of amalgamation under Sections 391 to 394 of the Companies Act for the amalgamation (the "**Scheme of Amalgamation**") of LDPL with our Company, whereby the entire business and the undertaking of LDPL including all its assets, liabilities, rights, duties, and obligations were transferred to our Company. LDPL was dissolved without winding up with effect from April 1, 1998. As consideration for the hereinabove mentioned transfer to our Company, our Company allotted, as envisaged under the Scheme of Amalgamation, 16 equity shares of face value of ₹ 10 of our Company for every 100 fully paid equity shares of face value of ₹ 10 each of LDPL to the shareholders of LDPL. The Scheme of Amalgamation was sanctioned by the High Court of Bombay on May 18, 1999.

Scheme of Arrangement between Emcure Laboratories Private Limited ("ELPL"), Lasor Laboratories Limited ("LLL"), Lasor Remedies Limited ("LRL"), Nucron Pharmaceuticals Limited ("NPL") and Hiralal Mehta Sales Private Limited ("HMS") (together with ELPL, LLL, LRL and NPL referred to as the "Transferors") and our Company

On September 23, 2000, our Board approved a scheme of amalgamation under Sections 391 to 394 of the Companies Act for the amalgamation (the "**Scheme of Amalgamation**") of the Transferors with our Company, whereby the entire business and undertaking including all the assets, liabilities, rights, duties, and obligations of the Transferors were transferred to our Company. The Transferors were dissolved without winding up with effect from April 1, 2000. As consideration for the hereinabove mentioned transfer to our Company, our Company allotted, as envisaged under the Scheme of Amalgamation, equity shares in the following manner: (i) for every 100 equity shares of ₹ 10 each of NPL, 25 equity shares of ₹ 10 each of our Company to the shareholders of NPL; (ii) for every 100 equity shares of ₹ 10 each of LLL, 45 equity shares of ₹ 10 each of our Company to the shareholders of LLL; (iii) for every 100 equity shares of ₹ 100 each of LRL, 550 equity shares of ₹ 10 each of our Company to the shareholders of LRL; (iv) for every 100 equity shares of ₹ 100 each of ELPL, 1,000 equity shares of ₹ 10 each of our Company to the shareholders of ELPL; and (v) for every 100 equity shares of ₹ 100 each of HMS, 150 equity shares of ₹ 10 each of our Company to the shareholders of HMS. The Scheme of Amalgamation was sanctioned by the High Court of Bombay on May 11, 2001.

Agreement and Plan of Merger (the "Merger Agreement") between our Company, Emcure Pharmaceutical Holdings Inc. ("EPH"), Heritage Pharma Holdings, Inc. ("HPH"), Heritage Pharmaceuticals Inc. ("HPI") and Philip Epstein, Jeffrey Glazer and Shannon Self comprising the Holders' Committee

Our Company, EPH, HPH, HPI and the Holder's Committee entered into the Merger Agreement dated February 25, 2011 for the merger of EPH with and into HPH. Upon the Merger Agreement becoming effective, EPH was to merge with and into HPH and HPH was agreed to become a wholly owned subsidiary of our Company (the "**Surviving Company**"). HPI was to continue to be the wholly owned subsidiary of the Surviving Company.

By virtue of the merger, the outstanding common stock, preferred stock, options and warrants were agreed to be automatically cancelled and the holders of the same (the "**Equity Holders**") were to be provided with a right to receive a portion of the merger consideration. As a consideration for the merger, our Company was required to cause the Surviving Company or EPH to pay the equity holders of HPH, a cash closing consideration of USD 27.75 million, expense disbursement of USD 0.25 million and note closing consideration of USD 3.00 million. Additionally, the Merger Agreement provides that our Company was to cause the Surviving Company or EPH to pay equity holders of HPH, *inter alia*, (i) an amount equal to lesser of (a) USD 6,500,000 and (b) EBITDA for the financial year 2011; and (ii) an amount equal to EBITDA for the financial year 2013 adjusted as provided in the Merger Agreement multiplied by 1.4 and subject to a minimum of USD 5,000,000 and a maximum of USD 25,500,000, adjusted as per the mechanism provided in the Merger Agreement.

Summary of key agreements

Share Subscription Agreement between the Company, Blackstone and the individuals listed in Exhibit B of the said agreement ("Individual Shareholders") dated July 10, 2006 (the "SSA") and the Shareholders agreement between our Company, Blackstone and Individual Shareholders dated August 3, 2006 (the "SHA")

Pursuant to the SSA, Blackstone agreed to subscribe to 226,325 Equity Shares and 17,931,642 optionally convertible redeemable preference shares convertible into 100 equity shares for every 417 optionally convertible redeemable preference shares.

In order to regulate their relationship and the respective rights and obligations as shareholders of our Company, the SHA was entered between our Company, Blackstone and Individual Shareholders. The SHA provides certain rights of Blackstone including *inter alia* tag along rights in case our Individual Shareholders or their affiliates propose to transfer their equity shares, pre-emptive rights, seek additional securities in case EBIDTA falls below the stated thresholds, right of appointment of one director on the Board and certain other corporate matters related rights and affirmative voting rights in relation to certain matters such as issue and delisting of the Equity Shares and amendment of charter documents. The terms of the SHA shall continue to be in effect until terminated by consent in writing by Blackstone and our Individual Shareholders or upon Blackstone together its affiliates having an ownership of less than four per cent. Further, the SHA shall terminate upon an IPO being undertaken by our Company. However, in terms of the SHA, certain rights such as tag along rights, terms of optionally convertible redeemable preference shares, pre-emptive rights, certain corporate governance related rights, non-compete and certain reserved matters survive the IPO by our Company. In this regard, the parties to the SHA have entered into an amendment agreement dated June 14, 2013 (the "**Amendment Agreement**") whereby the parties have mutually agreed for the amendment of certain terms and conditions of the SHA *inter alia* the termination clause. In terms of the Amendment Agreement, all rights and reserved matters available to Blackstone under the SHA shall fall away upon commencement of the trading of the Equity Shares, other than the right of Blackstone and its affiliates to nominate one Director (and an alternate director in place of such director) on the Board of our Company which shall continue until Blackstone holds four per cent of the Equity Shares on a fully diluted basis. The parties have also agreed that the provisions of the SHA will be incorporated under Part B of our Company's Articles of Association which shall become ineffective and inapplicable upon commencement of trading of the Equity Shares pursuant to the IPO by our Company, or earlier if required by applicable laws or the regulatory authorities including the Stock Exchanges and SEBI.

Our Shareholders

Our Company has 62 Shareholders as of the date of this Draft Red Herring Prospectus. For further details regarding our Shareholders, see the section "Capital Structure" on page 67.

Financial and Strategic Partners

Our Company does not have any financial or strategic partners.

Competition

For details of the competition faced by our Company, see the section "Our Business –Competition" on page 143.

SUBSIDIARIES

Our Company has the following subsidiaries:

Indian Subsidiaries:

1. Zuventus Healthcare Limited;
2. Gennova Biopharmaceuticals Limited;
3. Uth Healthcare Limited;

Foreign direct Subsidiaries:

4. Emcure Pharmaceuticals USA, Inc.;
5. Heritage Pharma Holdings, Inc.;
6. Emcure Brasil Farmaceutica LTDA;
7. Emcure Pharmaceuticals Mena FZ-LLC, Dubai;
8. Emcure Nigeria Limited;
9. Emcure Pharmaceuticals South Africa (Pty) Limited;
10. Emcure Pharma UK Limited;
11. Emcure Pharmaceuticals Singapore Pte. Limited;

Foreign indirect Subsidiaries:

12. Heritage Pharmaceuticals Inc.; and
13. Emcure - Heritage Canada Inc.

Indian Subsidiaries

1. Zuventus Healthcare Limited ("ZHL")

Corporate Information

ZHL was incorporated on May 27, 2002 as a private limited company in the name of Zuventus Healthcare Private Limited in Mumbai. Zuventus Healthcare Private Limited was converted into a public limited company and consequently the name of Zuventus Healthcare Private Limited was changed to its present name and a fresh certificate of incorporation consequent to the change of name was issued on July 26, 2002. ZHL is involved in the business of dealing in the application of pharmaceuticals medicaments in healthcare in all its branches.

The capital structure of ZHL is as follows:

	No. of equity shares of ₹ 10 each
Authorised capital	8,500,000
Issued, subscribed and paid-up capital	5,013,795

The shareholding pattern of ZHL is as follows:

S. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Shareholding percentage
1.	Emcure Pharmaceuticals Limited	3,990,000	79.58
2.	Prakash Kumar Guha	589,000	11.75
3.	Shriram Balasubramanian	95,500	1.90
4.	Chandrakant V. Shetty	95,500	1.90
5.	Kamal Kapoor	75,000	1.50
6.	Michael Mascarenhas	73,875	1.47
7.	Roony Jena	73,875	1.47
8.	Satish Ramanlal Mehta	13,140	0.26
9.	Arun Kumar Khanna	2,625	0.05

S. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Shareholding percentage
10.	Sunil Rajanikant Mehta	2,640	0.05
11.	Sanjay Rajanikant Mehta	2,640	0.05
Total		**5,013,795**	**100.00**

2. Gennova Biopharmaceuticals Limited ("GBL")

Corporate Information

GBL was incorporated on June 19, 2001 as a public limited company in the name of Emcure Dragon Biotech Limited in Pune. The name Emcure Dragon Biotech Limited was subsequently changed to Emcure Biotech Limited on October 23, 2001. On February 15, 2006, the name Emcure Biotech Limited was changed to its present name. GBL is involved in the business of research and development, manufacturing and marketing in India and abroad of biotechnology based products, particularly required for human, veterinary and agricultural use and all other forms of genetic engineering.

The capital structure of GBL is as follows:

	No. of equity shares of ₹ 10 each	No. of optionally convertible preference shares of ₹ 10 each
Authorised capital	10,000,000	55,000,000
Issued, subscribed and paid-up capital	5,511,365	55,000,000

The shareholding pattern in relation to the equity shares of GBL is as follows:

S. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Shareholding percentage
1.	Emcure Pharmaceuticals Limited	4,847,500	87.96
2.	Dr. Sanjay Singh	661,365	12.00
3.	Sunil Rajanikant Mehta	690	0.01
4.	Sanjay Rajanikant Mehta	690	0.01
5.	Satish Ramanlal Mehta	560	0.01
6.	Samit Satish Mehta	460	0.01
7.	Arun Kumar Khanna	100	0.00
Total		**5,511,365**	**100.00**

The shareholding pattern in relation to the optionally convertible preference shares of GBL is as follows:

S. No.	Name of the shareholder	No. of optionally convertible preference shares of ₹ 10 each	Shareholding percentage
1.	Emcure Pharmaceuticals Limited	40,000,000	73.00
2.	Zuventus Healthcare Limited	15,000,000	27.00
Total		55,000,000	100.00

3. Uth Healthcare Limited ("UHL")

Corporate Information

UHL was incorporated on March 03, 2011 as a private limited company in the name of Uth Healthcare Private Limited in Pune. It was converted into a public company and consequently the name of Uth Healthcare Private Limited was changed to its present name and a certificate for change of name was issued on September 13, 2011. UHL is involved in the business of healthcare and wellness products in Domestic Market and international markets.

The capital structure of UHL is as follows:

	No.of equity shares of ₹ 10 each
Authorised capital	5,000,000
Issued, subscribed and paid-up capital	5,000,000

The shareholding pattern of UHL is as follows:

S. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Shareholding percentage
1.	Emcure Pharmaceuticals Limited	3,149,995	62.99
2.	Arun Kumar Khanna	1,850,000	36.99
3.	Samit Satish Mehta*	1	Negligible
4.	Sunil Rajanikant Mehta*	1	Negligible
5.	Sanjay Rajanikant Mehta*	1	Negligible
6.	Vikas Thapar*	1	Negligible
7.	Namita Thapar*	1	Negligible
Total		**5,000,000**	**100.00**

***Equity shares of UHL held on behalf of the beneficial owner, Emcure Pharmaceuticals Limited.*

Foreign Subsidiaries

1. Emcure Pharmaceuticals USA, Inc. ("Emcure USA")

Corporate Information

Emcure USA was incorporated on November 3, 2004 as a corporation under the New Jersey Business Corporation Act. Emcure USA is involved in the business of manufacturing of pharmaceutical products.

The capital structure of Emcure USA is as follows:

	No. of shares of common stock of USD 0.01 each	No. of shares of preferred stock of USD 1 each
Authorised capital	100,000,000	5,000,000
Issued, subscribed and paid-up capital	6,070,000	1,500,000

The shareholding pattern in relation to the shares of common stock of Emcure USA is as follows:

S. No.	Name of the shareholder	No. of shares of common stock of USD 0.01 each	Shareholding percentage
1.	Emcure Pharmaceuticals Limited	6,070,000	100.00
TOTAL		**6,070,000**	**100.00**

The shareholding pattern in relation to the shares of preferred stock of Emcure USA is as follows:

S. No.	Name of the shareholder	No. of preferred stock of USD 1 each	Shareholding percentage
1.	Emcure Pharmaceuticals Limited	1,500,000	100.00
TOTAL		**1,500,000**	**100.00**

2. Heritage Pharma Holdings, Inc. ("HPH")

Corporate Information

HPH was incorporated on August 11, 2008 in Delaware under the General Corporation Law of the State of Delaware as a corporation in the name of Heritage Pharma Holdings, Inc., U.S.A. HPH is involved in the business of making investments.

The capital structure of HPH is as follows:

	No.of shares of common stock of USD 3,500
Authorised capital	5,000
Issued, subscribed and paid-up capital	2,000

The shareholding pattern of HPH is as follows:

S. No.	Name of the shareholder	No. of shares of common stock of USD 3,500	Shareholding percentage
1.	Emcure Pharmaceuticals Limited	2,000	100.00
TOTAL		**2,000**	**100.00**

3. Emcure Brasil Farmaceutica LTDA ("Emcure Brasil")

Corporate Information

Emcure Brasil was incorporated on January 21, 2011 under the provisions of Law No. 10406 of January 10, 2002, in the name of Emcure Brasil Representacao Comercial Farmaceutica Ltda as a limited liability company. The name of Emcure Brasil was changed to its present name on May 30, 2011. Emcure Brasil is involved in commercialisation of pharmaceutical products.

The capital structure of Emcure Brasil is as follows:

	No. of quotas of Real 1 each
Issued, subscribed and paid-up capital*	1,927,929

** There is no requirement of having an authorised capital under the laws of Brazil.*

The shareholding pattern of Emcure Brasil as of the date of this Draft Red Herring Prospectus is as follows:

S. No.	Name of the shareholder	Number of quotas of Real 1 each	Shareholding percentage
1.	Emcure Pharmaceuticals Limited	1,927,928	99.99
2.	Jaideep Kapoor	1	Negligible
TOTAL		1,927,929	**100.00**

4. Emcure Pharmaceuticals Mena FZ-LLC, Dubai ("Emcure Dubai")

Corporate Information

Emcure Dubai was incorporated on June 16, 2010 as a free zone company with limited liability in Dubai under the provisions of the Dubai Healthcare City Company Regulation No. 8 of 2008. Emcure Dubai is involved in the business of marketing of pharmaceutical products.

The capital structure of Emcure Dubai as of the date of this Draft Red Herring Prospectus is as follows:

	No.of shares of AED 1,000 each
Authorised capital	100
Issued, subscribed and paid-up capital	100

The shareholding pattern of Emcure Dubai is as follows:

Sr. No.	Name of the shareholder	No.of shares of AED 1,000 each	Shareholding percentage
1.	Emcure Pharmaceuticals Limited*	90	90.00
2.	Arun Kumar Khanna	10	10.00
TOTAL		**100**	**100.00**

** Pursuant to the employment agreement dated September 12, 2012, our Company may consider transferring 15 shares of Emcure*

Dubai constituting 15 per cent of the paid-up capital of Emcure Dubai to Fouad Benghalem, Chief Executive Officer of Emcure Dubai.

5. Emcure Nigeria Limited ("ENL")

Corporate Information

ENL was incorporated on July 2, 2007 as a company limited by shares under the Companies and Allied Matters Act, 1990. The main object of ENL is to extensively carry on anywhere in Nigeria and abroad the business of pharmaceutical company and as chemists and to establish, manage and run pharmaceutical industries, pharmacies, chemist shops, drug stores, dispensaries and like enterprises.

The capital structure of ENL is as follows:

	No. of ordinary shares of Naira 1 each
Authorised capital	7,000,000
Issued, subscribed and paid-up capital	5,836,841

The shareholding pattern of ENL as of the date of this Draft Red Herring Prospectus is as follows:

Sr. No.	**Name of the shareholder**	**No. of ordinary shares of Niara 1 each**	**Shareholding percentage**
1.	Emcure Pharmaceuticals Limited	4,435,999	76.00
2.	Arun Kumar Khanna	1,400,842	24.00
TOTAL		**5,836,841**	**100.00**

6. Emcure Pharmaceuticals South Africa (Pty) Limited ("EPSA")

Corporate Information

EPSA was incorporated on July 19, 2010 as a company limited by shares under the provisions of the Companies Act, 1973 (Act 61 of 1973). The main object of EPSA is to carry on pharmaceutical and related services.

The capital structure of EPSA is as follows:

	No. of ordinary shares of Rand 1 each
Authorised capital	1,000
Issued, subscribed and paid-up capital	100

The shareholding pattern of EPSA is as follows:

Sr. No.	**Name of the shareholder**	**No. of ordinary shares of Rand 1 each**	**Shareholding percentage**
1.	Emcure Pharmaceuticals Limited	100	100.00
TOTAL		100	100.00

7. Emcure Pharma UK Limited ("EPUL")

Corporate Information

EPUL was incorporated on November 6, 2012 as a private company limited by shares under the provisions of Companies Act, 2006. EPUL is involved in the business of manufacturing and sale of pharmaceutical products.

The capital structure of EPUL is as follows:

	No. of ordinary shares of GBP 1 each
Issued, subscribed and paid-up capital*	600,000

** There is no requirement of having an authorised capital under the laws of the United Kingdom.*

The shareholding pattern of EPUL is as follows:

Sr. No.	Name of the shareholder	No. of ordinary shares of GBP 1 each	Shareholding percentage
1.	Emcure Pharmaceuticals Limited	600,000	100.00
TOTAL		600,000	100.00

8. Emcure Pharmaceuticals Singapore Pte. Limited ("EPSPL")

Corporate Information

EPSPL was incorporated on December 13, 2012 as a private company limited by shares under the provisions of Companies Act (Cap 50). EPSPL is authorised to be involved in the business of manufacturing of pharmaceutical products.

The capital structure of EPSPL is as follows:

	No. of ordinary shares of SGD 1 each
Issued, subscribed and paid-up capital*	50,000

** There is no requirement of having an authorised capital under the laws of Singapore.*

The shareholding pattern of EPSPL is as follows:

Sr. No.	Name of the shareholder	No. of ordinary shares of SGD 1 each	Shareholding percentage
1.	Emcure Pharmaceuticals Limited	50,000	100.00
TOTAL		50,000	100.00

Indirect Subsidiary:

1. Heritage Pharmaceuticals Inc., USA ("HPI")

Corporate Information

HPI was incorporated on June 20, 2005 in Delaware under the General Corporation Law of the State of Delaware as a corporation in the name of Radius Pharmaceuticals Inc. The name of HPI was changed to its present name on June 22, 2006. HPI is involved in the business of marketing of pharmaceutical products.

The capital structure of HPI as of the date of this Draft Red Herring Prospectus is as follows:

	No. of shares of common stock of USD 0.01
Authorised capital	2,000
Issued, subscribed and paid-up capital	250

The shareholding pattern of HPI as of the date of this Draft Red Herring Prospectus is as follows:

Sr. No.	Name of the shareholder	No. of common stock of USD 0.01 each	Shareholding (%age)
1.	Heritage Pharma Holdings, Inc.	250	100.00
TOTAL		**250**	**100.00**

2. Emcure - Heritage Canada Inc. ("EHCI")

Corporate Information

EHCI was incorporated on April 10, 2013 as a corporation under the provisions of the Business Corporations Act of the Province of New Brunswick. EHCI is authorised to be involved in the business allowed under the laws of New Brunswick.

The capital structure of EHCI as of the date of this Draft Red Herring Prospectus is as follows:

	No. of common shares of CDN 1 each
Issued, subscribed and paid-up capital	1

The shareholding pattern of EHCI is as follows:

Sr. No.	**Name of the shareholder**	**No. of common shares of CDN 1 each**	**Shareholding percentage**
1.	Heritage Pharma Holdings, Inc.	1	100.00
TOTAL		1	100.00

Public issue and rights issue

None of the Subsidiaries have made any public or rights issue in the last three years nor have they become sick companies or are under winding up. One of our Subsidiaries, Emcure Infotech Limited, was dissolved in 2011 and the name was struck off by the RoC on June 30, 2011.

Common Pursuits

All our Subsidiaries conduct business similar to those conducted by our Company. Our Company has adopted necessary procedures and practices as permitted by law to address any conflict situation as and when they arise.

Interest of the Subsidiaries in our Company

None of the Subsidiaries have any interest in our Company's business other than as stated in the sections "Our Business" on page 127 and the "Financial Statements" on page 184. Further, other than Zuventus Healthcare Limited, Gennova Biopharmaceuticals Limited and Heritage Pharma Holdings, Inc., none of our Subsidiaries contribute to more than 5% of revenue/profits/assets of the Company on a consolidated basis for the fiscal 2012 and nine months period ended December 31, 2012.

MANAGEMENT

Board of Directors

Under the Companies Act and subject to provisions of our Articles of Association, our Company is required to have not less than three Directors and not more than 12 Directors. Our Company currently has 12 Directors.

The following table sets forth details regarding the Board of Directors of our Company as of the date of filing the Draft Red Herring Prospectus:

Name, Father's Name, Designation, Term, DIN, Occupation, Nationality and Address	Age (in years)	Other Directorships
Humayun Dhanrajgir ***Father's name***: Late Raja Dhanrajgir ***Designation***: Chairman and Independent Director ***Term***: Liable to retire by rotation ***DIN***: 00004006 ***Occupation***: Director ***Nationality***: Indian ***Address***: Flat No. F-37/38, Dhanraj Mahal C.S.M. Road, Apollo Bunder Mumbai 400 001	76	• Cadila Healthcare Limited; • H. Dhanrajgir Estates Private Limited. • HDFC Asset Management Company Limited; • Neuland Laboratories Limited; • Next Gen Publishing Limited; • Sami Labs Limited; • Themis Medicare Limited; and • Zydus Wellness Limited.
Satish Ramanlal Mehta ***Father's name***: Late Ramanlal Mehta ***Designation***: Managing Director and the Chief Executive Officer ***Term***: Five years from April 1, 2012 to March 31, 2017 (Not liable to retire by rotation) ***DIN***: 00118691 ***Occupation***: Company Executive ***Nationality***: Indian ***Address***: 4 Mumbai-Pune Road Kirkee Pune 411 003	62	• Emcure - Heritage Canada Inc.; • Emcure Pharmaceuticals USA, Inc.; • Emcure Pharmaceuticals Mena FZ-LLC; • Gennova Biopharmaceuticals Limited • Heritage Pharma Holdings, Inc.; • Heritage Pharmeceuticals Inc.; and • Zuventus Healthcare Limited.
Arun Kumar Khanna ***Father's name***: Late Purshottamlal Khanna ***Designation***: Executive Director and	61	• Emcure Nigeria Limited; • Emcure Pharmaceuticals Mena FZ-LLC; • Emcure Pharmaceuticals Singapore Pte. Limited; • Emcure Pharmaceuticals South Africa (Pty.) Limited;

Name, Father's Name, Designation, Term, DIN, Occupation, Nationality and Address	Age (in years)	Other Directorships
Chief Operating Officer ***Term***: Five years from January 5, 2010 to January 4, 2015 ***DIN***: 00121686 ***Occupation***: Company Executive ***Nationality***: Indian ***Address***: Clover Hills, Bunglow No. 63 NIBM Road, Kondhwa Pune 411 048		• Uth Beverage Factory Private Limited; • Uth Healthcare Limited; • Uth Wellness Products Limited; and • Zuventus Healthcare Limited.
Mahesh Nathalal Shah ***Father's name***: Nathalal Bhogilal Shah ***Designation***: Executive Director and Director (Technical) ***Term***: One year from June 15, 2013 to June 14, 2014 ***DIN***: 00118341 ***Occupation***: Company Executive ***Nationality***: Indian ***Address***: 301, Abhinav Sankul Plot No. 1/A, Survey No. 132 Opposite Sulzer India, Aundh Pune 411 007	59	-
Dr. Mukund Keshao Gurjar ***Father's name***: Keshao Gurjar ***Designation***: Executive Director, Director (Research and Development) and Chief Scientific Officer ***Term***: Five years from August 28, 2012 to August 27, 2017 ***DIN***: 00026843 ***Occupation***: Company Executive ***Nationality***: Indian ***Address***: C-8, Springflowers Panchavati, Off Pashan Road Pune 411 008	60	-

Name, Father's Name, Designation, Term, DIN, Occupation, Nationality and Address	Age (in years)	Other Directorships
Mukund Ranade ***Father's name***: Pandurang Ramchandra Ranade ***Designation***: Executive Director and President (Business Development) ***Term***: July 1, 2012 to June 30, 2017 ***DIN***: 00109845 ***Occupation***: Company Executive ***Nationality***: Indian ***Address***: C-503, Pride Panorama, Near Shivaji Society Bahiratwadi, Senapati Bapat Road Pune 411 016	57	Emcure Pharma UK Limited
Berjis Minoo Desai ***Father's name*****:** Minoo Desai ***Designation***: Independent and Non-Executive Director ***Term***: Liable to retire by rotation ***DIN***: 00153675 ***Occupation***: Advocate ***Nationality***: Indian ***Address***: Yezerina – II 740/741, Dadar Parsi Colony Dadar Mumbai 400 014	56	• Adani Enterprises Limited; • Capricorn Agrifarms & Developers Private Limited; • Capricorn Studfarm Private Limited; • Centrum Fiscal Private Limited; • DCW Limited; • Divatex Home Fashions Inc. (New York U.S.A.); • Edelweiss Financial Services Limited; • Equine Bloodstock Private Limited; • Greatship (India) Limited; • Himatsingka Seide Limited; • Inventurus Knowledge Solutions Limited; • JSA Lex Holdings Limited (Mauritius); • Man Infraconstruction Limited • Praj Industries Limited; • Sterlite Industries (India) Limited; and • The Great Eastern Shipping Company Limited.
Shreekant Krushnaji Bapat ***Father's name***: Krushnaji Bapat ***Designation***: Independent and Non-Executive Director ***Term***: Liable to retire by rotation ***DIN***: 00621568 ***Occupation***: Director and Management Consultant ***Nationality***: Indian ***Address***:	76	• Gennova Biopharmaceuticals Limited; • United Socio Economic Development and Research Programme; and • Zuventus Healthcare Limited.

Name, Father's Name, Designation, Term, DIN, Occupation, Nationality and Address	Age (in years)	Other Directorships
Yashodhan, 2nd Floor 56, Union Western Co-op. Housing Society Karve Nagar, Pune 411 052		
Amit Dixit ***Father's name***: Mahendra Kumar Dixit ***Designation***: Non-Independent and Non-Executive Director ***Term***: Not liable to retire by rotation ***DIN***: 01798942 ***Occupation***: Service ***Nationality***: Indian ***Address***: The Imperial, Flat 2102 South Tower BB Nakashe Marg Tardeo Mumbai 400 034	40	• Blackstone Advisors (India) Private Limited; • Jagran Media Network Investment Private Limited; • Jagran Prakashan Limited; • MB Power (Madhya Pradesh) Limited; • Mid day Infomedia Limited; • Monnet Power Company Limited; • Moser Baer Projects Private Limited; • NCC Limited; • Monnet Ispat and Energy Limited; • SH Kelkar and Company Private Limited; • Salt Bidco; • Hummingbird Island Airlines Limited; • Seaplane Holding Cayman Limited; • Salt Topco; • Maldivian Air Taxi Private Limited; and • Trans Maldivian Airways Private Limited.
Marvin Samson ***Father's name***: Abraham Samson ***Designation***: Independent and Non-Executive Director ***Term***: Liable to retire by rotation ***DIN***: 01824691 ***Occupation***: Company Executive ***Nationality***: Resident of the United States of America ***Address***: 752, Riverton Road Moorestown 08057, USA	71	• Emcure Pharmaceuticals USA Inc.; • Heritage Pharmaceuticals Inc.; • Flynn Pharma (UK); • Nano Pass Technologies Limited; and • JHP Pharmaceutical.
Dr. Girish L. Telang ***Father's name***: Laxmikant Telang ***Designation***: Independent and Non-Executive Director ***Term***: Liable to retire by rotation ***DIN***: 00455125 ***Occupation***: Director	63	• Masters Biopharma (India) Private Limited; and • Gennova Biopharamceuticals Limited.

Name, Father's Name, Designation, Term, DIN, Occupation, Nationality and Address	Age (in years)	Other Directorships
Nationality: Indian ***Address***: 401, Sagar Darshan 4th Floor, Abdul Gafar Khan Road Worli Sea face, Mumbai – 400 030		
Sunil Rajanikant Mehta ***Father's name***: Late Rajanikant Mehta ***Designation***: Executive Director and Senior Director (Projects) ***Term***: June 5, 2013 to June 4 , 2018 ***DIN***: 00118469 ***Occupation***: Company Executive ***Nationality***: Indian ***Address***: 4 Mumbai-Pune Road Kirkee Pune 411 003	50	Gennova Biopharmaceuticals Limited

Relationship between Directors

Except for Satish Ramanlal Mehta and Sunil Rajanikant Mehta, none of the Directors of our Company are related to each other. Satish Ramanlal Mehta is the uncle of Sunil Rajanikant Mehta.

Brief Profile of Directors

Humayun Dhanrajgir is the Chairman and an Independent Director of our Company. He is a graduate in Chemical Engineering from Loughborough University, United Kingdom, a member of the Institute of Chemical Engineers, United Kingdom and a member of the Chartered Engineer, London. He has also completed the advanced management program from Harvard Business School. He has significant experience in the pharmaceutical industry. He has held several senior management positions including the position of the vice chairman and the managing director of Glaxo India Limited. Mr. Dhanrajgir has also held the position of the managing director of Kodak India Limited and he retired from this position in October 2000. He was the president of the Organization of Pharmaceutical Producers of India in 1992 and was also a member of General Committee of Bombay Chamber of Commerce and Industry. Mr. Dhanrajgir is also a trustee of Breach Candy Hospital Trust, Mumbai and Lintas Employees Trust. He is on the advisory board of the United States Pharmacopeia (India). He is a member of the Global Advisory Board of Asian Center for Corporate Governance and Sustainability. Mr. Dhanrajgir has been on the Board since 2000.

Satish Ramanlal Mehta is the Managing Director and the Chief Executive Officer of our Company. He is a graduate in Science and a post graduate in Chemistry from the Pune University. He has also obtained a post graduate diploma in management from the Indian Institute of Managment, Ahmedabad. Mr. Mehta has vast experience in the pharmaceutical industry. His leadership has made our Company a major player in the pharmaceutical industry. He has been on the Board since 1981.

Arun Kumar Khanna is an Executive Director and the Chief Operating Officer of our Company. He is a graduate in Science from Jabalpur University. He has 41 years of experience with leading pharmaceutical companies such as Ranbaxy Pharmaceuticals, Alkem Labs and Cadila Laboratories Limited. Mr. Khanna has been associated with our Company since 1995. He has played a pivotal role in transforming our Company into a fast growing Indian pharmaceutical company and in ensuring wide global reach of the leading brands of our Company. His efforts have resulted in appreciation of Company's corporate social resposibility in the area of HIV/AIDS. He has been on the Board since 1995.

Sunil Rajanikant Mehta is an Executive Director and Senior Director (Projects) of our Company. He is a graduate in Commerce from the Pune University and a post graduate (diploma) in Business Administration from the Institute of Management Development and Research, Pune. He has been associated with our Company since October 1983. He joined the Board in 2013.

Mahesh Nathalal Shah is an Executive Director and Director (Technical) of our Company. He is a graduate in Science from the Bombay University and a post graduate in Science (Organic Chemistry) from the Gujarat University. He has 37 years of experience in the pharmaceutical industry. He has played a leading role in obtaining regulatory approvals from USFDA for solid dosage and bulk drug manufacturing facilities, in addition to regulatory approvals major regulatory authorites including USFDA, UKMHRA, etc. He is currently in charge of manufacturing operations of all the formulation plants. He has been associated with our Company since its inception and has been on the Board since 1999.

Dr. Mukund Keshao Gurjar is an Executive Director and Chief Scientific Officer (Research and Development) of our Company. He is a graduate, a post graduate and Ph.D. in Chemistry from the Nagpur University. He also holds a second Ph. D. degree in Chemistry from the London University, United Kingdom as well as a post doctoral fellowship from Toronto, Canada. Prior to joining our Company, he was the deputy director of the National Chemical Laboratory, Pune where he spent 25 years spearheading innovative and advance research in Organic Chemistry. He has over 32 years of experience in pharmaceutical sciences and is a fellow at various national and international academies. He is a member of the editorial board of the prestigious journal Organic Process Research & Development published by the American Chemical Society. For his contributions to synthetic organic chemistry involving both basic and applied research, he has been felicitated with various awards. A large number of students have obtained Ph.Ds under the supervision of Dr. Gurjar and has published more than 200 papers in various international journals. He has been associated with our Company since 2001 and also became a member of the Board in the same year.

Mukund Ranade is an Executive Director and the President (Business Development) of our Company. He is a graduate in Chemistry from the Bombay University and a post graduate diploma in Management from the Indian Institute of Management, Ahmedabad. He has played an instrumental role in initiating and managing relationships with leading global pharmaceutical companies for the Regulated Markets. He has 37 years of work experience. Prior to joining our Company, he worked with Chanrai group, Singapore at a senior management position. He also worked with Glaxo, India, where he held the position of a General Marketing Manager. He has been on the Board since 2012.

Berjis Minoo Desai is an Independent and a Non-Executive Director of our Company. He is a graduate in Law from the Bombay University and a post-graduate in Law from Cambridge University, United Kingdom. Mr. Desai is the managing partner of J. Sagar Associates, a national law firm having offices in Mumbai, Delhi, Gurgaon, Bangalore and Hyderabad. He specializes in mergers and acquisitions, derivatives, corporate and financial laws, international business laws and international commercial arbitration. Mr. Desai has been on the Board since 1997.

Shreekant Krushnaji Bapat is an Independent Director and a Non-Executive Director of our Company. He is a graduate in commerce from Pune University. He is a highly distinguished erstwhile officer of the Indian Police Service having held senior positions with the Government of India and the Government of Maharashtra such as Joint Director – Intelligence Bureau, Ministry of Home Affairs, Commissioner of Police, Mumbai and Member of the Maharashtra Public Service Commission. Mr. Bapat is a recipient of the President's medal for distinguished service and Police medal for meritorious service. Mr. Bapat was the president of the India chapter of a global philanthropic foundation for seven years. He has special interest in areas relating to national security, human resource development and corporate social responsibility. Mr. Bapat has been on the Board since 1999.

Amit Dixit is a non-Independent and a Non-Executive Director of our Company. He is a nominee of Blackstone on our Board. Mr. Dixit is a graduate in Technology from the Indian Institute of Technology, Mumbai where he was awarded the Institute Silver Medal. He is a post graduate in the business administration from Harvard Business School and in engineering from Stanford University. He is also a senior managing director of Blackstone's Private Equity Group and has led investments of Blackstone in various sectors with a focus on travel, media, information technology and infrastructure sectors. Before joining Blackstone in 2007, Mr. Dixit was a principal at Warburg Pincus where he executed a variety of transactions over a period of five years. Mr. Dixit has been on the Board since 2011.

Marvin Samson is an Independent Director and a Non-Executive Director of our Company. He is a graduate in Science (Chemistry) from the Temple University. He is the founder of several organisations in the United States including Samson Medical Technologies, Elkins-Sinn and Marsam Pharmaceuticals. He was the president and the chief executive officer of SICOR when it was acquired by Teva. He was also the chairman of the Board and the chief executive officer of Qualitest Pharmaceuticals, which was acquired by Endo Pharmaceuticals, and continued to serve as a consultant to Endo Pharmaceuticals. Mr. Samson holds five patents in the United States pertaining to pharmaceutical manufacturing. He also holds the position of chairman and director of JHP Pharmaceutical. Additionally, he serves as the chairman of the board of trustees of the University of the Sciences in Philadelphia. Mr. Samson has received various awards for business leaderships. He is actively involved in philanthropic activities. Mr. Samson has been on the Board since 2007.

Dr. Girish L. Telang is an Independent Director and a Non-Executive Director of our Company. He is a medical graduate from Grant Medical College, Mumbai University. He served in Indian Army Medical Corps for five years. He has significant pharmaceutical industry experience during his career of 35 years with Roche, a Swiss pharmaceutical company, where he was instrumental in starting it's operations in India and was appointed Managing Director in 1998 and later given regional responsibility of heading operations of Roche India Management Centre. He retired as the vice chairman and a member of the board of directors of Roche Products India in March 2013. He is on the board of directors of Masters Biopharma India Private Limited. He is a member of Governing Body of Kundnani College of Pharmacy and L.H. Hiranandani College of Pharmacy, Mumbai University and on the Research Advisory Committee of Pravara Institute of Medical Sciences, a deemed University. He has been on the Board since 2012.

Service agreements with Directors

Agreement with Satish Ramanlal Mehta

Our Company has entered into an employment agreement dated November 12, 2012 with Satish Ramanlal Mehta appointing him as the Managing Director of our Company for a period of five years expiring on March 31, 2017. As per the terms of the employment agreement, Satish Ramanlal Mehta is responsible to the Board and shall devote the whole working time and attention exclusively to his duties to our Company. Pursuant to the resolution passed by the Shareholders at the extra-ordinary general meeting held on May 19, 2012, Satish Ramanlal Mehta is entitled to a remuneration of ₹ 3.78 million per month with effect from April 1, 2012. The following are the terms of appointment of Satish Ramanlal Mehta as the Managing Director of our Company:

Particulars	Remuneration
Salary	₹ 45.42 million per annum
Annual Increment	To be determined every year
Perquisites	Maximum limit of ₹ 29.01 million per annum
Commission	Maximum of 1% of the net profit of our Company subject to ₹ 16.50 million per annum

Agreement with Arun Kumar Khanna

Our Company has entered into an employment agreement dated November 02, 2012 with Arun Kumar Khanna appointing him as the Executive Director of our Company for a period of five years expiring on January 04, 2015. As per the terms of the employment agreement, Arun Kumar Khanna is responsible to the Board and shall devote the whole working time and attention exclusively to his duties to our Company. Pursuant to the resolution passed by the Shareholders at the extra-ordinary general meeting held on May 19, 2012, Arun Kumar Khanna is entitled to a remuneration of ₹ 1.81 million per month with effect from April 1, 2012. The following are the terms of appointment of Arun Kumar Khanna as the Executive Director of our Company:

Particulars	Remuneration
Salary	₹ 20.94 million per annum
Annual Increment	To be determined every year
Perquisites	Maximum limit of ₹ 10.38 million per annum

Agreement with Sunil Rajanikant Mehta

Our Company has entered into an employment agreement dated June 17, 2013 with Sunil Rajanikant Mehta appointing him as the Executive Director of our Company for a period of five years expiring on June 4, 2018. As per the terms of the employment agreement, Sunil Rajanikant Mehta is responsible to the Board and shall devote the whole working time and attention exclusively to his duties to our Company. Pursuant to the resolution passed by the Shareholders at the extra-ordinary general meeting held on June 14, 2013, Sunil Rajanikant Mehta is entitled to a remuneration of ₹ 0.50 million per month with effect from June 5, 2013. The following are the terms of appointment of Sunil Rajanikant Mehta as the Executive Director of our Company:

Particulars	Remuneration
Salary	₹ 6.90 million for the period from June 5, 2013 to March 31, 2014
Annual Increment	To be determined every year
Perquisites	₹ 2.98 million for the period from June 5, 2013 to March 31, 2014

Agreement with Mahesh Nathalal Shah

Our Company had entered into an employment agreement dated October 28, 2012 with Mahesh Nathalal Shah appointing him as the Executive Director of our Company for a period of two years which expired on June 14, 2013. Our Company is yet to enter into an agreement with Mahesh Nathalal Shah renewing the aforesaid agreement. However, in the meeting held on June 5, 2013, our Board has approved the revision of the remuneration of Mahesh Nathalal Shah with effect from April 1, 2013 in relation to the remaining tenure of the aforesaid agreement. The following are the terms of the revised remuneration of Mahesh Nathalal Shah as the Executive Director of our Company:

Particulars	Remuneration
Salary	₹ 7.01 million per annum
Annual Increment	-
Perquisites	Maximum limit of ₹ 4.92 million per annum

Agreement with Mukund Keshao Gurjar

Our Company has entered into an employment agreement dated October 29, 2012 with Mukund Keshao Gurjar appointing him as the Executive Director of our Company for a period of five years expiring on August 27, 2017. As per the terms of the employment agreement, Mukund Keshao Gurjar is responsible to the Board and shall devote the whole working time and attention exclusively to his duties to our Company. Pursuant to the resolution passed by the Shareholders at the extra-ordinary general meeting held on May 19, 2012, Mukund Keshao Gurjar is entitled to a remuneration of ₹ 0.99 million per month with effect from August 28, 2012. The following are the terms of appointment of Dr. Mukund Keshao Gurjar as the Executive Director of our Company:

Particulars	Remuneration
Salary	₹ 11.90 million per annum
Annual Increment	To be determined every year
Perquisites	Maximum limit of ₹ 8.86 million per annum

Agreement with Mukund Ranade

Our Company has entered into an employment agreement dated November 12, 2012 with Mukund Ranade appointing him as the Executive Director of our Company for a period of five years expiring on June 30, 2017. As per the terms of the employment agreement, Mukund Ranade is responsible to the Board and shall devote the whole working time and attention exclusively to his duties to our Company. Pursuant to the resolution passed by the Shareholders at the extra-ordinary general meeting held on November 12, 2012, Mukund Ranade is entitled to a remuneration of ₹ 0.76 million per month with effect from July 1, 2012. The following are the terms of appointment of Mukund Ranade as the Executive Director of our Company:

Particulars	Remuneration
Salary	₹ 8.54 million per annum
Annual Increment	To be determined every year
Perquisites	Maximum limit of ₹ 3.84 million per annum

Payment or benefit to Directors/officers of our Company

The sitting fees and other remuneration paid to Directors for Fiscal 2013 are as follows:

Remuneration to Executive Directors:

The aggregate value of salary and perquisites paid in Fiscal 2013 to our executive directors are set forth in the table below:

S. No	Name of the Director	Salary (In ₹ million)
1.	Satish Ramanlal Mehta	74.43
2.	Arun Kumar Khanna	31.32
3.	Dr. Mukund Keshao Gurjar	20.76
4.	Mahesh Nathalal Shah	11.93
5.	Mukund Ranade	15.10

Remuneration to Non - Executive Directors and Independent Directors:

The details of the sitting fees and other payments made to the Non-Executive Directors and Independent Directors of our Company in Fiscal 2013 are set forth in the table below.

S. No	Name of the Director	Sitting Fees (in ₹ million)	Commission (in ₹ million)
1.	Humayun Dhanrajgir	0.28	2.40
2.	Shreekant Krushnaji Bapat	0.40	0.60
3.	Berjis Minoo Desai	0.38	3.00
4.	Marvin Samson	Nil	3.00
5.	Amit Dixit	0.16	Nil
6.	Dr. Girish L. Telang	0.12	3.50
7.	Dr. Jose Sartarelli	Nil	Nil

Except as stated in this section “Management”, no amount or benefit has been paid in Fiscal 2013 or is intended to be paid or given to any of our Company’s officers including our Directors and Key Management Personnel. None of the beneficiaries of loans, advances and sundry debtors are related to our Directors. Further, except statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including our Directors and Key Management Personnel, are entitled to any benefits upon termination of employment.

No loans have been availed by our Directors or Key Management Personnel from our Company.

Confirmations

None of our Directors is or was a director of any listed company during the last five years preceding the date of the Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE during the term of their directorship in such company.

Other than as disclosed below, none of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange in India during the term of their directorship in such company:

Particulars	Details
Name of the Director	Humayun Dhanrajgir
Name of the company	Kodak India Limited
Name of the stock exchange(s) on which the company was listed	BSE
Date of delisting on stock exchanges	May 23, 2003
Whether the delisting was compulsory or voluntary delisting	Voluntary Delisting
Reasons for delisting	Buy-out by parent company
Whether the company has been relisted	No
Date of relisting, in the event the company is relisting	NA
Name of the stock exchange(s) on which the company was relisted	NA
Term of directorship (along with relevant dates) in the company	October 1995 to October 2000 as Managing Director and November 2000 to May 2003 as non-executive director.

Arrangement or understanding with major shareholders, cutomers, suppliers or others

Amit Dixit was appointed as a nominee Director of Blackstone, pursuant to the resolution passed by the Board on March 1, 2011 and as per the terms of the share subscription agreement dated July 10, 2006 and the shareholders agreement dated August 3, 2006 entered into *inter alia* amongst our Company, Blackstone and the Individual Shareholders as amended by the Amendment Agreement whereby Blackstone will continue to have the right to appoint a nominee Director on our Board as long as its ownership is not less than four per cent of the paid-up equity share capital of our Company on a fully diluted basis. For further details of the shareholders and share subscription agreement, see the section “History and Certain Corporate Matters – Summary of Key Agreements – Share Subscription Agreement between the Company, Blackstone and the individuals listed in Exhibit B of the said agreement (“Individual Shareholders”) dated July 10, 2006 (the “SSA”) and the Shareholders agreement between our Company, Blackstone and Individual Shareholders dated August 3, 2006” on page 152.

Except as stated above, there is no arrangement or understanding with the major shareholders, cutomers, suppliers or others, pursuant to which any of our Directors was appointed on the Board.

Shareholding of Directors

The shareholding of the Directors as of the date of this Draft Red Herring Prospectus is set forth below:

Name of Director	Number of the Equity Shares held
Satish Ramanlal Mehta(1)	17,647,537
Sunil Rajanikant Mehta(2)	3,361,166
Arun Kumar Khanna	642,857
Marvin Samson	257,143
Mahesh Nathalal Shah	96,428
Mukund Ranade	94,821
Shreekant Krushnaji Bapat(3)	81,321
Mukund Keshao Gurjar	73,929
Humayun Dhanrajgir(4)	61,071
Berjis Minoo Desai	48,214

(1) Includes joint holding of Satish Ramanlal Mehta with Bhavna Mehta.
(2) Includes joint holdings of Sunil Rajanikant Mehta with Kamini Mehta, Rutav Mehta and Neeraj Mehta.
(3) Includes joint holdings of Shreekant Krushnaji Bapat with Alaka Bapat.

(4) *Includes joint holdings of Humayun Dhanrajgir with Jini Dhanrajgir.*

Interest of Directors

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

Directors may also be regarded as interested in the Equity Shares, if any, held by them or their relatives or that may be subscribed by or allotted to them or their relatives or companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Issue. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Except as otherwise disclosed in this Draft Red Herring Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as Directors. Our Company has not entered into any service contracts with the Directors which provide for benefits upon termination of employment of the Directors.

Directors have no interest in the promotion of our Company other than in the ordinary course of business. Further, our Directors have no interest in any property acquired or proposed to be acquired by our Company within the two years from the date of this Draft Red Herring Prospectus.

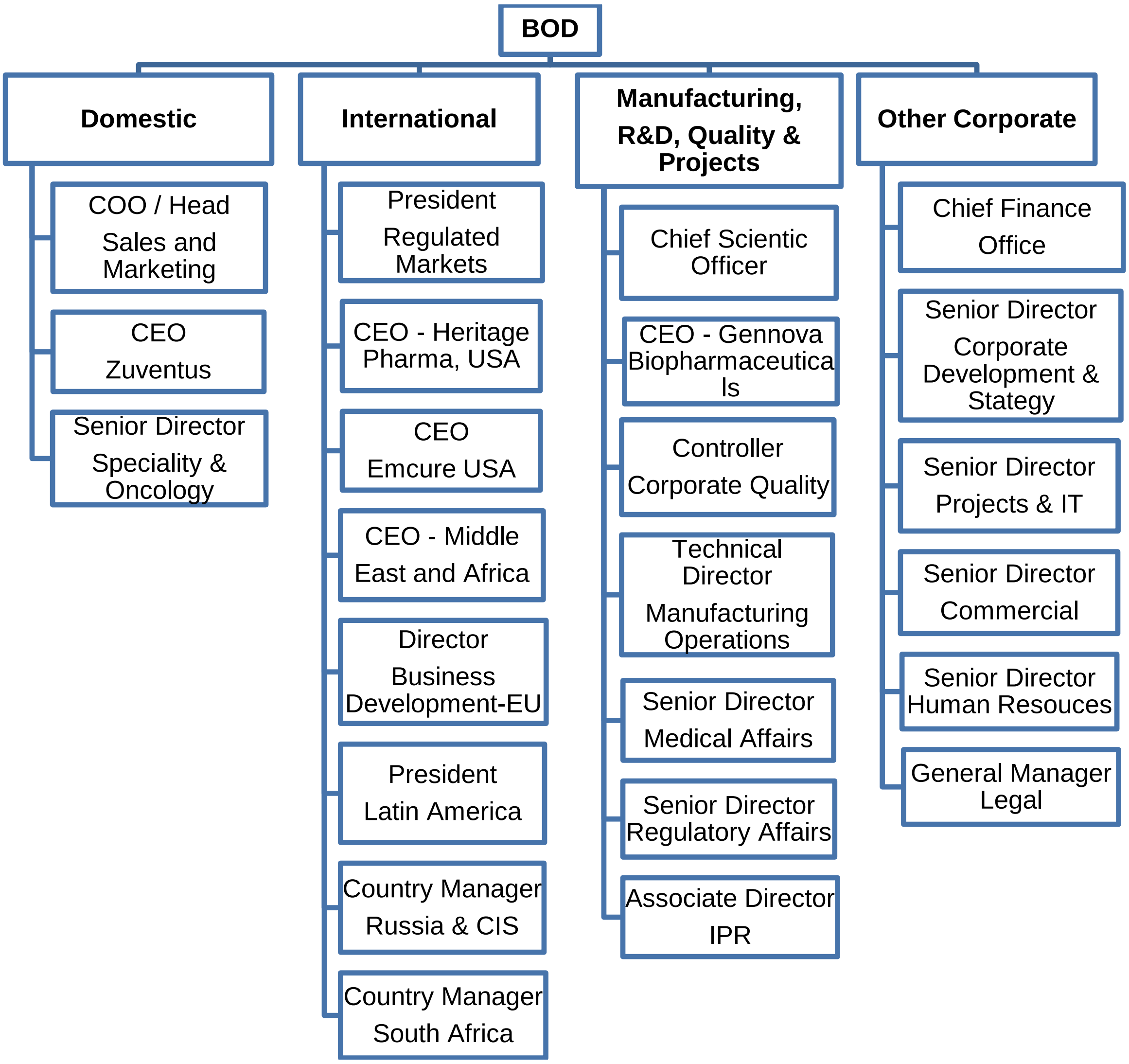
Except as stated in the section "Related Party Transactions" on page 182 and described herein to the extent of shareholding in our Company and remuneration received from our Company, if any, our Directors do not have any other interest in our business.

Changes in the Board of Directors during the last three years:

Name	Date of Appointment/ Change/ Cessation	Reason
Vikas Thapar	November 12, 2010	Appointed as an alternate Director to Marvin Samson
Mukund Ranade	November 12, 2010	Appointed as an alternate Director to Dr. Mahendra Patel
Akhil Gupta	March 1, 2011	Resignation
Amit Dixit	March 1, 2011	Appointed as a nominee Director
Dr. Mahendra Patel	April 29, 2011	Resignation
Mukund Ranade	April 29, 2011	Ceased to be an alternate Director upon resignation of Dr. Mahendra Patel
Dr. Jose Sartarelli	October 18, 2011	Appointed as a Director
Vikas Thapar	January 24, 2012	Vacation of office under Section 313 of the Companies Act (alternate Director to Marvin Samson)
Mukund Ranade	January 27, 2012	Appointed as an alternate Director to Dr. Jose Sartarelli.
Vikas Thapar	January 27, 2012	Appointed as an alternate Director to Marvin Samson
Dr. Girish L. Telang	April 27, 2012	Appointed as an additional Director
Mukund Ranade	June 29, 2012	Resignation as an alternate Director to Dr. Jose Sartarelli
Samit Satish Mehta	June 29, 2012	Appointed as an alternate Director to Dr. Jose Sartarelli
Mukund Ranade	June 29, 2012	Appointed as an additional Director
Mukund Ranade	July 1, 2012	Appointed as an Executive Director
Samit Satish Mehta	October 15, 2012	Vacation of office under Section 313 of the Companies Act (alternate

Name	Date of Appointment/ Change/ Cessation	Reason
		Director to Dr. Jose Sartarelli)
Vikas Thapar	October 15, 2012	Vacation of office under Section 313 of the Companies Act (alternate Director to Marvin Samson)
Samit Satish Mehta	October 18, 2012	Appointed as an alternate Director to Dr. Jose Sartarelli
Vikas Thapar	October 18, 2012	Appointed as an alternate Director to Marvin Samson
Dr. Jose Sartarelli	February 28, 2013	Resignation
Samit Satish Mehta	February 28, 2013	Ceased to be an alternate Director to Dr. Jose Sartarelli
Vikas Thapar	June 5, 2013	Ceased to be an alternate Director to Marvin Samson
Sunil Rajanikant Mehta	June 5, 2013	Appointed as an additional Director
Sunil Rajanikant Mehta	June 5, 2013	Appointed as an Executive Director

Management Organisation Structure



Borrowing Powers of Board

In accordance with the Article of Association, the Board may, from time to time, at its discretion, by a resolution passed at a meeting of the Board, accept deposits from members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purpose of our Company. Provided however, where the money to be borrowed together with the money already borrowed (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) exceeds the aggregate of the paid-up capital of our Company and its free reserves (not being reserves set apart for any specific purpose) the Board shall not borrow such moneys without the consent of the Shareholders in a General Meeting.

Pursuant to a resolution passed by our Shareholders held on May 19, 2012, our Board has been authorised to borrow any sum or sums of monies (apart from temporary loans/facilities obtained or to be obtained from our Company's bankers in the ordinary course of business) in excess of our aggregate paid-up capital and free reserves, provided that the total amount which may be so borrowed and outstanding shall not exceed the aggregate of the paid-up capital and free reserves of our Company by more than a sum of ₹ 8,500.00 million.

Corporate Governance

The provisions of the Listing Agreement to be entered into with the Stock Exchanges with respect to corporate governance will be applicable to our Company immediately upon listing of the Equity Shares with the Stock Exchanges. Our Company believes that it is in compliance with the requirements of the applicable regulations, including the Listing Agreement with the Stock Exchanges and the SEBI Regulations, in respect of corporate governance including constitution of the Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

The Board of our Company has been constituted in compliance with the Companies Act and the Listing Agreement to be entered into with the Stock Exchanges and in accordance with best practices relating to corporate governance. The Board functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management of our Company provides the Board with detailed reports on its performance periodically.

Currently, the Board has 12 Directors, of which the Chairman is a Non-Executive Director. In compliance with the requirements of Clause 49 of the Listing Agreement, we have six Executive Directors and six Non-Executive Directors, including five Independent Directors on our Board.

Committees of the Board

1. Audit Committee

The members of the Audit Committee are:

1. Shreekant Krushnaji Bapat *(Chairman);*
2. Humayun Dhanrajgir;
3. Berjis Minoo Desai; and
4. Amit Dixit.

The Audit Committee was constituted by a meeting of our Board held on January 3, 2002. The scope and function of the Audit Committee is in accordance with Section 292A of the Companies Act and Clause 49 of the Listing Agreement and its terms of reference include the following:

(a) Overseeing our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(b) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the external auditors and the fixation of audit fees;

(c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(d) Reviewing with the management the annual financial statements before submission to the Board for approval, with particular reference to:

    (i) 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;
    (ii) Changes, if any, in accounting policies and practices and reasons for the same;
    (iii) Major accounting entries involving estimates based on the exercise of judgment by management;
    (iv) Significant adjustments made in the financial statements arising out of audit findings;
    (v) Compliance legal requirements relating to financial statements;
    (vi) Disclosure of any related party transactions;
    (vii) Qualifications in the draft audit report;
    (viii) Going concern assumption; and
    (ix) Compliance with accounting standards.

(e) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

(f) Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

(g) Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;

(h) 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;

(i) Reviewing our Company's financial and risk management policies;

(j) Discussion with internal auditors on any significant findings and follow up there on;

(k) 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;

(l) 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;

(m) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(n) Reviewing the functioning of the whistle blower mechanism, in case the same is existing;

(o) Mandatory review of management discussion and analysis of financial condition and results of operations, statements of significant related party transactions submitted by management, internal audit reports relating to internal control weaknesses, and the appointment, removal and terms of remuneration of the internal auditors. management letters/ letters of internal control weaknesses issued by the statutory auditors; and

(p) Approval of appointment of CFO (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

The powers of the Audit Committee include the power to:

(a) Investigate any activity within its terms of reference;

(b) Seek information from any employee;

(c) Obtain outside legal or other professional advice; and

(d) Secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee is required to meet at least four times in a year under Clause 49 of the Listing Agreement.

2. Remuneration Committee

The members of the Remuneration Committee are:

1. Humayun Dhanrajgir *(Chairman);*
2. Shreekant Krushnaji Bapat;
3. Berjis Minoo Desai;
4. Amit Dixit; and
5. Satish Ramanlal Mehta.

The Remuneration Committee was constituted by a meeting of our Board held on May 7, 2004. The terms of reference of the Remuneration Committee include the following with regard to the remuneration payable to the executive and non-executive director:

(a) To fix recommend the remuneration including salary, perquisites, benefits, bonuses and allowances of whole time directors and commission payable to non whole time directors;

(b) Fixed and performance linked incentives along with the performance criteria;

(c) Increments and promotions;

(d) Service contracts, notice period, severance fees;

(e) Ex-gratia payments; and

(f) To formulate detailed terms and conditions of employee stock option schemes including details pertaining to quantum of options to be granted, conditions for lapsing of vested options, exercise period, adjustments for corporate actions and procedure for cashless exercise.

For details in relation to the employee stock option scheme instituted by our Company, see the section "Capital Structure – Notes to Capital Structure – Employee Stock Option Scheme" on page 91.

3. Investor Grievance and Share Transfer Committee

The members of the Investor Grievance and Share Transfer Committee are:

1. Shreekant Krushnaji Bapat *(Chairman);*
2. Berjis Minoo Desai; and
3. Satish Ramanlal Mehta.

The Investor Grievance and Share Transfer Committee was constituted by our Board of Directors at their meeting held on May 7, 2011. This Committee is responsible for the redressal of shareholder grievances. The terms of reference of the Investor Grievance and Share Transfer Committee of our Company include the following:

(a) To approve requests for transfer and transmission of shares;

(b) To approve dematerialization and rematerialization of shares;

(c) To consider and approve, split, consolidation and issuance of duplicate shares; and

(d) To review from time to time the overall working of the secretarial department of our Company relating to the shares of our Company and the functioning of the share transfer agent and other related matters.

4. IPO Committee

The members of the IPO Committee are:

1. Shreekant Krushnaji Bapat (*Chairman*);
2. Satish Ramanlal Mehta;
3. Berjis Minoo Desai; and
4. Amit Dixit.

The IPO Committee was constituted by our Board at their meeting held on December 23, 2010. The IPO Committee is responsible for *inter alia* the following:

(a) To decide on the pricing and all the terms and conditions of the Issue of the Equity Shares for the IPO, including the issue price, and to accept any amendments, modifications, variations or alterations thereto;

(b) To appoint and enter into arrangements with the Book Running Lead Managers, underwriters, syndicate members, brokers, escrow collection bankers, registrars, legal advisors and any other agencies or persons or intermediaries for the purposes of the IPO and to negotiate and finalise the terms of their appointment, including but not limited to execution of the book running lead manager's mandate letter, negotiation, finalisation and execution of the issue agreement with the book running lead managers and the registrar's memorandum of understanding;

(c) To finalise, settle, execute and deliver or arrange the delivery of the syndicate agreement, underwriting agreement, escrow agreement and all other documents, deeds, agreements, memorandum of understanding and other instruments whatsoever with the registrar to the IPO, legal advisors, auditors, stock exchange(s), book running lead managers and any other agencies/intermediaries in connection with the IPO with the power to authorise one or more officers of our Company to execute all or any of the aforestated documents; and

(d) To finalise, settle, approve and recommend to the Board to adopt the draft red herring prospectus, the red herring prospectus, the prospectus, and the preliminary and final international wrap for the issue of equity shares and take all such actions as may be necessary for filing of these documents including incorporating such alterations/corrections/ modifications as may be required by SEBI or any other relevant governmental and statutory authorities.

Key Management Personnel

The details of our Key Management Personnel as of the date of this Draft Red Herring Prospectus are as follows:

Namita Thapar

Namita Thapar, 36, holds the position of the Chief Financial Officer in our Company. She is a graduate in Commerce from the Pune University, a qualified Chartered Accountant from the Institute of Chartered Accountants of India and received a Masters in Business Administration degree from Duke University, USA. Mrs. Thapar has a total work experience of 13 years. Prior to joning our Company, she worked with Guidant Corporation, USA. During Fiscal 2013, she was paid a gross compensation of ₹ 8.76 million.

Vikas Thapar

Vikas Thapar, 39, holds the position of the Senior Vice President - Corporate Development and Strategy in our Company. He received a bachelor's degree in Management Science from the University of California, San Diego in 1996, and received a Masters in Business Administration degree from the University of Southern California in 2000. He has around 15 years of work experience in Finance and Business Development. Prior to joining our Company, he worked with Agilent Technologies and Ebay, USA. He has been associated with our Company since 2006. During Fiscal 2013, he was paid a gross compensation of ₹ 11.27 million.

Samit Satish Mehta

Samit Satish Mehta, 33, holds the position of the Senior Director (Speciality and Oncology) in our Company. He is a graduate and a post graduate in Commerce from the Pune University. He received his Masters in the Business Administration degree from the Wharton School, University of Pennsylvania. He has worked as a management consultant (strategy) at Ernst & Young and advised companies in different sectors including education, mining and healthcare. During Fiscal 2013, he was paid a gross compensation of ₹ 7.58 million.

Sanjay Rajanikant Mehta

Sanjay Rajanikant Mehta, 48, holds the position of Senior Director (Commercial) in our Company. He is a graduate in Commerce from the Pune University. He has been associated with our Company since April 1989. During Fiscal 2013, he was paid a gross compensation of ₹ 8.92 million.

Dr. Nitin Gore

Dr. Nitin Gore, 52, holds the position of Controller (Corporate Quality) in our Company. He is a graduate in Science (Chemistry) and a post graduate degree in Organic Chemistry from the Bombay University and a Ph.D. in Chemistry from the Bombay University with specialisation in Analytical Chemistry. He has a total work experience of 27 years. Prior to joining our Company, he worked with Wockhardt Limited, Aurangabad. He has been associated with our Company since January 2004. During Fiscal 2013, he was paid a gross compensation of ₹ 4.68 million.

Except Vikas Thapar, Namita Thapar, Samit Satish Mehta and Sanjay Rajanikant Mehta, none of the Key Management Personnel employed with our Company are related to each other. Vikas Thapar is the husband of Namita Thapar and Samit Satish Mehta is the brother of Namita Thapar respectively.

Dr. Sanjay Singh

Dr. Sanjay Singh, 46, holds the position of the Chief Executive Officer with our Subsidiary, Gennova Biopharmaceuticals Limited. He is a graduate in Science from the Lucknow University and a post graduate degree in Science (Biochemistry) from the Lucknow University and holds a Ph.D. in Biochemistry from the Central Drug Research Institute, Lucknow. Prior to joining Gennova, he was working with National Institute of Health, USA. He has been associated with Gennova since October 2006. During Fiscal 2013, he was paid a gross compensation of ₹ 22.78 million.

Prakash Kumar Guha

Prakash Kumar Guha, 49, holds the position of the Managing Director with our Subsidiary, Zuventus Healthcare Limited. He is a graduate in Science from the Utkal University. Prior to joining Zuventus, he worked with Wander Limited. He has been associated with Zuventus since July 2002. During Fiscal 2013, he was paid a gross compensation of ₹ 21.07 million.

Fakrul Sayeed

Fakrul Sayeed, 65, holds the position of the Chief Executive Officer with our Subsidiary, Emcure Pharmaceuticals USA Inc. He is a graduate in Pharmacy from the Dhaka University, Bangladesh and a post graduate degree in Pharmaceutical Chemistry from Philadelphia College of Pharmacy and Science, Philadelphia, PA. Prior to joining Emcure USA, he worked with PTS International Inc., New Jersey. He has been associated with Emcure USA since 2007. During Fiscal 2013, he was paid a gross compensation of ₹ 10.88 million (USD 0.20 million).

Jeffrey Glazer

Jeffrey Glazer, 42, holds the position of the Chief Executive Officer with our Subsidiary, Heritage Pharmaceuticals Inc. He is a graduate in Pharmacy from the Long Island University, A & M, and a J.D.

from Seton Hall University Law School. Prior to joining Heritage Pharmaceuticals, he worked with the US subsidiary of Glenmark Pharmaceuticals Limited as its executive vice president (corporate development) and general counsel. He has been associated with Heritage Pharmaceuticals since 2011. During Fiscal 2013, he was paid a gross compensation of ₹ 23.98 million (USD 0.44 million).

Fouad Benghalem

Fouad Benghalem, 66, holds the position of the Chief Executive Officer with our Subsidiary, Emcure Mena FZ-LLC. He holds a graduate degree in Law and Political Science from the University Mohamed V – Rabat, Morocco and a degree in Business Administration from the High School of Commerce and Management, ISCAE, Casablanca, Morocco. Prior to joining Emcure Dubai, he worked with Glaxo Smithkline Pharmaceuticals International. He has been associated with Emcure Dubai since September 2012. During Fiscal 2013, he was paid a gross compensation of ₹ 47.50 million (USD 0.87 million).

Except Vikas Thapar, Namita Thapar and Samit Satish Mehta, none of the Key Management Personnel employed with our Company are related to each other. Vikas Thapar is husband of Namita Thapar and Samit Satish Mehta is brother of Namita Thapar.

There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Key Managerial Personnel were selected as key managerial personnel.

All our Key Management Personnel are permanent employees of our Company and our Subsidiaries, as applicable.

Shareholding of the Key Management Personnel

The shareholding of the Key Management Personnel as of the date of filing this Draft Red Herring Prospectus is set forth below:

Name of the Key Management Personnel	Number of the Equity Shares held
Sanjay Rajanikant Mehta(1)	4,246,690
Samit Satish Mehta	3,336,130
Namita Thapar	1,584,950
Dr. Sanjay Singh(2)	96,429
Vikas Thapar	93,750
Fakrul Sayeed	64,286
Prakash Kumar Guha	48,214

(1) *Includes joint holdings of Sanjay Rajanikant Mehta with Sonali Mehta and Manan Mehta.*
(2) *Includes joint holdings of Dr. Sanjay Singh with Kavita Singh.*

Bonus or profit sharing plan of the Key Management Personnel

Our Key Management Personnel are paid performance incentive pay based on certain performance parameters as decided by our Company.

The following table sets forth the details of the incentives paid by our Company and its Subsiadiaries, as applicable, to its Key Management Personnel in Fiscal 2013:

Name of the Key Management Personnel	Incentive (per annum) (₹ in million)
Jeffrey Glazer	11.15 (USD 0.21 million)
Prakash Kumar Guha	2.46
Sanjay Rajanikant Mehta	1.90
Vikas Thapar	1.15
Samit Satish Mehta	1.10
Namita Thapar	1.10
Dr. Nitin Gore	0.82

Other than those mentioned above, no other Key Management Personnel is entitled to any bonus or profit sharing plan.

Interests of Key Management Personnel

The Key Management Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business and the employee stock options or equity shares held, if any.

Except as disclosed, none of the Key Management Personnel have been paid any consideration of any nature from our Company, other than their remuneration.

Changes in the Key Management Personnel

There are no changes in the Key Management Personnel in the last three years.

Employee Stock Option Scheme

For details of the employee stock option scheme, see the section "Capital Structure – Employee Stock Option Scheme" on page 91.

Payment or Benefit to officers of our Company

Except as stated otherwise in this Draft Red Herring Prospectus, no non-salary amount or benefit has been paid or given in the two preceeding years or is intended to be paid or given to any of our Company's employees including the Key Management Personnel of our Company and our Directors.

PROMOTERS AND PROMOTER GROUP

Satish Ramanlal Mehta and Sunil Rajanikant Mehta are the Promoters of our Company.

	Satish Ramanlal Mehta, 62, is the Managing Director and the Chief Executive Officer of our Company. He is a resident Indian national. For further details, see the section "Management" on page 160. The driving license number of Satish Ramanlal Mehta is MH 12 20030341410 and his voter identification number is FGD0962068. His passport number is Z2314595.
	**Sunil Rajanikant Mehta** Sunil Rajanikant Mehta, 50, is an Executive Director and the Senior Director (Projects) of our Company. He is a resident Indian national. For further details, see the section "Management" on page 160. The driving license number of Sunil Rajanikant Mehta is MH 12 20030341385 and his voter identification number is FGD 0962092. His passport number is H3484007.

Our Company confirms that the permanent account number, bank account numbers and passport number of our Promoters shall be submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus.

Interest of Promoters

Our Promoters are interested in our Company to the extent of their respective shareholding and the dividends received by them on such shareholding and the remuneration received from our Company. For details on the shareholding of our Promoters in our Company, see the sections "Capital Structure" and "Management" on pages 67 and 160 respectively.

Satish Ramanlal Mehta is the Managing Director and the Chief Executive Officer of our Company and may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to him. Sunil Rajanikant Mehta is an Executive Director and holds the position of Senior Director (Projects) in our Company and may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to him. For further details, see the section "Management" on page 160.

Whilst our Company has entered into contract, agreements or arrangements in the preceding two years from the date of this Draft Red Herring Prospectus in which our Promoters may be directly or indirectly interested, no payments have been made to our Promoters in respect of the contracts, agreements or arrangements which are proposed to be made with our Promoters including the properties purchased by our Company other than in the normal course of business. Except as stated otherwise in this Draft Red Herring Prospectus, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company other than in the normal course of business. For further details, see the section "Financial Statements" on page 184.

Except as stated in this Draft Red Herring Prospectus, our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company.

Our Promoters have no interest in acquisition of land, construction of building and supply of machinery undertaken by our Company.

For details of related party transactions entered into by our Company with its Subsidiaries during the last financial year, the nature of transactions and the cumulative value of transactions, see the section "Related Party Transactions" on page 182.

Payment or Benefits to Promoters

Except as stated otherwise in the section "Related Party Transactions" and "Promoters and Promoter Group - Interests of the Promoters" on pages 182 and 179 respectively, there has been no payment or benefits to our Promoters or Promoter Group during the two years prior to the filing of the Draft Red Herring Prospectus.

Confirmations

Our Promoters have not been declared as wilful defaulters by the RBI or any other government authority and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against them.

Our Promoters and Promoter Group entities have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Companies with which our Promoters have disassociated in the last three years

Our Promoters have not disassociated themselves from any of the companies during the preceding three years.

Change in the management and control of our Company

There has not been any change in the management or control of our Company.

Promoter Group

In addition to our Promoters named above, the following individuals and entities form a part of our Promoter Group:

S. No.	Natural persons forming part of our Promoter Group
1.	Bhanumati Desai
2.	Bhavna Mehta
3.	Dr. Jasubhai H. Shah
4.	Dr. Jigar J. Shah
5.	Girish Desai
6.	Kamini Mehta
7.	Manish J. Shah
8.	Namita Thapar
9.	Niraj Mehta
10.	Pravina J. Shah
11.	Pushpa Mehta
12.	Rita Desai
13.	Rutav Mehta
14.	Samit Satish Mehta
15.	Sanjay Rajanikant Mehta
16.	Shaila Gurjar
17.	Shobhana Desai
18.	Smita Shah
19.	Suhasini Shah
20.	Surekha Shah
21.	Swati Shah

S. No.	Entities forming part of our Promoter Group
1.	H M Sales Corporation

Group Companies

Our Company has does not have any Group Company as per the definition of the “Group Companies” as provided in the SEBI Regulations.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, see the sections "Financial Statements – Standalone Financial Information - Notes to the Restated Financial Information - Related Party Disclosures" and "Financial Statements – Consolidated Financial Information - Notes to the Restated Financial Information - Related Party Disclosures" on pages 220 and 292, respectively.

DIVIDEND POLICY

The declaration and payment of dividends, if any, will be recommended by our Board of Directors and approved by the shareholders, in their discretion, subject to the provisions of the Articles of Association and the Companies Act. The dividends, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements and overall financial position of our Company. Our Company has no formal dividend policy. The dividends declared by our Company during the last five Fiscals are set out in the following table:

1. Equity Shares:

Particulars	Fiscal 2012	Fiscal 2011	Fiscal 2010	Fiscal 2009	Fiscal 2008
Face value per Equity Share (in ₹)	10	10	10	10	10
Dividend Declared** (₹ in million)	140.66	105.50	77.15	Nil	77.16
Dividend (in ₹ per Equity Share)	4	3	2.5	-	2.5
Equity Share Capital (₹ in million)	351.66	351.66	308.66	308.66	308.66
Rate of Dividend (%)	40	30	25	-	25
Dividend Distribution Tax (₹ in million)	19.58@	14.21*	9.72#	-	13.11#

**Tax on dividend is ₹ 17.52 million less set off of ₹ 3.32 million on account of dividend distribution tax of Zuventus Healthcare Limited.*
#Tax on dividend on equity has been adjusted on account of dividend distribution tax of Zuventus Healthcare Limited.
@ Tax on dividend is ₹ 22.82 million less set off of ₹ 3.24 million on account of dividend distribution tax of Zuventus Healthcare Limited.
***Dividend was declared subject to the approval from the Shareholders for the respective Fiscals and was paid after obtaining the approval from the Shareholders.*

2. Preference Shares:

Particulars	Fiscal 2012	Fiscal 2011	Fiscal 2010	Fiscal 2009	Fiscal 2008
Face value per Preference Share (in ₹)	Nil	Nil	10	10	10
Dividend Declared (₹ in million)**	Nil	Nil	10.76	Nil	10.76
Dividend (in ₹ per Preference Share)	Nil	Nil	6	Nil	6
Preference Share Capital (₹ in million)	Nil	Nil	179.32	179.32	179.32
Rate of Dividend (%)	Nil	Nil	6	-	6
Dividend Distribution Tax (₹ in million)	Nil	Nil	1.83*	-	1.83*

**Tax on dividend on equity is adjusted on account of dividend distribution tax of Zuventus Healthcare Limited.*
***Dividend was declared subject to the approval from the Shareholders for the respective Fiscals and was paid after obtaining the approval from the Shareholders.*

However, the amounts paid by our Company as dividends in the past are not necessarily indicative of the dividend amounts, if any, or the dividend policy, in the future. Further, the ability to pay dividends in future will depend on the revenues, profits, cash flow, financial condition, capital requirements and other factors.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

To
The Board of Directors
Emcure Pharmaceuticals Limited,
Emcure House,
T- 184, MIDC, Bhosari
Pune- 411 026

Auditors' Report on Restated Stand-alone Financial Information in connection with the Initial Public Offering of Emcure Pharmaceuticals Limited

Dear Sirs,

1. This report is issued in accordance with the terms of our agreement dated January 25, 2013.

2. The accompanying restated stand-alone financial information, expressed in Indian Rupees, in Millions of Emcure Pharmaceuticals Limited (hereinafter referred to as the "Company"), comprising Stand-alone Financial Information in paragraph A below and Other Stand-alone Financial Information in paragraph B below (hereinafter together referred to as "Restated Stand-alone Financial Information"), has been prepared by the Management of the Company in accordance with the requirements of paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 (hereinafter referred to as the "Act") and item (IX) of Part A of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI Regulations") issued by the Securities and Exchange Board of India (the "SEBI") in connection with the Proposed Initial Public Offering of Equity Shares of the Company (the "Issue") and has been approved by the Board of Directors and initialled by us for identification purposes only. For the purposes of our examination, we have placed reliance on the audited stand- alone financial statements of the Company for the years ended March 31, 2008, 2009, 2010, 2011 (all of which were expressed in Indian Rupees in Lakhs) and years ended March 31, 2012 and nine months interim period ended December 31, 2012 (both of which were expressed in Indian Rupees in Millions) , on which we have expressed qualified audit opinions dated April 21, 2008 and June 01, 2009 and unmodified audit opinions dated April 30, 2010, May 07, 2011, June 30, 2012 and June 26, 2013, respectively.

Management's Responsibility for the Restated Stand-alone Financial Information

3. The preparation of the Restated Stand-alone Financial Information, which is to be included in the Draft Red Herring Prospectus ("DRHP"), is the responsibility of the Management of the Company and has been approved by the Board of Directors, at its meeting held on June 26, 2013, for the purpose set out in paragraph 13 below. The Board of Directors' responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Restated Stand-alone Financial Information. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditors' Responsibilities

4. Our work has been carried out in accordance with the Standards on Auditing, as per the (Revised) Guidance Note on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India and pursuant to the requirements of Schedule II to the Act. Our examination of the Restated Stand-alone Financial Information has not been carried out in accordance with the auditing standards generally accepted in the United States of America ("U.S.") and accordingly should not be relied upon by U.S. investors as if it had been carried out in accordance with those standards or any other standards besides the standards referred to in this report. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the SEBI Regulations in connection with the Issue.

A. Stand-alone Financial Information as per audited stand-alone financial statements:

5. We have examined the following summarized financial statements of the Company contained in Restated Stand-alone Financial Information of the Company:

   a) the "Restated Stand-alone Statement of Assets and Liabilities " as at March 31, 2008, 2009, 2010, 2011, 2012 and December 31, 2012. (enclosed as Annexure I);
   b) the "Restated Statement of Profit and Loss" for the years ended March 31, 2008, 2009, 2010, 2011, 2012 and nine months interim period ended December 31, 2012 (enclosed as Annexure II) and
   c) the "Restated Statement of Cash Flows" for the years ended March 31, 2008, 2009, 2010, 2011, 2012 and nine months interim period ended December 31, 2012 (enclosed as Annexure III).

6. The Stand-alone Financial Information, expressed in Indian Rupees, in Millions, has been derived from the audited stand-alone financial statements of the Company, further explained in paragraph 7 below, as at March 31, 2008, 2009, 2010, 2011, all of which expressed in Indian Rupees in Lakhs and as at March 2012, December 31, 2012, both of which expressed in Indian Rupees in Million and for years ended March 31, 2008, 2009, 2010, 2011, all of which expressed in Indian Rupees in Lakhs and for years ended March 31, 2012 and nine months interim period ended December 31, 2012 , both of which were expressed in Indian Rupees in Millions.

7. The Restated Stand-alone Financial Information:

   a) should be read in conjunction with the basis of preparation and significant accounting policies given in Annexure IV (as described in paragraph 9(i);
   b) does not contain all the disclosures required by the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.

8. We have not audited any financial statements of the Company as of any date or for any period subsequent to December 31, 2012. Accordingly, we do not express any opinion on the financial position, results or cash flows of the Company as of any date or for any period subsequent to December 31, 2012.

B. Other Stand-alone Financial Information:

9. At the Company's request, we have also examined the following Other Stand-alone Financial Information relating to the Company as at March 31, 2008, 2009, 2010, 2011, 2012 and December 31, 2012 and for the years ended March 31, 2008, 2009, 2010, 2011, 2012 and nine months interim period ended December 31, 2012, proposed to be included in the DRHP, prepared by the Management of the Company and as approved by the Board of Directors of the Company and annexed to this report:

   i) Significant Accounting Policies as enclosed in Annexure IV
   ii) Notes to the Restated Financial Information as enclosed in Annexure V
   iii) Statement of Adjustments to Audited Financial Statements as enclosed in Annexure VI
   iv) Restated Statement of Investments as enclosed in Annexure VII
   v) Restated Statement of Trade Receivable as enclosed in Annexure VIII
   vi) Restated Statement of Loans and Advances as enclosed in Annexure IX
   vii) Restated Statement of Secured Borrowings as enclosed in Annexure X
   viii) Restated Statement of Principal Terms of Secured Borrowings outstanding as at December 31 2012 as enclosed in Annexure X (D)
   ix) Restated Statement of Other Long Term Liabilities as enclosed in Annexure XI
   x) Restated Statement of Principal Terms of Other Long Term Liabilities outstanding as at December 31 2012 as enclosed in Annexure XI (A)
   xi) Restated Statement of Other Income as enclosed in Annexure XII
   xii) Restated Statement of Accounting Ratios as enclosed in Annexure XIII
   xiii) Restated Statement of Capitalisation as enclosed in Annexure XIV
   xiv) Restated Statement of Dividend paid/proposed dividend on equity shares /preference

shares as enclosed in Annexure XV

xv) Restated Statement of Tax Shelter as enclosed in Annexure XVI

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

Opinion

11. In our opinion:

(i) the Restated Stand-alone Financial Information of the Company, as attached to this report and as mentioned in paragraphs A and B above, read with basis of preparation and respective significant accounting policies have been prepared in accordance with Part II of Schedule II to the Act and the SEBI Regulations;

(ii) adjustments have been made with retrospective effect to reflect the changes in accounting policies of the Company (as disclosed in Annexure IV to this report) to reflect the same accounting treatment as per the accounting policies as at December 31, 2012 for all the reporting periods ;

(iii) the material adjustments relating to previous years have been adjusted in the year/ period to which they relate;

(iv) the adjustments relating to the qualifications in the auditors' reports have been incorporated in the year to which they relate.

(v) there are no extra-ordinary items which need to be disclosed separately.

12. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us on the stand- alone financial statements of the Company.

Restriction on Use

13. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the DRHP, prepared in connection with the proposed Initial Public Offering of Equity Shares of the Company, to be filed by the Company with the SEBI and the concerned Registrar of Companies.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership Number 48125

Place: Pune
Date : June 26, 2013

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Emcure Pharmaceuticals Limited, as Restated		
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ANNEXURE I

Restated Statement of Assets and Liabilities of Emcure Pharmaceuticals Limited

₹ in millions

Sr. No.	Particulars	Notes / Annexures	As at					
			March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
	Assets							
A	**Non - Current Assets** Fixed Assets							
	Tangible Assets	Annexure V, Note 1	2,620.14	3,101.37	3,423.71	5,037.78	5,829.27	5,810.25
	Less: Revaluation Reserves		(1.24)	(1.01)	(0.78)	(0.55)	(0.32)	-
	Tangible Assets after adjustment of Revaluation Reserve		**2,618.90**	**3,100.36**	**3,422.93**	**5,037.23**	**5,828.95**	**5,810.25**
	Intangible Assets	Annexure V, Note 1	44.95	63.54	120.19	115.39	136.18	748.59
	Capital work-in-progress		532.93	1,363.75	1,421.88	335.37	7.36	63.06
	Intangible assets under development		124.08	205.34	278.92	522.08	787.88	986.33
	Non - current investments	Annexure VII (A)	631.29	492.59	770.56	776.27	1,091.55	1,669.54
	Deferred tax assets (net)	Annexure V, Note 2	-	614.49	-	-	-	-
	Long term loans and advances	Annexure IX (A)	976.97	845.09	869.60	1,076.80	648.60	822.10
	Other non-current assets	Annexure V, Note 3	9.17	50.37	104.55	154.59	22.00	37.83
	Total A		**4,938.29**	**6,735.53**	**6,988.63**	**8,017.73**	**8,522.52**	**10,137.70**
B	**Current Assets**							
	Current Investments	Annexure VII (B)	-	5.00	-	-	-	-
	Trade receivables	Annexure VIII	970.81	1,290.98	1,349.24	1,663.61	2,068.68	2,822.21
	Inventories	Annexure V, Note 4	1,062.80	953.74	1,344.74	1,623.46	1,776.77	2,355.90
	Cash and bank balances	Annexure V, Note 5	26.13	80.17	43.65	108.75	203.03	124.46
	Short term loans and advances	Annexure IX (B)	455.35	740.29	651.79	630.84	1,278.60	1,011.00
	Other current assets	Annexure V, Note 6	0.70	0.97	0.69	10.16	258.75	338.26
	Total B		**2,515.79**	**3,071.15**	**3,390.11**	**4,036.82**	**5,585.83**	**6,651.83**
	Liabilities							
C	**Non - current liabilities**							
	Long-term borrowings	Annexure X (A)	1,161.71	1,411.70	1,509.83	2,559.79	1,909.27	2,572.24
	Deferred tax liabilities (net)	Annexure V, Note 2	213.29	-	170.72	376.37	497.76	631.54
	Other long term liabilities	Annexure XI	162.07	205.81	198.16	280.76	386.31	768.97
	Long-term provisions	Annexure V, Note 7	41.61	2,545.08	912.57	721.24	624.37	57.85
	Total C		**1,578.68**	**4,162.59**	**2,791.28**	**3,938.16**	**3,417.71**	**4,030.60**
D	**Current liabilities**							
	Short-term borrowings	Annexure X (B)	773.64	1,364.60	1,221.76	762.58	1,261.79	2,402.75
	Trade payables	Annexure V, Note 8	635.05	882.97	1,332.09	1,491.89	2,165.62	2,201.11
	Other current liabilities	Annexure V, Note 10	635.18	937.86	1,150.33	1,391.64	1,894.68	2,230.34
	Short-term provisions	Annexure V, Note 9	328.37	428.16	252.38	443.04	287.36	124.72
	Total D		**2,372.24**	**3,613.59**	**3,956.56**	**4,089.15**	**5,609.45**	**6,958.92**
	Net Worth (A+B-C-D)		**3,503.16**	**2,030.50**	**3,630.90**	**4,027.24**	**5,081.19**	**5,800.01**
	Net Worth Represented By:							
	Equity Share Capital	Annexure V, Note 11	308.66	308.66	308.66	351.66	351.66	351.66
	Preference Share Capital	Annexure V, Note 11	179.32	179.32	179.32	-	-	-
	Reserves and Surplus	Annexure V, Note 12	3,016.42	1,543.53	3,143.70	3,676.13	4,729.85	5,448.35
	Less: Revaluation Reserves	Annexure V, Note 12	(1.24)	(1.01)	(0.78)	(0.55)	(0.32)	-
	Reserves and Surplus, net of Revaluation Reserve		3,015.18	1,542.52	3,142.92	3,675.58	4,729.53	5,448.35
	Net Worth		**3,503.16**	**2,030.50**	**3,630.90**	**4,027.24**	**5,081.19**	**5,800.01**

The above statement should be read with the Significant Accounting Policies appearing in Annexure IV, Notes to the Restated Financial Information appearing in Annexure V and Statement of Adjustments to Audited Standalone Financial Statements appearing in Annexure VI.

ANNEXURE II

Restated Statement of Profit and Loss of Emcure Pharmaceuticals Limited

₹ in millions

Particulars	Notes / Annexures	For the year ended					For the Nine months interim period
		March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Revenue							
Revenue from operations (Net)	Annexure V, Note 13	4,394.01	5,849.87	7,499.97	9,488.33	12,272.28	9,457.09
Other income	Annexure XII	272.72	103.97	104.80	133.11	132.83	200.77
Total Revenue (A)		**4,666.73**	**5,953.84**	**7,604.77**	**9,621.44**	**12,405.11**	**9,657.86**
Expenses							
Cost of Materials Consumed	Annexure V, Note 14	1,279.15	1,854.32	2,920.66	4,119.45	5,087.38	3,387.60
Purchases of Traded goods		404.39	268.70	310.73	237.52	553.42	996.24
Changes in Inventories of Finished goods, Work-in-progress and Traded goods	Annexure V, Note 15	(136.09)	110.11	(91.91)	(145.22)	(169.15)	(426.51)
Employee benefits expense	Annexure V, Note 16	985.85	962.65	1,156.33	1,543.89	1,907.97	1,715.16
Other expenses	Annexure V, Note 17	1,426.44	1,616.31	1,703.42	2,193.32	2,633.89	2,332.34
Total Expenses (B)		**3,959.74**	**4812.09**	**5,999.23**	**7,948.96**	**10,013.51**	**8,004.83**
Profit before Interest, Depreciation and Amortization and Taxation (EBITDA) (C)		**706.99**	**1,141.75**	**1,605.54**	**1,672.48**	**2,391.60**	**1,653.03**
Finance Costs (D)	Annexure V, Note 18	187.29	263.34	293.12	452.91	579.28	473.30
Depreciation and Amortisation (E)	Annexure V, Note 19	168.49	232.07	302.46	392.83	456.43	368.46
Profit/(Loss) Before Exceptional Items and Taxation (C-D-E)		**351.21**	**646.34**	**1,009.96**	**826.74**	**1,355.89**	**811.27**
Exceptional items (F)	Annexure V, Note 20	-	3,209.18	(1,509.44)	-	0.17	169.61
Profit / (Loss) before Taxation (C-D-E-F)		**351.21**	**(2,562.84)**	**2,519.40**	**826.74**	**1,355.72**	**641.66**
Tax Expense (I)							
Current Tax		36.63	39.91	97.50	137.56	206.68	30.66
MAT Credit Entitlement		(30.29)	-	(106.05)	(122.36)	(186.03)	(30.23)
Deferred Tax charge/(benefit)		69.66	(911.87)	775.84	234.40	147.83	65.11
Fringe Benefit Tax		22.73	17.00	-	-	-	-
Short / (Excess) Provision for Taxation for Previous years		(35.74)	18.36	28.11	5.00	(17.05)	(15.56)
Total (I)		**62.99**	**(836.60)**	**795.40**	**254.60**	**151.43**	**49.98**
Net Profit/(Loss) after taxation (C-D-E-F-I)		**288.22**	**(1,726.24)**	**1,724.00**	**572.14**	**1,204.29**	**591.68**
Net Profit / (Loss) Before Restatement Adjustments		**288.22**	**(1,726.24)**	**1,724.00**	**572.14**	**1,204.29**	**591.68**
Restatement Adjustments:							
a. Material adjustments relating to previous years							
(i) Adjustments on account of audit qualification	Annexure VI A (i)	(206.38)	218.17	-	(11.80)	-	-
(ii) Adjustment on account of accounting of settlement of derivative contracts	Annexure VI A (ii) (a)	-	-	-	(87.78)	(56.14)	143.92
(iii) Bad Debts written off	Annexure VI A (ii) (b)	(19.52)	(5.04)	43.70	(15.11)	2.09	51.29
(iv) Provision for Doubtful debts	Annexure VI A (ii) (c)	(3.38)	29.46	(36.51)	1.15	26.98	1.26
(v) Intangible assets under development written off	Annexure VI A (ii) (d)	(18.86)	20.12	7.17	3.52	-	-
(vi) Exports incentives	Annexure VI A (ii) (e)	-	-	5.65	12.54	(18.19)	-
(vii) Foreign currency monetary item translation difference reserve	Annexure VI A (ii) (f)	-	(13.22)	7.53	11.36	(34.24)	9.64
(viii) Deferred tax impact of the above adjustments	Annexure VI A (ii) (g)	83.52	(84.11)	(9.36)	28.76	26.45	(68.66)
(ix) Current tax impact of the above adjustments		-	-	-	-	-	-
b. Impact of provision (current tax) of earlier years written off/written back	Annexure VI A (ii) (h)	(54.44)	26.59	23.50	2.75	(3.16)	(15.56)
		(219.06)	191.97	41.68	(54.61)	(56.21)	121.89

Particulars	Notes / Annexures	For the year ended					For the Nine months interim period
		March 31, 2008	**March 31, 2009**	**March 31, 2010**	**March 31, 2011**	**March 31, 2012**	**December 31, 2012**
Net Profit/(Loss) before the adjustments on account of changes in accounting policies		**69.16**	**(1,534.27)**	**1,765.68**	**517.53**	**1,148.08**	**713.57**
a. Adjustments on account of changes in accounting policies	Annexure VI A (b) (i) & (ii)	(38.41)	-	-	-	15.48	-
b. Deferred tax impact of the above adjustments	Annexure VI A (b) (iii)	10.39	-	-	-	-	-
		(28.02)	-	-	-	15.48	-
Net Profit/(Loss) as Restated		**41.14**	**(1,534.27)**	**1,765.68**	**517.53**	**1,163.56**	**713.57**

The above statement should be read with the Significant Accounting Policies appearing in Annexure IV, Notes to the Restated Financial Information appearing in Annexure V and Statement of Adjustments to Audited Standalone Financial Statements appearing in Annexure VI.

ANNEXURE III

Restated Statement of Cash Flows of Emcure Pharmaceuticals Limited

₹ in millions

Sr. No.	Particulars	For the year ended										For the Nine months Interim period	
		March 31, 2008		March 31, 2009		March 31, 2010		March 31, 2011		March 31, 2012		December 31, 2012	
A	Cash Flow from Operating Activities:												
	Restated Net Profit/(loss) before tax, after restatement adjustments		**64.66**		**(2,313.36)**		**2,546.94**		**740.62**		**1,291.70**		**847.77**
	Adjustments for:												
	Exceptional Items	210.69		2,998.49		(1,509.44)		87.78		56.31		25.69	
	Depreciation and Amortisation	168.49		232.07		302.46		392.83		456.43		368.46	
	Finance Costs	187..29		263.34		293.12		452.91		563.80		473.30	
	Provision for Doubtful Debts	5.31		3.70		36.51		-		-		-	
	(Profit)/ Loss on sale of Tangible Asset	(0.37)		0.57		(0.44)		1.34		3.07		(0.44)	
	Interest Income	(21.92)		(2.24)		(1.30)		(1.64)		(9.93)		(3.57)	
	Interest on intercompany deposits	(56.45)		(80.74)		(101.51)		(83.12)		(71.62)		(52.77)	
	Income from Investments	-		(0.28)		(0.46)		-		-		-	
	Dividend from Investment	(29.33)		-		-		-		-		-	
	Dividend from subsidiaries	(15.96)		(9.98)		-		(19.95)		(19.95)		(19.95)	
	Profit on Sale of Investment	(0.22)	447.53	-	3,404.93	-	(981.06)	-	830.15		978.11		790.72
	Operating Profit before Working Capital Changes		**512.19**		**1091.57**		**1565.88**		**1570.77**		**2,269.81**		**1638.49**
	Adjusted for:												
	(Increase)/Decrease in Trade and Other Receivables	(49.04)		(320.18)		(49.21)		(353.11)		(386.14)		(731.17)	
	(Increase)/Decrease in Inventories	(346.26)		109.04		(390.98)		(278.73)		(153.31)		(579.11)	
	(Increase)/Decrease in Loans & Advances	(105.25)		(8.94)		(44.51)		(132.17)		(51.40)		(47.86)	
	(Increase)/Decrease in Other Assets	336.26		4.88		8.36		(30.58)		(44.03)		(18.17)	
	Increase/(Decrease) in Other Liabilities & Provisions	73.08		(228.85)		(359.41)		16.81		72.55		(87.56)	
	Increase/(Decrease) in Trade Payables	142.90		247.92		449.12		159.80		673.72		35.49	
			51.69		(196.13)		(386.63)		(617.98)		111.39		(1,428.38)
	Cash generated from operations		**563.88**		**895.44**		**1,179.25**		**952.79**		**2,381.20**		**210.11**
	Direct Taxes paid (net)		(127.24)		(38.31)		(100.87)		(102.72)		(191.23)		(83.59)
	Net cash from Operating Activities (A)		**436.64**		**857.13**		**1,078.38**		**850.07**		**2,189.97**		**126.52**
B	**Cash Flow from Investing Activities:**												
	Purchase of Tangible/Intangible assets	(1,278.12)		(1,199.20)		(845.65)		(1,200.19)		(1,088.30)		(1,020.99)	
	Sale Proceeds of Tangible Asset	3.05		10.83		3.73		3.65		8.78		43.39	
	Acquisition/Investment in subsidiaries	(354.79)		133.70		(277.98)		(5.71)		(315.29)		(577.98)	
	Sale proceeds from investments	-		-		5.00		-		-		-	
	Sale/(Purchase) of Investment	600.00		-		-		-		-		-	
	Inter corporate deposits given	(819.94)		(539.51)		(74.98)		(239.08)		(160.36)		(157.16)	
	Inter corporate deposits received back	765.23		165.00		208.25		295.03		166.08		436.17	
	Interest on Intercompany deposits	47.81		39.34		48.30		32.50		24.98		8.40	
	Profit on sale of investments	0.22		-		-		-		-		-	
	Interest Income	39.77		-		-		-		-		-	
	Dividend from subsidiaries	15.96		9.98		-		19.95		19.95		19.95	
	Dividend on investments	29.33		-				-		-		-	
	Net Cash used in Investing Activities (B)		**(951.48)**		**(1,379.86)**		**(933.33)**		**(1,093.85)**		**(1,344.16)**		**(1,248.22)**
C	**Cash Flow from Financing Activities:**												
	Proceeds from issuance of equity shares	0.77		-		-		-		-		-	
	Secured Loans Taken	866.47		804.08		978.73		2,678.13		1,113.46		1,548.00	
	Secured Loans Repaid	(366.18)		(456.50)		(710.90)		(1,426.69)		(1,639.01)		(990.99)	
	Unsecured Loan Taken/ (Repaid)	(58.99)		-		-		-		-		-	
	Interest Paid	(187.15)		(254.22)		(297.24)		(406.26)		(598.59)		(480.07)	
	Share Issue Expenses	-		-		-		-		(16.70)		(7.00)	

Sr. No.	Particulars	For the year ended										For the Nine months Interim period	
		March 31, 2008		March 31, 2009		March 31, 2010		March 31, 2011		March 31, 2012		December 31, 2012	
	Dividend paid on Equity and Preference shares and tax thereon	(123.16)		(102.87)		-		(99.46)		(119.71)		(160.25)	
	lncrease/(Decrease) in Short Term Borrowings	82.69		590.96		(142.83)		(459.19)		499.21		1,140.96	
	Net Cash from / (used) in Financing Activities (C)		**214.45**		**581.45**		**(172.24)**		**286.53**		**(761.34)**		**1,050.65**
	Net increase/(decrease) in Cash and Cash equivalents (A) + (B) + (C)		**(300.39)**		**58.72**		**(27.19)**		**42.75**		**84.47**		**(71..05)**
	Cash and cash equivalents (Opening Balance)		310.77		10.38		69.10		41.91		84.66		169.13
	Cash and cash equivalents (Closing Balance)		**10.38**		**69.10**		**41.91**		**84.66**		**169.13**		**98.08**
	Cash and cash equivalents comprise of:												
	Cash on hand		0.24		0.22		0.60		0.62		0.66		0.67
	Balances with Banks												
	Current Account		9.19		57.35		33.91		53.55		134.59		78.81
	Demand Deposits		0.95		11.53		7.40		30.49		33.88		18.60
	Total		**10.38**		**69.10**		**41.91**		**84.66**		**169.13**		**98.08**

Notes

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on 'Cash Flow Statements' notified u/s 211(3C) of the Companies Act, 1956.

The above statement should be read with the Significant Accounting Policies, appearing in Annexure IV; Notes to the Restated Financial Information, appearing in Annexure V and Statement of Adjustments to Audited Standalone Financial Statements, appearing in Annexure VI.

ANNEXURE IV

Significant Accounting Policies

1. BASIS OF PREPARATION

The restated Statement of Assets and Liabilities of the Company as at March 31, 2008, 2009, 2010, 2011, 2012 and December 31, 2012 and the restated Statement of Profit and Loss, and the restated Statement of Cash flows, for the years ended March 31, 2008, 2009, 2010, 2011 and 2012 and nine months interim period ended December 31, 2012 and Other Financial Information have been extracted by the Management from the Audited Financial Statements of the Company for the corresponding period/years. The Audited Financial Statements of the Company for the corresponding periods have been prepared to comply in all material respects with the General Applicable Accounting Principles in India, the applicable accounting standards u/s 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956, except to the extent they were qualified and necessary adjustments made for the purpose of preparing the restated Statement of Assets and Liabilities, restated Statement of Profit and Loss and restated Statement of Cash flows of the Company for the corresponding years/period.

These statements and other financial information were approved by the Board of Directors on June 26, 2013.

The interim financial statements for the nine months ended December 31, 2012 have been prepared in accordance with the recognition, measurement and disclosure provisions of Accounting Standard 25, Interim Financial Reporting, issued pursuant to the Companies (Accounting Standards) Rules, 2006. These interim financial statements should be read in conjunction with the annual financial statements of the Company for the year ended on and as at March 31, 2012. The accounting policies followed in preparation of the interim financial statements are consistent with those followed in the preparation of the annual financial statements.

These restated financial statements and other financial information have been prepared for the proposed Initial Public Offering of Equity Shares of the Company (referred to as the "**Offer**"), in accordance with the requirements of:

(a) Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ("**the Act**"); and The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the Securities and Exchange Board of India ("**SEBI**") on August 26, 2009, as amended from time to time (the **"SEBI Regulations**").

These Statements and Other Financial Information have been made, after incorporating:

(i) The impact arising on account of changes in accounting policies adopted by the Company from the year ended March 31, 2008, till the nine months interim period ended on December 31, 2012 applied with retrospective effect in the Statements;

(ii) Adjustments for the material amounts in the respective years/period to which they relate;

(iii) Adjustments for audit qualification requiring corrective adjustment in the financial statements.

(iv) Adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financial statements of the Company for the nine months ended December 31, 2012 and the requirements of the SEBI regulations.

(v) The resultant impact of tax due to these adjustments

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Tangible Assets

(i) Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any, except in case of land and building which was revalued in 1992-93 to 1993-94.

(ii) Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

(iii) Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realizable value and are shown separately in the financial statements. Any expected loss is recognized immediately in the Statement of Profit and Loss.

(iv) Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognized in the Statement of Profit and Loss

(v) Depreciation on all tangible assets is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets or on the straight line method at the rates specified in Schedule XIV to the Companies Act, 1956, whichever is higher, as follows:

Description of Asset	Depreciation Rate (%)
Leasehold Land	Over the lease period
Office Building	3.34
Plant and Machinery	4.75
Electrical Installation	4.75
Air Handling Equipment	4.75
Office Equipments	4.75
Computers	16.21
Furniture & Fixtures at leasehold premises	Over the lease period
Vehicle – cars	20.00
Machinery Changed Parts	33.33

(b) Intangible Assets

Intangible assets acquired separately are measured at cost on initial recognition and amortised over the estimate of useful lives on straight line basis commencing from the date the asset is available to the Company for its commercial use.

Management estimates useful life of the various Intangible Assets as follows:

Description of Asset	Years
Product Development	10 years
Brands acquired	10 years
Software, License rights	2 to 6 years

Expenditure incurred in respect of internally generated intangible assets such as product development is capitalized as per Accounting Standard 26, when its future recoverability can reasonably be regarded as assured. The expenditure is amortised over the period of ten years. Research costs are expensed as incurred.

The carrying value of product development costs is reviewed for impairment annually when events or changes in circumstances indicate that the carrying value may not be recoverable.

(c) **Leases**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

The Company leases certain tangible assets and such leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance charge and the reduction of the outstanding liability. The outstanding liability is included in other long-term borrowings. The finance charge is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(d) **Borrowing Costs**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

(e) **Foreign Currency Translation**

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

From accounting periods commencing on or after December 7, 2006 and pursuant to the availment of choice provided under paragraph 46A of AS 11: The Effects of Changes in Foreign Exchange Rates inserted vide Notification dated December 29, 2011, the Company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

(i) Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalised and depreciated over the remaining useful life of the asset. For this purpose, the Company treats a foreign monetary item as “long-term foreign currency monetary item”, if it has a term of 12 months or more at the date of origination.

(ii) Exchange differences arising on other long-term foreign currency monetary items are accumulated in the “Foreign Currency Monetary Item Translation Difference Account” and amortised over the remaining life of the concerned monetary item.

(iii) Exchange differences on restatement of all other monetary items are recognised in the Statement of Profit and Loss.

The Company uses derivative contracts to hedge its exposure to movements in foreign exchange rates against future receivables. The use of these derivative contracts is to reduce the risk or cost to the company and the company does not use the derivative contracts for trading or speculation purposes.

These contracts are fair valued at each reporting date and the exchange loss, if any, is debited to Statement of Profit and Loss in accordance with the announcement made by the Institute of Chartered Accountants of India on March 29, 2008 on accounting for derivative for entities not following Accounting Standard 30.

(f) **Investments**

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

(g) **Inventories**

Inventories are stated at lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(h) **Revenue Recognition**

(i) *Sale of Goods*

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are recorded net of trade discounts, excise duty, sales returns and sales tax.

(ii) *Sale of services*

In Contracts involving rendering of services, revenue is measured using the proportionate completion method and are recognised net of service tax

(iii) Income from duty drawback and excise refund is recognised on an accrual basis.

(i) **Other Income**

Interest: Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend: Dividend income is recognised when the right to receive dividend is established.

(j) **Employee Benefits**

Post Employment Benefits

(i) *Provident Fund*

The Company has Defined Contribution Plan for Post employment benefits in the form of Provident Fund for all employees, which is administered by Regional Provident Fund Commissioner. Provident Fund is classified as a defined contribution plan as the Company has no further obligation beyond making the contributions to the regulatory authorities. The Company's contributions to the Defined Contribution plans are charged to the Statement of Profit and Loss as and when incurred.

(ii) *Gratuity*

The Company provides for gratuity, a defined benefit plan (the "**Gratuity Plan**") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year/period. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year/period in which they arise.

(iii) *Compensated Absences*

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year/period end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year/period end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

(k) **Current and deferred tax**

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. However, where there is unabsorbed depreciation or carried forward losses under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the group reassesses unrecognised deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternative Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

(l) **Impairment**

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

(m) **Provisions and Contingent Liabilities**

Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

(n) **Cash and Cash Equivalents**

In the cash flow statement, cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

(o) **EBITDA**

The Company presents Earnings before Interest, Tax, Depreciation and amortisation (EBITDA) as a separate line item on the face of the Statement of Profit and Loss. EBITDA is calculated as the profit for the year/period before interest, tax, depreciation and amortisation and is calculated consistently year over year.

(p) **Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

(q) **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Actual results may differ from those estimates.

ANNEXURE V NOTES TO RESTATED FINANCIAL INFORMATION

Note 1 - Restated Statement of Tangible and Intangible Assets

For the interim period ended on December 31, 2012

₹ in millions

Tangible Assets	Gross Book Value				Depreciation/Amortisation				Net Book Value	
	As at April 1, 2012	Additions During the Year	Deletion During the Year	As at December 31, 2012	As at April 1, 2012	Charge for the year	Deletion During the Year	As at December 31, 2012	As at December 31, 2012	As at March 31, 2012
Freehold Land	7.49	-	-	7.49	-	-	-	-	7.49	7.49
Leasehold Land	167.36	-	-	167.36	10.33	1.46	-	11.79	155.57	157.03
Building	1,490.56	5.94	-	1,496.50	201.88	37.63	-	239.51	1,256.99	1,288.68
Plant and Machinery	4,357.11	323.42	65.45	4,615.08	1,063.21	230.85	22.89	1,271.17	3,343.91	3,293.90
Electrical installation	432.54	5.68	-	438.22	81.08	15.95	-	97.03	341.19	351.46
Air Handling Equipment	569.06	4.89	0.12	573.83	102.44	20.44	0.08	122.80	451.03	466.62
Computers	153.83	10.97	-	164.80	102.41	11.48	-	113.89	50.91	51.42
Office Equipments	55.02	3.61	-	58.63	14.67	1.95	-	16.62	42.01	40.35
Furniture and Fixtures	149.60	9.76	0.03	159.33	58.63	7.33	0.03	65.93	93.40	90.97
Vehicles	147.88	4.66	3.57	148.97	66.53	17.90	3.21	81.22	67.75	81.35
TOTAL	**7,530.45**	**368.93**	**69.17**	**7,830.21**	**1,701.18**	**344.99**	**26.21**	**2,019.96**	**5,810.25**	**5,829.27**
March 31, 2012	**6,328.82**	**1,235.47**	**33.84**	**7,530.45**	**1,291.04**	**432.12**	**21.98**	**1,701.18**	**5,829.27**	**5,037.78**

Note:(a) Loss arising from the effect of changes in foreign exchange rates on foreign currency loans relating to acquisition of depreciable capital assets, amounting to ₹ **126.99 millions** (Previous year loss ₹ 125.07 millions) and borrowing cost of Nil (Previous year ₹ 25.94 millions) relating to eligible assets for the nine months ended on December 31, 2012, have been added to the cost of such assets.

₹ in millions

Intangible Assets	Gross Book Value				Depreciation/Amortisation				Net Book Value	
	As at April 1, 2012	Additions During the Year	Deletion During the Year	As at December 31, 2012	As at April 1, 2012	Charge for the year	Deletion During the Year	As at December 31, 2012	As at December 31, 2012	As at March 31, 2012
Product Development	167.20	64.47	-	231.67	42.89	14.54	-	57.43	174.24	124.31
Software	74.11	14.99	-	89.10	62.24	8.38	-	70.62	18.48	11.87
Brands	-	545.50	-	545.50	-	-	-	-	545.50	-
Licensing Rights	-	11.24	-	11.24	-	0.87	-	0.87	10.37	-
TOTAL	**241.31**	**636.20**	**-**	**877.51**	**105.13**	**23.79**	**-**	**128.92**	**748.59**	**136.18**
March 31, 2012	**195.98**	**45.33**	**-**	**241.31**	**80.59**	**24.54**	**-**	**105.13**	**136.18**	**115.39**

FOR THE YEAR ENDED MARCH 31, 2012

₹ In millions

Tangible Assets	Gross Book Value				Depreciation/Amortisation				Net Book Value	
	As at April 1, 2011	Additions During the Year	Deletion During the Year	As at March 31, 2012	As at April 1, 2011	Charge for the year	Deletion During the Year	As at March 31, 2012	As at March 31, 2012	As at March 31, 2011
Freehold Land	7.49	-	-	7.49	-	-	-	-	7.49	7.49
Leasehold Land	167.36	-	-	167.36	8.38	1.95	-	10.33	157.03	158.98
Building	1,239.41	251.15	-	1,490.56	155.46	46.42	-	201.88	1,288.68	1,083.95
Plant and Machinery	3,643.06	728.71	14.66	4,357.11	779.97	289.23	5.99	1,063.21	3,293.90	2,863.09
Electrical installation	361.90	70.68	0.04	432.54	60.88	20.23	0.03	81.08	351.46	301.02
Air Handling Equipment	481.20	89.44	1.58	569.06	78.08	25.47	1.11	102.44	466.62	403.12
Computers	140.13	21.43	7.73	153.83	94.32	15.59	7.50	102.41	51.42	45.81
Office Equipments	50.22	4.81	0.01	55.02	12.07	2.60	-	14.67	40.35	38.15
Furniture and Fixtures	135.68	13.96	0.04	149.60	48.99	9.65	0.01	58.63	90.97	86.69
Vehicles	102.37	55.29	9.78	147.88	52.89	20.98	7.34	66.53	81.35	49.48
TOTAL	**6,328.82**	**1,235.47**	**33.84**	**7,530.45**	**1,291.04**	**432.12**	**21.98**	**1,701.18**	**5,829.27**	**5,037.78**
March 31, 2011	**4,354.46**	**1,989.95**	**15.59**	**6,328.82**	**930.75**	**370.86**	**10.57**	**1,291.04**	**5,037.78**	**3,423.71**

Note:(a) Loss arising from the effect of changes in foreign exchange rates on foreign currency loans relating to acquisition of depreciable capital assets, amounting to ₹ **125.07 millions** (Previous year loss ₹ 4.77 millions) and borrowing cost of ₹ **25.94 millions** (Previous year ₹ 12.64 millions) relating to eligible assets for the year ended March 31, 2012, have been added to the cost of such assets.

₹ in millions

Intangible Assets	Gross Book Value				Depreciation/Amortisation				Net Book Value	
	As at April 1,2011	Additions During the Year	Deletion During the Year	As at March 31, 2012	As at April 1, 2011	Charge for the year	Deletion During the Year	As at March 31, 2012	As at March 31, 2012	As at March 31, 2011
Product Development	129.52	37.68	-	167.20	27.85	15.04	-	42.89	124.31	101.67
Software	66.46	7.65	-	74.11	52.74	9.50	-	62.24	11.87	13.72
TOTAL	**195.98**	**45.33**	**-**	**241.31**	**80.59**	**24.54**	**-**	**105.13**	**136.18**	**115.39**
March 31, 2011	**188.59**	**17.40**	**10.01**	**195.98**	**68.40**	**22.20**	**10.01**	**80.59**	**115.39**	**120.19**

FOR THE YEAR ENDED March 31, 2011

Tangible Assets	Gross Book Value				Depreciation/Amortisation				Net Book Value	
	As at April 1, 2010	Additions During the Year	Deletion During the Year	As at March 31, 2011	As at April 1, 2010	Charge for the year	Deletion During the Year	As at March 31, 2011	As at March 31, 2011	As at March 31, 2010
Freehold Land	7.49	-	-	7.49	-	-	-	-	7.49	7.49
Leasehold Land	167.36	-	-	167.36	6.43	1.95	-	8.38	158.98	160.93
Building	893.36	346.05	-	1,239.41	116.78	38.68	-	155.46	1,083.95	776.58
Plant and Machinery	2,359.65	1,292.95	9.54	3,643.06	534.97	250.46	5.46	779.97	2,863.09	1,824.68
Electrical installation	253.71	108.89	0.70	361.90	45.16	15.77	0.05	60.88	301.02	208.55
Air Handling Equipment	330.14	151.16	0.10	481.20	57.77	20.37	0.06	78.08	403.12	272.37
Computers	114.84	25.29	-	140.13	79.68	14.64	-	94.32	45.81	35.16
Office Equipments	33.70	16.57	0.05	50.22	9.35	2.73	0.01	12.07	38.15	24.35
Furniture and Fixtures	105.74	29.96	0.02	135.68	39.86	9.15	0.02	48.99	86.69	65.88
Vehicles	88.47	19.08	5.18	102.37	40.75	17.11	4.97	52.89	49.48	47.72
TOTAL	**4,354.46**	**1,989.95**	**15.59**	**6,328.82**	**930.75**	**370.86**	**10.57**	**1,291.04**	**5,037.78**	**3,423.71**
March 31, 2010	**3,758.79**	**606.07**	**10.40**	**4,354.46**	**657.42**	**280.43**	**7.10**	**930.75**	**3,423.71**	**3,101.37**

Note: (a) Loss arising from the effect of changes in foreign exchange rates on foreign currency loans relating to acquisition of depreciable capital assets, amounting to ₹ **4.77 millions** (Previous year Gain ₹ 83.05 millions) and borrowing cost of ₹ 12.64 millions (Previous year ₹ 122.93 millions) relating to eligible assets for the year ended March 31, 2011, have been added to the cost of such assets.

₹ in millions

Intangible Assets	Gross Book Value				Depreciation/Amortisation				Net Book Value	
	As at April 1, 2010	Additions During the Year	Deletion During the Year	As at March 31, 2011	As at April 1, 2010	Charge for the year	Deletion During the Year	As at March 31, 2011	As at March 31, 2011	As at March 31, 2010
Product Development	123.36	6.16	-	129.52	15.23	12.62	-	27.85	101.67	108.13
Software	65.23	11.24	10.01	66.46	53.17	9.58	10.01	52.74	13.72	12.06
TOTAL	**188.59**	**17.40**	**10.01**	**195.98**	**68.40**	**22.20**	**10.01**	**80.59**	**115.39**	**120.19**
March 31, 2010	**109.68**	**78.91**	**-**	**188.59**	**46.14**	**22.26**	**-**	**68.40**	**120.19**	**63.54**

FOR THE YEAR ENDED MARCH 31, 2010

₹ in millions

Tangible Assets	Gross Book Value				Depreciation/Amortisation				Net Book Value	
	As at April 1, 2009	Additions During the Year	Deletion During the Year	As at March 31, 2010	As at April 1, 2009	Charge for the year	Deletion During the Year	As at March 31, 2010	As at March 31, 2010	As at March 31, 2009
Freehold Land	7.49	-	-	7.49	-	-	-	-	7.49	7.49
Leasehold Land	140.01	27.35	-	167.36	4.58	1.85	-	6.43	160.93	135.43
Building	795.08	98.28	-	893.36	86.82	29.96	-	116.78	776.58	708.26
Plant and Machinery	1,994.38	365.29	0.02	2,359.65	350.95	184.02	-	534.97	1,824.68	1,643.43
Electrical installation	222.98	30.73	-	253.71	32.88	12.28	-	45.16	208.55	190.10
Air Handling Equipment	299.05	31.09	-	330.14	42.43	15.34	-	57.77	272.37	256.62
Computers	105.10	9.74	-	114.84	63.86	15.82	-	79.68	35.16	41.24
Office Equipments	30.40	3.30	-	33.70	7.86	1.49	-	9.35	24.35	22.54
Furniture and Fixtures	93.89	11.85	-	105.74	33.54	6.32	-	39.86	65.88	60.35
Vehicles	70.41	28.44	10.38	88.47	34.50	13.35	7.10	40.75	47.72	35.91
TOTAL	**3,758.79**	**606.07**	**10.40**	**4,354.46**	**657.42**	**280.43**	**7.10**	**930.75**	**3,423.71**	**3,101.37**
March 31, 2009	**3,070.92**	**712.20**	**24.33**	**3,758.79**	**450.78**	**219.57**	**12.93**	**657.42**	**3,101.37**	**2,620.14**

Note: (a) Gain arising from the effect of changes in foreign exchange rates on foreign currency loans relating to acquisition of depreciable capital assets, amounting to ₹ 83.05 millions (Previous year loss ₹ 166.68 millions) and borrowing cost of ₹ 122.93 millions (Previous year ₹ 62.83 millions) relating to eligible assets for the year ended March 31, 2010, have been added to the cost of such assets.

₹ in millions

Intangible Assets	Gross Book Value				Depreciation/Amortisation				Net Book Value	
	As at April 1, 2009	Additions During the Year	Deletion During the Year	As at March 31, 2010	As at April 1, 2009	Charge for the year	Deletion During the Year	As at March 31, 2010	As at March 31, 2010	As at March 31, 2009
Product Development	54.34	69.02	-	123.36	4.47	10.76	-	15.23	108.13	49.87
Software	55.34	9.89	-	65.23	41.67	11.50	-	53.17	12.06	13.67
TOTAL	**109.68**	**78.91**	**-**	**188.59**	**46.14**	**22.26**	**-**	**68.40**	**120.19**	**63.54**
March 31, 2009	**78.36**	**31.32**	**-**	**109.68**	**33.41**	**12.73**	**-**	**46.14**	**63.54**	**44.95**

FOR THE YEAR ENDED MARCH 31, 2009

₹ in millions

Tangible Assets	Gross Book Value				Depreciation/Amortisation				Net Book Value	
	As at April 1, 2008	Additions During the Year	Deletion During the Year	As at March 31, 2009	As at April 1, 2008	Charge for the year	Deletion During the Year	As at March 31, 2009	As at March 31, 2009	As at March 31, 2008
Freehold Land	7.49	-	-	7.49	-	-	-	-	7.49	7.49
Leasehold Land	53.56	86.45	-	140.01	3.53	1.05	-	4.58	135.43	50.03
Building	652.18	143.74	0.84	795.08	62.84	24.27	0.29	86.82	708.26	589.34
Plant and Machinery	1,615.80	381.49	2.91	1,994.38	216.11	135.74	0.90	350.95	1,643.43	1,399.69
Electrical installation	190.40	33.61	1.03	222.98	22.73	10.45	0.30	32.88	190.10	167.67
Air Handling Equipment	258.11	41.99	1.05	299.05	30.08	12.39	0.04	42.43	256.62	228.03
Computers	101.39	4.34	0.63	105.10	50.39	13.92	0.45	63.86	41.24	51.00
Office Equipments	28.51	2.03	0.14	30.40	6.25	1.63	0.02	7.86	22.54	22.26
Furniture and Fixtures	89.08	11.06	6.25	93.89	27.85	7.55	1.86	33.54	60.35	61.23
Vehicles	74.40	7.49	11.48	70.41	31.00	12.57	9.07	34.50	35.91	43.40
TOTAL	**3,070.92**	**712.20**	**24.33**	**3,758.79**	**450.78**	**219.57**	**12.93**	**657.42**	**3,101.37**	**2,620.14**
March 31, 2008	**2,548.71**	**575.10**	**52.89**	**3,070.92**	**301.73**	**160.85**	**11.80**	**450.78**	**2,620.14**	**2,246.98**

Note: (a) Loss arising from the effect of changes in foreign exchange rates on foreign currency loans relating to acquisition of depreciable capital assets, amounting to ₹ **166.68 millions** (Previous year Gain ₹ 38.41 millions) and borrowing cost of ₹ **62.84 millions** (Previous year ₹ 25.29 millions) relating to eligible assets for the year ended March 31, 2009, have been added to the cost of such assets.

₹ in millions

Intangible Assets	Gross Book Value				Depreciation/Amortisation				Net Book Value	
	As at April 1, 2008	Additions During the Year	Deletion During the Year	As at March 31, 2009	As at April 1, 2008	Charge for the year	Deletion During the Year	As at March 31, 2009	As at March 31, 2009	As at March 31, 2008
Product Development	31.26	23.08	-	54.34	0.56	3.91	-	4.47	49.87	30.70
Software	47.10	8.24	-	55.34	32.85	8.82	-	41.67	13.67	14.25
TOTAL	**78.36**	**31.32**	**-**	**109.68**	**33.41**	**12.73**	**-**	**46.14**	**63.54**	**44.95**
March 31, 2008	**43.23**	**35.13**	**-**	**78.36**	**25.54**	**7.87**	**-**	**33.41**	**44.95**	**17.69**

FOR THE YEAR ENDED MARCH 31, 2008

₹ in millions

Tangible Assets	Gross Book Value				Depreciation/Amortisation				Net Book Value	
	As at April 1, 2007	**Additions During the Year**	**Deletion During the Year**	**As at March 31, 2008**	**As at April 1, 2007**	**Charge for the year**	**Deletion During the Year**	**As at March 31, 2008**	**As at March 31, 2008**	**As at March 31, 2007**
Freehold Land	7.49	-	-	7.49	-	-	-	-	7.49	7.49
Leasehold Land	53.56	-	-	53.56	2.91	0.62	-	3.53	50.03	50.65
Building	548.35	103.83	-	652.18	43.77	19.07	-	62.84	589.34	504.58
Plant and Machinery	1,357.34	297.05	38.59	1,615.80	126.88	89.24	0.01	216.11	1,399.69	1,230.46
Electrical installation	142.59	47.81	-	190.40	14.21	8.52	-	22.73	167.67	128.38
Air Handling Equipment	207.03	51.08	-	258.11	19.49	10.59	-	30.08	228.03	187.54
Computers	83.24	20.85	2.70	101.39	40.98	12.11	2.70	50.39	51.00	42.26
Office Equipments	21.77	6.74	-	28.51	4.32	1.93	-	6.25	22.26	17.45
Furniture and Fixtures	71.45	17.63	-	89.08	20.02	7.83	-	27.85	61.23	51.43
Vehicles	55.89	30.11	11.60	74.40	29.15	10.94	9.09	31.00	43.40	26.74
TOTAL	**2,548.71**	**575.10**	**52.89**	**3,070.92**	**301.73**	**160.85**	**11.80**	**450.78**	**2,620.14**	**2,246.98**
March 31,2007	**1,813.82**	**855.71**	**120.82**	**2,548.71**	**227.47**	**124.15**	**49.89**	**301.73**	**2,246.98**	**1,586.34**

Note: (a) Gain arising from the effect of changes in foreign exchange rates on foreign currency loans relating to acquisition of depreciable capital assets, amounting to ₹ **38.41 Millions** (Previous year Gain Nil) and borrowing cost of ₹ **25.29 millions** (Previous year ₹ 1.58 millions) relating to eligible assets for the year ended March 31, 2008, have been added to the cost of such assets.

₹ in millions

Intangible Assets	Gross Book Value				Depreciation/Amortisation				Net Book Value	
	As at April 1, 2007	**Additions During the Year**	**Deletion During the Year**	**As at March 31, 2008**	**As at April 1, 2007**	**Charge for the year**	**Deletion During the Year**	**As at March 31, 2008**	**As at March 31, 2008**	**As at March 31, 2007**
Product Development	-	31.26	-	31.26	-	0.56	-	0.56	30.70	-
Software	43.23	3.87	-	47.10	25.54	7.31	-	32.85	14.25	17.69
TOTAL	**43.23**	**35.13**	**-**	**78.36**	**25.54**	**7.87**	**-**	**33.41**	**44.95**	**17.69**
March 31, 2007	**37.57**	**5.67**	**-**	**43.24**	**16.93**	**8.62**	**-**	**25.55**	**17.69**	**20.64**

Note 2 - Deferred Tax Assets and Liabilities

₹ in millions

Particulars	As at					
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Deferred Tax Assets						
Arising on account of timing difference due to:						
Provision for doubtful debts	10.03	11.30	12.00	12.00	11.73	12.12
Unabsorbed Depreciation	-	-	-	48.81	114.44	379.25
Provision for Unrealised Foreign Exchange Loss on derivative contracts	70.92	993.87	-	319.46	211.14	-
Provision for Fair Valuation Loss on Hedging Derivative	-	-	332.57	-	-	17.71
Provision for leave encashment & gratuity	12.54	13.43	16.04	23.15	25.76	36.63
Other disallowances	47.87	65.75	28.17	27.13	47.11	24.02
	141.36	**1,084.35**	**388.78**	**430.55**	**410.18**	**469.73**
Less: Deferred Tax Liabilities						
Deferred Tax Liability						
Arising on account of timing difference due to:						
Depreciation	354.65	427.34	456.41	623.13	647.10	769.65
Capital expenditure relating to research and development	-	42.52	103.09	183.79	260.84	331.62
	354.65	**469.86**	**559.50**	**806.92**	**907.94**	**1,101.27**
Deferred Tax Asset/(Liability)	**(213.29)**	**614.49**	**(170.72)**	**(376.37)**	**(497.76)**	**(631.54)**

Note 3 -Other Non Current Assets

₹ in millions

Particulars	As at					
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Long term deposits with banks with a maturity period more than 12 months (refer note 1 below)	0.52	0.33	1.30	1.00	4.61	6.83
Interest accrued on loans and advances to related parties (refer note 2 below)	8.65	50.04	103.25	153.59	0.69	7.30
Unamortised Expenses:						
Share issue expenses (refer note 3 below)	-	-	-	-	16.70	23.70
Other Non Current Assets	**9.17**	**50.37**	**104.55**	**154.59**	**22.00**	**37.83**

Note

1) Interest on loans and advances to related parties is receivable on demand
2) Held as lien by bank against bank guarantees.
3) Related to Expenses incurred for proposed Initial Public Offer (IPO) by the Company. These share issue expenses will be adjusted against the balance in share premium account in the year of issue of shares

Note 4 – Inventories

₹ in millions

Particulars	As at					
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Raw Materials	386.91	340.52	599.01	640.55	608.11	788.59
Packing Materials	76.51	119.59	154.09	228.23	239.72	212.61
Work-in-Process	158.22	135.64	232.53	279.72	353.72	276.86

Particulars	As at					
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Finished Goods	431.86	285.25	281.39	351.81	418.91	662.79
Traded Goods	-	59.08	57.96	85.57	113.62	373.11
Research & Development Materials	2.70	3.86	9.96	27.78	41.81	38.33
Stores and Spares	6.60	9.80	9.80	9.80	0.88	3.61
Total	**1,062.80**	**953.74**	**1,344.74**	**1,623.46**	**1,776.77**	**2,355.90**

Note 5 - Cash and Bank balances

₹ in millions

Particulars	As at					
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Cash and cash equivalents						
Cash on hand	0.24	0.22	0.60	0.62	0.66	0.67
In current accounts	9.19	57.35	33.91	53.55	134.59	78.81
Demand Deposits (with less than 3 months maturity)	0.95	11.53	7.40	30.49	33.88	18.60
	10.38	**69.10**	**41.91**	**84.66**	**169.13**	**98.08**
Other bank balances						
Long term deposits with maturity more than 3 months but less than 12 months	15.75	11.07	1.74	24.09	33.90	26.38
Total	**26.13**	**80.17**	**43.65**	**108.75**	**203.03**	**124.46**

Note 6 - Other Current Assets

₹ in millions

Particulars	As at					
	March 31, 2008	March 31, 2009	March 31, 2010	March 31 2011	March 31, 2012	December 31, 2012
Unsecured considered good, unless otherwise stated						
Interest accrued on deposits with bank	0.35	0.52	0.51	1.02	1.38	2.29
Interest accrued on investments	0.00	0.02	0.02	0.02	0.02	0.02
Interest accrued on deposits with others	0.35	0.43	0.16	0.31	0.35	0.37
Interest accrued on loans and advances to related parties (refer note below)	-	-	-	0.28	217.86	272.97
Other dues from Subsidiaries	-	-	-	8.53	39.14	62.61
Total	**0.70**	**0.97**	**0.69**	**10.16**	**258.75**	**338.26**

Note - Interest on loans and advances to related parties is receivable on demand

Note 7 - Long Term Provisions

₹ in millions

Particulars	As at					
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Provision for employee benefits						
Provision for compensated absences	41.61	34.45	42.11	60.92	47.76	57.85
	41.61	34.45	42.11	60.92	47.76	57.85
Other Provisions						
Provision for litigation / disputes	-	-	-	621.80	563.91	-
Unrealised foreign exchange loss on derivative contract	-	2,510.63	870.46	38.52	12.70	-

Particulars	As at					
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Total	**41.61**	**2,545.08**	**912.57**	**721.24**	**624.37**	**57.85**

Provisions	Mark-to-market losses on derivative contracts under disputes		
	March 31, 2011	March 31, 2012	December 31, 2012
Balance as at the beginning of the year	-	621.80	563.91
Add: Additions	621.80	-	-
Less: Crystallised	-	(57.89)	(563.91)
Balance as at the end of the year	**621.80**	**563.91**	**-**
Classified as Non-Current	621.80	563.91	-
Classified as Current	-	-	-
Total	**621.80**	**563.91**	**-**

Note 8 - Trade Payables

₹ in millions

Particulars	As at					
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Total outstanding dues of creditors other than Micro & Small Enterprises Undertakings	635.05	882.97	1,332.09	1,491.89	2,165.62	2,201.11
Total	**635.05**	**882.97**	**1,332.09**	**1,491.89**	**2,165.62**	**2,201.11**

Note 9 - Short Term Provisions

₹ in millions

Particulars	As at					
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Provision for employee benefits						
Provision for gratuity	-	-	-	-	-	10.88
Provision for compensated absences	0.44	4.87	6.49	9.45	31.63	39.04
Others	14.38	9.92	15.70	15.96	17.58	22.68
Other Provisions						
Provision for mark to market losses on derivative contracts	210.69	413.37	130.73	297.92	73.69	52.12
Provision for proposed dividend on Equity Shares	87.92	-	87.91	105.50	140.66	-
Provision for dividend distribution tax on proposed dividend on Equity Shares	14.94	-	11.55	14.21	19.58	-
Others Provisions	-	-	-	-	4.22	-
Total	**328.37**	**428.16**	**252.38**	**443.04**	**287.36**	**124.72**

Note 10 - Other Current Liabilities

₹ in millions

	As at					
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Current maturities of long-term debt	385.97	651.55	738.70	944.96	1,184.14	1,204.66
Current maturities of other Secured debts	12.35	11.05	10.54	10.54	21.38	21.89
Interest accrued but not due on borrowings	5.97	8.57	5.52	9.84	25.13	30.31

	As at					
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Interest accrued and due on borrowings	2.98	5.96	4.72	43.54	-	-
Interest accrued and due on Trade Deposits	2.56	3.84	1.96	4.49	6.45	9.23
Employee benefit payable	70.31	95.85	139.25	167.41	202.36	249.16
Statutory dues including Provident Fund and Tax Deducted at Source	23.26	20.56	25.53	35.18	48.48	81.26
Advances from Debtors	28.91	32.61	78.18	39.44	58.37	80.72
Creditors for capital assets	88.17	96.22	136.09	121.30	65.30	225.21
Other liabilities (Refer note below)	14.70	11.65	9.84	14.94	283.07	327.90
Total	**635.18**	**937.86**	**1,150.33**	**1,391.64**	**1,894.68**	**2,230.34**

Note

Other liabilities include liability towards settlement of derivative contracts with banks as follows:

March 31 2012 ₹ 261.37 million

December 31,2012 ₹ 280.00 million

Note 11 - Share Capital

₹ in millions

Particulars	As at					
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Authorised:						
Equity Share Capital						
40,000,000 Equity Shares of ₹ 10 each	400.00	400.00	400.00	400.00	400.00	400.00
Preference Share Capital						
20,000,000 Preference Shares of ₹ 10 each	200.00	200.00	200.00	200.00	200.00	200.00
Issued, Subscribed and Paid-up:						
2008, 2009 and 2010: 30,865,535 Equity Shares of ₹ 10 each fully paid-up	308.66	308.66	308.66	351.66	351.66	351.66
2011 and 2012: 35,165,689 Equity Shares of ₹ 10 each fully paid-up						
2008, 2009 and 2010: 17,931,642 Optionally Convertible Redeemable Preference Shares (OCRPS) of ₹ 10 each fully paid-up	179.32	179.32	179.32	-	-	-
Total	**487.98**	**487.98**	**487.98**	**351.66**	**351.66**	**351.66**

a) Reconciliation of Number of Equity Shares	As at March 31,2008		As at March 31,2009		As at March 31,2010	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
Balance as at the beginning of the year	30,788,825	307.89	30,865,535	308.66	30,865,535	308.66
Add: Equity Shares issued against cash consideration	76,710	0.77	-	-	-	-
Balance as at the end of the year/period	**30,865,535**	**308.66**	**30,865,535**	**308.66**	**30,865,535**	**308.66**

a) Reconciliation of Number of Equity Shares (Continued..)	As at March 31,2011		As at March 31,2012		As at December 31,2012	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount

a) Reconciliation of Number of Equity Shares (Continued..)	As at March 31,2011		As at March 31,2012		As at December 31,2012	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
Balance as at the beginning of the year	30,865,535	308.66	35,165,689	351.66	35,165,689	351.66
Add: Optionally Convertible Redeemable Preference Shares converted into Equity Shares of ₹ 10 each in the ratio of 100 equity shares for 417 OCRPS shares in the financial year 2010-11	4,300,154	43.00	-	-	-	-
Balance as at the end of the year/period	**35,165,689**	**351.66**	**35,165,689**	**351.66**	**35,165,689**	**351.66**

b) Reconciliation of Number of Preference Shares	As at March 31,2008		As at March 31,2009		As at March 31,2010	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
Balance as at the beginning of the year	17,931,642	179.32	17,931,642	179.32	17,931,642	179.32
Balance as at the end of the year/period	**17,931,642**	**179.32**	**17,931,642**	**179.32**	**17,931,642**	**179.32**

b) Reconciliation of Number of Preference Shares (Continued..)	As at March 31,2011		As at March 31,2012		As at December 31,2012	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
Balance as at the beginning of the year	17,931,642	179.32	-	-	-	-
Less: Optionally Convertible Redeemable Preference Shares converted into Equity Shares of ₹ 10 each in the ratio of 100 equity shares for 417 OCRPS shares in the financial year 2010-11	(17,931,642)	(179.32)	-	-	-	-
Balance as at the end of the year/period	-	-	-	-	-	-

c) Equity Shareholders holding shares more than 5%	As at March 31,2008		As at March 31,2009		As at March 31,2010	
	No of Shares held	% of Shareholding	No of Shares held	% of Shareholding	No of Shares held	% of Shareholding
Equity Shares:						
Mehta Satish	7,235,140	23.4%	9,392,402	30.4%	9,392,402	30.4%
Blackstone GPV Capital Partners Mauritius V-C Limited	-	0.0%	-	0.0%	-	0.0%
Mehta Samit	3,276,130	10.6%	3,276,130	10.6%	3,276,130	10.6%
Mehta Sanjay	2,339,392	7.6%	2,955,779	9.6%	2,955,779	9.6%
Mehta Bhavana	2,284,390	7.4%	2,284,390	7.4%	2,284,390	7.4%
Mehta Sunil	-	0.0%	1,908,312	6.2%	1,908,312	6.2%
Mehta Kamini	1,661,635	5.4%	1,661,635	5.4%	1,661,635	5.4%
Optionally Convertible Redeemable Preference Shares Blackstone GPV Capital Partners Mauritius V-C Limited	17,931,642	100%	17,931,642	100%	17,931,642	100%

c) Equity Shareholders holding shares more than 5%	As at March 31,2011		As at March 31,2012		As at December 31,2012	
	No of Shares held	% of Shareholding	No of Shares held	% of Shareholding	No of Shares held	% of Shareholding
Equity Shares:						
Mehta Satish	9,392,402	26.7%	9,392,402	26.7%	9,392,402	26.7%
Blackstone GPV Capital Partners	4,603,189	13.1%	4,603,189	13.1%	4,603,189	13.1%

c) Equity Shareholders holding shares more than 5%	As at March 31,2011		As at March 31,2012		As at December 31,2012	
	No of Shares held	% of Shareholding	No of Shares held	% of Shareholding	No of Shares held	% of Shareholding
Mauritius V-C Limited						
Mehta Samit	3,276,130	9.3%	3,276,130	9.3%	3,276,130	9.3%
Mehta Sanjay	2,955,779	8.4%	2,955,779	8.4%	2,955,779	8.4%
Mehta Bhavana	2,284,390	6.5%	2,284,390	6.5%	2,284,390	6.5%
Mehta Sunil	1,908,312	5.4%	1,908,312	5.4%	1,908,312	5.4°%

d) **Rights, Preference and Restrictions attached to shares**

Equity Shares: The Company has one equity share having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

e) During the Financial Year 2006-07, the company had issued 17,931,642 Optionally Convertible Redeemable Preference Shares (OCRPS) of face value of ₹ 10 each at a share premium of ₹ 109.20 per share aggregating to ₹ 2,137.45 million. During the Financial Year 2010-11, pursuant to the terms of the issue, the investor has exercised their option of converting OCRPS into Equity Shares in the ratio of 417 OCRP shares for 100 Equity Shares. As a result of this conversion, 4,300,154 Equity Shares of ₹ 10 each have been allotted to the investors against 17,931,642 OCRPS held by them. The additional share premium amounting to ₹ 136.32 million (i.e. premium of ₹ 31.70 per share), due to said conversion of OCRPS into Equity Shares, has been credited to Securities Premium Account.

f) The Company has completed its rights offering of Equity Shares to its existing shareholders and allotted 1,00,47,340 Equity Shares at ` 10 per Equity Share on April 19, 2013.

Note 12 -Reserves and Surplus

₹ in millions

Particulars	As at					
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Capital Reserve						
Balance at the beginning and end of the year	**12.92**	**12.92**	**12.92**	**12.92**	**12.92**	**12.92**
Revaluation Reserve						
Balance as at the beginning of the year	1.47	1.24	1.01	0.78	0.55	0.32
Less: Transferred to Surplus in Statement of Profit and Loss during the year	(0.23)	(0.23)	(0.23)	(0.23)	(0.23)	(0.32)
Balance at the end of the year	**1.24**	**1.01**	**0.78**	**0.55**	**0.32**	**-**
Share Premium						
Balance as at the beginning of the year	2,060.45	2,060.45	2,060.45	2,060.45	2,196.76	2,196.76
Additions during the year	-	-	-	136.31	-	-
Balance as at the end of the year	**2,060.45**	**2,060.45**	**2,060.45**	**2,196.76**	**2,196.76**	**2,196.76**
General Reserve						
Balance as at the beginning of the year	701.31	726.37	726.37	875.56	932.77	1,053.20
Add: Transferred from Surplus in Statement of Profit and Loss during the year	28.82	-	149.19	57.21	120.43	-
Less: Transitional Effect on Account of (AS 15 (revised 2005) "Employee Benefit")	3.76	-	-	-	-	-
Balance as at the end of the year	**726.37**	**726.37**	**875.56**	**932.77**	**1,053.20**	**1,053.20**

Particulars	As at					
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Foreign Currency Monetary Item Translation Difference Account						
Balance as at the beginning of the year	-	-	61.61	(4.21)	(5.68)	44.95
Additions/(Deletions) during the year	-	61.61	(65.82)	(1.47)	50.63	5.25
Balance as at the end of the year	**-**	**61.61**	**(4.21)**	**(5.68)**	**44.95**	**50.20**
Surplus in Statement of Profit and Loss						
Balance as at the beginning of the year	305.98	215.44	(1318.83)	198.20	538.81	1421.70
Add: Profit for the year	41.14	(1,534.27)	1,765.68	517.53	1,163.56	713.57
Less: Appropriations						
Proposed dividend on Equity & Preference Shares for the year	87.92	-	87.91	105.50	140.66	-
Dividend distribution tax on proposed dividend on Equity & Preference Shares	14.94	-	11.55	14.21	19.58	-
Transfer to general reserve	28.82	-	149.19	57.21	120.43	-
Balance as at the end of the year	**215.44**	**(1318.83)**	**198.20**	**538.81**	**1421.70**	**2135.27**
Reserves & Surplus	**3016.42**	**1543.53**	**3143.70**	**3676.13**	**4729.85**	**5448.35**

Note 13 - Revenue from Operations

₹ in millions

Particulars	For the year ended on					For nine months interim period ended on
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Sale of Products						
- Finished Goods	3,180.59	4,102.17	6,290.96	8,350.71	10,501.35	7,793.11
- Traded Goods	1,351.38	1,508.02	964.19	877.15	1,350.33	1,548.49
Sale of Services	260.51	359.38	301.10	213.38	391.23	215.63
	4,792.48	**5,969.57**	**7,556.25**	**9,441.24**	**12,242.91**	**9,557.23**
Other Operating Revenue						
Export Incentives	15.09	15.52	19.70	21.54	54.06	11.90
Sales from Scrap	4.59	5.94	3.51	6.18	11.84	9.58
Excise Refund Received	-	-	28.43	69.08	112.68	100.84
Sales Tax Refund	-	-	12.07	-	-	-
Claims Received	-	-	-	111.73	67.49	-
	19.68	**21.46**	**63.71**	**208.53**	**246.07**	**122.32**
Less -: Excise Duty	(418.15)	(141.16)	(119.99)	(161.44)	(216.70)	(222.46)
Revenue from operations (Net)	**4,394.01**	**5,849.87**	**7,499.97**	**9,488.33**	**12,272.28**	**9,457.09**

Note 14 - Cost of Materials Consumed

₹ in millions

Particulars	For the year ended on	For nine months interim period ended on

	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
A: Raw Material Consumed						
Opening Inventory	178.86	386.91	340.52	599.01	640.55	608.11
Add: Purchases (Net)	1,230.81	1,609.90	2,588.58	3,473.01	4,210.36	2,915.48
Less: Closing Inventory	386.91	340.52	599.01	640.55	608.11	788.59
Cost of raw materials consumed during the year	**1,022.76**	**1,656.29**	**2,330.09**	**3,431.47**	**4,242.80**	**2,735.00**
B: Packing Material Consumed						
Opening Inventory	78.61	76.51	119.59	154.09	228.23	239.72
Add: Purchases (Net)	254.29	241.11	625.07	762.12	856.07	625.49
Less: Closing Inventory	76.51	119.59	154.09	228.23	239.72	212.61
Cost of packing materials consumed during the year	**256.39**	**198.03**	**590.57**	**687.98**	**844.58**	**652.60**
Total	**1,279.15**	**1,854.32**	**2,920.66**	**4,119.45**	**5,087.38**	**3,387.60**

Note 15 - Changes in inventories of Finished goods, Work-in-Progress and Traded goods

₹ in millions

Particulars	For the year ended on					For nine months interim period ended on
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Opening Inventory						
Work-In-Process	92.20	158.22	135.64	232.53	279.72	353.72
Finished Goods	361.79	431.86	285.25	281.39	351.81	418.91
Traded Goods	-	-	59.08	57.96	85.57	113.62
	453.99	**590.08**	**479.97**	**571.88**	**717.10**	**886.25**
Less: Closing Inventory						
Work-In-Process	158.22	135.64	232.53	279.72	353.72	276.86
Finished Goods	431.86	285.25	281.39	351.81	418.91	662.79
Traded Goods	-	59.08	57.96	85.57	113.62	373.11
	590.08	**479.97**	**571.88**	**717.10**	**886.25**	**1,312.76**
Total	**(136.09)**	**110.11**	**(91.91)**	**(145.22)**	**(169.15)**	**(426.51)**

Note 16 -Employee Benefit Expenses

₹ in millions

Particulars	For the year ended on					For nine months interim period ended on
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Salaries, Wages and Bonus	874.29	846.16	1,029.58	1,348.09	1,678.96	1,521.39
Contribution to Provident and Other Funds	58.71	65.25	65.23	114.07	141.11	124.14
Staff Welfare Expenses	52.85	51.24	61.52	81.73	87.90	69.63
Total	**985.85**	**962.65**	**1,156.33**	**1,543.89**	**1,907.97**	**1,715.16**

Note 17 -Other Expenses

₹ in millions

Particulars	**For the year ended on**					**For nine months interim period ended on**
	March 31, 2008	**March 31, 2009**	**March 31, 2010**	**March 31, 2011**	**March 31, 2012**	**December 31, 2012**
Processing charges	84.81	59.45	65.25	90.48	71.33	65.53
Factory Expenses	180.97	207.21	252.84	342.74	407.59	362.04
Power and Fuel	140.80	174.35	224.85	302.21	425.56	346.30
Insurance	11.88	11.23	14.88	14.97	16.16	13.80
Repairs to:						
Buildings	5.52	9.02	9.23	15.67	19.02	19.90
Plant and Machinery	12.37	15.94	37.96	51.59	85.29	64.25
Others	26.33	39.80	56.89	79.51	103.35	61.35
Rent	57.04	57.33	57.80	65.92	96.23	74.96
Rates and Taxes	1.80	2.12	2.53	3.27	4.41	1.80
Freight	69.97	78.56	97.65	119.69	139.71	100.14
Advertisement and Promotional Materials	366.13	326.17	358.66	481.23	553.87	530.92
Travelling, Conveyance and Vehicle expenses	251.30	205.53	207.36	266.16	287.99	293.63
Commission on sales	65.77	95.05	81.00	96.74	115.34	135.89
Printing, Stationary, Postage and Telephone	55.25	48.64	50.31	58.40	64.16	49.56
Legal and Professional Fees	36.62	23.97	31.93	80.78	95.99	70.76
Auditors' Remuneration:						
Audit fees(including Service Tax)*	1.60	1.92	2.12	2.65	2.70	1.80
Other Services	0.22	0.16	0.09	0.65	0.81	-
Out of pocket expenses	0.02	0.02	0.05	0.05	0.38	0.11
Commission to Non-Wholetime Directors	3.00	-	4.35	9.20	12.90	1.32
Directors Sitting Fees	0.23	0.20	0.42	0.79	0.58	1.11
Provision for Doubtful Debts	1.93	33.16	-	1.15	26.98	1.26
Loss on sale of Asset	-	0.57	-	1.34	3.07	-
Bad Debts written Off	0.04	66.01	21.38	20.48	3.18	51.29
Net Exchange Loss	-	66.60	31.99	-	-	-
Miscellaneous Expenses	52.84	93.30	93.88	87.65	97.29	84.62
Total	**1,426.44**	**1616.31**	**1,703.42**	**2,193.32**	**2,633.89**	**2,332.34**

* Amount does not include fees towards services rendered in connection with proposed offer of equity shares

Note 18 - Finance Costs

₹ in millions

Particulars	**For the year ended on**					**For nine months interim period ended on**
	March 31, 2008	**March 31, 2009**	**March 31, 2010**	**March 31, 2011**	**March 31, 2012**	**December 31, 2012**
Interest on Borrowings	107.18	126.23	160.43	282.88	340.72	264.55
Interest on Short-term Borrowings	59.87	105.10	86.56	113.05	177.34	164.79
Other borrowing costs	20.24	32.01	46.13	56.98	45.74	43.96
Applicable exchange loss on foreign currency transactions and translations	-	-	-	-	15.48	-

Particulars	For the year ended on					For nine months interim period ended on
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Total	**187.29**	**263.34**	**293.12**	**452.91**	**579.28**	**473.30**

Note 19 – Depreciation and Amortisation Expenses

₹ in millions

Particulars	For the year ended on					For nine months interim period ended on
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Depreciation on Tangible assets	160.62	219.34	280.20	370.63	431.89	344.67
Amortisation on Intangible assets	7.87	12.73	22.26	22.20	24.54	23.79
Depreciation on Revalued Assets	0.23	0.23	0.23	0.23	0.23	0.32
Less: Depreciation on revalued assets transferred from Revaluation Reserve	(0.23)	(0.23)	(0.23)	(0.23)	(0.23)	(0.32)
Total	**168.49**	**232.07**	**302.46**	**392.83**	**456.43**	**368.46**

Note 20 – Exceptional Items

₹ in millions

Particulars	For the year ended on					For nine months interim period ended on
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Unrealised foreign exchange (gain)/ loss on derivative contract	-	2,924.00	(1,922.81)	(130.73)	(360.70)	(468.89)
Realised foreign exchange loss on derivative contract	-	285.18	413.37	130.73	360.87	638.50
Total	**-**	**3,209.18**	**(1,509.44)**	**-**	**0.17**	**169.61**

Notes to the Restated Financial Information

A. Changes in Accounting Policies:

Employee Benefits (AS 15):

Financial Year 2006-07 and Financial Year 2007-08

The Company adopted the Accounting Standard 15 [AS 15 (revised 2005)] with effect from April' 1 2007. The additional obligations of ₹ 3.76 million on account of employee benefits, determined on the basis of actuarial valuation, was debited to General reserves during Financial Year 2007-08 in accordance with the transitional provisions of AS 15(revised 2005). This provision has been charged to the Statement of Profit and Loss in the restated financial statement for the year ended March 31, 2007.

The Effects of Changes in Foreign Exchange Rates (AS 11):

Financial Year 2007-08 and Financial Year 2008-09

The Company opted for accounting for exchange difference arising on long term foreign currency monetary item in line with the notification of Ministry of Corporate Affairs on Accounting Standard 11, dated March 31, 2009. Consequently, the exchange gain of ₹ 28.01 million (net of deferred tax of ₹ 10.40 millions) for the year ended March 31, 2008 on such foreign currency loans, had been reduced from the general reserve and deducted from cost of the asset during Financial Year 2008-09 as per the transitional provision. This provision has been charged to the Statement of Profit and Loss of Financial Year 2007-08 in the restated financial statement.

Financial Year 2011-12 and Interim financial period ended on December 31, 2012

During the year ended March 31, 2012 Company adopted Paragraph 46A of Accounting Standard 11. Consequently, the exchange differences arising on long term monetary items related to qualifying depreciable assets after necessary adjustments for borrowing costs, as per the requirements of Paragraph 4 (e) of Accounting Standard 16, were capitalized during the year ended March 31, 2012. Subsequently during the nine months interim period ended December 31, 2012, the Ministry of Corporate Affairs, vide circular number 25/2012 dated August 9, 2012, clarified that paragraph 6 of Accounting Standard 11 and paragraph 4(e) of Accounting Standard 16 shall not apply to a company which is applying clause 46A of Accounting Standard-11. Consequently, exchange difference as per paragraph 4(e) of Accounting Standard-16 amounting to ₹ 15.48 million for the year ended March 31, 2012 has been added to the cost of fixed assets and credited to the Statement of Profit and Loss.

B. Contingent Liabilities

Claims against the Company not acknowledged as debts

₹ in millions

Particulars	**As at**					
	March 31,2008	**March 31,2009**	**March 31,2010**	**March 31,2011**	**March 31,2012**	**December 31,2012**
Sales Tax	4.40	97.41	97.41	97.41	97.41	97.41
Excise Matters	38.24	38.24	38.24	38.24	38.24	41.97
Total	42.64	135.65	135.65	135.65	135.65	139.38

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

C. Capital and other commitments

(i) *Capital Commitment*

₹ in millions

Particulars	As at					
	March 31,2008	March 31,2009	March 31,2010	March 31,2011	March 31,2012	December 31,2012
Capital Commitments	-	-	-	-	4.07	122.18

(ii) *Other Commitment*

I. The Company has a 100 per cent Export Oriented Unit (EOU) set up under the permission granted by the Office of the Development Commissioner of SEEPZ Special Economic Zone of the Government of India during 2004. The authorities have, inter alia, laid down the following conditions, failing which the Company may be liable for penal action:

(a) The entire (100%) production shall be exported against hard currency except the sales in domestic tariff area admissible as per entitlement.

(b) The Export Oriented Unit of the Company shall be a positive net foreign exchange earner over a period of five years from the date of commencement of production.

As at the year end, the Company is in compliance with the condition laid down by the authorities.

II. The Company has imported certain machinery under the Export Promotion Capital Goods (EPCG) Scheme and accordingly, had an export obligation of **₹ 156.64** million (Previous Year: ₹ 251.79 million). Against the export obligation of **₹ 156.64** million (Previous Year: ₹ 251.79 million), the Company has met the obligation of export of **₹ 146.34** million (Previous Year: ₹ 103.32 million). In this respect, the Company has given bonds of **₹ 82.84** million (Previous Year: ₹ 85.09 million) to the Commissioner of Customs.

Unfulfilled Exports Obligations to be fulfilled by Financial Years	Year of Issue	As on December 31, 2012	
		(USD In million)	(₹ million)
2014-15	2008-09	-	-
2015-16	2009-10	0.05	2.13
2016-17	2010-11	-	-
2017-18	2011-12	-	-
2017-18	2012-13	0.15	8.17
Total		**0.20**	**10.30**

The Company is confident of meeting this obligation.

(iii) *Guarantees*

₹ in millions

Particulars	As at					
	March 31,2008	March 31,2009	March 31,2010	March 31,2011	March 31,2012	December 31,2012
Corporate Guarantee given to Bankers						
Gennova Biopharmaceuticals Ltd	120.00	160.00	382.50	382.50	652.50	652.50
Emcure Pharmaceuticals USA Inc	122.68	152.10	134.67	401.85	457.83	714.87
Heritage Pharma Holdings Inc.	-	-	-	-	966.00	966.00

Particulars	As at					
	March 31,2008	March 31,2009	March 31,2010	March 31,2011	March 31,2012	December 31,2012
Heritage Pharmaceuticals Inc.	-	-	-	-	138.00	138.00
Bank Guarantee/ Bonds for EPCG	101.35	272.12	278.00	279.44	85.09	82.84

In addition to the corporate guarantees, the Company has created exclusive charge on the fixed assets of its marketing office situated at S. No. 255/2, Rajiv Gandhi Infotech Park, Phase II, Hinjewadi, Pune - 411057 for loan of ₹ 321.69 million (USD 5.85 million) (Previous year - ₹ 305.22 million (USD 6 million)) for M/s. Emcure Pharmaceuticals USA Inc.

The Company has created first parri-pasu mortgage and hypothecation charge on its facilities situated at Plot No.P II, ITBT Park, Hinjewadi and Plot No.D 24 & D 24/1, MIDC, Kurkumbh Industrial Area, Daund, Pune - 413 802, hypothecation by charge on fixed assets situated at Plot No. P 1. ITBT park. Hinjewadi Pune 411057, pledge of equity shares of Heritage Pharma Holdings Inc. USA held by the Company and second pari-passu charge on all current assets of the Company for the loans obtained of ₹ 1,114.37 million (USD 20.26 million) [Previous year - ₹ 1,068.27 million (USD 21 million)] by M/s. Heritage Pharma Holdings Inc and ₹ 164.97 million (USD 3 million) [Previous year - ₹ 152.61 million (USD 3 million)] by M/s. Heritage Pharmaceuticals Inc.

D. Disclosure in accordance with Revised AS-15 on Employee Benefits

(A) The Company has classified various employee benefits as under:

(a) Defined Contribution Plans

The Company has recognised the following amount in the Statement of Profit and Loss for the year

₹ in millions

Particulars	For the year ended on					For Nine' months interim period ended on
	March 31, 2008	March 31, 2009	March 31, 2010	March 31 2011	March 31, 2012	December 31, 2012
Contribution to Employees' Provident Fund (Excluding Capitalisation)	23.75	25.57	28.44	39.18	49.65	46.61
Contribution to Employees' Family Pension Fund (Excluding Capitalisation)	17.11	15.25	17.24	22.88	27.88	24.51
Total	**40.86**	**40.82**	**45.68**	**62.06**	**77.53**	**71.12**

(b) Defined Benefit Plans

Gratuity: Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

Following Figures are as per actuarial valuation, as at the Balance Sheet date, carried out by independent Actuary.

₹ in millions

Particulars	For the year ended on					For Nine months interim period ended on
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Changes in the Present Value of Obligation						

Particulars	For the year ended on					For Nine months interim period ended on
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Present Value of Obligation as at April 1	27.08	32.74	44.13	54.37	83.15	123.63
Interest Cost	2.78	3.43	3.47	3.74	6.03	7.68
Past Service Cost	-	-	-	10.45	9.61	-
Current Service Cost	7.83	8.62	7.35	9.34	25.51	25.20
Settlement Cost/(Credit)	-	-	(1.53)	(2.38)	-	-
Benefits Paid	(3.57)	(4.56)	(3.19)	(10.86)	(12.74)	(6.24)
Actuarial (Gain)/Loss	(1.38)	3.90	4.14	18.49	12.07	8.50
Present Value of Obligation	**32.74**	**44.13**	**54.37**	**83.15**	**123.63**	**158.77**
Changes in the Fair value of Plan Assets (Gratuity)						
Present Value of Plan Assets as at April 1	27.87	33.81	44.88	60.70	93.57	144.43
Expected Return on Plan Assets	2.18	2.95	3.80	4.88	7.82	12.22
Actuarial Gain/ (Loss)	0.32	(1.93)	(0.09)	0.13	0.47	(1.22)
Employers' Contributions	7.00	14.60	15.30	41.10	55.31	0.01
Asset Acquired on Acquisition/(Distributed on Divestiture)	-	-	-	(2.38)	-	(1.31)
Benefits Paid	(3.56)	(4.55)	(3.19)	(10.86)	(12.74)	(6.24)
Fair Value of Plan Assets	**33.81**	**44.88**	**60.70**	**93.57**	**144.43**	**147.89**
Amount recognized in the Balance Sheet including a reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets						
Present Value of Funded Obligation	32.74	44.13	54.37	83.15	123.63	158.77
Fair Value of Plan Assets	(33.81)	(44.88)	(60.70)	(93.57)	(144.43)	(147.89)
Funded (Asset) / Liability recognized in the Balance Sheet	(1.07)	(0.75)	(6.33)	(10.42)	(20.80)	10.88
Excess of Fair Value of Plan Assets over Present value of obligation included as part of prepaid expenses.						
Expenses recognized in the Statement of Profit and Loss						
Current Service Cost	7.83	8.62	7.35	9.34	25.51	25.20
Past Service Cost	-	-	-	10.45	9.61	-
Interest Cost	2.78	3.43	3.47	3.74	6.03	7.68
Expected Return on Plan Assets	(2.18)	(2.95)	(3.80)	(4.88)	(7.82)	(12.22)
Settlement Cost/(Credit)	-	-	(1.53)	-	-	-
Net actuarial (Gain)/Loss	(1.37)	5.82	4.23	18.35	11.60	9.72
Total Expenses recognized in the Profit and Loss Account	**7.06**	**14.92**	**9.72**	**37.00**	**44.93**	**30.38**
Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at March 31						
Insurer Managed Funds	100%	100%	100%	100%	100%	100%
The overall expected rate of return on assets is based on the expectation of the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.						
Actual Return on Plan Assets	2.50	1.97	2.31	5.02	8.30	2.51
Principal Actuarial Assumptions						
Discount Rate	8.50%	7.65%	6.65%	7.85%	8.50%	8.00%
Expected Rate of Return on Plan Assets	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
Salary Escalation Rate	6.00%	5.00%	5.00%	6.00%	8.00%	8.00%

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

Expected Contribution to the Fund in the next year

Particulars	For the year ended on					For Nine months interim period ended on
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Gratuity	-	-	-	55.31	5.00	10.00

Experience History	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Defined Value of Obligation	32.74	44.13	54.37	83.15	123.64	158.77
Plan Assets	33.81	44.88	60.70	93.57	146.95	147.89
Surplus (Deficit)	(1.07)	0.75	6.33	10.42	23.31	(10.88)
Experience adjustment on plan Liabilities (loss)/gain	0.49	(1.78)	1.98	19.55	(7.91)	(49.63)
Experience adjustment on plan assets (loss)/gain	0.32	(1.93)	(0.09)	0.13	0.47	(1.22)

Accounting Standard 15 (revised 2005), Para 132, does not require any specific disclosures except where expense resulting from compensated absence is of such size, nature or incidence that its disclosure is relevant under Accounting Standard 5 or Accounting Standard 18 and accordingly the expense resulting from compensated absence is not significant and hence no disclosures are prepared under various paragraphs of AS 15 (revised 2005).

E. Expenditure on Research and Development

₹ in millions

Sr. no	Particulars	For the year ended on					For Nine months interim period ended on
		March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
1	Revenue Expenditure	201.52	255.75	285.57	336.96	498.09	374.35
2	Capital Expenditure	164.02	118.64	149.26	322.80	363.95	289.34
	Total	**365.54**	**374.39**	**434.83**	**659.76**	**862.04**	**663.69**

F. Segmental Reporting

The Company has identified "Pharmaceuticals" as the only primary reportable segment.

Secondary segmental reporting is based on the geographical location of customers. The geographical segments have been identified based on revenues within India and revenues outside India.

Secondary Segment (By Geography)		For the year ended on					For Nine months interim period ended
Sr. no	**Particulars**	**March 31, 2008**	**March 31, 2009**	**March 31, 2010**	**March 31, 2011**	**March 31, 2012**	**December 31, 2012**
(A)	**Within India –(Domestic)**	**3,361.77**	**3,104.11**	**3,279.25**	**4,202.11**	**5,053.11**	**4,784.83**
(B)	**Outside India-(International)**	**1,032.24**	**2,745.76**	**4,220.72**	**5,286.22**	**7,219.17**	**4,672.26**
	- United States of America	387.63	1,046.37	2,021.60	3,168.82	4,893.99	3,068.00
	- Europe	217.48	357.88	547.50	492.90	769.22	564.54
	- Others (Australia, Canada, Japan)	-	-	0.90	4.09	13.03	5.27
	- Rest of World	427.13	1,341.51	1,650.72	1,620.41	1,542.93	1,034.45
	Total (A+B)	**4,394.01**	**5,849.87**	**7,499.97**	**9,488.33**	**12,272.28**	**9,457.09**

Fixed assets used in the Company's business or liabilities contracted have not been identified to any segment as the fixed assets and services are used interchangeably between segments. Accordingly no disclosure relating to total segment assets and liabilities is made.

In view of the interwoven / intermix nature of business and manufacturing facility, other segmental information is not ascertainable.

G (i) *Related Party Disclosures*

(a) Related Parties and their relationship

Subsidiaries

1. Emcure Brasil Farmaceutica Ltda (formerly known as Emcure Brasil Representanco Commercial Farmaceutica Ltda)
2. Emcure Nigeria Limited
3. Emcure Pharmaceutical Mena FZ LLC.
4. Emcure Pharmaceutical South Africa Pty Ltd.
5. Emcure Pharmaceuticals USA Inc.
6. Gennova Biopharmaceuticals Limited
7. Heritage Pharma Holdings Inc
8. Zuventus Healthcare Limited
9. Emcure Infotech Ltd
10. Emcure Pharmaceutical Holdings Inc (merged with Heritage Pharma Holdings Inc)

Step-down Subsidiary

1. Heritage Pharmaceuticals Inc (Subsidiary of Heritage Pharma Holdings Inc)
2. Lasor Pharmaceuticals Ltd (Subsidiary of Zuventus Healthcare Limited)

Key Management Personnel

1. Mr. Satish Mehta
2. Mr. Arun Kumar Khanna
3. Mr. Mahesh Shah
4. Dr. Mukund Gurjar
5. Mr. Mukund Ranade (w.e.f. 1st July, 2012)

Relatives of Key Management Personnel

1. Mrs. Namita Thapar
2. Mr. Vikas Thapar
3. Mr. Samit Mehta
4. Mrs. Bhavna Mehta

Enterprise over which Key Management Personnel have significant influence

1. H.M. Sales Corporation
2. Uth Beverages Factory Pvt. Ltd.

3. Uth Healthcare Ltd.

4. Uth Wellness Product Ltd.

G (ii) *Related Party Disclosure*

₹ in millions

Particulars	2007-08		2008-09		2009-10		2010-11		2011-12		2012-13*	
	Transaction Value	Receivable / (Payable)	Transaction Value	Receivable / (Payable)	Transaction Value	Receivable / (Payable)	Transaction Value	Receivable / (Payable)	Transaction Value	Receivable/ (Payable)	Transaction Value	Receivable /(Payable)
Purchase of Goods & Services												
Zuventus Healthcare Ltd.	1.99	-	3.79	-	8.80	-	17.88	0.39	10.28	(0.73)	16.32	(1.50)
Gennova Biopharmaceuticals Ltd.	10.04	-	10.65	-	21.60	-	55.60	-	111.47	-	215.07	(67.05)
Emcure Pharmaceuticals USA Inc.	1.98	(1.98)	8.07	(10.05)	1.70	-	-	-	-	-	0.81	(0.31
Uth Beverages Factory Pvt Ltd	4.47	-	11.53	(9.56)	42.17	(15.49)	29.76	(9.10)	34.51	(13.76)	40.56	(20.47)
Uth Healthcare Ltd.	-	-	-	-	-	-	-	-	5.59	(1.00)	17.61	(1.69)
Emcure Pharmaceuticals Mena FZ LLC	-	-	-	-	-	-	-	-	-	-	-	28.21
Sale of Assets												
Zuventus Healthcare Ltd.	-	-	7.31	-	-	-	1.53	-	0.29	-	-	-
Purchase of Assets												
Gennova Biopharmaceuticals Ltd.	-	-	-	-	0.32	-	-	-	-	-	-	-
Emcure Pharmaceuticals USA Inc.	-	-	-	-	-	-	-	-	31.79	(31.79)	-	-
Sale of Goods & Services												
Zuventus Healthcare Ltd.	67.10	-	83.85	-	129.48	24.31	295.14	6.29	351.55	20.74	284.94	14.93
Gennova Biopharmaceuticals Ltd.	104.12	-	78.83	-	69.91		65.08	-	61.48	-	47.26	11.70
Emcure Pharmaceuticals USA Inc.	-	3.95	23.13	35.94	29.69	45.73	39.93	25.47	25.62	10.96	8.80	8.85
Emcure Nigeria Ltd.	-	-	94.16	3.37	146.02	142.25	181.53	176.27	44.50	44.46	30.91	30.64
Emcure Pharmaceuticals Mena FZ LLC	-	-	-	-	-	-	35.10	30.03	119.02	27.53	78.34	67.99
Uth Healthcare Ltd.	-	-	-	-	-	-	-	-	0.22	0.22	0.32	-
Uth Beverage Factory Pvt Ltd	-	-	-	-	-	-	-	-	0.08	0.08	0.19	-
Uth Wellness Product Ltd.	-	-	-	-	-	-	-	-	1.76	1.77	9.39	10.78
Heritage Pharmaceuticals Inc	-	-	-	-	-	-	-	-	8.53	8.53	90.30	58.93
Emcure Pharmaceuticals South Africa Pty Ltd.	-	-	-	-	-	-	-	-	-	-	0.69	0.75
Investments												
Emcure Pharmaceuticals USA Inc.	13.45	-	16.29	-	-	-	-	-	-	-	561.52	-
Gennova Biopharmaceuticals Ltd.	300.00	-	-	-	100.00	-	-	-	-	-	-	-
Zuventus Healthcare Ltd.	39.90	-	-	-	178.46	-	-	-	-	-	-	-
Emcure Nigeria Ltd.	1.44	-	-	-	-	-	-	-	-	-	-	-
Emcure Pharmaceutical Holdings Inc	-	-	-	-	-	-	4.56	-	-	-	-	-
Emcure Pharmaceuticals Mena FZ LLC	-	-	-	-	-	-	1.15	-	-	-	-	-
Emcure Pharmaceuticals South Africa Pty Ltd.	-	-	-	-	-	-	0.00	-	-	-	-	-
Emcure Brasil Farmaceutica Ltda	-	-	-	-	-	-	-	-	11.27	-	16.45	-
Heritage Pharma Holdings Inc	-	-	-	-	-	-	-	-	306.02	-	-	-
Loans & Advances Given												
Gennova Biopharmaceuticals Ltd.	434.87	320.96	263.58	419.54	127.70	320.62	104.65	319.62	15.95	178.27	5.09	103.91
Emcure Pharmaceuticals USA Inc.	135.06	226.43	340.29	555.17	142.50	445.74	125.51	387.19	96.90	539.43		231.35
Zuventus Healthcare Ltd.	6.60	-	-		0.02	0.01			29.00			
Emcure Nigeria Ltd.	-	-	8.81	8.81	22.19	18.06	2.06	8.25		9.40		8.54
Emcure Pharmaceuticals South Africa Pty Ltd.	-	-	-	-	-	-	9.03	8.93	19.57	30.88	12.45	45.81
Emcure Pharmaceuticals Mena FZ LLC	-	-	-	-	-	-	5.85	3.03	-	-	-	-
Heritage Pharma Holdings Inc	-	-	-	-	-	-	-	-	17.74	13.94	73.63	92.05
Emcure Brasil Farmaceutica Ltda	-	-	-	-	-	-	-	-	-	-	16.15	16.50
Loans & Advances received Back												
Zuventus Healthcare Ltd.	6.60	-	-	-	0.02	-	-	-	29.00			-
Gennova Biopharmaceuticals Ltd.	375.23	-	165.00	-	226.62	-	105.66	-	157.31		79.45	-

Particulars	2007-08		2008-09		2009-10		2010-11		2011-12		2012-13*	
	Transaction Value	Receivable / (Payable)	Transaction Value	Receivable / (Payable)	Transaction Value	Receivable / (Payable)	Transaction Value	Receivable / (Payable)	Transaction Value	Receivable/ (Payable)	Transaction Value	Receivable /(Payable)
Key Management Personnel	0.10	-	-	-	-	-	-	-	-	-	-	-
Emcure Pharmaceuticals USA Inc.	-	-	-	-	185.21	-	178.74	-	-	-	355.14	-
Emcure Nigeria Ltd.	-	-	-	-	11.46	-	8.21	-	-	-	1.59	-
Emcure Pharmaceuticals Mena FZ LLC	-	-	-	-	-	-	2.43	-	3.17	-	-	-
Heritage Pharma Holdings Inc	-	-	-	-	-	-		-	5.61	-	-	-
Interest Income												
Zuventus Healthcare Ltd.	7.55	-	0.00	-	-	-	-	-	0.15	-	-	-
Gennova Biopharmaceuticals Ltd.	39.79	-	38.79	-	48.19	-	32.20	-	24.84	-	9.18	0.75
Emcure Pharmaceuticals USA Inc.	8.65	8.65	40.94	49.56	51.92	101.48	49.15	150.63	43.42	212.27	35.02	264.48
Emcure Nigeria Ltd.	-	-	0.48	0.48	1.29	1.77	1.13	2.90	0.89	4.13	0.64	5.11
Emcure Pharmaceuticals South Africa Pty Ltd.	-	-	-	-	-	-	0.06	0.06	0.61	0.69	0.91	1.65
Emcure Pharmaceuticals Mena FZ LLC	-	-	-	-	-	-	0.29	0.29	0.14	-	-	-
Heritage Pharma Holdings Inc	-	-	-	-	-	-	-	-	1.44	1.46	6.15	7.74
Emcure Brasil Farmaceutica Ltda	-	-	-	-	-	-	-	-	-	-	0.54	0.54
Interest Paid												
H.M. Sales Corporation	5.74	-	9.81	(1.97)	9.15	(0.31)	11.28	(3.03)	18.98	(5.56)	22.83	(3.16)
Key Management Personnel	0.60	-	-	-	-	-	-	-	-	-	-	-
Relatives of Key Management Personnel	0.61	-	-	-	-	-	-	-	-	-	-	-
Sale of Investments												
Zuventus Healthcare Ltd.	-	-	150.00	-	0.49	-	-	-	-	-	-	-
Emcure Infotech Ltd	-	-	-	-	-	-	-	-	2.00	-	-	-
Inter Corporate Deposit given												
Zuventus Healthcare Ltd.	250.00	-	2.20	-	-	-	-	-	-	-	-	-
Inter Corporate Deposit received back												
Zuventus Healthcare Ltd.	390.00	-	2.20	-	-	-	-	-	-	-	-	-
Deposits Accepted												
H.M. Sales Corporation (Trade Deposits)	206.86	(87.68)	123.68	(118.02)	25.97	(111.70)	152.03	(193.30)	168.10	(299.53)	135.11	(406.44)
Zuventus Healthcare Ltd. (Rent security Deposit)	-	-	-	-	-	-	-	-	-	-	5.80	(5.80)
Security Deposit given												
Gennova Biopharmaceuticals Ltd.	-	29.85	-	29.85	-	29.85	-	29.85	-	29.85	-	29.85
Deposits Refunded												
H.M. Sales Corporation	168.60	-	93.34	-	32.30	-	70.42	-	61.88	-	28.20	-
Key Management Personnel	12.85	-	-	-	-	-	-	-	-	-	-	-
Relatives of Key Management Personnel	12.73	-	-	-	-	-	-	-	-	-	-	-
Expenses paid												
Gennova Biopharmaceuticals Ltd.	37.92	-	35.82	(2.81)	35.82	-	35.82	-	60.00	-	45.00	-
H.M. Sales Corporation	8.03	(1.62)	5.62	(2.13)	7.56	(1.56)	6.82	-	7.66	-	9.40	(197)
Reimbursement of Expenses made												
Zuventus Healthcare Ltd.						-			-	-	-	-
Gennova Biopharmaceuticals Ltd.	43.56	-	35.22	-	4.59	-	0.17	-	0.73	-	0.49	-
H.M. Sales Corporation	-	-		-	-	-	-	-	1.67	-	0.04	-
Uth Beverage Factory Pvt. Ltd.	-	-	0.01	-	-	-	-	-	-	-	-	-
Emcure Pharmaceuticals USA Inc.	-	-	-	-	7.03	-	8.14	(4.07)	28.00	(6.23)	13.11	(1.09)
Reimbursement of Expenses received												
Gennova Biopharmaceuticals Ltd.	6.42	-	1.58	-	0.01	-	-	-	-	-	-	-
Emcure Pharmaceuticals USA Inc.		-		-	0.01	-	30.22	-	13.46	4.60	-	-
Zuventus Healthcare Ltd.	2.22	-	2.49	-	3.55	-	1.69	1.40	0.44	0.42	0.24	-
H.M. Sales Corporation	0.26	-	0.03	-		-	-	-	-	-	-	-
Uth Beverage Factory Pvt. Ltd.	-	-	-	-	0.00	-	0.01	-	-	-	#	-
Emcure Nigeria Ltd.	-	-	-	-	-	-	3.83	8.53	-	8.53	-	8.10
Uth Healthcare Pvt. Ltd.	-	-	-	-	-	-	0.01	-	-	-	-	
Emcure Pharmaceuticals South Africa Pty Ltd.	-	-	-	-	-	-	0.27	0.27	-	0.30	-	0.27
Emcure Pharmaceuticals Mena FZ LLC	-	-	-	-	-	-	5.97	-	-	-	-	-

Particulars	2007-08		2008-09		2009-10		2010-11		2011-12		2012-13*	
	Transaction Value	Receivable / (Payable)	Transaction Value	Receivable / (Payable)	Transaction Value	Receivable / (Payable)	Transaction Value	Receivable / (Payable)	Transaction Value	Receivable/ (Payable)	Transaction Value	Receivable /(Payable)
Heritage Pharma Holdings Inc	-	-	-	-	-	-	-	-	22.43	22.43	22.52	44.95
Heritage Pharmaceuticals Inc	-	-	-	-	-	-	-	-	3.89	3.89	7.22	9.29
Dividend received												
Zuventus Healthcare Ltd.	15.96	-	9.98	-	-	-	19.95	-	19.95	-	19.95	-
Rent Received												
Zuventus Healthcare Ltd.	-	-	-	-	-	-	-	-	-	-	1.77	-
Remuneration to:												
Key Management Personnel												
Mr. Satish R Mehta	25.86	-	25.86	2.27	50.81	2.27	42.64	-	60.96	-	56.05	-
Mr. Arun Kumar Khanna	12.66	3.23	15.89	4.87	16.19	4.87	25.00	-	32.15	-	23.58	-
Mr. Mahesh N Shah	5.04	1.08	6.12	2.13	6.56	2.13	9.41	-	12.79	-	9.01	-
Mr. Mukund K Gurjar	6.46	-	10.92	2.53	13.41	2.53	16.27	-	20.38	-	15.59	-
Mr. Mukund P. Ranade	-	-	-	-	-	-	-	-	-	-	7.61	-
Relatives of Key Management Personnel												
Mr. Vikas Thapar	5.91	-	6.37	-	7.24	-	8.14	-	8.15	-	8.54	-
Mrs. Namita Thapar	4.90	-	4.92	-	4.98	-	5.23	-	6.00	-	6.63	-
Mr. Samit S. Mehta	-	-	-	-	-	-	-	-	-	-	5.72	-
Remuneration recovered												
Key Management Personnel	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Satish R Mehta	-	-	-	-	-	-	2.27	-	-	-	-	-
Mr. Arun Kumar Khanna	-	-	-	-	-	-	4.87	-	-	-	-	-
Mr. Mahesh N Shah	-	-	-	-	-	-	2.13	-	-	-	-	-
Mr. Mukund K Gurjar	-	-	-	-	-	-	2.53	-	-	-	-	-
Corporate Guarantee given**												
Zuventus Healthcare Ltd.	180.00	180.00	-	180.00	150.00	150.00	-	-	-	-	-	-
Gennova Biopharmaceuticals Ltd.	-	572.50	37.50	374.19	222.50	384.39	-	401.79	270.00	642.65	-	609.46
Emcure Pharmaceuticals USA Inc.	122.68	122.68	-	152.10	-	134.67	267.90	401.85	-	457.83	219.96	706.62
Heritage Pharma Holdings Inc	-	-	-	-	-	-	-	-	966.00	1,068.27	-	1,114.37
Heritage Pharmaceuticals Inc	-	-	-	-	-	-	-	-	138.00	152.61	-	164.97
Corporate Guarantee released												
Zuventus Healthcare Ltd.	-	-	-	-	-	-	150.00	-	-	-	-	-
Gennova Biopharmaceuticals Ltd	-	-	-	-	-	-	(17.40)	-	100.00	-	-	-

* For the nine months period ended on December 31,2012.

** The reduction in the amount payable as on year end date represents the loan repaid by the subsidiaries. The corporate guarantee against the same will be released on when the loans are repaid in full.

Also refer Annexure V, note C (iii) for details of the collateral security given by the Company against the loan obtained by the subsidiary.

H. As a Lessee in a Finance Lease

The Company has taken certain computers under finance lease arrangement for 3 years. The future minimum lease payments under these leases are as follows:

₹ in millions

Sr. no	Particulars	For year ended on					For Nine months interim period ended on
		March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
	As Lessee in Finance Lease						
1	Minimum lease rental balance on Balance Sheet Date						
	Due within 12 months	2.21	1.41	-	-	-	-
	Due between 12-60 months	1.41	-	-	-	-	-
	Total	**3.62**	**1.41**	-	-	-	-
2	Finance Charges Payable						
	Due within 12 months	0.28	0.07	-	-	-	-
	Due between 12-60 months	0.06	-	-	-	-	-
	Total	**0.34**	**0.07**	-	-	-	-
3	Present Value of Minimum Lease						

Sr. no	Particulars	For year ended on					For Nine months interim period ended on
		March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
	rentals Payable at Discounted rate implicit in lease agreement						
	Due within 12 months	1.93	1.34	-	-	-	-
	Due between 12-60 months	1.34	-	-	-	-	-
	Total	**3.27**	**1.34**	-	-	-	-

I. As a Lessee in an Operating Lease

The Company has three industrial premises on operating leases with a right to terminate the lease at the option of the Company. The future minimum lease payments under these leases are as follows:

₹ in millions

Sr. no	Particulars	For year ended on					For Nine months interim period ended on
		March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
	As Lessee in Operating Lease						
	Minimum Lease payments						
	Due within 12 months	28.65	45.04	33.10	50.57	60.29	70.63
	Due between 12-60 months	20.43	61.46	33.01	61.72	41.88	32.52
	Beyond 60 months	18.93	12.10	7.45	2.28	2.29	6.92
	Total	**68.01**	**118.60**	**73.56**	**114.57**	**104.46**	**110.07**
	Lease rental Debited to Profit & Loss Account	40.52	41.06	45.04	50.34	74.88	60.29

J. (i). *Derivative Transactions*

The Company had entered into foreign exchange derivative contracts with Banks during financial year 2006-07 and financial year 2007-08. In pursuance of the announcement dated March 29, 2008 of The Institute of Chartered Accountants of India on "Accounting of Derivatives", the Company had provided for mark to market losses on such transactions in the accounts for the year ended March 31, 2009 and as a matter of prudence, certain amount of the provision on account of such mark to market losses remains provided for in the accounts for the year/period ended March 31, 2011, March 31, 2012 and December 31, 2012

On legal advice, the Company has disputed the legal validity of some of these contracts and denied its liability arising from these contracts during the financial year 2010-11 and financial year 2011-12. The Company has settled all legal disputes relating to derivative contracts and liability has been crystalised. Additional amount payable towards settlement of legal disputes is recognised as expenses under 'Exceptional items' in the Statement of Profit and Loss.

Details of foreign currency exposures that have been hedged by a derivative instrument or otherwise are given below:

₹ in million

Sr. no	Particulars	As at					
		March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
A	**Outstanding Forward Contracts**						
	Sell (US $)	2.25	-	-	-	-	4.50
	Buy (US $)	-	-	-	-	-	-
B	**Principal Only Swaps to Hedge against fluctuations in exchange rate changes**						
	No Of Contract (in actual no's)	1	-	-	-	-	-

Sr. no	Particulars	As at					
		March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
	Notional Principal INR	300.00	-	-	-	-	-
	No Of Contract (in actual no's)	2	-	-	-	-	-
	Notional Principal (US $)	4.50	-	-	-	-	-
C	**Derivative Contracts to hedge against Highly probable forecast transactions -**						
	No Of Contract (in actual no's)	6	7	7	1	1	1
	Notional Principal (US $)	142.70	133.10	100.40	8.60	5.10	1.88
D	**Mark-to-market Foreign Exchange loss**						
	Option Contracts	129.73	2,924.00	1,001.19	64.96	86.39	43.54
	Swap Contracts	80.96	-	-	-	-	8.57
E	**Swap contracts to purchase USD**	**-**	**-**	**-**	**-**	**1.74**	**10.87**

J. (ii). *Details of foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:*

Particulars	Currency	As at					
		March 31,2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
		Amount in foreign currency	Amount in foreign currency	Amount in foreign currency	Amount in foreign currency	Amount in foreign currency	Amount in foreign currency
Trade Receivables	EURO	2.19	1.56	0.95	0.75	1.02	1.70
	GBP	0.37	0.10	0.04	-	-	-
	SGD	-	0.01	0.01	0.33	0.34	#
	USD	4.43	16.74	21.42	27.25	26.57	32.91
Trade Payables	CAD	-	-	0.02	-	-	-
	CHF	#	-	-	-	-	#
	EURO	0.55	0.24	0.47	0.52	0.40	0.32
	GBP	-	-	0.02	-	-	0.04
	JPY	2.97	-	11.83	-	-	-
	USD	4.68	3.16	9.95	13.67	18.42	13.28
Advances Received from Customers	EURO	0.01	0.15	0.01		0.03	0.08
	GBP	0.01	0.14	-	-	-	-
	USD	0.21	-	1.51	0.49	0.51	1.13
Loans Receivables	AED	-	-	-	0.25	-	-
	USD	5.38	11.12	10.25	9.06	11.67	7.17
Advances Given	CHF	0.04	0.01	#	0.01	0.06	0.05
	EURO	0.51	#	0.10	0.11	0.07	0.54
	GBP	-	0.01	0.02	#	0.01	0.08
	JPY	0.08	-	-	-	-	-
	USD	0.65	0.14	0.57	0.39	0.79	1.49
Interest Receivable	AED	-	-	-	0.02	0.03	-
	USD	0.22	1.06	2.24	3.37	4.31	5.08
Interest Payable	EURO	0.01	#	#	#	0.09	0.01
	JPY	0.46	-	-	-	-	-
	USD	0.05	0.05	0.03	0.04	0.01	0.16
	GBP	#	-	-	-	-	-
Loans Payable	EURO	0.76	0.69	0.69	0.28	0.94	1.30
	GBP	0.04	-	-	-	-	-
	JPY	39.20	-	-	-	-	-
	SGD	-	-	-	-	-	-
	USD	7.38	15.28	18.37	14.33	37.43	42.87

The amount is below the rounding off norm adopted by the Company.

K. Losses / (Gains) arising on account of effects of changes in foreign exchange rates on long term Foreign currency monetary Items.

The Company has opted for accounting for exchange differences arising on long term foreign currency monetary item in line with the notification of Ministry of Corporate Affairs on

Accounting Standard 11, dated March 31, 2009. Consequently, effects of change in foreign exchange rates are as under -

₹ in millions

Sr no	Particulars	For year ended on					For Nine months interim period ended on
		March 31,2008	March 31,2009	March 31,2010	March 31,2011	March 31,2012	December 31,2012
1	Loss/ (Gains) arising from the effect of changes in foreign exchange rates on foreign currency loans relating to acquisition of depreciable capital assets added/(deducted) to cost of such assets	(38.40)	166.68	(83.05)	4.76	125.07	126.99
2	Loss arising from effect of change in exchange rates on foreign currency monetary items not relating to acquisition of depreciable capital assets transferred to foreign currency monetary item translation difference account	-	72.59	68.18	-	16.39	14.89
3	Amount amortised from the foreign currency monetary item translation difference account and charged to Profit and Loss Account	-	(24.20)	(9.89)	(9.89)	-	-

L. Employee Stock Option Scheme

The Company instituted the Emcure Employee Stock Option Plan 2013 ("Emcure ESOP 2013") on June 14, 2013 effective from the same date, pursuant to the Board resolution dated June 5, 2013 and the Shareholders' resolution dated June 14, 2013. The options pursuant to the Emcure ESOP 2013 would be granted to the employees as determined by the remuneration committee. The Company may grant options under Emcure ESOP 2013, in one or more tranches, to the employees not exceeding 5.0% of the issued and paid-up Equity Shares, with each such option conferring a right upon the employee to apply for one Equity Share of our Company, in accordance with the terms and conditions of the Emcure ESOP 2013. The maximum aggregate number of the Equity Shares in respect of which the options may be granted under the Emcure ESOP 2013 is 2,260,651 Equity Shares.

M. Zoledronic Acid Litigation

In March 2013 and May 2013, one of the subsidiary, Heritage launched two Zoledronic acid injectable products, which are generic versions of another company ("Innovator"). In March 2013, the Innovator filed a complaint for an infringement of method of use patent of each of these two Zoledronic acid products against our Company and Emcure Pharmaceuticals USA, Inc., and seventeen other companies in the United States District Court for the district of New Jersey. If the Innovator is successful in their claims of patent infringement, our Company and Emcure Pharmaceuticals USA, Inc. could be required to pay damages related to sales of these products made by our Company, and could be prohibited from making or selling these products in the United States until the expiry of the relevant patents. The Company does not expect any adverse outcome from the proceedings.

N. Acquisition of a Group Company

On June 19, 2013, our Company acquired 63.0% of the equity share capital of Uth Healthcare Limited, a group company, for total consideration of Rs. 31.5 million. Uth Healthcare Limited is in the business of selling and distributing nutraceuticals and nutritional products. The acquisition was funded through the Company's internal accruals.

ANNEXURE VI

Statement on Adjustments to Audited Standalone Financial Statements of Emcure Pharmaceuticals Limited

Summarized below are the restatement adjustments made to the audited financial statements for the Fiscals ended March 31, 2008, 2009, 2010, 2011, 2012 and nine months interim period ended on December 31, 2012 and their impact on the profit / (loss) of the Company:

₹ in millions

Particulars	**For the year ended**					**For the Nine months Interim period ended on**
	March 31, 2008	**March 31, 2009**	**March 31, 2010**	**March 31, 2011**	**March 31, 2012**	**December 31, 2012**
A. Adjustments:						
Material Restatement Adjustments (Excluding those on account of changes in accounting policies):						
(i) Audit Qualifications						
Provision on account of Mark to Market accounting o derivative contracts (charged) / written back (Reference note l(i)(a) below)	(210.69)	210.69	-	-	-	-
Audit qualification for Managerial Remuneration (charged) / credited (Refer note l(i)(b) and l(i)(c)	4.31	7.48	-	(11.80)	-	-
Total:	**(206.38)**	**218.17**	**-**	**(11.80)**	**-**	**-**
(ii) Other adjustments						
(a) Adjustment on account of accounting of settlement of derivative contracts (Refer note 2 (i) & (ii) below)	-	-	-	(87.78)	(56.14)	143.92
(b) Bad debts written off (Refer note 2 (iii) below)	(19.52)	(5.04)	43.70	(15.11)	2.09	51.29
(c) Provision for Doubtful debts (Refer note 2 (iv) below)	(3.38)	29.46	(36.51)	1.15	26.98	1.26
(d) Intangible assets under development written off (Refer to note 2 (v) below)	(18.86)	20.12	7.17	3.52	-	-
(e) Export Incentives (Refer to note 2 (vi) below)	-	-	5.65	12.54	(18.19)	-
(f) Foreign currency monetary items translation reserve (Refer to note 2 (vii) below)	-	(13.22)	7.53	11.36	(34.24)	9.64
(g) Deferred tax adjustments (charged) / credited (Refer Note 3 below)	83.52	(84.11)	(9.36)	28.76	26.45	(68.66)
(h) Impact of provision (current tax) of earlier years written off/ written back (Refer note 4 below)	(54.44)	26.59	23.50	2.75	(3.16)	(15.56)
Total:	**(219.06)**	**191.97**	**41.68**	**(54.61)**	**(56.21)**	**121.89**
b. Adjustments on account of changes in accounting policies:						
(i) AS-11 Transitional Provision (charged) / credited (Refer note 5	(38.41)	-	-	-	-	-

Particulars	For the year ended					For the Nine months Interim period ended on
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
(i) below)						
(ii) Impact of application of paragraph 4 (e) of AS 16 to exchange differences (Refer note 2 (ii) below)	-	-	-	-	15.48	-
(iii) Deferred tax adjustments (charged) / credited (Refer Note 3 below)	10.39	-	-	-	-	-
Total:	**(28.02)**	**-**	**-**	**-**	**15.48**	**-**
Total impact of Adjustments	**(247.08)**	**191.97**	**41.68**	**(54.61)**	**(40.73)**	**121.89**

A) Adjustments

1. **Adjustments for Audit Qualifications**

(i) The auditors have reported the following comments in their report for the financial year 2007-2008

(a) In the audit report for the financial year ended March 31, 2008, the auditors included a qualification in respect of non provision of loss aggregating to ₹ 210.69 millions arising on account of Mark to Market valuation of the foreign currency derivative transaction. This provision was subsequently recognised by the Company in the financial year 2008-09. The Company has now provided for the said loss in the Restated Statement of Profit and Loss for the financial year ended March 31, 2008 and reversed the amount of ₹ 210.69 millions recognised in the financial year 2008-09 in the Restated Statement of Profit and Loss for the year ended March 31, 2009.

(b) In the audit report for the financial year ended March 31, 2008, the auditors have included a qualification in respect of remuneration paid to directors aggregating to ₹ 13.30 millions in excess of limits prescribed under the Companies Act 1956 for which the Company subsequently filed an application for approval of Central Government of India. Subsequently, in the financial year ended March 31, 2011, the Company received an order from the government in which an amount of ₹ 4.31 millions was disallowed and as a result the Company recovered the amount from the respective directors and included a credit of the same in the Statement of Profit and Loss. The Company has now reduced the expenses in the Restated Statement of Profit and Loss for the financial year ended March 31, 2008 and increased the expenses for the financial year ended March 31, 2011 by an amount of ₹ 4.31 millions.

(c) The auditors have reported the following comments in their report for the financial year 2008-2009

In the audit report for the financial year ended March 31, 2009, the auditors have included a qualification in respect of remuneration paid to directors aggregating to ₹ 56.97 millions in excess of limits prescribed under the Companies Act 1956 for which the Company subsequently filed an application for approval to Central Government of India. Subsequently, in the financial year ended March 31, 2011, the Company received an order from the government in which an amount of ₹ 7.48 millions was disallowed and as a result the Company recovered the amount from the respective directors and included a credit of the same in the Statement of Profit and Loss. The Company has now reduced the expenses in the Restated Statement of Profit and Loss for the financial year ended March 31, 2008 and increased the expenses for the financial year ended March 31, 2011 by an amount of ₹ 7.48 millions.

2. The Company had entered into foreign exchange derivative contracts with Banks during financial year 2006-07 and financial year 2007-08. In pursuance of the announcement dated March 29,2008 of The Institute of Chartered Accountants of India on "Accounting of Derivatives", the Company had provided for mark to market losses on such transactions in the accounts for the financial year ended March 31, 2009 and as a matter of prudence, certain amount of the provision on account of such mark to market losses remains provided for in the accounts for the financial year ended March 31,2011 and March 31, 2012. On legal advice, the Company has disputed the legal validity of these contracts and denied its liability arising from these contracts during the financial year 2011-12 and financial year 2010-11.

(i) During year 2011-12, the Company settled its dispute with one of the banks and excess provision amounting to ₹ 56.14 million is written back. The Company has now reduced the provision for Mark to Market losses for financial year 2010-11 to the extent of excess provision of ₹ 56.14 million and to that extent the Profits for financial year 2011-12 are reduced.

(ii) During year 2012-13, the Company has settled all its disputes with banks in relation to derivative contracts and liability is crystallized. Additional liability on account of settlement of disputes, amounting to ₹ 143.92 millions is recognised in financial statements for nine months interim period ended on December 31,2012. The Company has now reduced expenses relating to additional liability on account of settlement of legal disputes, in the Restated Statement of Profit and Loss for the nine months interim period ended on December 31,2012 and increased the expenses for the financial year ended March 31,2011 (the year in which liability was disputed) by an amount of ₹ 143.92 millions.

(iii) In the audited financial statements of the Company for the nine months interim period ended on December 31, 2012 and the financial years ended on March 31, 2008, 2009, 2010, 2011 and 2012, certain amounts had been provided as bad debts, which for the purpose of this statement have been appropriately adjusted in the respective years/period to which they relate, for the purpose of this statement.

(iv) In the audited financial statements of the Company for the nine months interim period ended on December 31, 2012 and the financial years ended on March 31 2008, 2009, 2010, 2011 and 2012, debts, which were considered doubtful and provided for have been appropriately adjusted in the respective years/period to which they relate, for the purpose of this statement.

(v) In the audited financial statements of the Company for the financial years ended on March 31 2008, 2009, 2010, 2011, certain amounts pertaining to intangible assets under development were written off, which for the purpose of this statement have been appropriately adjusted in the respective years/period to which they relate, for the purpose of this statement.

(vi) The company claimed certain non cash export incentives with respect to export of specified products to specified countries under the Focused Market Scheme (FMS) and the Focused Product Scheme (FPS) as per the foreign trade policy of The Government of India (August 27, 2009 -March 31,2014) during financial year 2011-12, which for the purpose of this statement have been appropriately adjusted in the financial years 2009-10 and 2010-11 to which they relate for the purpose of this statement.

(vii) The Company opted for accounting for exchange difference arising on long term foreign currency monetary item in line with the notification of Ministry of Corporate Affairs on Accounting Standard 11, dated March 31, 2009. Under this notification, translation losses arising from long term monetary items were allowed, to be taken to 'Foreign Currency Monetary Item Translation Reserve' and write it off over duration of underlying monetary assets. The original notification restricted the period of amortisation till March 31, 2011, which was further extended upto March 31.2012 vide notification dated May 31, 2011. Vide circular dated December 29, 2011, this period of amortisation was further extended over the remaining life of the concern monetary item.

The impact of this additional period of amortisation of translation losses arising from long term monetary items have been appropriately adjusted in the respective financial period/years to which they relate.

3 The Tax Rate applicable for the respective years has been used to calculate the deferred tax impact of the adjustments.

4 Short provision of Taxes for Earlier Years

The Statement of Profit and Loss of certain years includes amounts paid/provided for or refunded, in respect of short/excess income tax arising out of assessments, appeals etc. and on account of short/excess provision of tax for earlier years. The impact on account of short/excess provision has been adjusted in respective years/period in which the same were originally paid and to the extent these pertain to period prior to April 1, 2007, have been adjusted in the balance brought forward in the Statement of Profit and Loss as at April 1, 2007.

5. Change in Accounting Policy - Accounting Standard 11 [The Effects of Changes in Foreign Exchange Rates]

(i) The Company opted for accounting for exchange difference arising on long term foreign currency monetary item in line with the notification of Ministry of Corporate Affairs on Accounting Standard 11, dated March 31, 2009. Consequently, the exchange gain of ₹ 28.01 millions (net of deferred tax of ₹ 10.40 millions) for the financial year ended March 31, 2008 on such foreign currency loans, had been reduced from the general reserve and deducted from cost of the asset during Financial Year 2008-09 as per the transitional provision. This provision has been charged to the Statement of Profit and Loss in the restated financial statement for the financial year ended March 31, 2008.

(ii) During the financial year ended March 31, 2012 Company adopted Paragraph 46A of Accounting Standard 11. Consequently, the exchange differences arising on long term monetary items related to qualifying depreciable assets after necessary adjustments for borrowing costs, as per the requirements of Paragraph 4 (e) of Accounting Standard 16, were capitalised during the financial year ended March 31, 2012. Subsequently during the nine months interim period ended December 31, 2012, the Ministry of Corporate Affairs, vide circular number 25/2012 dated August 9, 2012, clarified that paragraph 6 of Accounting Standard 11 and paragraph 4(e) of Accounting Standard 16 shall not apply to a company which is applying clause 46A of Accounting Standard-11. Consequently, exchange difference as per paragraph 4(e) of Accounting Standard-16 amounting to ₹ 15.48 millions for the financial year ended March 31, 2012 has been added to the cost of fixed assets and credited to the Statement of Profit and Loss.

6. Opening Reserve Reconciliation

Surplus in the Statement of Profit and Loss as at April 1, 2007

		₹ in millions
Surplus in Statement of Profit and Loss, as per audited Balance Sheet as at April 1, 2007		344.25
Adjustment on account of Restatements:-		
(i)	Short provision of Taxes for earlier years	20.33
(ii)	Bad debts written off	(38.08)
(iii)	Provision for Doubtful debts	(12.59)
(iv)	Intangible assets under development written off	(7.93)
Balance as per restated Financial Statements as at April 1, 2007		305.98

B) Auditor's Qualifications in Company Auditor's Report Order - Non - Adjusting Items:

Year 2010-11 and 2011-12

(a) According to the records of the Company examined by us and information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holder at the balance sheet date, other than dues to banks in respect of derivatives contract under dispute between the Company and banks, for which we are unable to determine whether there is a default in repayment of dues to the bank

Management Comment

During financial year 2012-13, the Company has settled all its disputes with banks in relation to derivative contracts and liability is crystallized. Additional liability on account of settlement of disputes, amounting to ₹ 143.92 millions is recognized in financials for nine months interim period ended on December 31, 2012.

ANNEXURE VII

Restated Statement of Investments of Emcure Pharmaceuticals Limited

₹ in millions

	Particulars	As at					
		March 31, 2008	**March 31, 2009**	**March 31, 2010**	**March 31, 2011**	**March 31, 2012**	**December 31, 2012**
	Non-current investments						
	Trade Investments:						
	Unquoted Instruments						
	Investments in Subsidiaries						
	In equity shares of:						
1	M/s Emcure Infotech Limited: 199,930 Equity Shares of ₹ 10 each, fully paid-up (refer note 1 below)	1.99	2.00	2.00	2.00	-	-
2	M/s Zuventus Healthcare Limited: 3,990,000 Equity Shares of ₹ 10 each, fully paid-up	71.82	71.82	71.82	71.82	71.82	71.82
3	M/s Gennova Biopharmaceuticals Limited: 4,847,500 Equity Shares of ₹ 10 each, fully paid-up	48.48	48.48	48.48	48.48	48.48	48.48
4	M/s Emcure Pharmaceuticals USA Inc.: March 31,2008 -1,215,000 Equity Shares of USD 0.1 each, fully paid-up March 31,2009 -1,340,000 Equity shares of USD 0.1 each, fully paid-up March 31,2010, 2011, 2012 - 3,250,000 Equity Shares of USD 0.1 each, fully paid-up December 31,2012 - 6,070,000 Equity Shares of USD 0.1 each, fully paid-up	52.06	68.35	178.57	178.57	178.57	740.10
5	M/s Lasor Pharmaceuticals Limited: 48,500 Equity Shares of ₹ 10 each fully paid-up (refer note 2 below)	0.49	0.49	-	-	-	-
6	M/s Emcure Nigeria Limited: 4,435,999 Equity Shares of Naira 1 each fully paid-up	1.43	1.43	1.43	1.43	1.43	1.43
7	M/s Emcure Pharmaceuticals MENA FZ LL: 90 Equity Shares of AED 1000 each, fully paid-up	-	-	-	1.15	1.15	1.15
8	M/s Emcure Pharmaceuticals South Africa (Pty) Limited: 100 Equity Shares of ZAR 1 each, fully paid-up	-	-	-	#	#	#
9	M/s Emcure Pharmaceuticals Holding Inc.: 5,000 Equity Shares of USD 1 each fully paid-up (refer note 3 below)	-	-	-	4.56	-	-
10	M/s Heritage Pharma Holdings Inc: 2,000 Equity Shares of USD 1 each, fully paid-up	-	-	-	-	310.57	310.57
11	M/s Emcure Brasil Farmaceutica Ltda: March 31,2012- 499,999 Equity Shares of Real 1 each, partially paid-up December 31,2012- 14,27,929 Equity Shares of Real 1 each fully paid-up	-	-	-	-	11.27	27.73
	In preference shares of:						
1	M/s Gennova Biopharmaceuticals Limited: March 31, 2008 -45,000,000 Optionally Convertible Redeemable Preference shares of ₹ 10 each fully paid-up March 31,2009 -30,000,000 Optionally Convertible Redeemable Preference shares of ₹ 10 each fully paid-up March 31,2010, 2011, 2012 and December 31,2012 - 40,000,000 Optionally Convertible Redeemable Preference shares of ₹ 10 each fully paid-up	450.00	300.00	400.00	400.00	400.00	400.00
2	M/s Emcure Pharmaceuticals USA Inc: 15,000,000 Redeemable Preference Shares of USD 1 each fully paid-up	-	-	68.24	68.24	68.24	68.24
	Others						
	Unquoted						
1	National Savings Certificates	0.02	0.02	0.02	0.02	0.02	0.02
2	Bonds of Rural Electrification Corporation Limited	5.00	-	-	-	-	-
	Sub-total (A)	**631.29**	**492.59**	**770.56**	**776.27**	**1,091.55**	**1,669.54**
	Current Investments						
	Others						
	Unquoted						
1	Bonds of Rural Electrification Corporation Limited	-	5.00	-	-	-	-

	Particulars	As at					
		March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
	Sub-total (B)	**-**	**5.00**	**-**	**-**	**-**	**-**
	Total (A+B)	**631.29**	**497.59**	**770.56**	**776.27**	**1,091.55**	**1,669.54**

Note 1 - Emcure Infotech limited has been dissolved on 30th June 2011, vide notice u/s 560(5) of the Companies act, 1956, from Registrar of Companies.

Note 2 -Lasor Pharmaceuticals Limited is amalgamated with Zuventus Healthcare Limited (subsidiary of the Company) with effect from June 24, 2011.

Note 3 -Emcure Pharmaceuticals Holdings Inc has merged with Heritage Pharmaceuticals Holding Inc with effect from April 29, 2011.

The amount is below the rounding off norm adopted by the Company

ANNEXURE VIII

Restated Statement of Trade Receivables of Emcure Pharmaceuticals Limited

₹ in millions

Particulars	As at					
	March 31, 2008	**March 31, 2009**	**March 31, 2010**	**March 31, 2011**	**March 31, 2012**	**December 31, 2012**
Unsecured Considered good:						
Outstanding for the period exceeding Six months from the date they are due for payment	1.04	-	44.60	43.05	66.25	279.55
Others	969.77	1,290.98	1,304.64	1,620.56	2,002.43	2,542.66
	970.81	**1,290.98**	**1,349.24**	**1,663.61**	**2,068.68**	**2,822.21**
Unsecured. Considered doubtful:						
Outstanding for the period exceeding Six months from the date they are due for payment	7.40	40.56	6.26	7.42	34.39	35.66
Less: Provision for doubtful debts	(7.40)	(40.56)	(6.26)	(7.42)	(34.39)	(35.66)
Total	**970.81**	**1,290.98**	**1,349.24**	**1,663.61**	**2,068.68**	**2,822.21**
Notes:						
1. There are no amounts recoverable from Directors or Promoters of the Company						
2. The amounts recoverable from entities related to directors or the promoters of the issuer included above*	3.95	39.32	212.29	246.68	114.29	204.57

* ***The list of persons/entity classified as "Promoters and promoter group company" has been provided by the management and relied upon by the auditors.***

ANNEXURE IX

Restated Statement of Loans & Advances of Emcure Pharmaceuticals Limited

₹ in millions

Particulars	As at					
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Long-term loans and advances: (*Unsecured and considered good, unless otherwise stated*)						
Security Deposit (refer note 1 below)	53.29	51.83	58.87	58.52	64.22	62.35
Loans and Advances to related parties (refer note 1 below)	382.40	562.87	491.82	566.68	30.88	70.84
Advance income- tax (net of provision for tax)	59.54	88.59	87.36	52.23	15.57	67.76
Advances recoverable in cash or in kind	5.94	5.19	10.85	0.11	0.11	0.11
Employee Advances (refer note 1 below)	6.46	14.01	1.64	1.26	1.94	2.01
MAT Credit Entitlement	30.29	-	106.05	226.45	433.34	478.56
Prepaid expenses	12.30	10.14	13.31	13.68	11.14	16.40
Balance with government authority	80.58	47.89	49.35	81.31	76.09	60.11
Capital Advances	346.17	64.57	50.35	76.56	15.31	63.96
Total (A)	**976.97**	**845.09**	**869.60**	**1,076.80**	**648.60**	**822.10**
Short-term loans and advances: (*Unsecured and considered good, unless otherwise stated*)						
Current Portion of Security Deposits	12.43	2.84	-	2.54	1.41	11.01
Loans and Advances to related parties (refer note 1 below)	165.00	420.64	292.60	160.33	741.04	427.32
Advance income- tax (net of provision for tax)	9.14	-	-	-	14.26	-
Prepaid Expenses	10.49	16.24	23.80	37.42	54.11	20.89
Employee Advances	4.74	6.33	16.11	1.58	0.05	14.24
Balance with Government Authorities	151.44	171.21	181.03	173.48	193.43	213.40
Advances recoverable in cash or in kind	102.11	123.03	138.25	255.49	274.30	324.14
Total (B)	**455.35**	**740.29**	**651.79**	**630.84**	**1,278.60**	**1,011.00**
Total (A+B)	**1,432.32**	**1,585.38**	**1,521.39**	**1,707.64**	**1,927.20**	**1,833.10**
Note 1:						
The amounts recoverable from the promoters/directors or entities related to directors or the promoters of the issuer included above*	581.58	1,036.74	826.08	756.86	801.77	528.01

* ***The list of persons/entity classified as "Promoters and promoter group company" has been provided by the management and relied upon by the auditors.***

ANNEXURE X

Restated Statement of Secured Borrowings of Emcure Pharmaceuticals Limited

₹ in millions

Particulars	**As at**					
	March 31, 2008	**March 31, 2009**	**March 31, 2010**	**March 31, 2011**	**March 31, 2012**	**December 31, 2012**
Long term borrowings						
Secured term loans:						
From banks	1,149.01	1,404.85	1,494.55	2,438.35	781.23	1,160.29
Foreign Currency Loans from Banks	-	-	-	104.30	1,095.18	1,385.46
Vehicle Loans	11.36	6.85	15.28	17.14	32.86	26.49
Finance Lease Obligation	1.34	-	-	-	-	-
Sub-total (A)	**1,161.71**	**1,411.70**	**1,509.83**	**2,559.79**	**1,909.27**	**2,572.24**
Short term borrowings						
Working capital loans repayable on demand						
From banks	773.64	1,364.60	1,221.76	762.58	1,261.79	2,402.75
Sub-total (B)	**773.64**	**1,364.60**	**1,221.76**	**762.58**	**1,261.79**	**2,402.75**
Current portion of Secured long term borrowings, included in Other Current Liabilities						
From banks (refer Annexure V, Note 10)	385.97	651.55	738.70	944.96	1,184.14	1,204.66
From others (refer Annexure V, Note 10)	12.35	11.05	10.54	10.54	21.38	21.89
Sub-total (C)	**398.32**	**662.60**	**749.24**	**955.50**	**1,205.52**	**1,226.55**
Total (A+B+C)	**2,333.67**	**3,438.90**	**3,480.83**	**4,277.87**	**4,376.58**	**6,201.54**

ANNEXURE X (D)

Restated Statement of Principal Terms of Secured Loans outstanding as at December 31, 2012 of Emcure Pharmaceuticals Limited

SI. No.	Lender	Nature of Facility (Term Loan-INR/FCY, Working Capital Facility-Cash credit/ Packing credit, Short term Loan, Loan for leased assets)	Loan currency	Amount Outstanding as at December 31, 2012 (₹ in millions)	Rate of Interest %	Repayment Terms	Security / Principal Terms and Conditions
1	Bank of Maharashtra	Term Loan	INR	101.40	Base Rate+3.25%	60 monthly installments from June 2009.	As per Note No. 1
		Term Loan	USD	560.67	Libor+ 5.75% Base	48 monthly installments from August 2012.	As per Note No. 1
		Term Loan	INR	329.80	Rate+1.50%	48 monthly installments from October 2013. Payable	As per Note No. 1
		Term Loan (Buyers Credit)	EUR	62.86	Euribor+ 1.05% to 1.10%	On Maturity, from April 2013 and May 2013	As per Note No. 1
		Raw Material (Buyers Credit)	USD	11.09	Libor+ 1.10% Base	Payable on Maturity on March 2013	As per Note No. 5
		Cash Credit	INR	72.93	Rate+2.75% Base	Payable on Demand.	As per Note No. 5
		Short Term Loan	INR	116.07	Rate+2.75%	Payable on Demand.	As per Note No. 1
2	CITI Bank	Term Loan	USD	549.90	Libor+ 3.00%	16 quarterly installments from October 2013.	As per Note No. 1
		Term Loan	INR	35.18	9.40%	17 quarterly installments from August 2009.	As per Note No. 1
		Term Loan	USD	48.52	Libor+1.00%	17 quarterly installments from August 2009.	As per Note No. 1
		Cash Credit	INR	22.21	Base Rate +3.75%	Payable on Demand.	As per Note No. 5
		PCFC	USD	54.99	Libor+2.25%	Payable on January 2013	As per Note No. 5
3	State Bank of India	Term Loan	INR	24.00	Base Rate+3.00%	29 unequal monthly installments from October 2010.	As per Note No. 2
		Term Loan	INR	73.07	Base Rate+3.00%	32 unequal monthly installments from June 2011.	As per Note No. 1
		Term Loan	USD	483.03	Libor+ 5.75% Base	32 unequal monthly installments from June 2011.	As per Note No. 1
		Term Loan	INR	262.50	Rate+3.10% Base	15 unequal quarterly installments from April 2012.	As per Note No. 1
		Cash Credit	INR	136.60	Rate+3.00%	Payable on Demand.	As per Note No. 5
		Raw Material (Buyers Credit)	USD	99.67	Libor+ 1.30 to 1.65%	Payable On Maturity on January 2013 and February 2013	As per Note No. 5
		Short Term Loan	INR	400.00	Base Rate+0.75%	Payable On Maturity on January 2013 and February 2013	As per Note No. 5
4	Bank of Baroda	Term Loan	USD	100.49	Libor+ 6.50%	12 Quarterly installments till January 2011.	As per Note No. 1
		Term Loan	USD	164.79	Libor+ 6.50%	52 monthly installments from January 2011.	As per Note No. 1
		Term Loan	USD	49.27	Libor+ 6.50%	38 monthly installments from November 2011.	As per Note No. 1
		Term Loan	USD	106.42	Libor+ 6.50% Base	21 quarterly installments from December 2011.	As per Note No. 1
		Cash Credit	INR	282.92	Rate+2.75%	Payable on Demand.	As per Note No. 5
		PCFC	USD	16.48	Libor+3.5%	Payable in January 2013	As per Note No. 5
		Short Term Loan	INR	300.00	Base Rate+2.00%	Payable in January 2013	As per Note No. 5
6	HDFC Limited	Term Loan	INR	175.68	CPLR-4.50%	60 monthly installments including interest from November 2012.	As per Note No. 3
		Term Loan	INR	154.67	CPLR-4.50%	60 monthly installments including interest from November 2012.	As per Note No. 4
		Term Loan	INR	400.00	CPLR-4.50%	60 monthly installments including interest from August 2013.	As per Note No. 1
7	HDFC Bank Ltd	Cash Credit	INR	5.04	Base Rate+3.80%	Payable on Demand.	As per Note No. 5
		Short Term Loan	INR	210.00	As negotiated	Payable on Maturity in January 2013	As per Note No. 5
8	Standard Chartered Bank	Cash Credit	INR	28.34	Base rate+4.20%	Payable on Demand.	As per Note No. 5
		PCFC	USD	30.96	Libor+2.20%	Payable on Maturity in January 2013	As per Note No. 5
9	Axis Bank Limited	Term Loan (Buyers Credit)	EUR	31.18	Euribor+1.20% to 1.70%	Payable on January 2013 and February 2013	As per Note No. 1
		Term Loan (Buyers Credit)	USD	37.00	Libor+ 1.02% to 1.10%	Payable on March 2013 and April 2013	As per Note No. 1
		Buyers Credit	USD	44.38	Libor+ 1.10% to 1.20%	Payable on January 2013 and May 2013	As per Note No. 5
		Cash credit	INR	140.06	Base Rate+2.25%	Payable on Demand.	As per Note No. 5

SI. No.	Lender	Nature of Facility (Term Loan-INR/FCY, Working Capital Facility-Cash credit/ Packing credit, Short term Loan, Loan for leased assets)	Loan currency	Amount Outstanding as at December 31, 2012 (₹ in millions)	Rate of Interest %	Repayment Terms	Security / Principal Terms and Conditions
10	Vehicle Loan	Term Loan	INR	48.36	8% to 12.5%	Monthly installments starting from January 2013 and ending on March 2017	As per Note No. 6
11	Bank of India	Cash Credit	INR	181.01	Base Rate+2.50%	Payable on Demand.	As per Note No. 5
		Short Term Loan	INR	250.00	Base Rate+1.50%	Payable on Maturity in February 2013	As per Note No. 5
	Total			**6,201.54**			

Base Rates as on December 31, 2012

1	Bank of Maharashtra	10.50%
2	CITI Bank	9.75%
3	State Bank of India	9.75%
4	Bank of Baroda	10.50%
5	HDFC Limited [Corporate Prime Lending Rate (CPLR)]	17.50%
6	HDFC Bank Limited	9.80%
7	Standard Chartered Bank	9.50%
8	Axis Bank Limited	10.00%
9	Bank of India	10.50%

Restated Statement of Principal Terms of Secured Loans outstanding as at December 31, 2012 of Emcure Pharmaceuticals Limited

Note No. 1

1. First pari passu (registered mortgage) charge over the immovable fixed assets situated at

   (a) Plot No. P-2, Rajiv Gandhi Infotech Park, MIDC, Phase-II, Hinjewadi, Pune - 411 057

   (b) Plot No. D-24 in the MIDC, Kurkumbh Industrial Area, Daund, Pune - 413 802

   (c) Plot No. D-24/1, MIDC, Kurkumbh Industrial Area, Daund, Pune - 413 802;

2. First pari passu (hypothecation) charge over the all movable fixed assets situated at:

   (a) Plot No. P-1, Rajiv Gandhi Infotech Park, MIDC, Phase-II, Hinjewadi, Pune - 411 057

   (b) Plot No. P-2, Rajiv Gandhi Infotech Park, MIDC, Phase-II, Hinjewadi, Pune - 411 057

   (c) Plot No. D-24 in the MIDC, Kurkumbh Industrial Area, Daund, Pune - 413 802

   (d) Plot No. D-24/1, MIDC, Kurkumbh Industrial Area, Daund, Pune - 413 802

3. First pari passu (hypothecation) charge over the all intangible assets of the Company and

4. Second pari passu (hypothecation) charge on current assets of the Company.

Note No. 2

Equitable mortgage of immovable fixed assets and hypothecation of movable fixed assets situated at Lane No. 3, Phase II, SIDCO Industrial Estate, Phase III, Bari Brahmana, Jammu 181133.

Note No. 3

Exclusive Charge on immovable and movable fixed assets situated at

(a) Plot No. C-10/12, Functional Industrial Estate, MIDC, Bhosari, Pune 411026

(b) Plot No. T-184, MIDC Bhosari, Pune 411026

Note No. 4

Exclusive Charge on immovable and movable fixed assets situated at Plot No. F-II-12/1 and F-II-12/2, Pimpri Industrial Area, Pune 411018.

Note No. 5

1. First pari passu (hypothecation) charge on current assets of the Company.

2. Second pari passu (registered mortgage) charge over the immovable fixed assets situated at

    (a) Plot No. P-2, Rajiv Gandhi Infotech Park, MIDC, Phase-II, Hinjewadi, Pune - 411 057

    (b) Plot No. D-24 in the MIDC, Kurkumbh Industrial Area, Daund, Pune - 413 802

    (c) Plot No. D-24/1, MIDC, Kurkumbh Industrial Area, Daund, Pune - 413 802;

3. Second pari passu (hypothecation) charge over the all movable fixed assets situated at:

    (a) Plot No. P-1, Rajiv Gandhi Infotech Park, MIDC, Phase-II, Hinjewadi, Pune - 411 057

    (b) Plot No. P-2, Rajiv Gandhi Infotech Park, MIDC, Phase-II, Hinjewadi, Pune - 411 057

    (c) Plot No. D-24 in the MIDC, Kurkumbh Industrial Area, Daund, Pune - 413 802

    (d) Plot No. D-24/1, MIDC, Kurkumbh Industrial Area, Daund, Pune - 413 802

4. Second pari passu (hypothecation) charge over the all intangible assets of the Company

Note No. 6

Vehicles are secured by hypothecation of the vehicles for which the loan is taken

ANNEXURE XI

Restated Statement of Other Long Term Liabilities of Emcure Pharmaceuticals Limited

₹ in millions

Particulars	As at					
	March 31, 2008	**March 31, 2009**	**March 31, 2010**	**March 31, 2011**	**March 31, 2012**	**December 31, 2012**
Trade Deposits (Refer Note 1)	162.07	205.81	198.16	280.76	386.31	493.17
Sub-total (A)	**162.07**	**205.81**	**198.16**	**280.76**	**386.31**	**493.17**
Other deposits (Refer Note 2)	-	-	-	-	-	5.80
Other liability (Refer Note 3)	-	-	-	-	-	270.00
Sub-total (B)	**-**	**-**	**-**	**-**	**-**	**275.80**
Total	**162.07**	**205.81**	**198.16**	**280.76**	**386.31**	**768.97**
Notes:						
1. There are no deposits received from Directors or Promoters of the Company						
2. Trade Deposits from entities related to directors or the promoters of the issuer included above*	87.68	118.02	111.17	193.30	299.53	406.44

** The list of persons/entity classified as "Promoters and promoter group company" has been provided by the management and relied upon by the auditors.*

ANNEXURE XI (A)

Restated Statement of Principal Terms of Other Long-Term Liabilities outstanding as at December 31, 2012

Note 1

Name of the Party/ Bank	Currency	Type of Loan	Amount Outstanding as on December 31, 2012	Interest Rates	Repayment Schedule
1. Various Parties (C&F Deposits)	INR	Trade Deposit	493.17	7.50%	On termination of agreement
Total			**493.17**		

Note 2
Other deposits represents interest free rent deposits received from subsidiary "Zuventus Healthcare Limited" repayable on termination of rent agreement.

Note 3
Other liability represents non-current portion of amount payable on settlement of legal disputes with banks, in relation to derivative contracts.

ANNEXURE XII

Restated Statement of Other Income of Emcure Pharmaceuticals Limited

₹ in millions

Particulars	Nature (Recurring/ Non-recurring	For the year ended					For the Nine months interim period ended on
		March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Interest Income	Recurring	21.92	2.24	1.30	1.64	9.93	3.57
Interest on Intercorporate Deposits	Recurring	56.45	80.74	101.51	83.12	71.62	52.77
Interest on investment	Non-Recurring	-	0.28	0.46	-	-	-
Net Exchange Gain	Recurring	136.10	-	-	9.86	24.01	112.45
Profit on Sale of Investments	Non-Recurring	0.22	-	-	-	-	-
Profit on Dissolution of Subsidiary	Non-Recurring	-	-	-	-	0.83	-
Dividend Received From Subsidiary	Recurring	15.96	9.98	-	19.95	19.95	19.95
Dividend Received on Investment	Non-Recurring	29.33	-	-	-	-	-
Miscellaneous Income	Recurring	12.37	10.73	1.09	18.54	6.49	11.59
Profit on Sale of Assets	Recurring	0.37	-	0.44	-	-	0.44
Total		**272.72**	**103.97**	**104.80**	**133.11**	**132.83**	**200.77**

Notes:

1. The classification of income into recurring and non-recurring is based on the current operations and business activities of the Company.
2. All items of Other Income are from normal business activities.

ANNEXURE XIII

Restated Statement of Accounting Ratios of Emcure Pharmaceuticals Limited

SI. No.	Particulars	As at / for the year ended					As at/for nine months interim period ended on
		March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
1	Restated Profit / (Loss) after Tax (₹ in millions)	41.14	(1,534.27)	1,765.68	517.53	1,163.56	713.57
2	Less: Preference Dividend for the year including tax thereon (₹ in millions)	12.59	-	12.58	-	-	-
3	Net Profit / (Loss) available to Equity Shareholders (₹ in millions)	28.55	(1,534.27)	1,753.10	517.53	1,163.56	713.57
4	Weighted average number of Equity Shares outstanding during the year	30,881,087	30,865,535	30,865,535	33,045,065	35,165,689	35,165,689
5	Number of Equity Shares outstanding at the end of the year	30,865,535	30,865,535	30,865,535	35,165,689	35,165,689	35,165,689
6	Net Worth for Equity Shareholders and Preference Shareholders (excluding revaluation reserves) (₹ in millions)	3503.16	2030.50	3630.90	4027.24	5081.19	5800.01
7	Preference Share Capital	179.32	179.32	179.32	-	-	-
8	Net Worth for Equity Shareholders (excluding revaluation reserve) (₹ in millions)	3323.84	1851.18	3451.58	4027.24	5081.19	5800.01
9	Potential Equity shares that could arise on conversion of Preference Shares into Equity Shares	4,300,154	4,300,154	4,300,154	2,120,624	-	-
10	Weighted average number of Equity Shares used in calculating Diluted EPS	35,181,241	35,165,689	35,165,689	35,165,689	35,165,689	35,165,689
11	Accounting Ratios:						
	Basic Earnings / (Loss) per Share (₹) (3)/(4)	0.92	(49.71)	56.80	15.66	33.09	20.29
	Diluted Earnings / (Loss) per Share (₹) (1)/(10)	0.92	(49.71)	50.21	14.72	33.09	20.29
	Return on Net Worth for Equity Shareholders(3)/(8)	0.86%	-82.88%	50.79%	12.85%	22.90%	12.30%
	Net Asset Value Per Share (₹) (8)/(5)	107.69	59.98	111.83	114.52	144.49	164.93

Note:
The above ratios have been computed on the basis of the Restated Summary Statements- Annexure I & Annexure II.

Effect of conversion of potential equity shares for the financial year ended March 31, 2008 and 2009 has been ignored since the impact is anti-dilutive.

ANNEXURE XIV

Restated Statement of Capitalisation of Emcure Pharmaceuticals Limited

₹in millions

Particulars	**Pre-Issue as at December 31, 2012**
Debt:	
Short term borrowings	2,402.75
Long term borrowings (A)	2,572.24
Current portion of Secured long term borrowings,	
included in Other Current Liabilities	1,226.55
Total debt	**6,201.54**
Shareholders' Funds:	
Equity Share Capital	351.66
Reserves and Surplus	5448.35
Total Shareholders' Funds (B)	**5800.01**
Long Term Debt/Equity Ratio (A/B)	**0.44**

Notes:

(i) The above has been computed on the basis of the Restated Summary Statements - Annexure I & Annexure II.

(ii) Short term debts represent Working Capital loans and Short term loans

(iii) Our Company has issued 10,047,340 Equity Shares of ₹ 10 each, as a Rights Issues in the ratio of 2 (two) Equity Shares for every 7 (seven) Equity Shares, on April 19, 2013. Pursuant to issue of Right Shares, the Share Capital of our Company has increased from ₹ 351.66 million to ₹ 452.13 million.

(iv) The issue price and number of shares are being finalised and as such the post-issue capitalisation statement cannot be presented.

ANNEXURE XV

Restated Statement of Dividend Paid / Proposed of Emcure Pharmaceuticals Limited

₹ in millions

Particulars	For the year ended on					For nine months interim period ended on
	March 31, 2008	March 31, 2009	March 31, 2010	March 31,2011	March 31,2012	December 31,2012
Dividend on Cumulative Preference shares:						
Number of Preference Shares (Refer note below)	17,931,642	17,931,642	17,931,642	-	-	-
Rate of Dividend %	6.00%	-	6.00%	-	-	-
Dividend Paid on preference shares ([1] in millions)	10.76	-	10.76	-	-	-
Total Dividend Paid on preference shares (₹ in millions)	**10.76**	**-**	**10.76**	**-**	**-**	**-**
Dividend on Equity Shares: Number of Equity Shares	30,865,535	30,865,535	30,865,535	35,165,689	35,165,689	35,165,689
Face Value Per Share (₹)	10	10	10	10	10	10
Paid-up value Per Share (₹)	10	10	10	10	10	10
Rate of Dividend %	25%	-	25%	30%	40%	
Total Dividend Paid on Equity Shares (₹ in millions)	**77.16**	**-**	**77.16**	**105.50**	**140.66**	**-**
Tax on Dividends						
i) Preference Shares	1.83	-	1.83	-	-	-
ii) Equity Shares	13.11	-	9.72	14.21	19.58	-
Total Tax on Dividends	**14.94**	**-**	**11.55**	**14.21**	**19.58**	**-**

Notes:

1. During the Financial Year 2006-07, the Company issued 17,931,642 Optionally Convertible Redeemable Preference Shares (OCRPS) of face value of ₹ 10 each at a premium of ₹ 109.20 per share aggregating to ₹ 2,137.45 millions. During the Financial Year 2010-11, pursuant to the terms of the issue, the investors exercised their option of converting OCRPS into Equity Shares in the ratio of 417 OCRP shares for 100 equity shares. As a result of this conversion, 4,300,154 equity shares of ₹ 10 each were allotted to the Preference Shareholders against 17,931,642 OCRPS held by them. The additional premium amounting to ₹ 136.32 millions (i.e. premium of ₹ 31.70 per share), due to said conversion of OCRPS into Equity Shares, were credited to securities premium Account.
2. Amount paid as dividend on equity shares in the past is not indicative of the dividend policy of the Company in future.
3. The figures disclosed above are based on the Financial Statements of the Company.

ANNEXURE XVI

Restated Statement of Tax Shelter of Emcure Pharmaceuticals Limited

₹ in millions

S. No.	Particulars	For the year ended					For the Nine months interim period ended on
		March 31, 2008	**March 31, 2009**	**March 31, 2010**	**March 31, 2011**	**March 31, 2012**	**December 31, 2012**
A	Profit/ (Loss) before taxation and adjustments	351.21	(2,562.84)	2,519.40	826.74	1,355.72	641.66
B	Tax at applicable Rates	33.99%	33.99%	33.99%	33.99%	32.45%	32.45%
C	Tax thereon at the above rate	**119.38**	**(871.11)**	**856.34**	**281.01**	**439.86**	**208.19**
	Adjustments:						
D	Permanent Differences						
	Deduction for Research & Development expenditure u/s 35(2AB) of the Income Tax Act	(45.53)	(42.57)	(57.81)	(128.16)	(795.62)	(623.07)
	Deduction u/s 80IB (4) of the Income tax act	-	-	(317.78)	-	-	-
	Others	(35.30)	39.32	20.67	3.52	(17.34)	(17.35)
	Total Permanent Differences	**(80.83)**	**(3.25)**	**(354.92)**	**(124.64)**	**(812.96)**	**(640.42)**
E	**Timing Differences**						
	Deduction for Research & Development expenditure u/s 35(1)(4) of the Income Tax Act	(163.91)	(146.07)	(177.70)	(382.78)	(362.10)	(224.39)
	Difference in net block of fixed assets as per Income Tax and Companies Act	(91.65)	(81.45)	(74.86)	(360.67)	(133.16)	(45.19)
	Deduction u/s 43B of the Income tax act	18.22	1.00	13.37	25.23	49.29	18.40
	Differences on account of Derivatives contracts	-	2,924.00	(1,922.81)	(130.73)	(360.87)	(169.46)
	Others	(14.97)	(13.97)	(2.50)	(0.10)	(89.73)	(111.18)
	Total Timing Differences	**(252.31)**	**2.683.51**	**(2.164.50)**	**(849.05)**	**(896.57)**	**(531.82)**
F	**Net Adjustments (D+E)**	**(333.14)**	**2,680.26**	**(2,519.42)**	**(973.69)**	**(1,709.53)**	**(1,172.24)**
G	**Tax Expense/ (savings) thereon (FxB)**	**(113.23)**	**911.02**	**(856.35)**	**(330.96)**	**(554.66)**	**(380.33)**
H	**Tax Liability (C+G)**	**6.15**	**39.91**	**(0.01)**	**(49.95)**	**(114.80)**	**(172.14)**
1	Minimum Alternate Tax under Sec. 115 JB of Income Tax Act including other taxes						
	Tax Rate as per Minimum Alternate Tax under Sec. 115 JB of Income Tax Act	11.33%	11.33%	17.00%	19.93%	20.01%	20.01%
	Tax Liability as per Minimum Alternate Tax under Sec. 115 JB of Income Tax Act including other taxes	36.63	-	97.50	137.56	206.67	30.66
J	Net Tax Liability (Higher of H and 1)	36.63	39.91	97.50	137.56	206.67	30.66
K	**Total Current Tax**	**36.63**	**39.91**	**97.50**	**137.56**	**206.67**	**30.66**
L	Impact of Material Adjustments for Restatement in corresponding years	(286.54)	249.49	27.54	(86.11)	(79.50)	206.11
M	Current Tax Liability on Material Adjustments for restatement in corresponding years	-	-	-	-	-	-
N	Taxable Profit before Taxation and after adjustments as Restated (A+F+L, restricted to zero)	-	366.90	27.52	-	-	-
O	Total Tax Liability after Tax impact of adjustments	36.63	39.91	97.50	137.56	206.67	30.66

To
The Board of Directors
Emcure Pharmaceuticals Limited,
Emcure House
T- 184, MIDC, Bhosari,
Pune- 411 026

Auditors' Report on Restated Consolidated Financial Information in connection with the Initial Public Offering of Emcure Pharmaceuticals Limited

Dear Sirs,

1. This report is issued in accordance with the terms of our agreement dated January 25, 2013.

2. The accompanying restated consolidated financial information, expressed in Indian Rupees, in Millions, of Emcure Pharmaceuticals Limited (hereinafter referred to as the "Company") and its subsidiaries (hereinafter together with the Company referred to as the "Group"), comprising Consolidated Financial Information in paragraph A below and Other Consolidated Financial Information in paragraph B below (hereinafter together referred to as "Restated Consolidated Financial Information"), has been prepared by the Management of the Company in accordance with the requirements of paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 (hereinafter referred to as the "Act") and item (IX) of Part A of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI Regulations") issued by the Securities and Exchange Board of India (the "SEBI") in connection with the Proposed Initial Public Offering (IPO) of Equity Shares of the Company (the "Issue") and has been approved by the Board of Directors and initialled by us for identification purposes only. For the purposes of our examination, we have placed reliance on the audited consolidated financial statements of the Group for the years ended March 31, 2008, 2009, 2010, 2011, 2012 and nine months interim period ended December 31, 2012 (all of which were expressed in Indian Rupees, in Millions) on which we have expressed an unmodified audit opinion dated June 26, 2013.

Management's Responsibility for the Restated Consolidated Financial Information

3. The preparation of the Restated Consolidated Financial Information, which is to be included in the Draft Red Herring Prospectus ("DRHP"), is the responsibility of the Management of the Company and has been approved by the Board of Directors at its meeting held on June 26, 2013, for the purpose set out in paragraph 13 below. The Board of Directors' responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditors' Responsibilities

4. Our work has been carried out in accordance with the Standards on Auditing, as per the (Revised) Guidance Note on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India and pursuant to the requirements of Schedule II to the Act. Our examination of the Restated Consolidated Financial Information has not been carried out in accordance with the auditing standards generally accepted in the United States of America ("U.S.") and accordingly should not be relied upon by U.S. investors as if it had been carried out in accordance with those standards or any other standards besides the standards referred to in this report.Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the SEBI Regulations in connection with the Issue.

A. Consolidated Financial Information as per audited consolidated financial statements:

5. We have examined the following summarized financial statements of the Group contained in Restated Consolidated Financial Information of the Group:

   (a) the "Restated Consolidated Statement of Assets and Liabilities" as at March 31, 2008, 2009, 2010, 2011, 2012 and December 31, 2012 (enclosed as Annexure I);
   (b) the "Restated Consolidated Statement of Profit and Loss" for years ended March 31, 2008, 2009, 2010, 2011, 2012 and nine months interim period ended December 31, 2012 (enclosed as Annexure II); and
   (c) the "Restated Consolidated Statement of Cash Flows" for the for the years ended March 31, 2008, 2009, 2010, 2011, 2012 and nine months interim period ended December 31, 2012 (enclosed as Annexure III).

6. The Restated Consolidated Financial Information has been derived from the audited consolidated financial statements of the Group, further explained in paragraph 8 below, as at March 31, 2008, 2009, 2010, 2011, 2012 and December 31, 2012 and for the years ended March 31, 2008, 2009, 2010, 2011, 2012 and nine months interim period ended December 31, 2012.

7. The audit of the financial information of one subsidiary included in the Restated Consolidated Financial Information of the Group whose financial statements reflect the Group's share of total assets of Rs. 48.44 millions, net assets of Rs. 45.82 millions as at March 31, 2011, total revenue of Rs. 62.36 millions, net profit of Rs. 46.59 millions and cash inflows of Rs. 3.49 millions for the year ended March 31, 2011 and the financial information of three subsidiaries whose financial statements reflect the Group's share of total assets of Rs. 62.16 millions, net assets of Rs. 55.46 millions as at March 31, 2012, total revenue of Rs. 152.15 millions, net profit of Rs. 99.33 millions and cash inflows of Rs. 4.06 millions for the year ended March 31, 2012, was conducted by other firm of Chartered Accountants. Accordingly, our opinion on examination of the Consolidated Financial Information and Other Consolidated Financial Information of the Group, in so far as it relates to the amounts included in these Restated Consolidated Financial Information relating to these subsidiaries, is based solely on the audit reports furnished to us by other firm of Chartered Accountants, after making necessary adjustments.

8. The Restated Consolidated Financial Information:

   (a) should be read in conjunction with the basis of preparation and significant accounting policies given in Annexure IV (as described in paragraph 10(i));
   (b) does not contain all the disclosures required by the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.

9. We have not audited any consolidated financial statements of the Group as of any date or for any period subsequent to December 31, 2012. Accordingly, we do not express any opinion on the consolidated financial position, results or cash flows of the Group as of any date or for any period subsequent to December 31, 2012.

B. Other Consolidated Financial Information:

10. At the Company's request, we have also examined the following Other Consolidated Financial Information relating to the Group as at March 31, 2008, 2009, 2010, 2011, 2012 and December 31, 2012 and for years ended March 31, 2008, 2009, 2010, 2011, 2012 and nine months interim period ended December 31, 2012, proposed to be included in the DRHP, prepared by the Management of the Company and as approved by the Board of Directors of the Company and annexed to this report:

    (i) Consolidated significant accounting policies as enclosed in Annexure IV
    (ii) Notes to Restated Consolidated Financial Information as enclosed in Annexure V
    (iii) Statement of Adjustments to Audited Consolidated Financial Statements as enclosed in Annexure VI

(iv) Restated Consolidated Statement of Investments as enclosed in Annexure VII
(v) Restated Consolidated Statement of Trade Receivables as enclosed in Annexure VIII
(vi) Restated Consolidated Statement of Loans and Advances as enclosed in Annexure IX
(vii) Restated Consolidated Statement of Secured Borrowings as enclosed in Annexure X
(viii) Restated Consolidated Statement of Principal Terms of Secured Loans outstanding as at December 31, 2012 as enclosed in Annexure X (D)
(ix) Restated Consolidated Statement of Unsecured Borrowings as enclosed in Annexure XI
(x) Restated Consolidated Statement of Other Long Term Liabilities as enclosed in XII
(xi) Restated Consolidated Statement of Other Income as enclosed in Annexure XIII
(xii) Restated Consolidated Statement of Accounting Ratios as enclosed in Annexure XIV
(xiii) Restated Consolidated Statement of Capitalisation as enclosed in Annexure XV

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

Opinion

12. In our opinion:

(i) the Restated Consolidated Financial Information of the Group, as attached to this report and as mentioned in paragraphs A and B above, read with basis of preparation and respective significant accounting policies have been prepared in accordance with Part II of Schedule II to the Act and the SEBI Regulations;
(ii) the accounting policies as at and for the nine months interim period ended December 31, 2012 are materially consistent with the policies adopted by the Group for the financial years ended March 31, 2008, 2009, 2010, 2011 and 2012. Accordingly, no adjustments have been made to the audited financial statements of the respective periods presented on account of changes in accounting policies;
(iii) there are no material adjustments relating to previous years which require any adjustments;
(iv) there are no qualifications in the auditors' reports which require any adjustments;
(v) there are no extra-ordinary items which need to be disclosed separately.

Restriction on Use

13. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the DRHP prepared in connection with the proposed Initial Public Offering of Equity Shares of the Company, to be filed by the Company with the SEBI and the concerned Registrar of Companies.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership Number 48125

Place: Pune
Date: June 26, 2013

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ANNEXURE I

Restated Consolidated Statement of Assets and Liabilities of Emcure Pharmaceuticals Limited

₹ in millions

Sr. No.	Particulars	Notes / Annexures	As at					
			March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
A	**Assets**							
a	**Non - Current Assets**							
	Fixed Assets							
	Tangible Assets	Annexure V, Note 1	3,539.40	4,238.77	4,705.73	6,361.43	7,742.91	7,737.85
	Less: Revaluation Reserves		(1.24)	(1.01)	(0.78)	(0.55)	(0.32)	-
	Tangible Assets after adjustment of Revaluation Reserves		3,538.16	4,237.76	4,704.95	6,360.88	7,742.59	7,737.85
	Intangible assets	Annexure V, Note 1	137.41	145.66	214.14	188.27	1,936.52	2,380.14
	Capital work-in-progress		600.67	1,609.05	1,494.77	570.00	19.24	57.73
	Intangible assets under development		175.11	365.39	494.03	858.59	1,316.51	1,708.09
	Goodwill on Consolidation	Annexure V, Note O	-	-	-	-	582.91	939.17
	Non-Current Investments	Annexure VII (A)	5.27	0.27	0.27	0.27	0.27	0.17
	Deferred Tax Assets (net)	Annexure V, Note 2	-	674.15	-	-	-	-
	Long term loans and advances	Annexure IX (A)	678.11	329.08	417.31	595.33	720.06	845.20
	Other non-current assets	Annexure V, Note 3	2.62	1.44	3.59	3.71	26.02	34.08
b	**Current Assets**							
	Current Investments	Annexure VII (B)	-	5.00	-	-	-	-
	Inventories	Annexure V, Note 4	1,360.35	1,252.55	1,694.20	2,057.30	2,813.61	3,474.48
	Trade Receivables	Annexure VIII	1,424.59	1,734.77	1,833.94	2,485.14	3,108.68	4,022.57
	Cash and Bank Balances	Annexure V, Note 5	58.60	99.26	213.02	208.73	464.43	653.57
	Short-Term Loans and Advances	Annexure IX (B)	372.22	394.11	441.76	604.38	702.53	820.12
	Other Current Assets	Annexure V, Note 6	1.45	1.48	1.58	1.97	2.79	4.39
	Total (a + b)		**8,354.56**	**10,849.97**	**11,513.56**	**13,934.57**	**19,436.16**	**22,677.56**
B	**Liabilities**							
a	**Non-Current Liabilities**							
	Long-Term Borrowings	Annexure X (A) & XI	1,476.27	1,533.32	1,653.53	3,138.12	3,839.83	4,414.89
	Deferred Tax Liabilities (Net)	Annexure V, Note 2	162.02	-	129.46	316.96	436.49	592.65
	Other Long-Term Liabilities	Annexure XII	192.63	233.12	220.92	925.12	1,372.36	1,064.80
	Long-Term Provisions	Annexure V, Note 7	83.36	2,562.77	938.54	134.78	1,137.69	1,224.82
b	**Current liabilities**							
	Short-Term Borrowings	Annexure X (B)	987.47	1,740.20	1,579.17	1,094.62	1,677.95	3,029.76
	Trade Payables	Annexure V, Note 8	822.25	1,088.59	1,532.16	1,689.92	2,847.40	3,057.88
	Other Current Liabilities	Annexure V, Note 10	904.77	1,261.95	1,393.57	1,920.60	2,440.81	3,105.13
	Short-Term Provisions	Annexure V, Note 9	363.79	494.75	285.61	205.66	361.15	250.83
	Total (a+b)		**4,992.56**	**8,914.70**	**7,732.96**	**9,425.78**	**14,113.68**	**16,740.76**
C	**Minority Interest**		71.54	88.54	102.58	141.20	187.46	279.95
	Net Worth (A-B-C)		**3,290.46**	**1,846.73**	**3,678.02**	**4,367.59**	**5,135.02**	**5,656.85**

Sr. No.	Particulars	Notes / Annexures	As at					
			March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
	Net Worth Represented By:							
D	Equity Share Capital	Annexure V, Note 11	308.66	308.66	308.66	351.66	351.66	351.66
E	Preference Share Capital	Annexure V, Note 11	179.32	179.32	179.32	-	-	-
F	Reserves and Surplus	Annexure V, Note 12	2,803.72	1,359.76	3,190.82	4,016.48	4,783.62	5,305.19
	Less: Revaluation Reserve	Annexure V, Note 12	(1.24)	(1.01)	(0.78)	(0.55)	(0.32)	-
	Reserves and Surplus (Net of Revaluation Reserve)		2,802.48	1,358.75	3,190.04	4,015.93	4,783.36	5,305.19
	Net Worth (D+E+F)		**3,290.46**	**1,846.73**	**3,678.02**	**4,367.59**	**5,135.02**	**5,656.85**

The above statement should be read with the Significant Accounting Policies appearing in Annexure IV, Notes to the Restated Financial Information appearing in Annexure V and Statement of Adjustments to Audited Consolidated Financial Statements appearing in Annexure VI.

ANNEXURE II

Restated Consolidated Statement of Profit and Loss of Emcure Pharmaceuticals Limited

₹ in millions

Particulars	Notes / Annexures	For the year ended					For Nine months interim period ended on
		March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Revenue							
Revenue from Operations (Net)	Annexure V, Note 13	6,474.79	8,283.61	10,540.91	13,497.02	18,044.74	15,034.93
Other income	Annexure XIII	172.85	71.28	10.03	43.17	26.65	147.35
Total Revenue (A)		**6,647.64**	**8,354.89**	**10,550.94**	**13,540.19**	**18,071.39**	**15,182.28**
Expenses							
Cost of Materials Consumed	Annexure V, Note 14	1,393.49	1,991.43	3,190.49	4,444.83	5,615.62	4,050.17
Purchases of Traded goods		1,107.95	900.90	951.08	1,002.63	2,511.01	2,360.73
Changes in Inventories of Finished goods, Work-in-progress and Traded goods	Annexure V, Note 15	(169.34)	136.74	(133.27)	(183.93)	(644.45)	(415.65)
Employee benefits expense	Annexure V, Note 16	1,419.65	1,462.25	1,790.84	2,525.87	3,272.30	2,894.36
Other Expenses	Annexure V, Note 17	2,150.81	2,370.08	2,565.62	3,395.68	4,263.24	3,800.07
Total Expenses (B)		**5,902.56**	**6,861.40**	**8,364.76**	**11,185.08**	**15,017.72**	**12,689.68**
Profit before Interest, Depreciation and Amortization, Taxation and Minority Interest (EBITDA) (A-B)		**745.08**	**1,493.49**	**2,186.18**	**2,355.11**	**3,053.67**	**2,492.60**
Finance Costs	Annexure V, Note 18	262.62	317.81	354.46	522.65	742.29	638.46
Depreciation and amortisation expense	Annexure V, Note 19	254.83	347.60	436.57	552.78	1,008.40	893.23
Total (C)		**517.45**	**665.41**	**791.03**	**1,075.43**	**1,750.69**	**1,531.69**
Profit Before Exceptional Items, Taxation and Minority Interest (A-B-C)		**227.63**	**828.08**	**1,395.15**	**1,279.68**	**1,302.98**	**960.91**
Exceptional items (D)	Annexure V, Note 20	246.89	3,003.17	(1,507.47)	87.78	56.31	25.70
Profit / (Loss) before Taxation and Minority Interest (A-B-C-D)		**(19.26)**	**(2,175.09)**	**2,902.62**	**1,191.90**	**1,246.67**	**935.21**
Tax Expenses:							
Current Tax		109.77	92.97	213.30	261.79	312.62	174.22
MAT Credit Entitlement		(30.29)	-	(106.05)	(122.36)	(190.84)	(30.23)
Deferred Tax charge/(benefit)		(45.28)	(836.17)	803.61	187.51	124.66	159.49
Fringe Benefit Tax		38.80	33.79	-	-	-	-
Total(E)		**73.00**	**(709.41)**	**910.86**	**326.94**	**246.44**	**303.48**
Net Profit/(Loss) after taxation and before Minority Interest (A-B-C-D-E)		**(92.26)**	**(1,465.68)**	**1,991.76**	**864.96**	**1,000.23**	**631.73**
Less: Minority interest		(13.19)	(17.52)	(14.15)	(41.86)	(43.07)	(68.33)
Net Profit/(Loss) after taxation and after Minority Interest		**(105.45)**	**(1,483.20)**	**1,977.61**	**823.10**	**957.16**	**563.40**
Net Profit / (Loss) before Restatement Adjustments		**(105.45)**	**(1,483.20)**	**1,977.61**	**823.10**	**957.16**	**563.40**
Restatement Adjustments:		-	-	-	-	-	-
Net Profit/(Loss) before the adjustments on account of changes in accounting policies		**(105.45)**	**(1,483.20)**	**1,977.61**	**823.10**	**957.16**	**563.40**
Adjustments on account of changes in accounting policies		-	-	-	-	-	-
Net Profit/(Loss) as Restated		**(105.45)**	**(1,483.20)**	**1,977.61**	**823.10**	**957.16**	**563.40**

The above statement should be read with the Significant Accounting Policies appearing in Annexure IV Notes to the Restated Financial Information appearing in Annexure V and Statement of Adjustments to Audited Consolidated Financial Statements appearing in Annexure VI.

ANNEXURE III

Restated Consolidated Cash Flow of Emcure Pharmaceuticals Limited

₹ in millions

	Particulars	March 31, 2008		March 31, 2009		March 31, 2010		March 31, 2011		March 31, 2012		December 31, 2012	
A	**Cash flow from Operating Activities:**												
	Restated Profit/(Loss) before taxation and minority interest		**(19.26)**		**(2,175.09)**		**2,902.62**		**1,191.90**		**1246.67**		**935.21**
	Adjustments for:												
	Exceptional Items	246.89		3,003.17		(1,507.47)		87.78		56.31		25.70	
	Depreciation and amortisation expense	254.83		347.60		436.57		552.78		1,008.40		893.23	
	Finance Costs	262.62		317.81		354.46		522.65		742.29		638.46	
	Provision for Doubtful Debts	6.41		5.57		8.64		-		-		-	
	(Profit)/ Loss on sale of Tangible Asset	(0.37)		0.33		(0.65)		1.34		3.16		(1.41)	
	Interest Income	(24.78)		(5.32)		(5.04)		(4.43)		(12.12)		(4.87)	
	Income from Investments	-		-		-		-		-		(0.02)	
	Dividend Received	(29.33)		-		-		-				-	
			716.27		3,669.16		(713.49)		1,160.12		1,798.04		1,551.09
	Operating profit before Working Capital Changes		697.01		1,494.07		2,189.13		2,352.02		3,044.71		2,486.30
	Changes in Working Capital												
	(Increase)/Decrease in Trade and Other Receivables	(78.50)		(311.85)		(62.46)		(689.31)		(555.10)		(890.66)	
	(Increase)/Decrease in Inventories	(390.49)		101.43		(438.09)		(364.02)		(586.69		(669.36)	
	(Increase)/Decrease in	(87.28)		(6.67)		(54.23)		(195.41)		(82.38)		(110.82)	

	Particulars	March 31, 2008		March 31, 2009		March 31, 2010		March 31, 2011		March 31, 2012		December 31, 2012	
	Loans & Advances												
	(Increase)/Decrease in Other Current Assets	335.51		13.20		6.32		(22.02)		(23.89)		9.53	
	Increase/(Decrease) in Other Liabilities & Provisions	78.34		(220.91)		(364.34)		78.23		152.74		(7.77)	
	Increase/(Decrease) in Trade Payables	213.82		266.34		443.57		157.77		797.57		210.48	
			71.40		(158.46)		(469.23)		(1,034.76)		(297.75)		(1,458.60)
	Cash Generated from Operations		**768.41**		**1,335.61**		**1,719.90**		**1,317.26**		**2,746.96**		**1,027.70**
	Direct Taxes paid (net)		**(223.19)**		**(104.35)**		**(234.12)**		**(235.24)**		**(301.55)**		**(169.83)**
	Net Cash from Operating Activities (A)		**545.22**		**1,231.26**		**1,485.78**		**1,082.02**		**2,445.41**		**857.87**
B	**Cash flow from Investing Activities** :												
	Purchase of Tangible and Intangible assets	(1,682.70)		(1,713.47)		(1,071.02)		(1,683.43)		(1,686.49)		(1,342.34)	
	Sale Proceeds of Tangible Asset	3.53		11.06		2.93		6.53		9.46		47.25	
	Acquisition/Investment in subsidiaries	-		-		-		-		(1,105.44)		(432.85)	
	Investment in Bonds/NSCs	(0.13)		-		(0.01)		-				0.10	
	Sale of Investments	600.00		-		5.00		-		-		-	
	Interest Income	42.92		-		-		-		-		0.02	
	Dividend Received	29.33		-		-		-		-		-	
	Net cash used in Investing Activities		**(1,007.05)**		**(1,702.41)**		**(1,063.10)**		**(1,676.90)**		**(2,782.47)**		**(1,727.82)**

	Particulars	March 31, 2008		March 31, 2009		March 31, 2010		March 31, 2011		March 31, 2012		December 31, 2012	
	(B)												
C	**Cash Flow From Financing Activities :-**												
	Proceeds/Repayment of shares in Subsidiaries	18.96		9.28		9.91		(3.63)		-		24.19	
	Proceeds from issuance of shares	0.77		-		-		-		-		-	
	Secured Loans Taken	1,059.87		775.03		1,012.33		3,141.14		2,862.62		1,531.09	
	Secured Loans Repaid	(481.88)		(567.44)		(823.38)		(1,530.58)		(1,957.23)		(1,068.10)	
	Unsecured Loan Taken/ (Repaid)	(58.99)		-		-		25.35		-		44.70	
	Interest Paid	(261.76)		(306.66)		(355.71)		(471.08)		(750.15)		(625.43)	
	Share Issue Expenses	-		-		-		-		(16.70)		(7.00)	
	Dividend paid on Equity and Preference shares and tax thereon	(130.66)		(107.56)		-		(108.84)		(128.89)		(169.43)	
	Increase in Short Term Borrowings	29.89		721.18		(143.60)		(483.67)		564.83		1,339.66	
	Net cash (used) / from in financing activities (C)		**176.20**		**523.83**		**(300.45)**		**568.69**		**574.48**		**1,069.68**
	Net (Decrease) / Increase in Cash & Cash Equivalents (A)+(B)+(C)		**(285.63)**		**52.68**		**122.23**		**(26.19)**		**237.42**		**199.73**
	Cash and Cash Equivalents at the beginning of the year		320.27		34.64		87.32		209.55		183.36		420.78
	Cash and Cash Equivalents at the end of the year		34.64		87.32		209.55		183.36		420.78		620.51

	Particulars	March 31, 2008		March 31, 2009		March 31, 2010		March 31, 2011		March 31, 2012		December 31, 2012	
			(285.63)		**52.68**		**122.23**		**(26.19)**		**237.42**		**199.73**
	Cash and Cash Equivalent comprise of:												
	Cash on hand		0.49		0.34		0.85		0.83		1.10		1.12
	Balances With Banks												
	Current Account		33.19		75.04		168.59		150.62		385.23		590.24
	Demand Deposit		0.96		11.94		40.11		31.91		34.45		29.15
	Total		34.64		87.32		209.55		183.36		420.78		620.51

Notes

1. Figures in brackets represent outflows of cash and cash equivalents.
2. Previous years figures have been regrouped wherever necessary.

ANNEXURE IV

Basis of Preparation and Significant Accounting Policies of Emcure Pharmaceuticals Limited

1. Basis of Preparation

The restated consolidated statement of assets and liabilities of Emcure Pharmaceuticals Ltd. **"the Company"**) and its subsidiaries, (together referred to as **"Group"**) as at March 31, 2008, 2009, 2010, 2011, 2012 and December 31, 2012 and the Restated Consolidated Statement of Profit and Loss and Restated Consolidated Statement of Cash Flows for the years ended March 31, 2008, 2009, 2010, 2011, 2012 and nine months interim period ended on December 31, 2012 and Other Financial Information have been extracted by the Management from the Consolidated Audited Financial Statements of the Group for the corresponding years/period.

The Consolidated Financial Statements for each of these five years and period of Nine months above have been prepared by the Management pursuant to the proposed Initial Public Offer (referred to as the **"Offer"**) and approved by the board of directors on June 26, 2013. The Consolidated Financial Statements have been prepared based on the available separate financial statements of the subsidiaries after considering significant adjusting events, occurring from the date of meetings of Board of Directors of respective consolidating entities approving the financial statements for each of the five years ended on March 31, 2012 and nine months interim period ended on December 31, 2012 to the date of preparation of the consolidated financial statements, which provide further evidence of conditions that existed on the respective balance sheet dates.

The Consolidated financial Statements have been prepared for the first time, for the Offer, in accordance with the requirements of:

(a) Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 (**"the Act"**); and

(b) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the Securities and Exchange Board of India (**"SEBI"**) on August 26, 2009, as amended form time to time (the **"SEBI Regulations"**);

These Restated Consolidated Financial Statements and other financial information have been prepared after considering the following -

(i) the accounting policies as at and for the nine months interim period ended December 31, 2012 are materially consistent with the policies adopted by the Group for the financial years ended March 31, 2008, 2009, 2010, 2011 and 2012. Accordingly, no adjustments have been made to the audited financial statements of the respective periods presented on account of changes in accounting policies;

(ii) the material adjustments relating to previous years have been adjusted in the year to which they relate;

(iii) there are no qualifications in the auditors' reports which require any adjustments;

(iv) there are no extra-ordinary items which need to be disclosed separately.

2. Principles of Consolidation

(a) The consolidated financial statements have been prepared in accordance with Accounting Standard 21 (AS 21) on 'Consolidated Financial Statements' notified under Section 211 of the Companies Act, 1956 and on the basis of the separate audited financial statements of Emcure Pharmaceuticals Limited (Emcure) and its subsidiaries (collectively referred to as the "Group").

(b) The consolidated financial statements have been prepared on the following basis

(i) The financial statements of the subsidiaries are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard 21 (AS 21) on 'Consolidated Financial Statements'.

(ii) Changes are made for the effects of any differences in the accounting policies followed by each of the subsidiaries to the extent they are material to make them uniform with the accounting policies followed by the Company in preparing the Consolidated Financial Statements.

(iii) The difference between the cost of investment in the subsidiaries over the net assets at the time of acquisition of the investment in the subsidiaries is recognized in the Financial Statements as Goodwill or Capital Reserve on consolidation, as the case may be.

(iv) The excess of the cost of acquisition over the Company's portion of equity and reserves of the subsidiary company at each time an investment is made in a subsidiary is recognized in the financial statements as Goodwill. Negative Goodwill is recognized as Capital Reserve.

(v) The assets and liabilities of non – integral foreign operations are translated at the year-end exchange rate and all the items in the Statement of Profit and Loss are translated at the average annual exchange rate. The resultant translation gains and losses are shown separately as 'Foreign Currency Translation Reserve' under Reserves and Surplus. These are transferred to the Statement of Profit and Loss on disposal of the non–integral foreign operations. The assets and liabilities of integral financial operations are translated in accordance with Annexure IV (4)(e).

(vi) Minority interest in the subsidiaries consists of

(A) The amount of equity attributable to minorities at the date on which investment in a subsidiary is made and

(B) The minority's share of movements in equity since the date the parent subsidiary relationship comes into existence.

(vii) Details of subsidiaries with respective holdings thereof

Sr. No.	Name of Subsidiaries	Country of Incorporation	Date of Acquisition / Incorporation	Percentage Of Holding (%) as at					
				March 31,					December 31,
				2008	2009	2010	2011	2012	2012
1	Zuventus Healthcare Limited	India	May 27, 2002	79.58	79.58	79.58	79.58	79.58	79.58
2	Gennova Biopharmaceuticals Limited	India	June 19, 2001	96.95	93.95	87.95	87.95	87.95	87.95
3	Emcure Infotech Limited (dissolved on June 30, 2011)	India	September 29, 2000	99.97	99.97	99.97	99.97	-	-
4	Emcure Pharmaceuticals USA Inc	USA	November 3, 2004	67.00	67.00	65.00	65.00	65.00	100.00
5	Emcure Nigeria Limited	Nigeria	July 2, 2007	99.90	99.90	75.84	75.84	75.84	75.84
6	Emcure Pharmaceutical Mena FZ LLC.	Dubai	June 16, 2010	-	-	-	90.00	90.00	90.00
7	Emcure Pharmaceutical South Africa (Pty) Limited	South Africa	July 19, 2010	-	-	-	100.00	100.00	100.00
8	Emcure Pharmaceutical Holdings Inc. (merged with Heritage Pharma Holdings Inc. on April 29, 2011)	USA	January 13, 2011	-	-	-	100.00	-	-
9	Lasor Pharmaceuticals Limited (Merged with Zuventus Healthcare Limited with effect from April 1, 2010)	India	June 1, 2005	97.00	97.00	85.00	-	-	-
10	Heritage Pharma	USA	April 29, 2011	-	-	-	-	100.00	100.00

Sr. No.	Name of Subsidiaries	Country of Incorporation	Date of Acquisition / Incorporation	Percentage Of Holding (%) as at					
				March 31,					December 31,
				2008	2009	2010	2011	2012	2012
	Holdings Inc. (including Heritage Pharma Inc.)								
11	Emcure Brasil Farmaceutica Ltda	Brazil	January 21, 2011	-	-	-	-	99.99	99.99

3. Use of estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates.

4. Significant Accounting Policies

(a) *Tangible Assets*

(i) Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any, except in case of the Company's land and building which was revalued in 1992-93 to 1993-94.

(ii) Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

(iii) Items of tangible assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the Statement of Profit and Loss.

(iv) Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

(v) Depreciation on all tangible assets is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets or on the straight line method at the rates specified in Schedule XIV to the Companies Act, 1956, whichever is higher, as follows:

Description of Asset	Depreciation Rate (%)
Leasehold Land	Over the lease period
Building	3.33 – 10.00
Furniture & Fixtures	6.33 – 16.67,
Furniture & Fixtures at leasehold premises	Over the lease period
Office Equipment	4.75 – 16.67
Computer Hardware	16.21 – 33.33
Vehicles – Cars	20
Plant & Machinery, Parts thereof	4.75 – 33.33

(viii) Except for items where 100% depreciation rates are applicable, depreciation on fixed assets added / disposed of during the year is provided on pro-rata basis with reference to the date of addition / disposal.

(ix) Depreciation attributable to the enhanced value of the assets arising on revaluation has been debited to the Revaluation Reserve.

(b) *Intangible Assets*

Intangible assets acquired separately are measured at cost on initial recognition and amortised over the estimate of useful lives commencing from the date, the asset is available to the Group for its commercial use.

Expenditure incurred in respect of internally generated intangible assets such as product development is capitalized as per Accounting Standard 26, when its future recoverability can reasonably be regarded as assured. Research costs are expensed as incurred.

Management estimates useful life of the various Intangible Assets as follows –

Description of Assets	Years
Product Development/ Abbreviated New Drug Applications (ANDAs)	5 to 10 years
Brands acquired	10 years
Software, License rights	2 to 6 years
Goodwill on acquisition	5 years

The carrying value of Intangible Assets is reviewed for impairment annually when events or changes in circumstances indicate that the carrying value may not be recoverable.

Gains or losses arising from the retirement or disposal of an Intangible Asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

(c) *Lease Accounting*

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

The Group leases certain tangible assets and such leases where the Group has substantially transferred all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance charge and the reduction of the outstanding liability. The outstanding liability is included in other long-term borrowings. The finance charge is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(d) *Borrowing Costs*

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

(e) *Foreign Currency Translation*

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

From accounting periods commencing on or after December 7, 2006 and pursuant to the availment of choice provided under paragraph 46A of AS 11: The Effects of Changes in Foreign Exchange Rates inserted vide Notification dated December 29, 2011, the Group accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

(i) Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalised and depreciated over the remaining useful life of the asset. For this purpose, the Group treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of origination.

(ii) Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortised over the remaining life of the concerned monetary item.

(iii) Exchange differences on restatement of all other monetary items are recognized in the Statement of Profit and Loss.

The Group uses derivative contracts to hedge its exposure to movements in foreign exchange rates against future receivables. The use of these derivative contracts is to reduce the risk or cost to the Group and the Group does not use the derivative contracts for trading or speculation purposes.

These contracts are fair valued at each reporting date and the exchange loss, if any, is debited to Statement of Profit and Loss in accordance with the announcement made by the Institute of Chartered Accountants of India on March 29, 2008 on accounting for derivative for entities not following Accounting Standard 30.

(f) *Investments*

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

(g) *Inventories*

Inventories are stated at lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(h) *Revenue Recognition*

(i) <u>Sales of Goods</u>

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are recorded net of trade discounts, Excise duty, sales returns and sales tax.

(ii) <u>Sale of services</u>

Revenue is recognized based on percentage of completion of contract in accordance with the terms of the contract.

(iii) Income from duty drawback and excise refund is recognised on an accrual basis.

(iv) <u>Other Income</u>

Interest: Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend: Dividend income is recognised when the right to receive dividend is established.

(i) *Employee Benefits*

(i) <u>Provident Fund</u>

The Group has Defined Contribution Plan for Post employment benefits in the form of Provident Fund for all employees, which is administered by Regional Provident Fund Commissioner. Provident Fund is classified as a defined contribution plan as the Group has no further obligation beyond making the contributions to the regulatory authorities. The Group's contributions to the Defined Contribution plans are charged to the Statement of Profit and Loss as and when incurred.

(ii) <u>Gratuity</u>

The Group provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

(iii) <u>Compensated Absences</u>

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

(iv) <u>Employees Share Based Plans</u>

Share based payments granted under Stock Appreciation Rights (SAR) Agreement (the "Plan") are accounted using the intrinsic value method permitted by the Guidance Note on Employee Share-based Payments issued by the Institute of Chartered Accountants of India. Intrinsic Value is the amount by which the value of the underlying share, determined in accordance with the Plan, exceeds the stated base price as per the Plan. The amount of such excess on initial recognition is recognized over the vesting period on a straight line basis. The liability in respect of SAR is measured at each reporting date with changes recognized as employee benefits expense in the Statement of Profit and Loss over the remaining vesting period.

(j) *Current and deferred tax*

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Group has unabsorbed depreciation or carry forward losses, all deferred taxes are recognized only if there is a virtual certainty supported by convincing evidence that they can be realised against future taxable profits. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the group reassesses unrecognized deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternative Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Group will pay normal income tax during the specified period.

(k) *Impairment*

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

(l) *Provisions and Contingent Liabilities*

Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability.

(m) *Cash and Cash Equivalents*

In the financial statement, cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

(n) *Goodwill on Consolidation*

The excess of cost to the Group of its investments in the subsidiaries over its share in the equity of the subsidiaries, at the dates on which the investments in the subsidiaries are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Goodwill arising on consolidation is not amortised.

Goodwill is reviewed for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. If impairment is indicated, the asset is written down to its fair value.

(o) *Earnings Per Share*

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Group's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

(p) *EBITDA*

The Group presents Earnings before Interest, Tax, Depreciation and amortisation (EBITDA) as a separate line item on the face of the Statement of Profit and Loss. EBITDA is calculated as the profit for the year before interest, tax, depreciation and amortization, exceptional items and Minority Interest and is calculated consistently year over year.

ANNEXURE V

Notes to Restated Financial Information

Note 1 - Restated Statement of Tangible and Intangible Assets of Emcure Pharmaceuticals Limited

₹ in millions

	Gross Book Value					Depreciation/Amortisation						Net Book Value	
Tangible Assets	**As at April 1, 2012**	**Additions During the Year**	**Deletion During the Year**	**FCTR Adjustments**	**As at December 31, 2012**	**As at April 1, 2012**	**Charge for the year**	**Deletion During the Year**	**FCTR Adjustments**	**Other adjustments**	**As at December 31, 2012**	**As at December 31, 2012**	**As at March 31, 2012**
Freehold Land	7.49	-	-	-	7.49	-	-	-	-	-	-	7.49	7.49
Leasehold Land	190.19	-	-	-	190.19	13.50	1.97	-	-	-	15.47	174.72	176.69
Leasehold Improvement	304.71	0.05	-	22.69	327.45	98.05	15.37	-	6.29	-	119.71	207.74	206.66
Building	1,864.67	6.44	-	-	1,871.11	257.43	48.85	-	-	-	306.28	1,564.83	1,607.24
Plant and Machinery	5,911.11	441.84	68.35	30.52	6,315.12	1,426.67	345.87	23.01	14.87	-	1,764.40	4,550.72	4,484.44
Electrical installation	467.45	5.68	-	-	473.13	82.28	17.19	-	-	-	99.47	373.66	385.17
Refrigeration Equipment	54.43	1.18	-	-	55.61	2.93	2.29	-	-	-	5.22	50.39	51.50
Material Handling Equipment	19.38	1.51	-	-	20.89	5.12	0.69	-	-	-	5.81	15.08	14.26
Air Handling Equipment	569.06	4.89	0.12	-	573.83	102.44	20.44	0.08	-	-	122.80	451.03	466.62
Computers	190.71	16.36	-	0.41	207.48	123.43	15.37	-	0.34	-	139.14	68.34	67.28
Office Equipments	69.57	4.72	0.12	0.08	74.25	19.16	2.64	0.04	0.05	-	21.81	52.44	50.41
Furniture and Fixtures	209.79	11.09	0.06	0.90	221.72	80.99	12.97	0.06	0.47	-	94.37	127.35	128.80
Vehicles	194.28	21.30	7.46	0.15	208.27	97.93	23.29	7.10	0.09	-	114.21	94.06	96.35
TOTAL	**10,052.84**	**515.06**	**76.11**	**54.75**	**10,546.54**	**2,309.93**	**506.94**	**30.29**	**22.11**	**-**	**2,808.69**	**7,737.85**	**7,742.91**
March 31, 2012	**8,083.91**	**1,927.22**	**37.01**	**78.72**	**10,052.84**	**1,722.48**	**581.32**	**24.38**	**28.19**	**2.32**	**2,309.93**	**7,742.91**	**6,361.43**

Note:(a) Loss arising from the effect of changes in foreign exchange rates on foreign currency loans relating to acquisition of depreciable capital assets, amounting to ₹ **126.99 millions** (Previous year loss ₹ 125.07 millions) and borrowing cost of **Nil** (Previous year ₹ 57.42 millions) relating to eligible assets for the nine months ended on December 31, 2012, have been added to the cost of such assets.

₹ in millions

	Gross Book Value					**Depreciation/Amortisation**						**Net Book Value**	
Intangible Assets	**As at April 1, 2012**	**Additions During the Year**	**Deletion During the Year**	**FCTR Adjustments**	**As at December 31, 2012**	**As at April 1, 2012**	**Charge for the year**	**Deletion During the Year**	**FCTR Adjustments**	**Other Adjustments**	**As at December 31, 2012**	**As at December 31, 2012**	**As at March 31, 2012**
Product Development	388.67	100.15	-	6.07	494.89	199.44	34.20	-	2.22	-	235.86	259.03	189.23
Software	107.60	20.23	-	0.91	128.74	84.02	13.25	-	0.39	-	97.66	31.08	23.58
Brands	0.05	545.50	-	-	545.55	0.05	-	-	-	-	0.05	545.50	
Licensing Rights	76.31	19.48	1.37	6.18	100.60	40.17	13.41	1.36	3.35	-	55.57	45.03	36.14
ANDAs	157.90	3.27	-	13.41	174.58	59.43	12.90	-	5.04	-	77.37	97.21	98.47
Goodwill (Refer Annexure V, note K)	1,945.83	-	-	157.59	2,103.42	356.73	312.85	-	31.55	-	701.13	1,402.29	1,589.10
TOTAL	**2,676.36**	**688.63**	**1.37**	**184.17**	**3,547.78**	**739.84**	**386.61**	**1.36**	**42.55**	**-**	**1,167.64**	**2,380.14**	**1,936.52**
March 31, 2012	**399.82**	**1,988.92**	**-**	**287.62**	**2,676.36**	**211.55**	**427.31**	**-**	**34.93**	**66.05**	**739.84**	**1,936.52**	**188.27**

For the Year Ended March 31, 2012

₹ in millions

	Gross Book Value					Depreciation/Amortisation						Net Book Value	
Tangible Assets	**As at April 1, 2011**	**Additions During the Year**	**Deletion During the Year**	**FCTR Adjustments**	**As at March 31, 2012**	**As at April 1, 2011**	**Charge for the year**	**Deletion During the Year**	**FCTR Adjustments**	**Other Adjustments***	**As at March 31, 2012**	**As at March 31, 2012**	**As at March 31, 2011**
Freehold Land	7.49	-	-	-	7.49	-	-	-	-	-	-	7.49	7.49
Leasehold Land	190.19	-	-	-	190.19	10.89	2.61	-	-	-	13.50	176.69	179.30
Leasehold Improvement	267.69	2.67	-	34.35	304.71	68.86	20.96	-	8.23	-	98.05	206.66	198.83
Building	1,506.44	358.23	-	-	1,864.67	199.58	57.85	-	-	-	257.43	1,607.24	1,306.86
Plant and Machinery	4,705.49	1,178.27	14.79	42.14	5,911.11	1,030.59	383.47	6.05	18.66	-	1,426.67	4,484.44	3,674.90
Electrical installation	361.90	105.59	0.04	-	467.45	60.88	21.43	0.03	-	-	82.28	385.17	301.02
Refrigeration Equipment	6.48	47.95	-	-	54.43	0.92	2.01	-	-	-	2.93	51.50	5.56
Material Handling Equipment	5.65	13.73	-	-	19.38	3.11	2.01	-	-	-	5.12	14.26	2.54
Air Handling Equipment	481.20	89.44	1.58	-	569.06	78.08	25.47	1.11	-	-	102.44	466.62	403.12
Computers	166.84	30.99	7.82	0.70	190.71	110.04	19.52	7.59	0.51	0.95	123.43	67.28	56.80
Office Equipments	61.84	7.74	0.16	0.15	69.57	15.28	3.45	0.06	0.08	0.41	19.16	50.41	46.56
Furniture and Fixtures	175.16	33.54	0.04	1.13	209.79	65.62	13.80	0.01	0.62	0.96	80.99	128.80	109.54
Vehicles	147.54	59.07	12.58	0.25	194.28	78.63	28.74	9.53	0.09	-	97.93	96.35	68.91
TOTAL	**8,083.91**	**1,927.22**	**37.01**	**78.72**	**10,052.84**	**1,722.48**	**581.32**	**24.38**	**28.19**	**2.32**	**2,309.93**	**7,742.91**	**6,361.43**
March 31, 2011	**5,949.70**	**2,155.95**	**18.72**	**(3.02)**	**8,083.91**	**1,243.97**	**491.32**	**10.86**	**(1.95)**	**-**	**1,722.48**	**6,361.43**	**4,705.73**

Note:(a) Loss arising from the effect of changes in foreign exchange rates on foreign currency loans relating to acquisition of depreciable capital assets, amounting to ₹ **125.07 millions** (Previous year loss ₹ 4.77 millions) and borrowing cost of ₹ **57.42 millions** (Previous year ₹ 29.05 millions) relating to eligible assets for the year ended March 31, 2012, have been added to the cost of such assets.

₹ in millions

	Gross Book Value					Depreciation/Amortisation						Net Book Value	
Intangible Assets	**As at April 1, 2011**	**Additions During the Year**	**Deletion During the Year**	**FCTR Adjustments**	**As at March 31, 2012**	**As at April 1, 2011**	**Charge for the year**	**Deletion During the Year**	**FCTR Adjustments**	**Other Adjustments***	**As at March 31, 2012**	**As at March 31, 2012**	**As at March 31, 2011**
Product Development	313.88	69.47	-	5.32	388.67	146.46	50.46	-	2.52	-	199.44	189.23	167.42
Software	85.89	20.47	-	1.24	107.60	65.04	18.52	-	0.46	-	84.02	23.58	20.85
Brands	0.05		-	-	0.05	0.05	-	-	-	-	0.05	-	-
Licensing Rights	-	66.32	-	9.99	76.31	-	13.08	-	4.25	22.84	40.17	36.14	-
ANDAs	-	141.58	-	16.32	157.90	-	11.58	-	6.96	40.89	59.43	98.47	-
Goodwill (Refer Annexure V, note K)	-	1,691.08	-	254.75	1,945.83	-	333.67	-	20.74	2.32	356.73	1,589.10	-
TOTAL	**399.82**	**1,988.92**	**-**	**287.62**	**2,676.36**	**211.55**	**427.31**	**-**	**34.93**	**66.05**	**739.84**	**1,936.52**	**188.27**
March 31, 2011	**374.19**	**35.81**	**10.01**	**(0.17)**	**399.82**	**160.05**	**61.69**	**10.01**	**(0.18)**	**-**	**211.55**	**188.27**	**214.14**

* Pertains to accumulated depreciation/amortisation on the assets acquired of Heritage Pharmaceuticals Inc. as on Apr 29, 2011"

For the Year Ended March 31, 2011

₹ in millions

	Gross Book Value					Depreciation/Amortisation					Net Book Value	
Tangible Assets	**As at April 1, 2010**	**Additions During the Year**	**Deletion During the Year**	**FCTR Adjustments**	**As at March 31, 2011**	**As at April 1, 2010**	**Charge for the year**	**Deletion During the Year**	**FCTR Adjustments**	**As at March 31, 2011**	**As at March 31, 2011**	**As at March 31, 2010**
Freehold Land	7.49	-	-	-	7.49	-	-	-	-	-	7.49	7.49
Leasehold Land	190.19	-	-	-	190.19	8.28	2.61	-	-	10.89	179.30	181.91
Leasehold Improvement	221.31	47.71	-	(1.33)	267.69	50.20	19.21	-	(0.55)	68.86	198.83	171.11
Building	1,160.39	346.05	-	-	1,506.44	151.98	47.60	-	-	199.58	1,306.86	1,008.41
Plant and Machinery	3,332.32	1,387.10	12.35	(1.58)	4,705.49	711.00	326.38	5.46	(1.33)	1,030.59	3,674.90	2,621.32
Electrical installation	253.71	108.89	0.70	-	361.90	45.16	15.77	0.05	-	60.88	301.02	208.55
Refrigeration Equipment	5.11	1.37	-	-	6.48	0.66	0.26	-	-	0.92	5.56	4.45
Material Handling Equipment	3.81	1.84	-	-	5.65	1.70	1.41	-	-	3.11	2.54	2.11
Air Handling Equipment	330.14	151.16	0.10	-	481.20	57.77	20.37	0.06		78.08	403.12	272.37
Computers	136.43	30.47	0.04	(0.02)	166.84	92.00	18.10	0.04	(0.02)	110.04	56.80	44.43
Office Equipments	42.12	19.83	0.10	(0.01)	61.84	11.79	3.52	0.03	(0.00)	15.28	46.56	30.33
Furniture and Fixtures	142.41	32.81	0.02	(0.04)	175.16	53.52	12.15	0.02	(0.03)	65.62	109.54	88.89
Vehicles	124.27	28.72	5.41	(0.04)	147.54	59.91	23.94	5.20	(0.02)	78.63	68.91	64.36
TOTAL	**5,949.70**	**2,155.95**	**18.72**	**(3.02)**	**8,083.91**	**1,243.97**	**491.32**	**10.86**	**(1.95)**	**1,722.48**	**6,361.43**	**4,705.73**
March 31, 2010	**5,123.36**	**868.49**	**13.50**	**(28.65)**	**5,949.70**	**884.59**	**382.74**	**11.22**	**(12.14)**	**1,243.97**	**4,705.73**	**4,238.77**

Note: (a) Loss arising from the effect of changes in foreign exchange rates on foreign currency loans relating to acquisition of depreciable capital assets, amounting to ₹ **4.77 millions** (Previous year Gain ₹ 83.05 millions) and borrowing cost of ₹ **29.05 millions** (Previous year ₹ 131 44 millions) relating to eligible assets for the year ended March 31 2011 have been added to the cost of such assets.

₹ in millions

	Gross Book Value					Depreciation/Amortisation					Net Book Value	
Intangible Assets	**As at April 1, 2010**	**Additions During the Year**	**Deletion During the Year**	**FCTR Adjustments**	**As at March 31, 2011**	**As at April 1, 2010**	**Charge for the year**	**Deletion During the Year**	**FCTR Adjustments**	**As at March 31, 2011**	**As at March 31, 2011**	**As at March 31, 2010**
Product Development	295.06	18.99	-	(0.17)	313.88	98.50	48.14	-	(0.18)	146.46	167.42	196.56
Software	79.08	16.82	10.01	-	85.89	61.50	13.55	10.01	-	65.04	20.85	17.58
Brands	0.05		-	-	0.05	0.05	-	-	-	0.05	-	-
TOTAL	**374.19**	**35.81**	**10.01**	**(0.17)**	**399.82**	**160.05**	**61.69**	**10.01**	**(0.18)**	**211.55**	**188.27**	**214.14**
March 31, 2010	**252.27**	**123.27**	**-**	**(1.35)**	**374.19**	**106.61**	**54.06**	**-**	**(0.62)**	**160.05**	**214.14**	**145.66**

For the Year Ended March 31, 2010

₹ in millions

	Gross Book Value					Depreciation/Amortisation					Net Book Value	
Tangible Assets	**As at April 1, 2009**	**Additions During the Year**	**Deletion During the Year**	**FCTR Adjustments**	**As at March 31, 2010**	**As at April 1, 2009**	**Charge for the year**	**Deletion During the Year**	**FCTR Adjustments**	**As at March 31, 2010**	**As at March 31, 2010**	**As at March 31, 2009**
Freehold Land	7.49	-	-	-	7.49	-	-	-	-	-	7.49	7.49
Leasehold Land	147.13	43.06	-	-	190.19	5.82	2.46	-	-	8.28	181.91	141.31
Leasehold Improvement	108.54	122.65	-	(9.88)	221.31	37.49	16.78	-	(4.07)	50.20	171.11	71.05
Building	1,062.11	98.28	-	-	1,160.39	113.10	38.88	-	-	151.98	1,008.41	949.01
Plant and Machinery	2,874.33	476.25	0.31	(17.95)	3,332.32	472.73	247.29	1.41	(7.61)	711.00	2,621.32	2,401.60
Electrical installation	222.98	30.73	-	-	253.71	32.88	12.28	-	-	45.16	208.55	190.10
Refrigeration Equipment	5.11		-	-	5.11	0.42	0.24	-	-	0.66	4.45	4.69
Material Handling Equipment	3.15	0.66	-	-	3.81	1.07	0.63	-	-	1.70	2.11	2.08
Air Handling Equipment	299.05	31.09	-	-	330.14	42.43	15.34	-	-	57.77	272.37	256.62
Computers	126.43	12.76	2.44	(0.32)	136.43	75.33	19.31	2.44	(0.20)	92.00	44.43	51.10
Office Equipments	38.55	3.61	-	(0.04)	42.12	9.89	1.90	-	-	11.79	30.33	28.66
Furniture and Fixtures	128.56	14.24	-	(0.39)	142.41	44.98	8.77	-	(0.23)	53.52	88.89	83.58
Vehicles	99.93	35.16	10.75	(0.07)	124.27	48.45	18.86	7.37	(0.03)	59.91	64.36	51.48
TOTAL	**5,123.36**	**868.49**	**13.50**	**(28.65)**	**5,949.70**	**884.59**	**382.74**	**11.22**	**(12.14)**	**1,243.97**	**4,705.73**	**4,238.77**
March 31, 2009	**4,117.75**	**951.00**	**26.86**	**81.47**	**5,123.36**	**578.35**	**307.57**	**15.47**	**14.14**	**884.59**	**4,238.77**	**3,539.40**

Note: (a) Gain arising from the effect of changes in foreign exchange rates on foreign currency loans relating to acquisition of depreciable capital assets, amounting to ₹ **83.05 millions** (Previous year loss ₹ 166.68 millions) and borrowing cost of ₹ **131.44 millions** (Previous year ₹ 71.81 millions) relating to eligible assets for the year ended March 31, 2010. have been added to the cost of such assets.

₹ in millions

	Gross Book Value					Depreciation/Amortisation					Net Book Value	
Intangible Assets	**As at April 1, 2009**	**Additions During the Year**	**Deletion During the Year**	**FCTR Adjustments**	**As at March 31, 2010**	**As at April 1, 2009**	**Charge for the year**	**Deletion During the Year**	**FCTR Adjustments**	**As at March 31, 2010**	**As at March 31, 2010**	**As at March 31, 2009**
Product Development	185.58	110.83	-	(1.35)	295.06	58.70	40.42	-	(0.62)	98.50	196.56	126.88
Software	66.64	12.44	-	-	79.08	47.86	13.64	-	-	61.50	17.58	18.78
Brands	0.05	-	-	-	0.05	0.05	-	-	-	0.05	-	-
TOTAL	**252.27**	**123.27**	**-**	**(1.35)**	**374.19**	**106.61**	**54.06**	**-**	**(0.62)**	**160.05**	**214.14**	**145.66**
March 31, 2009	**203.49**	**48.78**	**-**	**-**	**252.27**	**66.08**	**40.26**	**-**	**0.27**	**106.61**	**145.66**	**137.41**

For the Year Ended March 31, 2009

₹ in millions

	Gross Book Value					Depreciation/Amortisation					Net Book Value	
Tangible Assets	**As at April 1, 2008**	**Additions During the Year**	**Deletion During the Year**	**FCTR Adjustments**	**As at March 31, 2009**	**As at April 1, 2008**	**Charge for the year**	**Deletion During the Year**	**FCTR Adjustments**	**As at March 31, 2009**	**As at March 31, 2009**	**As at March 31, 2008**
Freehold Land	7.49	-	-	-	7.49	-	-	-	-	-	7.49	7.49
Leasehold Land	43.10	104.03	-	-	147.13	4.31	1.51	-	-	5.82	141.31	38.79
Leasehold Improvement	80.30	10.55	-	17.69	108.54	21.94	10.12	-	5.43	37.49	71.05	58.36
Building	908.16	154.79	0.84	-	1,062.11	80.38	33.01	0.29	-	113.10	949.01	827.78
Plant and Machinery	2,246.52	568.10	2.91	62.62	2,874.33	275.62	189.80	0.90	8.21	472.73	2,401.60	1,970.90
Electrical installation	190.40	33.61	1.03	-	222.98	22.73	10.45	0.30	-	32.88	190.10	167.67
Refrigeration Equipment	3.08	2.03	-	-	5.11	0.23	0.19	-	-	0.42	4.69	2.85
Material Handling Equipment	0.63	2.52	-	-	3.15	0.20	0.87	-	-	1.07	2.08	0.43
Air Handling Equipment	258.11	41.99	1.05	-	299.05	30.08	12.39	0.04	-	42.43	256.62	228.03
Computers	119.73	6.81	0.63	0.52	126.43	58.18	17.37	0.45	0.23	75.33	51.10	61.55
Office Equipments	35.55	3.14	0.14	-	38.55	7.52	2.39	0.02	-	9.89	28.66	28.03
Furniture and Fixtures	120.79	13.38	6.25	0.64	128.56	35.11	11.46	1.86	0.27	44.98	83.58	85.68
Vehicles	103.89	10.05	14.01	-	99.93	42.05	18.01	11.61	-	48.45	51.48	61.84
TOTAL	**4,117.75**	**951.00**	**26.86**	**81.47**	**5,123.36**	**578.35**	**307.57**	**15.47**	**14.14**	**884.59**	**4,238.77**	**3,539.40**
March 31, 2008	**3,138.81**	**1,043.73**	**14.98**	**(49.81)**	**4,117.75**	**369.17**	**222.89**	**11.82**	**(1.89)**	**578.35**	**3,539.40**	**2,769.64**

Note: (a) Loss arising from the effect of changes in foreign exchange rates on foreign currency loans relating to acquisition of depreciable capital assets, amounting to ₹ **166.68 millions** (Previous year Gain ₹ 38.41 millions) and borrowing cost of ₹ **71.81 millions** (Previous year ₹ 32.42 millions) relating to eligible assets for the year ended March 31, 2009. have been added to the cost of such assets.

₹ in millions

Intangible Assets	Gross Book Value					Depreciation/Amortisation					Net Book Value	
	As at April 1, 2008	Additions During the Year	Deletion During the Year	FCTR Adjustments	As at March 31, 2009	As at April 1, 2008	Charge for the year	Deletion During the Year	FCTR Adjustments	As at March 31, 2009	As at March 31, 2009	As at March 31, 2008
Product Development	150.72	34.86	-	-	185.58	27.96	30.47	-	0.27	58.70	126.88	122.76
Software	52.72	13.92	-	-	66.64	38.07	9.79	-	-	47.86	18.78	14.65
Brands	0.05		-	-	0.05	0.05		-	-	0.05	-	-
TOTAL	**203.49**	**48.78**	**-**	**-**	**252.27**	**66.08**	**40.26**	**-**	**0.27**	**106.61**	**145.66**	**137.41**
March 31, 2008	**165.48**	**38.01**	**-**	**-**	**203.49**	**33.91**	**32.17**	**-**	**-**	**66.08**	**137.41**	**131.57**

FOR THE YEAR ENDED MARCH 31, 2008

₹ in millions

	Gross Book Value					Depreciation/Amortisation					Net Book Value	
Tangible Assets	**As at April 1, 2007**	**Additions During the Year**	**Deletion During the Year**	**FCTR Adjustments**	**As at March 31, 2008**	**As at April 1, 2007**	**Charge for the year**	**Deletion During the Year**	**FCTR Adjustments**	**As at March 31, 2008**	**As at March 31, 2008**	**As at March 31, 2007**
Freehold Land	7.49	-	-	-	7.49	-	-	-	-	-	7.49	7.49
Leasehold Land	43.10	-	-	-	43.10	3.45	0.86	-	-	4.31	38.79	39.65
Leasehold Improvement	85.29	0.43	-	(5.42)	80.30	12.97	9.89	-	(0.92)	21.94	58.36	72.32
Building	733.98	174.18	-	-	908.16	53.49	26.89	-	-	80.38	827.78	680.49
Plant and Machinery	1,629.95	660.84	0.18	(44.09)	2,246.52	153.49	123.04	0.01	(0.90)	275.62	1,970.90	1,476.46
Electrical installation	142.59	47.81	-	-	190.40	14.21	8.52	-	-	22.73	167.67	128.38
Refrigeration Equipment	3.06	0.02	-	-	3.08	0.08	0.15	-	-	0.23	2.85	2.98
Material Handling Equipment	0.63		-	-	0.63	0.18	0.02	-	-	0.20	0.43	0.45
Air Handling Equipment	207.03	51.08	-	-	258.11	19.49	10.59	-	-	30.08	228.03	187.54
Computers	96.83	25.72	2.70	(0.12)	119.73	45.82	15.09	2.70	(0.03)	58.18	61.55	51.01
Office Equipments	27.11	8.94	0.50	-	35.55	4.81	2.73	0.02	-	7.52	28.03	22.30
Furniture and Fixtures	94.67	26.30	-	(0.18)	120.79	25.43	9.72	-	(0.04)	35.11	85.68	69.24
Vehicles	67.08	48.41	11.60	-	103.89	35.75	15.39	9.09	-	42.05	61.84	31.33
TOTAL	**3,138.81**	**1,043.73**	**14.98**	**(49.81)**	**4,117.75**	**369.17**	**222.89**	**11.82**	**(1.89)**	**578.35**	**3,539.40**	**2,769.64**
March 31, 2007	**2,376.33**	**933.13**	**167.53**	**(3.12)**	**3,138.81**	**254.77**	**165.79**	**50.45**	**(0.94)**	**369.17**	**2,769.64**	**2,121.56**

Note: (a) Gain arising from the effect of changes in foreign exchange rates on foreign currency loans relating to acquisition of depreciable capital assets, amounting to ₹ **38.41 millions** (Previous year Gain Nil) and borrowing cost of ₹ **32.42 millions** (Previous year ₹ 8.22 millions) relating to eligible assets for the year ended March 31, 2008, have been added to the cost of such assets.

₹ in millions

	Gross Book Value					Depreciation/Amortisation					Net Book Value	
NOTE NO 13 - Intangible Assets	**As at April 1, 2007**	**Additions During the Year**	**Deletion During the Year**	**FCTR Adjustments**	**As at March 31, 2008**	**As at April 1, 2007**	**Charge for the year**	**Deletion During the Year**	**FCTR Adjustments**	**As at March 31, 2008**	**As at March 31, 2008**	**As at March 31, 2007**
Product Development	117.05	33.67	-	-	150.72	3.75	24.21	-	-	27.96	122.76	113.30
Software	48.38	4.34	-	-	52.72	30.12	7.95	-	-	38.07	14.65	18.26
Brands	0.05	-	-	-	0.05	0.04	0.01	-	-	0.05	-	0.01
TOTAL	**165.48**	**38.01**	**-**	**-**	**203.49**	**33.91**	**32.17**	**-**	**-**	**66.08**	**137.41**	**131.57**
March 31, 2007	**42.73**	**122.75**	**-**	**-**	**165.48**	**20.56**	**13.35**	**-**	**-**	**33.91**	**131.57**	**22.17**

ANNEXURE V – Notes to Restated Financials Information

Note 2 - Deferred Tax (Assets)/Liabilities

₹ in millions

Particulars	As at					
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Deferred Tax Assets						
Arising on account of timing difference due to :						
Carry Forward Losses and unabsorbed depreciation	37.07	29.86	30.45	111.36	181.93	452.20
Provision for doubtful debts	10.96	11.70	13.56	13.56	12.58	12.12
Provision for Bonus	2.61	3.61	3.23	3.12	3.59	4.04
Provision for Gratuity and Compensated absences	19.65	20.13	27.05	34.91	43.31	57.38
Provision for Unrealised Foreign Exchange Loss on derivative contracts	83.10	1,007.64	332.57	319.46	211.14	17.71
Other disallowances	39.24	57.15	21.25	24.31	38.69	16.33
	192.63	**1,130.09**	**428.11**	**506.72**	**491.24**	**559.78**
Less : Deferred Tax Liabilities						
Deferred Tax Liability						
Arising on account of timing difference due to :						
Depreciation	-	432.69	470.45	645.85	678.61	831.18
Capital expenditure relating to research and development	354.65	23.25	85.20	171.74	249.12	321.25
Claims for Export Incentives	-	-	1.92	6.09	-	-
	354.65	**455.94**	**557.57**	**823.68**	**927.73**	**1,152.43**
Deferred Tax (Asset)/Liability	**162.02**	**(674.15)**	**129.46**	**316.96**	**436.49**	**592.65**

Note 3 -Other Non Current Assets

₹ in millions

Particulars	As at					
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Long term deposits with banks with a maturity period more than 12 months (Refer note (a) below)	2.62	1.44	3.59	3.71	9.32	10.38
Unamortised Expenses :						
Share issue expenses (refer note (b) below)	-	-	-	-	16.70	23.70
Other Non Current Assets	**2.62**	**1.44**	**3.59**	**3.71**	**26.02**	**34.08**

Note-

(a) Held as lien by bank against bank guarantees.

(b) Related to Expenses incurred for proposed Initial Public Offer (IPO) by the Company. These share issue expenses will be adjusted against the balance in share premium account in the year of issue of shares

Note 4 - Inventories

₹ in millions

Particulars	As at					
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Raw Materials	421.70	407.65	670.31	752.99	832.32	1,084.00
Packing Materials	94.08	132.24	169.95	251.27	276.93	261.83

Particulars	As at					
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Work-in-Process	196.80	164.22	256.76	296.21	375.10	327.59
Finished Goods	451.58	309.33	335.35	349.62	463.96	770.49
Traded Goods	186.60	224.69	239.40	369.61	820.83	977.46
Research & Development Materials	2.99	4.62	12.63	27.80	41.81	38.33
Stores and Spares	6.60	9.80	9.80	9.80	2.66	4.09
Lab Chemicals	-	-	-	-	-	10.69
Total	**1,360.35**	**1,252.55**	**1,694.20**	**2,057.30**	**2,813.61**	**3,474.48**

Note 5 - Cash and Bank balances

₹ in millions

Particulars	As at					
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Cash and cash equivalents						
Cash on hand	0.49	0.34	0.85	0.83	1.10	1.12
In current accounts	33.19	75.04	168.59	150.62	385.23	590.24
Demand Deposits (with less than 3 months maturity)	0.96	11.94	40.11	31.91	34.45	29.15
	34.64	**87.32**	**209.55**	**183.36**	**420.78**	**620.51**
Other bank balances						
Long term deposits with maturity more than 3 months but less than 12 months	23.96	11.94	3.47	25.37	43.65	33.06
Total	**58.60**	**99.26**	**213.02**	**208.73**	**464.43**	**653.57**

Note 6 - Other Current Assets

₹ in millions

Particulars	As at					
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Unsecured considered good , unless otherwise stated						
Interest accrued on deposits with bank	0.93	0.84	1.31	1.52	2.30	3.93
Interest accrued on investments	0.05	0.09	0.10	0.14	0.14	0.09
Interest accrued on deposits with others	0.47	0.55	0.17	0.31	0.35	0.37
Total	**1.45**	**1.48**	**1.58**	**1.97**	**2.79**	**4.39**

Note 7 - Long Term Provisions

₹ in millions

Particulars	As at					
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Provision for employee benefits						
Provision for compensated absences	63.12	52.14	68.08	96.26	81.07	93.14
Other Provisions						
Provision for mark-to-market losses on derivative contracts	20.24	2,510.63	870.46	38.52	12.70	-
Provision for contingent	-	-	-	-	1,042.84	1,127.30

Particulars	As at					
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
consideration payable on acquisition of Heritage Pharma Holdings Inc						
Interest Accrued but not Due	-	-	-	-	1.08	4.38
Total	**83.36**	**2,562.77**	**938.54**	**134.78**	**1,137.69**	**1,224.82**

₹ in millions

Provision for Consideration payable on aquisition of the Heritage Pharmaceuticals Holdings Inc.	December 31, 2012	March 31, 2012
Balance as at the beginning of the year	1,113.69	-
Add: Provision made during the year	-	1,113.69
Add: Reinstatement	84.46	-
Less: Crystallised	70.85	-
Balance as at the end of the year	**1,127.30**	**1,113.69**
Classified as Non-Current	1,127.30	1,042.84
Classified as Current	-	70.85
Total	**1,127.30**	**1,113.69**

Note 8 - Trade Payables

₹ in millions

Particulars	As at					
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Total outstanding dues of creditors other than Micro & Small Enterprises Undertakings	822.25	1,088.59	1,532.16	1,689.92	2,847.40	3,057.88
Total	**822.25**	**1,088.59**	**1,532.16**	**1,689.92**	**2,847.40**	**3,057.88**

Note 9 - Short Term Provisions

₹ in millions

Particulars	As at					
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Provision for employee benefits						
Provision for gratuity		0.11	6.47	0.53	13.42	30.37
Provision for compensated absences	4.39	10.18	12.94	16.47	57.24	72.35
Others	25.14	18.23	26.57	32.16	36.90	49.01
	29.53	**28.52**	**45.98**	**49.16**	**107.56**	**151.73**
Other Provisions						
Provision for mark-to-market losses in derivatives	226.65	454.26	130.73	26.44	73.69	52.12
Provision for proposed dividend on Equity Shares	90.49	-	93.03	110.62	145.78	-
Provision for dividend distribution tax on proposed dividend on Equity Shares	17.07	-	15.81	18.28	23.65	-
Provision for Income Tax (net of Advance Tax)	-	11.92	-	1.08	6.21	46.98

Particulars	As at					
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Others for Expenses	0.05	0.05	0.06	0.08	4.26	-
Total	**363.79**	**494.75**	**285.61**	**205.66**	**361.15**	**250.83**

Note 10 – Other Current Liabilities

₹ in millions

Particulars	As at					
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Current maturities of long-term debt	548.83	868.50	854.35	1,014.37	1,369.75	1,551.22
Current portion of consideration payable on acquisition of Heritage Pharma Holdings Inc.					70.85	164.97
Current maturities of other Secured Debts	13.39	15.22	14.70	11.71	22.69	24.09
Current maturities of Vehicle Loans	5.08	5.00	2.32	1.37	1.44	2.02
Interest accrued and due on borrowings	6.34	8.30	7.04	47.72	10.24	8.74
Interest accrued but not due on borrowings	5.97	8.57	5.52	9.84	25.13	30.31
Interest accrued and due on Trade Deposits (refer note 2 below)	2.56	3.84	1.96	4.49	6.45	9.23
Employee benefit payable	119.79	160.74	212.62	272.07	364.87	450.09
Statutory dues including Provident Fund and Tax Deducted at Source	41.29	37.06	47.90	59.56	81.39	132.37
Creditors for capital assets	110.01	100.28	139.38	134.28	96.11	277.43
Advances from Debtors	29.60	33.50	78.85	40.73	61.64	84.86
Other liabilities (refer note 1 below)	21.91	20.94	28.93	324.46	330.25	369.80
Total	**904.77**	**1,261.95**	**1,393.57**	**1,920.60**	**2,440.81**	**3,105.13**

Note -1

Other liabilities include liability towards settlement of derivative contracts with banks as follows -

March 31 2011	₹ 271.48 million
March 31 2012	₹ 261.37 million
December 31, 2012	₹ 280.00 million

Note - 2

Includes Interest accrued and due on deposit from firm in which directors of the Group are interested	1.37	1.97	0.31	3.03	5.56	3.16

Note 11 Share Capital

₹ in millions

Particulars	As at					
	March 31,2008	March 31,2009	March 31,2010	March 31,2011	March 31,2012	December 31,2012
Authorised :						
Equity Share Capital 40,000,000 Equity Shares of ₹ 10 each	400.00	400.00	400.00	400.00	400.00	400.00
Preference Share Capital	200.00	200.00	200.00	200.00	200.00	200.00

Particulars	As at					
	March 31,2008	March 31,2009	March 31,2010	March 31,2011	March 31,2012	December 31,2012
20,000,000 Preference Shares of ₹ 10 each						
Issued, Subscribed and Paid-up: 2008, 2009 and 2010: 30,865,535 Equity Shares of ₹ 10 each fully paid-up 2011 and 2012: 35,165,689 Equity Shares of ₹ 10 each fully paid-up	308.66	308.66	308.66	351.66	351.66	351.66
2008, 2009 and 2010: 17,931,642 Optionally Convertible Redeemable Preference Shares (OCRPS) of ₹ 10 each fully paid-up	179.32	179.32	179.32	-	-	-
Total	**487.98**	**487.98**	**487.98**	**351.66**	**351.66**	**351.66**

₹ in millions

a) Reconciliation of Number of Equity Shares	As at		As at		As at	
	March 31,2008		March 31,2009		March 31,2010	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
Balance as at the beginning of the year	30,788,825	307.89	30,865,535	308.66	30,865,535	308.66
Add: Equity Shares issued against cash consideration	76,710	0.77	-	-	-	-
Balance as at the end of the year	**30,865,535**	**308.66**	**30,865,535**	**308.66**	**30,865,535**	**308.66**

₹ in millions

a) Reconciliation of Number of Equity Shares (Continued..)	As at		As at		As at	
	March 31,2011		March 31,2012		December 31,2012	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
Balance as at the beginning of the year	30,865,535	308.66	35,165,689	351.66	35,165,689	351.66
Add: Optionally Convertible Redeemable Preference Shares converted into Equity shares of ₹ 10 each in the ratio of 100 equity shares for 417 OCRPS shares in the financial year 2010-11	4,300,154	43.00				
Balance as at the end of the year/period	**35,165,689**	**351.66**	**35,165,689**	**351.66**	**35,165,689**	**351.66**

₹ in millions

a) Reconciliation of Number of Preference Shares	As at		As at		As at	
	March 31,2008		March 31,2009		March 31,2010	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
Balance as at the beginning of the year	17,931,642	179.32	17,931,642	179.32	17,931,642	179.32
Balance as at the end of the year	**17,931,642**	**179.32**	**17,931,642**	**179.32**	**17,931,642**	**179.32**

₹ in millions

a) Reconciliation of Number of Preference Shares (Continued..)	As at		As at		As at	
	March 31,2011		March 31,2012		December 31,2012	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
Balance as at the beginning of the year	17,931,642	179.32	-	-	-	-
Less: Optionally Convertible Redeemable Preference Shares converted into Equity shares of ₹ 10 each in the ratio of 100 equity shares for 417 OCRPS shares in the financial year 2010-11	(17,931,642)	(179.32)	-	-	-	-
Balance as at the end of the year/period	**-**	**-**	**-**	**-**	**-**	**-**

b) Equity Shareholders holding shares more than 5%	March 31,2008		March 31,2009		March 31,2010	
	No of Shares held	% of Shareholding	No of Shares held	% of Shareholding	No of Shares held	% of Shareholding
Equity Shares :						
Mehta Satish	7,235,140	23.44%	9,392,402	30.43%	9,392,402	30.43%
Mehta Samit	3,276,130	10.61%	3,276,130	10.61%	3,276,130	10.61%
Mehta Sanjay	2,339,392	7.58%	2,955,779	9.58%	2,955,779	9.58%
Mehta Bhavana	2,284,390	7.40%	2,284,390	7.40%	2,284,390	7.40%
Mehta Sunil	-	0.00%	1,908,312	6.18%	1,908,312	6.18%

b) Equity Shareholders holding shares more than 5%	March 31,2008		March 31,2009		March 31,2010	
	No of Shares held	% of Shareholding	No of Shares held	% of Shareholding	No of Shares held	% of Shareholding
Mehta Kamini	1,661,635	5.38%	1,661,635	5.38%	1,661,635	5.38%
Optionally Convertible Redeemable Preference Shares						
Blackstone GPV Capital Partners Mauritius V-C Limited	17,931,642	100.00%	17,931,642	100.00%	17,931,642	100.00%

₹ in millions

b) Equity Shareholders holding shares more than 5% (Continued..)	March 31,2011		March 31,2012		December 31,2012	
	No of Shares held	% of Shareholding	No of Shares held	% of Shareholding	No of Shares held	% of Shareholding
Equity Shares :						
Mehta Satish	9,392,402	26.71%	9,392,402	26.71%	9,392,402	26.71%
Blackstone GPV Capital Partners Mauritius V-C Limited	4,603,189	13.09%	4,603,189	13.09%	4,603,189	13.09%
Mehta Samit	3,276,130	9.32%	3,276,130	9.32%	3,276,130	9.32%
Mehta Sanjay	2,955,779	8.41%	2,955,779	8.41%	2,955,779	8.41%
Mehta Bhavana	2,284,390	6.50%	2,284,390	6.50%	2,284,390	6.50%
Mehta Sunil	1,908,312	5.43%	1,908,312	5.43%	1,908,312	5.43%

(c) **Rights, Preference and Restrictions attached to shares**

Equity Shares: The Company has one equity share having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(d) During the Financial Year 2006-07, Emcure had issued 17,931,642 Optionally Convertible Redeemable Preference Shares (OCRPS) of face value of ₹ 10 each at a premium of ₹ 109.20 per share aggregating to ₹ 2,137.45 millions. During the Financial Year 2010-11, pursuant to the terms of the issue, the preference shareholders have exercised their option of converting OCRPS into Equity Shares in the ratio of 417 OCRP shares for 100 equity shares. As a result of this conversion, 4,300,154 Equity Shares of ₹ 10 each have been allotted to the investors against 17,931,642 OCRPS held by them. The additional premium amounting to ₹ 136.32 Million, due to said conversion of OCRPS into Equity Shares, has been credited to Securities Premium Account.

(e) The Company has completed its rights offering of Equity Shares to its existing shareholders and allotted 1,00,47,340 Equity Shares at ` 10 per Equity Share on April 19, 2013.

Note 12 Reserves and Surplus

₹ in millions

Particulars	As at					
	March 31,2008	March 31,2009	March 31,2010	March 31,2011	March 31,2012	December 31,2012
Capital Reserve						
Balance at the beginning and end of the year	**12.92**	**12.92**	**12.92**	**12.92**	**12.92**	**12.92**
Revaluation Reserve						
Balance as at the beginning of the year	1.47	1.24	1.01	0.78	0.55	0.32
Less : Transferred to Statement of Profit and Loss during the year	(0.23)	(0.23)	(0.23)	(0.23)	(0.23)	(0.32)
Balance as at the end of the year	**1.24**	**1.01**	**0.78**	**0.55**	**0.32**	**-**
Securities Premium Account						
Balance as at the beginning of the year	2,060.45	2,060.45	2,060.45	2,060.45	2,196.77	2,196.77
Add: Addition during the year				136.32		
Balance as at the end of the year	**2,060.45**	**2,060.45**	**2,060.45**	**2,196.77**	**2,196.77**	**2,196.77**
Foreign Currency Translation Reserve						
Balance as at the beginning of the year	(1.64)	(3.25)	(35.19)	(16.88)	(19.69)	(87.40)
Add: Gain/ (Loss) during the year	(1.61)	(31.94)	18.31	(2.81)	(67.71)	(46.82)
Balance as at the end of the year	**(3.25)**	**(35.19)**	**(16.88)**	**(19.69)**	**(87.40)**	**(134.22)**
General Reserve						
Balance as at the beginning of the year	854.55	895.83	905.63	1,084.29	1,162.11	1,302.16
Add : Transferred from Surplus in Statement of Profit and Loss during the year	37.05	-	168.63	78.18	143.26	-
Less : Transitional effect on account of	4.50	-	-	-	-	-

Particulars	As at					
	March 31,2008	March 31,2009	March 31,2010	March 31,2011	March 31,2012	December 31,2012
adoption of AS 15 (revised 2005) – "Employee Benefits" as on April 1, 2007						
Add/(Less): Transferred to Minority Interest pursuant to change of Minority holding	8.73	9.80	10.03	(0.36)	(3.21)	-
Balance as at the end of the year	**895.83**	**905.63**	**1,084.29**	**1,162.11**	**1,302.16**	**1,302.16**
Foreign Currency Monetary Item Translation Difference Account						
Balance at the beginning of the year	-	-	61.61	(4.21)	(5.67)	44.95
Add: Additions during the year	-	61.61		9.90	50.62	14.89
Less: Deletions during the year	-		(65.82)	(11.36)	-	(9.64)
Balance at the end of the year	**-**	**61.61**	**(4.21)**	**(5.67)**	**44.95**	**50.20**
Surplus/ (Deficit) in Statement of Profit and Loss						
Balance as at the beginning of the year	86.58	(163.47)	(1,646.67)	53.47	669.49	1,313.96
Add: Profit/(Loss) for the year, after Taxation and Minority Interest	(105.45)	(1,483.20)	1,977.61	823.10	957.16	563.40
Less : Appropriations						
Proposed dividend on Equity Shares for the year	(90.48)	-	(93.03)	(110.62)	(145.78)	-
Dividend distribution tax on proposed dividend on Equity Shares	(17.07)	-	(15.81)	(18.28)	(23.65)	-
Transfer to general reserve	(37.05)	-	(168.63)	(78.18)	(143.26)	-
Balance as at the end of the year	**(163.47)**	**(1,646.67)**	**53.47**	**669.49**	**1,313.96**	**1,877.36**
Total	**2,803.72**	**1,359.76**	**3,190.82**	**4,016.48**	**4,783.68**	**5,305.19**

Note 13 - Revenue from Operations

₹ in millions

Particulars	For the year ended on					For nine months interim period ended on
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Sale of Products						
- Finished Goods	3,502.80	4,575.16	6,889.16	8,842.64	12,522.76	10,618.65
- Traded Goods	3,129.47	3,454.94	3,317.20	4,116.08	4,881.79	4,189.84
Sale of Services	271.77	394.18	398.30	489.01	618.91	335.59
	6,904.04	**8,424.28**	**10,604.66**	**13,447.73**	**18,023.46**	**15,144.08**
Other Operating Revenue						
Export Incentives	15.09	15.52	25.36	34.08	35.87	12.47
Sales from Scrap	4.59	5.94	3.51	6.18	11.84	9.60
Excise Refund Received			28.43	69.08	112.68	114.94
Sales Tax Refund			12.07			
Claims Received				111.73	67.49	
	19.68	**21.46**	**69.37**	**221.07**	**227.88**	**137.01**
Less -: Excise Duty	(448.93)	(162.13)	(133.12)	(171.78)	(206.60)	(246.16)
Revenue from operations (Net)	**6,474.79**	**8,283.61**	**10,540.91**	**13,497.02**	**18,044.74**	**15,034.93**

Note 14 - Cost of Materials consumed

₹ in millions

Particulars	For the year ended on					For nine months interim period ended on
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
A: Raw Material Consumed						
Opening Inventory	204.89	421.70	407.65	670.31	752.99	832.32
Add : Purchases (Net)	1,306.15	1,747.40	2,794.75	3,770.80	4,727.05	3,501.94
Less: Closing Inventory	421.70	407.65	670.31	752.99	832.32	1,084.00
Cost of raw materials consumed during the year	**1,089.34**	**1,761.45**	**2,532.09**	**3,688.12**	**4,647.72**	**3,250.26**
B: Packing Material Consumed						
Opening Inventory	91.94	94.08	132.24	169.95	251.27	276.93
Add : Purchases (Net)	306.29	268.14	696.11	838.03	993.56	784.81
Less: Closing Inventory	94.08	132.24	169.95	251.27	276.93	261.83

Particulars	For the year ended on					For nine months interim period ended on
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Cost of packing materials consumed during the year	**304.15**	**229.98**	**658.40**	**756.71**	**967.90**	**799.91**
Total	**1,393.49**	**1,991.43**	**3,190.49**	**4,444.83**	**5,615.62**	**4,050.17**

Note 15 - Changes in inventories of Finished goods, Work-in-Progress and Traded goods

₹ in millions

Particulars	For the year ended on					For nine months interim period ended on
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Opening Inventory						
Work-In-Process	101.47	196.80	164.22	256.76	296.21	375.10
Finished Goods	423.24	451.58	309.33	335.35	349.62	463.96
Traded Goods	140.93	186.60	224.69	239.40	369.61	820.83
	665.64	**834.98**	**698.24**	**831.51**	**1,015.44**	**1,659.89**
Less: Closing Inventory						
Work-In-Process	196.80	164.22	256.76	296.21	375.10	327.59
Finished Goods	451.58	309.33	335.35	349.62	463.96	770.49
Traded Goods	186.60	224.69	239.40	369.61	820.83	977.46
	834.98	**698.24**	**831.51**	**1,015.44**	**1,659.89**	**2,075.54**
Total	**(169.34)**	**136.74**	**(133.27)**	**(183.93)**	**(644.45)**	**(415.65)**

Note 16 -Employee Benefit Expenses

₹ in millions

Particulars	For the year ended on					For nine months interim period
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Salaries, Wages and Bonus	1,255.97	1,287.80	1,582.42	2,203.37	2,871.70	2,552.15
Contribution to Provident and Other Funds	89.78	100.66	111.89	185.78	255.40	216.52
Staff Welfare Expenses	73.90	73.79	96.53	136.72	145.20	125.69
Total	**1,419.65**	**1,462.25**	**1,790.84**	**2,525.87**	**3,272.30**	**2,894.36**

Note 17 -Other Expenses

₹ in millions

Particulars	For the year ended on					For nine months interim period ended on
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Processing charges	103.67	80.68	85.57	111.63	91.62	100.18
Factory Expenses	253.39	260.78	330.88	455.96	570.29	472.94
Office Expenses	0.08	1.37	2.79	2.93	38.57	32.27
Power and Fuel	173.94	212.40	278.46	365.68	538.51	458.92
Insurance	17.29	16.58	23.43	22.71	34.35	31.39
Repairs to :						
Buildings	6.63	10.77	13.05	18.29	25.16	23.74
Plant and Machinery	16.62	24.11	54.70	73.42	111.08	91.31
Others	30.10	47.93	68.97	93.70	126.40	83.26
Rent	42.48	50.51	60.81	85.77	113.38	121.70
Rates and Taxes	6.86	6.02	8.20	11.00	12.73	8.57
Freight	90.40	104.40	128.41	168.06	224.26	190.14
Advertisement and Promotional Materials	637.64	625.17	680.11	934.65	1,067.24	975.79
Travelling, Conveyance and Vehicle expenses	387.57	352.93	373.85	513.17	595.54	542.54
Commission on sales	116.52	147.26	143.11	180.52	258.73	274.17
Printing, Stationary, Postage and Telephone	75.91	67.81	72.84	89.60	105.29	82.81
Legal and Professional Fees	49.27	40.84	57.51	108.78	141.92	128.01
Commission to Non-Whole time Directors	3.00		7.45	12.30	16.50	1.32
Directors Sitting Fees	0.26	0.25	0.62	1.02	2.72	2.99
Provision for Doubtful Debts	6.41	5.57	8.64			
Sales tax expenses	4.47	3.78	2.80	3.43	3.10	11.14
Loss on sale of Asset		0.33		1.34	3.16	0.07
Bad Debts written Off	23.37	69.00	10.29	35.60	1.09	

Particulars	For the year ended on					For nine months interim period ended on
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Net Exchange Loss		108.92	28.63		9.92	
Miscellaneous Expenses	104.93	132.67	124.50	106.12	171.68	166.81
Total	**2,150.81**	**2,370.08**	**2,565.62**	**3,395.68**	**4,263.24**	**3,800.07**

Note 18 - Finance Costs

₹ in millions

Particulars	For the year ended on					For nine months interim period
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Interest on Long-term Borrowings	141.71	153.22	180.59	308.22	434.88	377.45
Interest on Short-term Borrowings	86.03	125.21	119.68	142.75	218.82	184.33
Other borrowing costs	34.88	39.38	54.19	71.68	88.59	76.68
Total	**262.62**	**317.81**	**354.46**	**522.65**	**742.29**	**638.46**

Note 19 – Depreciation and Amortisation Expenses

₹ in millions

Particulars	For the year ended on					For nine months interim period
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Depreciation on Tangible assets	222.66	307.34	382.51	491.09	581.09	506.62
Amortisation on Intangible assets	32.17	40.26	54.06	61.69	427.31	386.61
Depreciation on Revalued Assets	0.23	0.23	0.23	0.23	0.23	0.32
Less : Depreciation on revalued assets transferred from Revaluation Reserve	(0.23)	(0.23)	(0.23)	(0.23)	(0.23)	(0.32)
Total	**254.83**	**347.60**	**436.57**	**552.78**	**1,008.40**	**893.23**

Note 20 - Exceptional Items

₹ in millions

Particulars	For the year ended on					For nine months interim period
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Unrealised foreign exchange (gain)/ loss on derivative contract	246.89	2,717.99	(1,920.84)	(612.87)	(304.56)	(42.89)
Realised foreign exchange loss on derivative contract		285.18	413.37	700.65	360.87	68.59
Total	**246.89**	**3,003.17**	**(1,507.47)**	**87.78**	**56.31**	**25.70**

ANNEXURE V

Notes to the Restated Consolidated Financial Information:

A. Changes in Accounting Policies

The Group has, with effect from April 1, 2007**,** adopted Accounting Standard 15, Employee Benefits (Revised 2005). Consequently, the Group has recorded the difference between the transitional liability as per this Standard and the liability that would have been recognised at the same date as per the pre-revised AS 15, amounting to ₹ 4.50 million [net of deferred tax credit of ₹ 1.52 million], as a deduction from General Reserve as at April 1, 2007.

B. Contingent Liabilities

Claims against the Group not acknowledged as debts

₹ in millions

Sr. no	Particulars	As at					
		March 31,2008	March 31,2009	March 31,2010	March 31,2011	March 31,2012	December 31,2012
	Disputed Dues not Provided						
a.	Provident Fund	39.79	39.79	39.79	39.79	39.79	39.79
b.	Sales Tax	4.43	4.71	4.71	4.71	97.44	97.44
c.	Excise Matters	38.24	38.24	38.24	38.24	38.24	51.97
	TOTAL	**82.46**	**82.74**	**82.74**	**82.74**	**175.47**	**189.20**

(i) It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

(ii) The Group does not expect any reimbursements in respect of the above contingent liabilities.

C. Capital and other commitments

(i) *Capital Commitment*

₹ in millions

Sr. no	Particulars	As at					
		March 31,2008	March 31,2009	March 31,2010	March 31,2011	March 31,2012	December 31,2012
a.	Capital Commitment (Net of advances)	-	-	-	-	4.07	265.13

(ii) *Other Commitment*

The Group has imported certain machinery under the Export Promotion Capital Goods (EPCG) Scheme and accordingly, had an export obligation of ₹ 418.28 Million. Against the export obligation of ₹ 418.28 Million, the Group has met the obligation of export of ₹ 146.34 million. In this respect the Group has given bank guarantees of ₹ 8.86 Million to the Director General of Foreign Trade (DGFT) and Bond of ₹ 161.63 Million to the Commissioner of Customs. The remaining obligation that must be fulfilled is as under:

Sr No	Year of issue	Export obligation to be fulfilled	₹ In millions
1	2007-2008	2015-2016	5.06
2	2008-2009	2016-2017	6.41
3	2009-2010	2015-2016	2.13
4	2009-2010	2017-2018	5.10
5	2010-2011	2016-2017	3.47

Sr No	Year of issue	Export obligation to be fulfilled	₹ In millions
6	2010-2011	2018-2019	2.41
7	2011-2012	2017-2018	235.51
8	2012-2013	2017-2018	8.16
9	2012-2013	2018-2019	3.69
	TOTAL		**271.94**

The Group is confident of meeting this obligation.

(iii) The Company has a 100 per cent Export Oriented Unit (EOU) set up under the permission granted by the Office of the Development Commissioner of SEEPZ Special Economic Zone of the Government of India. The authorities have, inter alia, laid down the following conditions, failing which the Company may be liable for penal action:

(a) The entire (100%) production shall be exported against hard currency except the sales in domestic tariff area admissible as per entitlement.

(b) The Export Oriented Unit of the Company shall be a positive net foreign exchange earner over a period of five years from the date of commencement of production.

As at December 31, 2012, the Company is in compliance with the condition laid down by the authorities.

D. Expenditure on Research and Development

Expenditure incurred on Research and development including in house Research and Development:

₹ in millions

Sr. no	Particulars	For the year ended on					For Nine months interim period ended on
		March 31,2008	March 31,2009	March 31,2010	March 31,2011	March 31,2012	December 31,2012
a.	Revenue Expenditure	243.49	328.08	350.89	488.17	748.10	586.02
b.	Capital Expenditure in relation to acquisition of tangible assets and creation of intangible assets	212.12	216.89	255.32	436.51	808.73	474.32
	Total	**455.61**	**544.97**	**606.21**	**924.68**	**1,556.83**	**1,060.34**

E. Segmental Reporting

The Group has identified "Pharmaceuticals" as the only primary reportable segment.

Secondary segmental reporting is based on the geographical location of customers. The geographical segments have been identified based on revenues within India and revenues outside India.

Sr. no	Particulars	For year ended on					For Nine months interim period
		March 31,2008	March 31,2009	March 31,2010	March 31,2011	March 31,2012	December 31,2012

Sr. no	Particulars	For year ended on					For Nine months interim period
		March 31,2008	March 31,2009	March 31,2010	March 31,2011	March 31,2012	December 31,2012
	Sales (Net)						
A	**Within India – (Domestic)**	5,394.14	5,407.87	5,908.68	7,815.78	8,734.17	8,221.44
B	**Outside India - International**	1,080.65	2,875.74	4,632.23	5,681.24	9,310.57	6,813.49
	- United states of America	436.04	1,270.52	2,371.76	3,739.12	6,917.98	5,183.59
	- Europe	217.48	357.88	567.20	532.90	769.22	564.53
	- Others (Australia, Canada, Japan)	-	-	0.90	4.09	13.03	5.27
	Rest of World	427.13	1,247.34	1,692.37	1,405.13	1,610.34	1,060.10
	Total (A+B)	**6,474.79**	**8,283.61**	**10,540.91**	**13,497.02**	**18,044.74**	**15,034.93**

Fixed assets used in the Group's business or liabilities contracted have not been identified to any segment as the fixed assets and services are used interchangeably between segments. Accordingly no disclosure relating to total segment assets and liabilities is made.

In view of the interwoven/intermix nature of business and manufacturing facility, other segmental information is not ascertainable.

F Related Party disclosures

(a) *Name of Related Parties and nature of relationship*

Key Management Personnel

1 Mr. Satish Mehta
2 Mr. Arun Kumar Khanna
3 Mr. Mahesh Shah
4 Dr. Mukund Gurjar
5 Mr. Mukund Ranade (w.e.f. 1st July, 2012)

Relatives of Key Management Personnel

1 Mrs. Namita Thapar
2 Mr. Vikas Thapar
3 Mrs. Bhavna Mehta
4 Smt. Sushila Mehta
5 Mr. Samit Mehta

Enterprise over which Key Management Personnel have significant influence

1 H.M. Sales Corporation
2 Uth Beverages Factory Private Limited
3 Uth Healthcare Limited
4 Uth Wellness Product Limited

(b) *Related Party transactions and balances*

₹ in millions

		2007-08		2008-09		2009-10		2010-11		2011-12		2012-13*	
Sr. no	**Particulars**	**Transaction Value**	**Receivable /(Payable)**	**Transaction Value**	**Receivable /(Payable)**	**Transaction Value**	**Receivable /(Payable)**	**Transaction Value**	**Receivable /(Payable)**	**Transaction Value**	**Receivable /(Payable)**	**Transaction Value**	**Receivable /(Payable)**
1	**Purchase of Goods and Services**												
	Uth Beverages Factory Private Limited	4.47	-	11.53	(9.56)	42.17	(15.49)	29.76	(9.10)	34.51	(13.76)	40.56	(20.47)
	Uth Healthcare Limited	-	-	-	-	-	-	-	-	5.59	(1.00)	17.61	(1.69)
2	**Sale Of Goods & Services**												
	Uth Healthcare Limited	-	-	-	-	-	-	-		0.22	0.22	0.32	-
	Uth Beverage Factory Private Limited	-	-	-	-	-	-	-	-	0.08	0.08	0.19	-
	Uth Wellness ProductLimited	-	-	-	-	-	-	-	-	1.76	1.77	9.39	10.78
3	**Loans and Advances received Back**												
	Key Management Personnel	0.10	0.02	-	-	-	-	-	-	-	-	-	-
4	**Interest Paid**												
	H.M. Sales Corporation	5.92	(0.04)	9.93	(1.97)	9.15	(0.31)	11.28	(3.03)	18.98	(5.56)	22.83	(3.16)
	Key Management Personnel	0.60	-	-	-	-	-	-	-	-	-	-	-
	Relatives of Key Management Personnel	0.61	-	-	-	-	-	-	-	-	-	-	-
5	**Deposits Accepted**												
	H.M. Sales Corporation	206.86	(90.18)	123.68	(118.02)	25.97	(111.70)	152.03	(193.30)	168.10	(299.53)	135.11	(406.44)
6	**Deposits Refunded**												
	H.M. Sales Corporation	168.60	-	95.84	-	32.30	-	70.42	-	61.88	-	28.20	-
	Key Management Personnel	12.85	-	-	-	-	-	-	-	-	-	-	-
	Relatives of Key Management Personnel	12.73	-	-	-	-	-	-	-	-	-	-	-
7	**Expenses paid**												
	H.M. Sales Corporation	11.98	(3.46)	10.43	(2.81)	12.31	(2.31)	13.28	(2.28)	15.51	(1.35)	16.53	(0.17)
	Uth Beverage Factory Private Limited	-	-	0.01	-	-	-	-	-	-	-	-	-
8	**Reimbursement of Expenses Made**												
	H.M. Sales Corporation	-	-	-	-	0.24	(0.03)	0.04	-	1.70	-	0.23	-
9	**Expenses Recovered / Reimbursement of Expenses received**												

		2007-08		2008-09		2009-10		2010-11		2011-12		2012-13*	
Sr. no	**Particulars**	**Transaction Value**	**Receivable /(Payable)**	**Transaction Value**	**Receivable /(Payable)**	**Transaction Value**	**Receivable /(Payable)**	**Transaction Value**	**Receivable /(Payable)**	**Transaction Value**	**Receivable /(Payable)**	**Transaction Value**	**Receivable /(Payable)**
	H.M. Sales Corporation	0.26	-	0.03	-	0.75	(0.14)	0.48	0.10	0.29	(0.11)	-	-
	Uth Healthcare Limited	-	-	-	-	-	-	0.01	0.01	-	-	-	-
	Uth Beverage Factory Private Limited	-	-	-	-	#	-	0.01	-	-	-	0.00	-
10	**Remuneration paid (net of recovery)**												
	Key Management Personnel -												
	Mr. Satish R Mehta	25.86	-	25.86	2.27	50.81	2.27	42.64	-	60.96	-	56.05	-
	Mr. Arun Kumar Khanna	13.86	3.23	17.09	4.87	17.39	4.87	26.20	-	33.35	-	23.58	
	Mr. Mahesh N Shah Mr.	5.03	1.08	6.12	2.13	6.56	2.13	9.41	-	12.79	-	9.01	-
	Mukund K Gurjar Mr.	6.46	-	10.92	2.53	13.41	2.53	16.27	-	20.38	-	15.59	-
	Mukund P. Ranade	-	-	-	-	-	-	-	-	-	-	7.61	
	Relatives of Key Management Personnel -												
	Mr. Vikas Thapar	5.91	-	6.37	-	7.24	-	8.14	-	8.15	-	8.54	-
	Mrs. Namita Thapar	4.90	-	4.92	-	4.98	-	5.23	-	6.00	-	6.63	-
	Mr. Samit Mehta	2.40	-	2.59	-	3.53	-	4.30	-	6.51	-	5.72	-
11	**Commission paid**												
	Key Management Personnel -												
	Mr. Satish Mehta	-	-	-	-	0.99	(0.99)	1.00	(1.10)	1.10	(1.10)	-	-
	Relatives of Key Management Personnel -												
	Mr. Vikas Thapar	-	-	-	-	0.45	(0.45)	0.50	(0.50)	0.50	(0.30)	-	-
12	**Purchase of Investment**												
	Key Management Personnel	-	-	-	-	-	-	2.50	-	-	-	-	-

The amount is below the rounding off norm adopted by the Group.

* For the nine months interim period ended on December 31, 2012.

G. As a Lessee in Finance Lease:

The Group has taken computers under finance lease arrangements for three years. The future minimum lease payments under leases are as following:-

₹ in millions

Sr. no	Particulars	For year ended on					For Nine months interim period
		March 31,2008	March 31,2009	March 31,2010	March 31,2011	March 31,2012	December 31,2012
a.	Minimum lease rental Balance on Balance Sheet Date						
	Due within One Year	2.92	1.80	-	-	-	-
	Due Later than one year but not later than 5 years	1.80	-	-	-	-	-
	Total	**4.72**	**1.80**	**-**	**-**	**-**	**-**
b.	Finance Charges Payable						
	Due within One Year	0.36	0.08	-	-	-	-
	Due Later than one year but not later than 5 years	0.08	-	-	-	-	-
	Total	**0.44**	**0.08**	**-**	**-**	**-**	**-**
c.	Present Value of Minimum Lease rentals Payable at Discounted rate implicit in lease agreement						
	Due within One Year	2.56	1.72	-	-	-	-
	Due Later than one year but not later than 5 years	1.72	-	-	-	-	-
	Total	**4.28**	**1.72**	**-**	**-**	**-**	**-**

H. As a Lessee in Operating Lease:

The Group has industrial premises on operating lease with an arrangement of a right to terminate the lease at the option of the Group and office premise under non-cancellable operating lease arrangements at stipulated rentals. The future minimum lease payments under these leases as of balance sheet date are as follows:-

₹ in millions

Sr. no	Particulars	For year ended on					For Nine months interim period
		March 31,2008	March 31,2009	March 31,2010	March 31,2011	March 31,2012	December 31,2012
a.	Minimum Lease payments						
	Due within One Year	24.50	39.25	47.08	65.24	87.66	116.51
	Due Later than one year but not later	101.81	127.82	95.92	138.67	190.03	208.76

Sr. no	Particulars	For year ended on					For Nine months interim period
		March 31,2008	March 31,2009	March 31,2010	March 31,2011	March 31,2012	December 31,2012
	than 5 years						
	Due later than 5 years	18.93	12.10	7.45	2.29	30.72	32.36
	Total	**145.24**	**179.17**	**150.45**	**206.20**	**308.41**	**357.63**
b.	Lease rental debited to Statement of Profit and Loss	24.21	32.02	45.76	60.79	82.18	88.40

I. (i). *Derivatives*

The Company and one of its subsidiary had entered into foreign exchange derivative contracts with Banks during financial year 2006-07 and financial year 2007-08. In pursuance of the announcement dated March 29, 2008 of The Institute of Chartered Accountants of India on "Accounting of Derivatives", the Company and one of its subsidiary had provided for mark to market losses on such transactions in the accounts for the year ended March 31, 2009 and as a matter of prudence, certain amount of the provision on account of such mark to market losses remains provided for in the accounts for the year/period ended March31, 2011, March31, 2012 and nine months period ended on December 31, 2012.

On legal advice, the Company has disputed the legal validity of these contracts and denied its liability arising from these contracts during the financial year 2010-11 and financial year 2011-12. The Company has settled all legal disputes relating to derivative contracts and liability has been crystalised. Additional amount payable towards settlement of legal disputes is recognise as expenses under 'Exceptional items' in the Statement of Profit and Loss.

Details of foreign currency exposures that have been hedged by a derivative instrument or otherwise are given below:

₹ in millions

Sr. no	Particulars	As at					
		March 31,2008	March 31,2009	March 31,2010	March 31,2011	March 31,2012	December 31,2012
a.	Outstanding Forward Contracts						
	Sell (USD)	2.23	-	-	-	-	4.50
	Buy(USD)	-	-	-	-	-	-
b.	Principal Only Swaps to Hedge against fluctuations in exchange rate changes						
	Number of Contracts (Actual in nos.)	2	-	-	-	-	-
	Notional Principal (INR)	480.00	180.00	-	-	-	-
	Number of Contracts (Actual in nos.)	2	-	-	-	-	-
	Notional Principal (USD)	4.50	-	-	-	-	-
	Derivative contracts to hedge against highly probable forecast						
c.	transactions						
	Number of Contracts (Actual in nos.)	6	7	7	1	1	1
	Notional Principal (USD)	142.70	133.10	100.40	8.60	5.10	1.88

Sr. no	Particulars	As at					
		March 31,2008	March 31,2009	March 31,2010	March 31,2011	March 31,2012	December 31,2012
d.	Swap contracts to purchase USD	-	-	-	-	1.74	10.87
e.	Unrealised Foreign Exchange loss						
	Option Contracts	129.73	2,924.00	1,001.19	64.96	86.39	43.54
	Swap Contracts	117.16	40.88	-	-	-	8.57
	Total	**246.89**	**2,964.88**	**1,001.19**	**64.96**	**86.39**	**52.11**

I. (ii) *Derivatives*

Details of foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	Currency	As at					
		March 31,2008	March 31,2009	March 31,2010	March 31,2011	March 31,2012	December 31,2012
		Amount in foreign currency	Amount in foreign currency	Amount in foreign currency	Amount in foreign currency	Amount in foreign currency	Amount in foreign currency
Trade Receivables	Euro	2.19	2.09	1.25	1.25	1.53	1.74
	GBP	0.37	0.05	0.09	-	-	-
	SGD	-	0.01	0.01	#	0.34	0.33
	USD	4.43	16.71	23.53	29.88	29.24	33.73
Trade payables	CAD	-	-	0.02	-	-	-
	CHF	#	-	-	-	-	#
	Euro	0.55	0.25	0.47	0.52	0.40	0.32
	GBP	-	-	0.02	-	-	0.04
	JPY	2.97	-	11.83	-	1.80	-
	USD	4.83	3.26	10.07	13.89	18.91	13.28
Advance Received from customer							
	Euro	0.01	0.15	0.01	-	0.03	0.08
	GBP	0.01	0.14	-	-	-	-
	USD	0.21	-	1.51	0.49	0.51	1.13
Loans Receivables	AED	-	-	-	0.25	-	-
	USD	5.38	11.12	10.25	9.06	11.67	7.17
Advance paid to suppliers	CHF	0.04	0.01	#	0.01	0.06	0.05
	Euro	0.51	#	0.10	0.11	0.07	0.54
	GBP	-	0.01	0.02	#	0.01	0.08
	JPY	0.08	-	-	-	-	-
	USD	0.65	0.14	0.57	0.39	0.79	1.49
Interest Receivable	AED	-	-	-	0.02	0.03	-
	USD	0.22	1.06	2.24	3.37	4.31	5.08
Interest Payable	Euro	0.01	#	#	#	0.09	0.01
	GBP	#	-	-	-	-	-
	JPY	0.46	-	-	-	-	-
	USD	0.05	0.05	0.03	0.04	0.01	0.16
Loans Payable	Euro	0.76	0.69	0.69	0.28	0.94	1.30
	GBP	0.04					
	JPY	39.20	-	-	-	-	-

Particulars	Currency	As at					
		March 31,2008	March 31,2009	March 31,2010	March 31,2011	March 31,2012	December 31,2012
		Amount in foreign currency	Amount in foreign currency	Amount in foreign currency	Amount in foreign currency	Amount in foreign currency	Amount in foreign currency
	USD	7.65	15.80	18.90	14.33	37.43	42.87

The amount is below the rounding off norm adopted by the Group.

J. Disclosure in accordance with Revised AS - 15 on "Employee Benefits "

(a) The Group has classified various employee benefits as under:

A. Defined Contribution Plans:

The Group has recognized the following amount in the Statement of Profit and Loss for the years/period ;

₹ in millions

Sr. no	Particulars	For the year ended on					For Nine months interim period ended on
		March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
1	Contribution to Employees' Provident Fund (Excluding Capitalisation)	34.28	37.40	42.38	60.55	76.89	70.10
2	Contribution to Employees' Family Pension Fund (Excluding Capitalisation)	24.22	23.02	26.57	37.40	43.86	37.28
	Total	**58.50**	**60.42**	**68.95**	**97.95**	**120.75**	**107.38**

B. Defined Benefit Plans:

Gratuity: Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

Following Figures in respect of gratuity are as per actuarial valuation as at the Balance Sheet date, carried out by independent Actuary which are based on estimates.

₹ in millions

Sr. no	Particulars	For the year ended on					For Nine months interim period ended on
		March 31,2008	March 31,2009	March 31,2010	March 31,2011	March 31,2012	December 31,2012
1	Changes in the Present Value of Obligation						

Sr. no	Particulars	For the year ended on					For Nine months interim period ended on
		March 31,2008	March 31,2009	March 31,2010	March 31,2011	March 31,2012	December 31,2012
a)	Present Value of Obligation as at April 1	36.23	45.73	60.88	79.88	120.12	184.92
b)	Interest Cost	3.77	4.81	4.75	5.32	7.82	11.51
c)	Past Service Cost	-	-	-	14.62	15.88	-
d)	Current Service Cost t	11.15	12.42	10.70	14.47	39.83	38.54
e)	Curtailment Cost/(Credit)	-	-	-	-	-	-
f)	Settlement Cost/(Credit)	-	-	(1.53)	(2.38)	-	-
g)	Benefits Paid	(3.58)	(6.16)	(4.92)	(13.03)	(15.71)	(8.74)
h)	Actuarial (Gain)/Loss	(1.84)	4.08	8.48	21.24	16.98	9.99
	Present Value of Obligation	**45.73**	**60.88**	**78.36**	**120.12**	**184.92**	**236.22**
2	Changes in the Fair value of Plan Assets (Gratuity)						
a)	Present Value of Plan Assets as at April 1	37.02	47.27	62.37	79.20	130.48	192.41
b)	Expected Return on Plan Assets	3.02	4.12	5.17	6.34	9.67	15.64
c)	Actuarial Gain/ (Loss)	0.49	(1.74)	0.06	1.43	2.11	(1.22)
d)	Employers' Contributions	10.32	18.88	16.52	58.92	65.86	7.72
e)	Asset Acquired on Acquisition/(Distributed on Divestiture)	-	-	-	(2.38)	-	-
f)	Benefits Paid	(3.58)	(6.16)	(4.92)	(13.03)	(15.71)	(8.74)
	Fair Value of Plan Assets	**47.27**	**62.37**	**79.20**	**130.48**	**192.41**	**205.81**
3	Amount recognised in the Balance Sheet including a reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets						
a)	Present Value of Funded Obligation	45.73	60.88	78.36	120.12	184.92	236.22
b)	Fair Value of Plan Assets	(47.27)	(62.37)	(79.20)	(130.48)	(192.41)	(205.81)
	Funded (Asset) / Liability recognized in the Balance Sheet (a- b)	**(1.54)**	**(1.49)**	**(0.84)**	**(10.36)**	**(7.49)**	**30.41**

Sr. no	Particulars	For the year ended on					For Nine months interim period ended on
		March 31,2008	March 31,2009	March 31,2010	March 31,2011	March 31,2012	December 31,2012
4	Expenses recognised in the Profit and Loss Account						
a)	Current Service Cost	11.15	12.42	10.70	14.47	39.83	38.54
b)	Past Service Cost	-	-	-	14.62	15.88	-
c)	Interest Cost	3.77	4.81	4.76	5.32	7.82	11.51
d)	Expected Return on Plan Assets	(3.02)	(4.12)	(5.17)	(6.34)	(9.68)	(15.65)
e)	Settlement Cost/(Credit)	-	-	(1.53)	-	-	-
f)	Net actuarial (Gain)/Loss	(2.00)	5.95	8.42	19.80	14.93	11.22
g)	Funds acquired						(1.32)
	Total Expenses recognised in the Profit and Loss Account	**9.90**	**19.06**	**17.18**	**47.87**	**68.78**	**44.30**
5	Percentage of each Category of Plan Assets to total Fair Value of Plan Assets						
a)	Insurer Managed Funds	100%	100%	100%	100%	100%	100%
6	Actual Return on Plan Assets	3.51	3.19	3.84	7.77	11.86	6.03
7	Principal Actuarial Assumptions						
a)	Discount Rate	8.50%	7.65%	5.85% to 6.65%	7.65% to 7.85%	8.50%	8.00% -8.10%
b)	Expected Rate of Return on Plan Assets	9.00%	9.00%	9.00%	9.00%	8.00% to 9.00%	9.00%
c)	Salary Escalation Rate	6.00%	5.00%	5.00%	6.00% to 7.00%	8.00% to 9.00%	8.00%
8	Experience History						
a)	Defined Value of Obligation	83.75	76.75	79.88	104.25	146.90	236.20
b)	Plan Assets	72.05	77.82	79.21	115.05	170.17	205.84
c)	Surplus (Deficit)	(11.70)	1.07	(0.67)	10.80	23.27	(30.36)
d)	Experience adjustment on plan Liabilities (loss)/gain	2.95	0.24	5.19	18.13	(7.49)	(49.51)
e)	Experience adjustment on plan assets (loss)/gain	2.02	(0.73)	0.06	0.42	0.65	(1.22)
9	Expected contribution to the fund in the next year Gratuity	7.05	16.68	55.33	70.70	32.00	38.00

Accounting Standard 15 (revised 2005), Para 132, does not require any specific disclosures except where expense resulting from compensated absence is of such size, nature or incidence that its disclosure is relevant under Accounting Standard 5 or Accounting Standard 18 and accordingly the expense resulting from compensated absence is not significant and hence no disclosures are prepared under various paragraphs of AS 15 (revised 2005).

K. Business Acquisition and merger

The Company, through its wholly owned subsidiary, Emcure Pharmaceutical Holdings Inc. ("SPV") has acquired 100% equity interest in Heritage Pharma Holdings Inc. ('Heritage') vide agreement dated February 25, 2011. With effect from April 29,2011, the SPV and Heritage merged. As a result, Heritage Pharma Holdings Inc. and its wholly owned subsidiary Heritage Pharmaceuticals Inc. ("step-down subsidiary") have become wholly owned subsidiaries of the Company with effect from April 29, 2011. Heritage is a company established in the United States of America and is in the business of acquisition, licensing, development, marketing, sale and distribution of generic pharmaceuticals products through its step down subsidiary.

Pursuant to the agreement, an amount of USD 28 million has been paid on the date of acquisition i.e. April 29, 2011 and an additional amount of USD 3 million is payable on December 31, 2013. The Company through its wholly owned subsidiary 'Heritage' has also agreed to additional consideration equal to:

- Lesser of USD 6.5 million and adjusted EBITDA of Heritage and step down subsidiary for calendar year 2011

- 1.4 time EBITDA of Heritage and step down subsidiary for the calendar year 2013, subject to minimum of USD 5 million and maximum of USD 25.5 million.

The amount of contingent consideration payable on the date of acquisition of the investment has been calculated by the Company on the basis of the Management's best estimate of the expected EBITDA of Heritage for the above mentioned years. Accordingly, the amount of total consideration payable as of the date of the acquisition and resulting goodwill has been determined as follows:

Sr. No.	Particulars	Amount USD Million	Amount INR Million
a.	Amount paid on conclusion of the agreement	28.00	1,237.88
b.	Promissory note payable on December 31, 2013 drawn in favour of the erstwhile shareholders	3.00	132.63
c.	Contingent consideration payable	26.80	1,184.83
d.	Total expected consideration payable (a+b+c)	57.80	2,555.34
e.	Amount of net assets acquired (at book value on April 29, 2011)	6.37	281.62
f.	Resulting goodwill (d-e)	51.43	2,273.72

Out of the goodwill amount of USD 51.43 millions, goodwill of USD 38.25 millions (₹ 1,691.08 million) arising from merger of SPV and Heritage will be amortised over the expected useful life of 5 years. The balance amount of USD 13.18 Millions (₹ 582.91 million) will not be amortised and will be tested for impairment in accordance with Accounting Standard 21 - Consolidated Financial Statements.

The balance as on December 31, 2012 has been increased by ₹ 412.35 millions on account of restatement of balance at closing rate.

Any change in the expected amount of contingent consideration on subsequent reporting date or on final settlement will be adjusted to the Statement of Profit and Loss in the year of closing/settlement.

L. Stock Appreciation Rights

The Company through its wholly owned subsidiary, Heritage Pharmaceuticals Holdings Inc ("Heritage") has entered into Stock Appreciation Rights Agreement (the "Plan") with certain employees to grant stock appreciation rights (SARs) under a stock incentive plan.

Under this plan, 20 units (previous year 125 units) were granted to certain employees. The plan consists of time vesting options.

Particulars	Number of units	Number of units
	December 31, 2012	March 31, 2012
Balance at the beginning of the period	115	-
Granted	20	125
Exercised	-	-
Forfeited / cancelled	-	(10)
Lapsed	-	-
Balance at the end of the year	135	115
Vested at the end of the year	135	115

The base price of each share covered by SARs is USD 24,500 per unit.

The following are the key terms of the Plan.

Time vesting units: Time vesting occurs as follows

10% shall vest on the first anniversary of the Grant date

15% shall vest on the second anniversary of the Grant date

20% shall vest on the third anniversary of the Grant date

25% shall vest on the fourth anniversary of the Grant date

30% shall vest on the fifth anniversary of the Grant date

Settlement: The stock incentive plan provided for the settlement date as the earlier of:

- 10th anniversary of the date of the grant
- At election by Heritage at any time within 12 months following an employee's termination of employment for any reason
- Grantee delivering a notice of exercise to Heritage. No more than 50% of a grantee's vested SARs may be exercised in any year.

Upon settlement, Heritage would pay the excess of the Intrinsic value of the units on the date of settlement over the base price. Settlement will be made in cash. Intrinsic value of the subsidiary is measured at each reporting date by considering the most recent EBITDA.

The stock appreciation rights have been considered as cash settled options and classified as a liability. As at December 31, 2012, these SAR are deeply out of the money and accordingly, no liability has been provided towards these SARs.

M. Losses / (Gains) arising on account of effects of changes in foreign exchange rates on long term Foreign currency monetary Items

The Company and one of its subsidiary has opted for accounting for exchange differences arising on long term foreign currency monetary item in line with the notification of Ministry of Corporate Affairs on Accounting Standard 11, dated March 31, 2009. Consequently, effects of change in foreign exchange rates are as under -

₹ in millions

Sr no	Particulars	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
1	Loss/ (Gain) arising from the effect of changes in foreign exchange rates on foreign	(37.39)	170.87	(86.09)	4.77	125.07	126.99

Sr no	Particulars	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
	currency loans relating to acquisition of depreciable capital assets added to the cost of such assets						
2	Loss/ (Gain) arising from effect of change in exchange rates on other foreign currency monetary items transferred to Foreign Currency Monetary Item Translation Difference Account	-	72.59	(6.57)	(9.37)	66.05	88.39
3	Amount amortised from the Foreign Currency Monetary Item Translation Difference Account and charged to the Statement of Profit and Loss	-	(10.98)	2.36	3.69	(21.10)	(38.19)

N. Amalgamation of Lasor Pharmaceuticals Limited with Zuventus Healthcare Limited

The Hon'ble High Courts of Judicature at Mumbai has approved, on June 24, 2011, the arrangement as embodied in the Scheme of Amalgamation ("the Scheme") of the erstwhile Lasor Pharmaceuticals Limited ("Lasor"), with Zuventus Healthcare Limited ("Zuventus"), subsidiary of Emcure Pharmaceuticals Limited. On complying with the requisite formalities by the Scheme became effective on June 24, 2011 ("the effective date"), operative retrospectively from April 1, 2010, the appointed date as per the Scheme. Accordingly, the whole of the undertaking of Lasor was transferred to and vested in Zuventus as a going concern and, without any further act, was dissolved without winding up. As per the Scheme, the said transaction is recorded in such a manner so that with effect from the appointed date, all assets and liabilities are vested in Zuventus. The amalgamation has been accounted for under the "pooling of interests" method as prescribed by Accounting Standard (AS-14) issued by the Institute of Chartered Accountants of India and the specific provisions of the Scheme. Accordingly, all the assets, liabilities and reserves of Lasor as on April 1, 2010 have been recorded by Zuventus at their respective amounts. The difference between the excess of the net assets taken over after reduction of the existing shareholding in the Lasor has been credited in General Reserve. With effect from the Appointed Date, all debts, liabilities, duties and obligations of Lasor as on the close of the business on the date preceding the appointed date, whether or not provided in the books of Lasor and all liabilities which arise or accrue on or after the appointed date shall be deemed to be the debts, liabilities, duties and obligations of Zuventus.

O. Goodwill on Consolidation

₹ in millions

Particulars	As on	
	March'31 2012	**December'31 2012**
Opening Balance	-	582.91
Addition -		
Goodwill on acquisition of Heritage	582.91	-
(Refer Annexure V, Note K)		
Goodwill on acquisition of additional stake in existing subsidiary (Refer to note below)	-	356.26
Closing Balance	**582.91**	**939.17**

On July 24, 2012, the Company has acquired additional shares in its subsidiary, Emcure Pharmaceuticals USA Inc, making it a wholly owned subsidiary of the Company. The difference between total consideration of 356.27 million and net book value of shares acquired as of date of acquisition (which was Nil on account of Pre-acquisition losses) has been recognised as Goodwill on Consolidation.

P. Employee Stock Option Scheme

The Company instituted the Emcure Employee Stock Option Plan 2013 (“Emcure ESOP 2013”) on June 14, 2013 effective from the same date, pursuant to the Board resolution dated June 5, 2013 and the Shareholders’ resolution dated June 14, 2013. The options pursuant to the Emcure ESOP 2013 would be granted to the employees as determined by the remuneration committee. The Company may grant options under Emcure ESOP 2013, in one or more tranches, to the employees not exceeding 5.0% of the issued and paid-up Equity Shares, with each such option conferring a right upon the employee to apply for one Equity Share of the Company, in accordance with the terms and conditions of the Emcure ESOP 2013. The maximum aggregate number of the Equity Shares in respect of which the options may be granted under the Emcure ESOP 2013 is 2,260,651 Equity Shares.

Q. Zoledronic Acid Litigation

In March 2013 and May 2013, one of the subsidiary, Heritage launched two Zoledronic acid injectable products, which are generic versions of another company (“Innovator”). In March 2013, the Innovator filed a complaint for an infringement of method of use patent of each of these two Zoledronic acid products against the Company and Emcure Pharmaceuticals USA, Inc., and seventeen other companies in the United States District Court for the district of New Jersey. If the Innovator is successful in their claims of patent infringement, the Company and Emcure Pharmaceuticals USA, Inc. could be required to pay damages related to sales of these products made by the Company, and could be prohibited from making or selling these products in the United States until the expiry of the relevant patents. The Company does not expect any adverse outcome from the proceedings.

R. Acquisition of a Group Company

On June 19, 2013, the Company acquired 63.0% of the equity share capital of Uth Healthcare Limited, a group company, for total consideration of Rs. 31.5 million. Uth Healthcare Limited is in the business of selling and distributing nutraceuticals and nutritional products. The acquisition was funded through the Company’s internal accruals.

ANNEXURE VI

Statement on Adjustments to Audited Consolidated Financial Statements of Emcure Pharmaceuticals Limited

₹ in millions

	As at					
	March 31, 2008	**March 31, 2009**	**March 31, 2010**	**March 31, 2011**	**March 31, 2012**	**December 31, 2012**
Adjustments:						
A. Material Restatement Adjustments	-	-	-	-	-	-
B. Adjustments on account of changes in accounting policies :	-	-	-	-	-	-
C. Adjustments on account of changes in Audit Qualifications	-	-	-	-	-	-
Total impact of Adjustments (A-B-C)	-	-	-	-	-	-

As the Group has prepared Consolidated financial statements for the first time for the proposed public offer, there are no material restatement adjustments -

(i) Relating to previous years which need to be adjusted in year/period to which they relate

(ii) On account of qualifications in the auditors’ report

(iii) On account of extraordinary items that need to be disclosed separately

(iv) The accounting policies as at and for the nine months interim period ended December 31, 2012 are materially consistent with the policies adopted by the Group for the financial years ended March 31, 2008, 2009, 2010, 2011 and 2012. Accordingly, no adjustments have been made to the audited financial statements of the respective years/period presented on account of changes in accounting policies;

(A) Auditor's Qualifications in Company Auditor's Report Order - Non - Adjusting Items:

Year 2010-11 and 2011-12

(a) Emcure Pharmaceuticals Limited ("EPL") has not defaulted in repayment of dues to any financial institution or bank or debenture holder at the balance sheet date, other than dues to banks in respect of derivatives contract under dispute between the Company and banks, for which we are unable to determine whether there is a default in repayment of dues to the bank.

Management Comment -

During financial year 2012-13, the Company has settled all its disputes with banks in relation to derivative contracts and liability is crystallized. Additional liability on account of settlement of disputes, amounting to ₹ 143.92 million is recognized in financials for nine months interim period ended on December 31, 2012.

Year 2007-08 and 2008-09

(a) A subsidiary of the Company, Zuventus Healthcare Limited ("ZHL") has paid excess remuneration to Deputy Managing Director aggregating to ₹ 3.06 millions and ₹ 3.14 millions for the financial year 2007-08 and 2008-09 respectively for which Central Government approval was awaited.

Management Comment -

Subsequent to closure of respective financial year approval for the waiver of recovery of excess managerial remuneration of ₹ 3.06 millions (financial year 07-08) and ₹ 3.14 millions (financial year 08-09) was received on October 22, 2008 and April 15, 2010 respectively.

(b) A subsidiary of the Company, Zuventus Healthcare Limited ("ZHL") has obtained the term loan for financing capital expenditure. Pending utilization for intended purpose ZHL has partially applied term loan obtained for financing the net working capital.

Management Comment -

During the financial year 2007-08 ZHL had taken term loan from Bank for the purpose of procuring Fixed assets at Jammu location. ZHL had given advances to its various suppliers towards purchases of equipments for establishing new plant at Jammu location. ZHL had also received equipments partially at the end of March 2008. Since the payment to equipment supplier was not due at the year ended March 31, 2008, the utilisation of loan was pending and hence amount disbursed from bank was kept in the Cash credit account of the ZHL. This amount has been used to pay off the equipment suppliers in subsequent years after they became due for payment.

ANNEXURE VII

Restated Consolidated Statement of Investments of Emcure Pharmaceuticals Limited

₹ in millions

Particulars	**As at**					
	March 31, 2008	**March 31, 2009**	**March 31, 2010**	**March 31, 2011**	**March 31, 2012**	**December 31, 2012**
Non-current investments (A)						
Unquoted at cost						
National Savings Certificates	0.27	0.27	0.27	0.27	0.27	0.17
Bonds of Rural Electrification Corporation Limited (500 bonds of ₹ 10,000 each)	5.00	-	-	-	-	-
Total Non-current investments	**5.27**	**0.27**	**0.27**	**0.27**	**0.27**	**0.17**
Current Investments (B)						
Current, Non- Trade, Quoted						
Bonds of Rural Electrification Corporation Limited (500 bonds of ₹ 10,000 each)	-	5.00	-	-	-	-
Total -Current and Non Current Investments	**5.27**	**5.27**	**0.27**	**0.27**	**0.27**	**0.17**

ANNEXURE VIII

Restated Consolidated Statement of Trade Receivables of Emcure Pharmaceuticals Limited

₹ in millions

Particulars	As at					
	March 31, 2008	**March 31, 2009**	**March 31, 2010**	**March 31, 2011**	**March 31, 2012**	**December 31, 2012**
Unsecured , considered good						
Outstanding for a period exceeding 6 months from the date they are due for payment	8.14	-	48.18	133.62	129.19	416.00
Others (Refer note 1 below)	1,416.45	1,734.77	1,785.76	2,351.52	2,979.49	3,606.57
	1,424.59	**1,734.77**	**1,833.94**	**2,485.14**	**3,108.68**	**4,022.57**
Unsecured , considered doubtful						
Outstanding for a period exceeding 6 months from the date they are due for payment	9.32	44.03	10.92	12.07	41.21	44.95
Less : Provision for doubtful debts	(9.32)	(44.03)	(10.92)	(12.07)	(41.21)	(44.95)
Total	**1,424.59**	**1,734.77**	**1,833.94**	**2,485.14**	**3,108.68**	**4,022.57**
Note 1						
1. There are no amounts recoverable from Directors or Promoters of the Company						
2. The amounts recoverable from entities related to directors or the promoters of the issuer included above*	-	-	-	-	2.07	10.78
* The list of persons/entity classified as "Promoters and promoter group company" has been provided by the management and relied upon by the auditors.						

ANNEXURE IX

Restated Consolidated Statement of Loans & Advances of Emcure Pharmaceuticals Limited

₹ in millions

Particulars	As at,					
	March 31, 2008	**March 31, 2009**	**March 31, 2010**	**March 31, 2011**	**March 31, 2012**	**December 31, 2012**
Long-term loans and advances:						
Unsecured considered good (Unless otherwise stated):						
Employee advances (Refer note 1 below)	6.46	14.01	1.70	1.91	2.55	2.69
Capital Advances	420.44	92.71	62.09	110.53	30.97	96.27
Security Deposits	35.52	39.14	47.96	71.88	97.53	106.70
MAT Credit Entitlement	30.29	-	106.05	226.45	438.15	478.56
Advances recoverable in cash or in kind	6.06	5.19	10.85	0.11	0.85	2.54
Prepaid expenses	12.30	10.14	13.31	17.69	26.50	28.53
Balances with government authorities	96.52	64.01	63.06	97.34	91.01	62.15
Advance Tax (Net of Provision for Tax)	70.52	103.88	110.09	69.42	32.50	67.76
Others	-	-	2.20	-	-	-
Total (A)	**678.11**	**329.08**	**417.31**	**595.33**	**720.06**	**845.20**
Short-term loans and advances:						
Advances recoverable in cash or in kind	167.01	176.42	200.73	330.47	359.80	441.78
Advance Income Tax (Net of Provision)	10.40	1.25	1.25	18.32	28.45	19.39
Balances with Government Authorities	152.60	174.83	182.34	180.46	201.48	232.17
Current portion of Security Deposit	13.64	6.04	1.04	3.28	3.88	13.29
Prepaid expenses	15.19	20.30	30.01	44.78	83.06	68.18
Employee Advances (Refer note 1 below)	13.38	15.27	26.39	27.07	24.77	44.13
Others	-	-	-	-	1.09	1.18
Total (B)	**372.22**	**394.11**	**441.76**	**604.38**	**702.53**	**820.12**
Total (A+B)	**1,050.33**	**723.19**	**859.07**	**1,199.71**	**1,422.59**	**1,665.32**
Note 1						
The amounts recoverable from the promoters / directors or entities related to directors or the promoters of the issuer included above*	4.33	11.80	11.80	-	-	-
* The list of persons/entity classified as "Promoters and promoter group company" has been provided by the management and relied upon by the auditors.						

ANNEXURE X

Restated Consolidated Statement of Secured Borrowings of Emcure Pharmaceuticals Limited

₹ in millions

Particulars	As at,					
	March 31, 2008	**March 31, 2009**	**March 31, 2010**	**March 31, 2011**	**March 31, 2012**	**December 31, 2012**
Long term borrowings:						
Secured term loans:						
From banks	1,456.03	1,524.02	1,635.78	2,986.68	2,643.11	2,874.64
Foreign Currency Loans from Banks	-	-	-	104.30	1,095.18	1,385.46
Vehicle Loans	20.14	8.25	17.75	20.03	34.71	32.16
Others	0.10	1.05	-	1.76	41.48	52.58
Sub-total (A)	**1,476.27**	**1,533.32**	**1,653.53**	**3,112.77**	**3,814.48**	**4,344.84**
Short term borrowings:						
Working Capital Loans repayable on demand from banks	987.47	1,740.20	1,579.17	1,094.62	1,677.95	3,029.76
Sub-total (B)	**987.47**	**1,740.20**	**1,579.17**	**1,094.62**	**1,677.95**	**3,029.76**
Classified under other current Liabilities (Refer Annexure V, Note 10)						
Current maturities of long-term debt	548.83	868.50	854.35	1,014.37	1,369.75	1,551.22
Current maturities of other secured debts	13.39	15.22	14.70	11.71	22.69	24.09
Current maturities of Vehicle Loans	5.08	5.00	2.32	1.37	1.44	2.02
Sub-total (C)	**567.30**	**888.72**	**871.37**	**1,027.45**	**1,393.88**	**1,577.33**
Total (A+B+C)	**3,031.04**	**4,162.24**	**4,104.07**	**5,234.84**	**6,886.31**	**8,951.93**

ANNEXURE X (D)

Emcure Pharmaceuticals Limited

Restated Consolidated Statement of Principal Terms of Secured Borrowings outstanding as on December 31, 2012 of Emcure Pharmaceuticals Limited

₹ in millions

Sr. no.	Lender	Nature of Facility	Currency	Amount Outstanding (₹ in millions)	Rate of Interest %	Repayment Terms	Security / Principal Terms and Conditions
1	Bank of Maharashtra	Term Loan	INR	101.40	Base Rate+3.25%	60 monthly installments from June 2009.	As per Note No. 1
		Term Loan	INR	329.80	Base Rate+1.50%	48 monthly installments from October 2013.	As per Note No. 1
		Term Loan	USD	560.67	Libor+ 5.75%	48 monthly installments from August 2012.	As per Note No. 1
		Term Loan (Buyers Credit)	EUR	62.86	Euribor+1.05%-1.10%	Payable On Maturity from April 2013 and May 2013.	As per Note No. 1
		Raw Material (Buyers Credit)	USD	11.09	Libor+ 1.10%	Payable on Maturity on March 2013.	As per Note No. 5
		Cash Credit	INR	72.93	Base Rate+2.75%	Payable On Demand.	As per Note No. 5
		Short Term Loan	INR	116.07	Base Rate+2.75%	Payable on Demand.	As per Note No. 5
		Term Loan	INR	240.00	Base Rate+4.25%	60 Monthly installments of Rs. 1.67 million per month starting from October 1, 2012.	As per Note No. 7
		Cash Credit	INR	51.05	Base rate +3.25%	Payable on Demand.	As per Note No. 8
2	CITI Bank	Term Loan	INR	35.18	9.40%	17 quarterly installments from August 2009.	As per Note No. 1
		Term Loan	USD	549.90	Libor+ 3.00%	16 quarterly installments from October 2013.	As per Note No. 1
		Cash Credit	INR	4.98	13.25%	Payable on Demand.	As per Note No. 8
		Term Loan	USD	48.52	Libor+1.00%	17 quarterly installments from August 2009.	As per Note No. 1
		Cash Credit	INR	22.21	Base Rate +3.75%	Payable on Demand.	As per Note No. 5
		PCFC	USD	54.99	Libor+2.25%	Payable on January 2013.	As per Note No. 5
		Short term Loan	INR	25.00	11.90%	Payable on maturity on January 2013.	As per Note No. 8
3	State Bank of India	Term Loan	INR	24.00	Base Rate+3.00%	29 unequal monthly installments from October 2010.	As per Note No. 2
		Term Loan	INR	73.07	Base Rate+3.00%	32 unequal monthly installments from June 2011.	As per Note No. 1
		Term Loan	USD	483.03	Libor+ 5.75%	32 unequal monthly installments from June 2011.	As per Note No. 1
		Short Term Loan	INR	400.00	Base Rate+0.75%	Payable On Maturity in January 2013 and February 2013.	As per Note No. 5
		Term Loan	INR	262.50	Base Rate+3.10%	15 unequal quarterly installments from April 2012.	As per Note No. 1
		Cash Credit	INR	136.60	Base Rate+3.00%	Payable on Demand.	As per Note No. 5
		Raw Material (Buyers Credit)	USD	99.67	Libor+ 1.30 to 1.65%	Payable On Maturity on January 2013 and February 2013	As per Note No. 5
		Term Loan	INR	144.90	Base Rate+4.00%	60 monthly unequal installments started from September 1, 2010.	As per Note No. 9
		Cash Credit	INR	54.18	Base Rate+3.75%	Revolving, renewable at the end of 12 months	As per Note No. 10
		Term Loan	INR	74.98	Base Rate+2.10%	60 monthly equal installments including 12 months moratorium period from the date of first	As per Note No. 11

Sr. no.	Lender	Nature of Facility	Currency	Amount Outstanding (₹ in millions)	Rate of Interest %	Repayment Terms	Security / Principal Terms and Conditions
						disbursement (March 31, 2010)	
		Short Term Loan	INR	100.00	Base Rate+0.3%	Payable On maturity on February 2013.	As per Note No. 15
		Cash Credit	INR	62.78	Base Rate+2.00%	Payable On Demand.	As per Note No. 15
4	Bank of Baroda	Term Loan	USD	100.49	Libor+ 6.50%	12 Quarterly installments from January 2011.	As per Note No. 1
		Term Loan	USD	164.79	Libor+ 6.50%	52 monthly installments from January 2011.	As per Note No. 1
		Term Loan	USD	49.27	Libor+ 6.50%	38 monthly installments from November 2011.	As per Note No. 1
		Term Loan	USD	106.42	Libor+ 6.50%	21 quarterly installments from December 2011.	As per Note No. 1
		Cash Credit	INR	282.92	Base Rate+2.75%	Payable on Demand.	As per Note No. 5
		PCFC	USD	16.48	Libor+3.5%	Payable in January 2013.	As per Note No. 5
		Short Term Loan	INR	300.00	Base Rate+2.00%	Payable On Maturity on January 2013.	As per Note No. 5
5	HDFC Limited	Term Loan	INR	175.68	CPLR-4.50%	60 monthly installments including interest from November 2012.	As per Note No. 3
		Term Loan	INR	400.00	CPLR-4.50%	60 monthly installments including interest from August 2013.	As per Note No. 1
		Term Loan	INR	154.67	CPLR-4.50%	60 monthly installments including interest from November 2012.	As per Note No. 4
6	Axis Bank Limited	Term Loan (Buyers Credit)	EUR	31.18	Euribor+1.20% to 1.70%	Payable On January 2013 and February 2013.	As per Note No. 1
		Cash Credit	INR	140.06	Base Rate+2.25%	Payable on Demand.	As per Note No. 5
		Raw Material (Buyers credit)	USD	44.38	Libor+ 1.10% to 1.20%	Payable On January 2013 and May 2013.	As per Note No. 5
		Term Loan (Buyers Credit)	USD	37.00	Libor+ 1.02% to 1.10%	Payable On March 2013 and April 2013..	As per Note No. 1
7	HDFC Bank Limited	Cash Credit	INR	5.04	Base Rate+3.80%	Payable on Demand.	As per Note No. 5
		Short Term Loan	INR	210.00	As negotiated	Payable On Maturity on January 2013.	As per Note No. 5
		Cash Credit	INR	1.96	As negotiated	Payable on Demand.	As per Note No. 15
8	Bank of India	Short Term Loan	USD	164.97	6 month Libor+3.95%	Payable On Maturity on December 2013.	As per Note No. 13
		Short Term Loan	INR	250.00	Base Rate+1.50%	Payable On Maturity on February 2013.	As per Note No. 5
		Cash Credit	INR	181.01	Base Rate+2.50%	Payable on Demand.	As per Note No. 5
9	Hire Purchase Loan	Hire Purchase Loan	INR	48.38	8% to 12.5%	Monthly installments starting from January 2013 and ending on March 2017	As per Note No. 14
		Hire Purchase Loan	INR	4.26	As negotiated	Equated Monthly Installments starting from the next month subsequent to taking the loan	As per Note No. 14
		Hire Purchase Loan	INR	5.63	As negotiated	Repayment at various monthly installments as per the repayment schedules.	As per Note No. 14
10	Department of Biotechnology	Loan under Biotechnology Industry Partnership Programme	INR	5.40	2%	10 Half Yearly installments starting from February 1, 2013.	As per Note No. 18
11	Department of Biotechnology	Loan under Biotechnology Industry Partnership Programme	INR	18.38	2%	10 Half Yearly installments starting from February 1, 2013.	As per Note No. 17
12	Biotech	Loan under	INR	28.80	5%	10 Half Yearly installments	As per Note

Sr. no.	Lender	Nature of Facility	Currency	Amount Outstanding (₹ in millions)	Rate of Interest %	Repayment Terms	Security / Principal Terms and Conditions
	Consortium India Limited	Biotechnology Industry Partnership Programme				starting from March 1, 2014.	No. 17
13	Axis Bank-DIFC Branch, Dubai	Term Loan	USD	321.69	6 months Libor+475	3 Quarterly installments of $ 150 thousands per quarter starting from October 2012 to April 2013, 4 Quarterly installments of $ 300 thousands per quarter starting from August 2013 to May 2014, 4 Quarterly installments of $ 525 thousands per quarter starting from July 2014 to April 2015 and 4 Quarterly installments of $ 562.50 thousands per quarter starting from July 2015 to April 2016	As per Note No. 12
14	CITI Bank, USA	Cash Credit	USD	162.08	3 months Libor+150	Payable on Demand.	As per Note No. 16
15	State Bank of India, Chicago	Term Loan	USD	164.96	3 months Libor+205	Repayable at the end of 5 years.	As per Note No. 6 A
		Term Loan	USD	1,114.37	3 months Libor+205	6 monthly installments of $ 245 thousand per month starting from Oct 2012 to March 2013, 12 monthly installments of $ 285 thousand starting from April 2013 to March 2014, 12 monthly installments of $ 610 thousand starting from April 2014 to March 2015, 11 monthly installments of $ 740 thousand starting from April 2015 to February 2016, 1 installment of $650 thousand in March	As per Note No. 6 B
16	Standard Chartered Bank	Cash Credit	INR	28.34	Base rate+4.20%	Payable on Demand.	As per Note No. 5
		PCFC	USD	30.96	Libor+2.20%	Payable on January 2013.	As per Note No. 5
	Total			**8,951.93**			

Base Rates as on December 31,2012

1	Bank of Maharashtra	10.50%
2	CITI Bank	9.75%
3	State Bank of India	9.75%
4	Bank of Baroda	10.50%
5	HDFC Limited (Corporate Prime Lending Rate (CPLR)	17.50%
6	HDFC Bank Limited	9.80%
7	Standard Chartered Bank	9.50%
8	Axis Bank Limited	10.00%
9	Bank of India	10.50%

Restated Consolidated Statement of Principal Terms of Secured Borrowings outstanding as on March 31, 2012 of Emcure Pharmaceuticals Limited

Note No. 1

1. First pari passu (registered mortgage) charge over the immovable fixed assets situated at

    (a) Plot No. P-2, Rajiv Gandhi Infotech Park, MIDC, Phase-II, Hinjewadi, Pune - 411 057

    (b) Plot No. D-24 in the MIDC, Kurkumbh Industrial Area, Daund, Pune - 413 802

    (c) Plot No. D-24/1, MIDC, Kurkumbh Industrial Area, Daund, Pune - 413 802;

2. First pari passu (hypothecation) charge over the all movable fixed assets situated at:

    (a) Plot No. P-1, Rajiv Gandhi Infotech Park, MIDC, Phase-II, Hinjewadi, Pune - 411 057

    (b) Plot No. P-2, Rajiv Gandhi Infotech Park, MIDC, Phase-II, Hinjewadi, Pune - 411 057

    (c) Plot No. D-24 in the MIDC, Kurkumbh Industrial Area, Daund, Pune - 413 802

    (d) Plot No. D-24/1, MIDC, Kurkumbh Industrial Area, Daund, Pune - 413 802

3. First pari passu (hypothecation) charge over the all intangible assets of Emcure Pharmaceuticals Limited and

4. Second pari passu (hypothecation) charge on current assets of Emcure Pharmaceuticals Limited.

Note No. 2

Equitable mortgage of immovable fixed assets and hypothecation of movable fixed assets situated at Lane No. 3, Phase II, SIDCO Industrial Estate, Phase III, Bari Brahmana, Jammu 181 133.

Note No. 3

Exclusive Charge on immovable and movable fixed assets situated at

(a) Plot No. C-10/12, Functional Industrial Estate, MIDC, Bhosari, Pune-411 026.

(b) Plot No. T-184, MIDC, Bhosari, Pune 411026

Note No. 4

Exclusive Charge on immovable and movable fixed assets situated at Plot No. F-II- 12/1 and F-II-12/2, Pimpri Industrial Area, Pune 411018

Note No. 5

1. First pari passu (hypothecation) charge on current assets of Emcure Pharmaceuticals Limited.

2. Second pari passu (registered mortgage) charge over the immovable fixed assets situated at

    (a) Plot No. P-2, Rajiv Gandhi Infotech Park, MIDC, Phase-II, Hinjewadi, Pune - 411 057

    (b) Plot No. D-24 in the MIDC, Kurkumbh Industrial Area, Daund, Pune - 413 802

    (c) Plot No. D-24/1, MIDC, Kurkumbh Industrial Area, Daund, Pune - 413 802;

3. Second pari passu (hypothecation) charge over the all movable fixed assets situated at:

    (a) Plot No. P-1, Rajiv Gandhi Infotech Park, MIDC, Phase-II, Hinjewadi, Pune - 411 057

    (b) Plot No. P-2, Rajiv Gandhi Infotech Park, MIDC, Phase-II, Hinjewadi, Pune - 411 057

    (c) Plot No. D-24 in the MIDC, Kurkumbh Industrial Area, Daund, Pune - 413 802

    (d) Plot No. D-24/1, MIDC, Kurkumbh Industrial Area, Daund, Pune - 413 802

4. Second pari passu (hypothecation) charge over the all intangible assets of Emcure Pharmaceuticals

Limited

Note No. 6 A

(a) First charge by way of Equitable Mortgage of immovable fixed assets & hypothecation of movable fixed assets of Emcure Pharmaceutical Limited (the holding company) located at Plot No. P II, ITBT Park, Hinjewadi and Plot No. D 24 & D 24/1, MIDC, Kurkumbh Industrial Area, Daund, Pune - 413 802, Hypothecation of movable fixed assets of the company located at Plot No. P 1. ITBT park. Hinjewadi Pune 411057 of Emcure Pharmaceutical Limited (the Holding Company) on pari-passu basis.

(b) First charge on current assets and second charge on Fixed Assets of “Heritage Pharma Holdings Inc.” and “Heritage Pharmaceuticals’ Inc. USA”

(c) Second pari-passu charge on all current assets, (present and future), of Emcure Pharmaceutical Limited

(d) Pledge of Entire Equity Shares of “Heritage Pharma Holdings Inc. USA” and “Heritage Pharmaceuticals Inc.USA” held by Emcure Pharmaceutical Limited

(e) Counter Guarantee of Emcure Pharmaceuticals Limited

Note No. 6 B

(a) First charge by way of Equitable Mortgage of immovable fixed assets & hypothecation of movable fixed assets of Emcure Pharmaceutical Limited (the holding company) located at Plot No. P II, ITBT Park, Hinjewadi and Plot No. D 24 & D 24/1, MIDC, Kurkumbh Industrial Area, Daund, Pune - 413 802, Hypothecation of movable fixed assets located at Plot No. P 1. ITBT park. Hinjewadi Pune 411057 of Emcure Pharmaceutical Limited (the Holding Company) on pari-passu basis.

(b) First charge on fixed assets and second charge on current assets of “Heritage Pharma Holdings Inc.” and “Heritage Pharmaceuticals’ Inc.”

(c) Second pari-passu charge on all current assets, (present and future), of Emcure Pharmaceutical Limited

(d) Pledge of Entire Equity Shares of “Heritage Pharma Holdings Inc. USA” and “Heritage Pharmaceuticals Inc.” held by Emcure Pharmaceutical Limited.

(e) Counter Guarantee of Emcure Pharmaceuticals Limited.

Note No. 7

First pari passu charge over the immovable (equitable mortgage) and movable (hypothecation) fixed assets situated at Plot No. P- 1, Rajiv Gandhi Infotech Park, MIDC, Phase-II, Hinjewadi, Pune - 411 057 and backed by corporate guarantee of Emcure Pharmaceuticals Limited

Note No. 8

First Pari Passu (hypothecation) Charge on current assets of Gennova Biopharmaceuticals Limited and Corporate Guarantee of Emcure Pharmaceuticals Limited

Note No. 9

First pari passu charge over the immovable (equitable mortgage) and movable (hypothecation) fixed assets situated at Plot No. P- 1, Rajiv Gandhi Infotech Park, MIDC, Phase-II, Hinjewadi, Pune - 411 057 & Corporate Guarantee of Emcure Pharmaceuticals Limited

Note No. 10

1 First Pari Passu (hypothecation) Charge on current assets of Gennova Biopharmaceuticals Limited

2 Second pari passu charge over the immovable (equitable mortgage) and movable (hypothecation) fixed assets situated at Plot No. P-1, Rajiv Gandhi Infotech Park, MIDC, Phase-II, Hinjewadi, Pune - 411 057 and Corporate Guarantee of Emcure Pharmaceuticals Limited

Note No. 11

Term Loan is secured by Equitable mortgage of immovable fixed assets and hypothecation of movable fixed assets situated at Lane No. 3, Phase II, SIDCO Industrial Estate, Phase III, Bari Brahmana, Jammu 181133

Note No. 12

The loan is secured by following:

1 First pari passu (hypothecation) charge over the all movable fixed assets and current assets situated at:

   (a) 21, Cotters Lane, East Brunswick, New Jersey, 08816

   (b) 16, Elkins road, East Brunswick, New Jersey 08816

2 Corporate Guarantee given by Emcure Pharmaceuticals Limited.

3 Exclusive charge on marketing premises of Emcure Pharmaceuticals Limited, S. No. 255/2, Rajiv Gandhi Infotech Park, Phase II, Hinjewadi, Pune - 411057.

Note No. 13

Secured by standby letter of credit from Axis Bank Dubai. The said standby letter of credit is further secured with

(a) First Pari Passu (hypothecation) Charge on current assets of Emcure Pharmaceuticals USA Inc

(b) Second Pari Passu Charge on entire fixed assets of Emcure Pharmaceuticals USA Inc

(c) Corporate Guarantee of Emcure Pharmaceuticals Limited.

Note No. 14

Secured by hypothecation of Vehicles for which loan is taken

Note No. 15

First Pari Passu (hypothecation) Charge on current assets of Zuventus Pharmaceuticals Limited

Note No. 16

Corporate Guarantee of Emcure Pharmaceuticals Limited secured by assets mentioned in note no 5 above. The said Corporate guarantee is given by Citi bank, India (guarantor) to Citi bank, USA (lender), backed by security mentioned in note 5 above.

Note No. 17

First charge on all the movable assets acquired for the purpose of project

Note No. 18

First charge on all the movable assets of Gennova Biopharmaceuticals Limited

ANNEXURE XI

Restated Consolidated Statement of Unsecured Borrowings of Emcure Pharmaceuticals Limited

₹ in millions

Particulars	As at,					
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
Unsecured loans (Long term): From Others (refer note 1 below)	-	-	-	25.35	25.35	70.05
Total	**-**	**-**	**-**	**25.35**	**25.35**	**70.05**

Note 1

Name of the Party/ Bank	Currency	Purpose of Loan	Amount Outstanding as on December 31, 2012	Interest Rates	Repayment Schedule
Department of Biotechnology	INR	Loan for Monocolonal Antibodies Project	70.05	3.00%	10 Yearly installments starting from August 1, 2016
Total			**70.05**		

Note 2: There are no unsecured loans taken from Promoter or Promoter group companies or Directors of the Company.

- The list of persons/entity classified as "Promoters and promoter group company" has been provided by the management and relied upon by the auditors.

ANNEXURE XII

Restated Consolidated Statement of Other Long Term Liabilities of Emcure Pharmaceuticals Limited

₹ in millions

Particulars	As at,					
	March 31, 2008	**March 31, 2009**	**March 31, 2010**	**March 31, 2011**	**March 31, 2012**	**December 31, 2012**
Other Long-term liabilities :						
Trade Deposits (Refer note 1 below)	187.62	229.56	220.91	303.31	408.86	517.82
Other Non-Current Liabilities (Refer note 2 below)	5.01	3.56	0.01	621.81	556.54	272.03
Contingent consideration payable towards acquisition (Annexure V – Note K)	-	-	-	-	406.96	274.95
Total	**192.63**	**233.12**	**220.92**	**925.12**	**1,372.36**	**1,064.80**
Note 1						
The amounts payable to entities related to the promoters or promoter group company and directors of the issuer included above*	90.18	118.02	111.70	193.30	299.53	406.44

***** The list of persons/entity classified as "Promoters and promoter group company" has been provided by the management and relied upon by the auditors.

Trade Deposits –Terms

Name of the Party/ Bank	Currency	Type	Amount Outstanding as on December 31, 2012	Interest Rates	Repayment Schedule
Various Parties (C&F Deposits)	INR	Trade Deposit	517.82	7.50%	On termination of agreement
Total			517.82		

Note 2 - Other Non Current liabilities

Other Non-Current liabilities for the year ended March 31, 2011 and March 31, 2012 includes ₹ 621.81 and ₹ 550.00 million respectively towards settlement of legal disputes relating to derivative contracts. Other Non-current liabilities for the interim period ended on December 31, 2012 includes current portion of such liability amounting to ₹ 270 million

ANNEXURE XIII

Restated Consolidated Statement of Other Income of Emcure Pharmaceuticals Limited

₹ in millions

Particulars	**Nature** (Recurring/ Non-recurring)	**For the year ended**					**For Nine months interim period ended on**
		March 31, 2008	**March 31, 2009**	**March 31, 2010**	**March 31 2011**	**March 31, 2012**	**December 31, 2012**
Interest Income	Recurring	24.32	4.79	4.92	4.14	11.98	4.87
Interest on Deposits	Recurring	0.46	0.53	0.12	0.29	0.14	-
Provision for Doubtful Debts written back	Non Recurring	-	-	-	-	-	-
Interest on investment (Current - Non Trade)	Non Recurring	-	-	-	-	-	0.02
Net Exchange Gain	Recurring	104.55	-	-	19.53	-	128.14
Profit on Sale of Assets	Non Recurring	0.37	-	0.65	-	-	1.48
Dividend Received on Investment	Non Recurring	29.33	-	-	-	-	-
Grant Received	Non Recurring	-	54.61	-	-	-	-
Miscellaneous Income	Recurring	13.82	11.35	4.34	19.21	14.53	12.84
Total		**172.85**	**71.28**	**10.03**	**43.17**	**26.65**	**147.35**

Notes:
1. The classification of income into recurring and non-recurring is based on the current operations and business activities of the Company.
2. All items of Other Income are from normal business activities.

ANNEXURE XIV

Restated Consolidated Statement of Accounting Ratios of Emcure Pharmaceuticals Limited

Sr. No.	Particulars	As at/for the year, period ended on					
		March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
A	Restated Profit / (Loss) after Tax (₹ in millions)	(105.45)	(1,483.20)	1,977.61	823.10	957.16	563.40
B	Less: Preference Dividend for the year including tax thereon (₹ in millions)	12.59	-	12.59	-	-	
C	Net Profit / (Loss) available to Equity Shareholders (₹ in millions)	(118.04)	(1,483.20)	1,965.02	823.10	957.16	563.40
D	Weighted average number of Equity Shares outstanding during the year/ period	30,881,087	30,865,535	30,865,535	33,045,065	35,165,689	35,165,689
E	Number of Equity Shares outstanding at the end of the year/ period	30,865,535	30,865,535	30,865,535	35,165,689	35,165,689	35,165,689
F	Net Worth for Equity Shareholders and Preference Shareholders (₹ in millions)	3,290.46	1,846.73	3,678.02	4,367.59	5,135.02	5,656.85
G	Preference Share Capital	179.32	179.32	179.32	-	-	-
H	Net Worth for Equity Shareholders (₹ in millions)	3,111.13	1,667.41	3,498.70	4,367.59	5,135.02	5,656.85
I	Potential Equity shares (if any) that could arise on conversion of Preference Shares into Equity Shares	4,300,154	4,300,154	4,300,154	2,132,405	-	-
J	Weighted average number of Equity Shares used in calculating Diluted EPS	35,181,241	35,165,689	35,165,689	35,177,470	35,165,689	35,165,689
K	Accounting Ratios:						
	Basic Earnings / (Loss) per Share (₹) [C/D]	(3.82)	(48.05)	63.66	24.91	27.22	16.02
	Diluted Earnings / (Loss) per Share (₹) [A/J]	(3.82)	(48.05)	56.24	23.40	27.22	16.02
	Return on Net Worth for Equity Shareholders (C)/(H)	-3.79%	-88.95%	56.16%	18.85%	18.64%	9.96%

Sr. No.	Particulars	As at/for the year, period ended on					
		March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	December 31, 2012
	Net Asset Value Per Share (₹) (H)/(E)	100.80	54.02	113.35	124.20	146.02	160.86

Note:

1. The above ratios have been computed on the basis of the Restated Summary Statements - Annexure I & Annexure II.
2. The effects of dilution for the year ended March 31, 2008 and 2009 has been ignored since they are anti-dilutive.

ANNEXURE XV

Restated Consolidated Statement of Capitalisation of Emcure Pharmaceuticals Limited

₹ in millions

Particulars	Pre-Issue as at December 31, 2012
Debt:	
Short term borrowings	3,029.76
Secured Long term borrowings **(A)**	4,344.84
Unsecured Long term borrowings **(B)**	70.05
Current Maturities of Long term debts	1,577.33
Total debt	**9,021.98**
Shareholders' Funds	
Equity Share Capital	351.66
Reserves and Surplus	5,305.19
Total Shareholders' Funds (C)	**5,656.85**
Long Term Debt/Equity Ratio [(A+B)/C]	0.78

Notes:

(i) The above has been computed on the basis of the Restated Summary Statements - Annexure I & Annexure II.

(ii) Short term debts represent Working Capital loans and Short term loans

(iii) Our Company has issued 10,047,340 Equity Shares of ₹ 10 each, as a Rights Issues in the ratio of 2 (two) Equity Shares for every 7 (seven) Equity Shares, on April 19, 2013. Pursuant to issue of Right Shares, the Share Capital of our Company has increased from ₹ 351.66 million to ₹ 452.13 million.

(iv) The issue price and number of shares are being finalised and as such the post-issue capitalisation statement cannot be presented.

AUDITORS' REPORT ON DECLARATION BY THE COMPANY IN RELATION TO ACQUISITION OF A SUBSIDIARY

To
The Board of Directors
Emcure Pharmaceuticals Limited,
Emcure House,
T- 184, MIDC, Bhosari
Pune- 411 026

1. This report is issued in accordance with the terms of our engagement letter dated June 26, 2013.

2. The accompanying Declaration contains detailed fact of the acquisition along with the consideration paid and the mode of financing such acquisition (the "Declaration"), as required by the clause (23) of point (IX)(B) of Part A of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "Regulations") issued by Securities and Exchange Board of India ("SEBI") (hereinafter referred to as the 'SEBI Regulations'), which we have initialled for identification purposes only.

Managements' Responsibility for the Declaration

3. The preparation of the accompanying Declaration, including its content, is the responsibility of the Management of the Company. This responsibility includes the designing, implementing and maintaining internal control relevant to the preparation and presentation of the Declaration, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

4. The Management is also responsible for ensuring that the Company complies with the requirements of the SEBI Regulations and for providing all relevant information to the SEBI.

Auditors' Responsibility

5. Pursuant to the requirements of the SEBI Regulations, it is our responsibility to obtain reasonable assurance and form an opinion as to whether the Declaration is in agreement with the books and records of the Company and to obtain reasonable assurance as to whether it fairly presents, in all material respects, fact of the acquisition along with the consideration paid and the mode of financing such acquisition.

6. We conducted our examination, in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India. Our examination of the Declaration has not been carried out in accordance with the auditing standards generally accepted in the United States of America ("U.S.") and accordingly should not be relied upon by U.S. investors as if it had been carried out in accordance with those standards or any other standards besides the standards referred to in this report. As part of our engagement we performed following procedures:

   a) We read the disclosure made in the Declaration of facts of the acquisition made by the Management;
   b) We inquired from the Issuer Company's personnel whether the acquired subsidiary is a direct or indirect subsidiary of the Issuer Company;
   c) We traced the amount paid as consideration on acquisition of the Company by the Issuer Company, to the purchase agreement, which is annexed to the report; and
   d) We inquired from the Issuer Company personnel in respect of mode of financing acquisition of the Company.

Opinion

7. Based on our examination as above, and the information and explanations given to us, in our opinion, Declaration is in agreement with the unaudited books and records of the Company and fairly presents, in all material respects, fact of the acquisition along with the consideration paid and the mode of financing such acquisition.

Restrictions on Use

8. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Draft Red Herring Prospectus (DRHP), prepared in connection with the proposed Initial Public Offering of Equity Shares of the Company, to be filed by the Company with the SEBI and the concerned Registrar of Companies. Price Waterhouse do not accept or assume any liability or any duty of care for any other purpose or to any person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership Number 48125

Pune
June 26, 2013

June 26, 2013

To

Price Waterhouse (FRN 301112E)
Muttha Towers Suite 8,
5th Floor, Airport Road,
Yerwada,
Pune 411006

Declaration in relation Acquisition of Uth Healthcare Limited (hereinafter referred to as Uth Healthcare) by Emcure Pharmaceuticals Limited (hereinafter referred to as Company) pursuant to clause (23) of point (IX)(B) of Part A of Schedule VIII of SEBI Regulations

Dear Sirs,

This is in relation to acquisition of 3,150,000 equity shares of Uth Healthcare Limited ("Uth Acquisition) by our Company on June 19, 2013, constituting 63% per cent of the paid up equity share capital of Uth Healthcare. Accordingly Uth Healthcare has become a majority-owned subsidiary of our Company with effect from June 19, 2013.

Our Company acquired Uth Healthcare for a cash consideration of INR 31.50 Million and the acquisition was funded through the internal accruals of the Company.

In relation to the Uth Acquisition we confirm that the Proforma financial statements of the Company, as stipulated under Clause (IX) (23) of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009 (hereinafter referred to as "SEBI Regulations") is not required to be included in the Draft Red Herring Prospectus ("DRHP") proposed to be filed by the Company with Securities and Exchange Board of India (SEBI) and concerned Registrar of Companies, on the basis of the following:

a) total book value of the assets of Uth Healthcare as on March 31, 2013 (as per its unaudited financial statements) does not constitute 20% or more of the total book value of the assets of the Company as on March 31, 2013 (as per its audited standalone financial statements); or

b) total income of Uth Healthcare for the year ended March 31, 2013 (as per its unaudited financial statements) does not constitute 20% or more of the total income of the Company for the year ended March 31, 2013 (as per its audited standalone financial statements)

We acknowledge that the preparation of declaration and the compliance of the SEBI Regulations is solely the responsibility of the Company's Management including the Directors (together the 'Management'). Your examination of such compliance does not relieve Management of this responsibility. The Management is also responsible for making available to you, as and when required, all the Company's original accounting records, all other records, and access to personnel to whom you may direct inquiries and such information and explanations as you consider necessary for the performance of your examination.

For and on behalf of Emcure Pharmaceuticals Limited

Namita Thapar
Chief Financial Officer

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 restated consolidated financial information as of and for the nine months ended December 31, 2012 and the Fiscals ended March 31, 2012, 2011 and 2010, including the notes thereto and reports thereon, each included in this Draft Red Herring Prospectus. You should also read the sections titled "Risk Factors" and "Forward Looking Statements" included in this Draft Red Herring Prospectus which discuss a number of factors and contingencies that could affect our financial condition and results of operations.

Our restated financial information included in this Draft Red Herring Prospectus are prepared in accordance with the Companies Act and restated in accordance with the SEBI Regulations, which differs in certain material respects from IFRS and U.S. GAAP. Our Fiscal ends on March 31 of each year. Accordingly, all references to a particular Fiscal are to the 12 months ended March 31 of that year.

Overview

We are a fast growing Indian pharmaceutical company engaged in developing, manufacturing and marketing a broad range of pharmaceutical products globally. Our core strength lies in developing and manufacturing differentiated pharmaceutical products in-house, which we commercialize through our marketing infrastructure across geographies and relationships with multi-national pharmaceutical companies.

We are ranked as the 14th largest pharmaceutical company (*Source: IMS Health India, Secondary Stockist Audit ("SSA"), March 2013)* in India in terms of market share based on the domestic sales of pharmaceutical products. Our domestic business has consistently outperformed the market and has grown at a compound annual growth rate ("CAGR") of 16.4%, as compared to the Indian pharmaceutical industry which grew at a CAGR of 13.7%, between March 2008 and March 2013 (*Source: IMS Health India, SSA), March 2013*), making us one of the fastest growing pharmaceutical companies in India as measured by sales of pharmaceutical products in the Domestic Market. We are ranked as the 7th largest pharmaceutical company in the therapeutic areas in which we operate. (*Source: IMS Health India, SSA, March 2013*) We believe that our competitive advantage in the Domestic Market lies in our established presence in all major therapeutic areas including blood related, cardiology, pain and analgesics, HIV, gynecology, nephrology, anti-infective, and vitamins, minerals and nutrients products. We have also recently entered the oncology and diabetes therapeutic areas. We have a pan India marketing and distribution presence with a field force of more than 4,800 personnel, as of March 31, 2013. Given our strong position in India, a number of multi-national companies have entered into agreements with our Company for the sale and distribution in India of some of their key products. Recently, we have entered into co-marketing arrangements for specific products with Roche, Novartis (India) and Sanofi and in-licensed products from BMS and Janssen R&D Ireland.

Our Regulated Markets operations consist of our own sales and marketing infrastructure in the United States and the United Kingdom and sale of products manufactured by us for multi-national pharmaceutical companies through relationships with them. In April 2011, our Company acquired Heritage, a New Jersey-based generic pharmaceutical company, which provides us the commercial platform through which we market and sell our portfolio of USFDA approved products in the United States. In addition, we have relationships with companies such as Pfizer, BMS, Teva and Sandoz across multiple dosage forms. These relationships allow us to diversify our business model and build on our regulatory, quality and supply chain management capabilities.

We also sell our portfolio of branded generic products to the Rest of World. Our products are currently shipped to over 65 countries, where we have established our presence by focusing on important alliances with local and multi-national companies that enjoy a leadership position in the therapeutic areas on which we focus. Our Company's subsidiaries in Dubai, Brazil, South Africa, Singapore and Nigeria and branch offices in Russia and Morocco play an important role in liaising and managing our operations in these markets.

In December 2012, our Company acquired the worldwide rights of BiCNU®, a branded oncology product prescribed for treatment of brain tumors, multiple myeloma, Hodgkin's disease and non-Hodgkin's lymphoma.

We expect this product to anchor our oncology portfolio, which we intend to launch, and we believe will allow us to expand our presence, in our existing markets as well as facilitate our entry into new markets.

We focus our research and development efforts on developing a portfolio of differentiated products across several platforms, including chiral molecules and biosimilars, and novel drug delivery systems. We have a portfolio of 11 chiral molecules, eight of which we launched for the first time in India. We also have capabilities to develop complex products, including difficult iron preparations, oncology drugs and controlled release products. Our portfolio of in-house manufactured five commercialized biosimilars including TNK-tPA, which we launched for the first time in India, and our brand Vintor is ranked no. 1 in erythropoietin market (Epoetin Alfa Recombinant) (*Source: IMS Health India, SSA, March 2013*).

We operate nine manufacturing facilities, eight of which are located in India and one in the United States. Several of these facilities have approvals from various regulatory bodies, including the USFDA and the UK-MHRA. Our facilities are capable of producing APIs and pharmaceutical products encompassing a wide range of dosage forms including oral solids, oral liquids, soft gelatin capsules and injectables (both liquid and lyophilized). Our manufacturing capabilities allow us to manufacture complex products, including cytotoxic products.

For the nine months ended December 31, 2012, our revenue from operations (net) was ₹ 15,034.93 million of which 54.7% were attributable to sales within India and 45.3% were attributable to sales outside India. For the Fiscal 2012, our revenue from operations (net) was ₹ 18,044.74 million of which 48.4% were attributable to sales within India and 51.6% were attributable to sales outside India. For the Fiscal 2011, our revenue from operations (net) was ₹ 13,497.02 million of which 57.9% were attributable to sales within India and 42.1% were attributable to sales outside India.

Significant Factors Affecting Our Results of Operations

Pricing of Our Products

Our products are marketed in India as well as in the international markets. In certain jurisdictions, regulatory authorities may impose pricing controls on pharmaceutical products that could apply to our products as well. For example, our pharmaceutical products for the Domestic Market are categorized as scheduled drugs (i.e., price controlled drugs under the DPCO, the maximum selling prices of which are determined as per the pricing formula prescribed by the Ministry of Chemicals and Fertilizers, Government of India) or non-scheduled drugs. Recently, the DPCO was superseded by the Drugs (Prices Control) Order of 2013 ("DPCO 2013") which has amended the number of scheduled drugs and the pricing mechanism for such scheduled drugs. Under the DPCO 2013, the price of scheduled drugs will be determined on the basis of the average market price of the relevant drug. Such average price will be arrived at by considering the prices charged by all companies that have a market share of equal to or more than 1.0% of the total market turnover on the basis of moving annual turnover of the drug. Recently, on June 14, 2013, the National Pharmaceutical Pricing Authority (the "NPPA") has notified and fixed the ceiling prices of 151 formulations that have been identified as scheduled drugs under the DPCO 2013. While the prices for non-scheduled drugs will continue to be determined by market forces, the DPCO 2013 has restricted the annual increase in the prices of such non-scheduled drugs by more than 10.0%. We believe that the introduction of DPCO 2013 will have a marginal impact, which we currently estimate at approximately 0.75%, on our revenue attributable to sales within India since most of our products are not priced at a significant premium to the average market price.

The prices of our products in the international markets are determined largely by market forces and vary from country to country. Due to rising healthcare costs, there have been, and may continue to be, proposals by legislators and regulators to keep these costs down in the jurisdictions in which we operate. These limitations could have an adverse effect on our business and results of operations. In addition, if insurance companies do not provide coverage or provide limited coverage for use of our products by patients in certain of our markets, it may reduce our sales which will have an adverse affect on our business and results of operations.

Production Costs and Quality of our Manufacturing Facilities

Our ability to maintain our position as a low-cost producer and increase our cost competitiveness is dependent on the efficient management of our production costs. The availability of key raw materials at competitive prices is critical and price fluctuations may adversely affect our margins and, as a result, our results of operations. Additionally, any significant changes in excise duties levied on raw materials and finished products and changes in salary costs of our employee could have an adverse effect on our financial condition and results of operations.

In addition, in order to maximize our profits, we must maintain an appropriate standard of quality in our manufacturing facilities' equipment and processes. Attaining and maintaining this level of quality requires considerable expense and planning. If we are unable to achieve and preserve the necessary level of quality in our manufacturing processes and facilities in the future, our financial condition and results of operations may be adversely affected.

Expiring Patents

Our results of operations are directly related to the expiry of patents for pharmaceutical products. As existing patents held by other pharmaceutical companies for branded (innovator drugs) versions expire, we can commence the marketing and sale of generic low-cost versions of such products. Certain regulatory authorities such as the USFDA grant periods of exclusivity to generic drug companies that are the "first to file" applications for the marketing and sale of their pharmaceutical formulations. Our ability to develop marketable pharmaceutical formulation substitutes for products going "off-patent" in a cost-effective, efficient and timely manner, and to protect such substitutes from legal challenges, will affect our results of operations.

Research and Development

Our business depends to a significant degree on our ability to successfully conduct research and development with respect to our products. This process is both time consuming and costly, and involves a high degree of business risk. To develop our product pipeline, we commit substantial time, funds and other resources. In addition, our research staff is critical to the success of our research and development efforts. Our investment in research and development for future products could result in higher costs without a proportionate increase in revenues. In addition, we must adapt to rapid changes in our industry due to technological advances and scientific discoveries. If our existing products become obsolete, and we are unable to effectively introduce new products, our business and results of operations could be adversely affected. Although we strive to keep our technology, facilities and machinery current with the latest international standards, the technologies, facilities and machinery we currently employ may become obsolete. The cost of implementing new technologies, upgrading our manufacturing facilities and retaining our research staff could be significant and could adversely affect our profitability.

Government and Other Regulatory Approvals

Our products are marketed in over 60 countries, either directly, or through our Subsidiaries. We have focused on broadening our revenue base to cover India as well as several other countries. As a result, our products are subject to regulation by numerous Indian and foreign regulatory agencies, including the USFDA and similar agencies in other jurisdictions. Each of these agencies requires us to comply with laws and regulations governing the development, testing, manufacturing, labeling, marketing and distribution of our products and we are required to maintain various approvals, licenses, registration and permissions for our business activities. In the United States, and many of the international markets in which we sell our products, the approval process for a new product is complex, lengthy and expensive.

Our business, prospects, results of operations and financial condition could be adversely affected if we fail to obtain, or comply with applicable conditions that may be attached to, our approvals, licenses, registrations and permissions. We continue to file for approvals for our new products with the USFDA and various other government and regulatory agencies. Any delay in the grant of approvals for new products, or any withdrawal of approval for existing products would adversely affect our results of operations. We must also ensure that government and other regulatory agencies do not withdraw approvals for sales of our existing products.

Our Inorganic Growth

On April 29, 2011 our Company acquired Heritage Pharma Holdings Inc. and its wholly owned subsidiary, Heritage Pharmaceuticals Inc. (together, "Heritage") pursuant to an agreement entered into on February 25, 2011. Heritage is in the business of acquisition, licensing, development, marketing, sale and distribution of generic pharmaceutical products in the United States and provides us with the commercial platform through which we market and sell our portfolio of USFDA products in the United States. See "Financial Statements―Business Acquisition and Merger" on page 300 for details.

In December 2012, our Company acquired the worldwide marketing rights, authorizations, trademarks, technology and the know-how related to BiCNU®, a branded oncology product prescribed for treatment of brain tumors, multiple myeloma, Hodgkin's disease and non-Hodgkin's lymphoma. This product will serve as an anchor product for our oncology portfolio of products across the countries we operate in.

We expect these acquisitions to be significant factors towards the growth of our portfolio of products, the markets we distribute our products to and, as a result, our results of operations.

Industry Competition and Consolidation

Our products face intense competition from products commercialized or under development by competitors in all our therapeutic areas. Our business, prospects, results of operations and financial condition could be adversely affected if our competitors gain significant market share at our expense in areas in which we are focused. Many of our competitors may have greater financial, manufacturing, research and development, marketing and other resources, more experience in obtaining regulatory approvals, greater geographic reach, broader product ranges and stronger sales forces. Our generics business faces competition from brand (innovator drugs) manufacturers who do not face any significant regulatory approvals or barriers to entry into the generics market. We also operate in a rapidly consolidating industry. Our competitors are consolidating, and the strength of the combined companies could affect our competitive position in all of our business areas.

Accordingly, our results of operations depend significantly on various factors such as the demand for our products in the markets we operate in, our ability to manage our growth strategy and expansion plans, including our ability to grow our exports and our ability to grow and manage our distribution network in India.

Tax Benefits

We are entitled to certain tax benefits under the Income Tax Act, 1961, as amended (the "IT Act") in relation to our operations as well as our research and development activities, which have a significant effect on our results of operation. These tax benefits include:

- *Benefits under section 80-IB of the IT Act for our Company's Jammu unit.* Our Company has set up a manufacturing unit in Jammu. Accordingly, our Company is eligible to claim deduction from the Fiscal 2010 to the Fiscal 2014 at 100.0% of the profits and gains derived from such facility and from the Fiscal 2015 to the Fiscal 2019 at 30.0% of the profits and gains derived from such facility. Similarly, our Subsidiary, Zuventus, which also has a unit in Jammu, is also entitled to such benefit from the Fiscal 2012 to the Fiscal 2016 at 100.0% of the profits and gains derived from such facility and from the Fiscal 2017 to the Fiscal 2021 at 30.0% of the profits and gains derived from such facility.

- *Deduction under section 35(2AB) of the IT Act.* Under section 35(2AB) of the IT Act, a company engaged in the business of biotechnology or in any business of manufacturing or production of any article where expenditure is incurred towards scientific research (which is not in the nature of cost of any land or buildings) or in-house research and such research and development facility is approved by the relevant authority, then such expenditure shall be permitted to be deducted up to of a sum equal to two times the expenditure incurred. Our Company is entitled to such weighted deduction until the Fiscal 2018. Our Company is currently claiming a weighted deduction of 200.0% on the expenditure incurred on clinical trial research, bioequivalence studies, research expenses, tangible and intangible assets (other than land and building) and other revenue expenditure specified for deduction under the provision of section 35(2AB) of the IT Act.

- *Export incentives and excise refunds*. Our Company is not required to pay any customs or excise duties on purchase of capital goods or materials used in our 100.0% export oriented units.

- Further, we are entitled to a subsidy in the form of refund of a proportion of the excise duty paid on value additions by our units at Jammu for the period of 10 years from the date of start of production at the units. Our Company's Jammu plant commenced operations on April 25, 2009 and our Subsidiary ,Zuventus Healthcare Limited's ("Zuventus"), Jammu plant commenced its operations from July 2011.

- Our Company is also entitled to receive certain non-cash export incentives with respect to export of specified products to specified countries under the Focused Market Scheme and the Focused Product Scheme under the current foreign trade policy of the Government of India.

New or revised accounting policies or policies related to tax, duties or other such levies promulgated from time to time by the relevant authorities may significantly affect our results of operations. For further details on the Company's tax benefits, see the section "Statement of Tax Benefits" on page 105.

Currency Exchange Fluctuations

Our products are typically priced in Rupees for our Indian sales, in U.S. Dollar for sales in the United States, in Euros for sales in the European Union, Pound Sterling for sales in the United Kingdom and in the local currency of the other jurisdictions where we sell our products. A significant portion of our costs, including labor, packaging materials and transportation costs, and a substantial portion of our raw materials and capital expenditures are incurred in Rupees. Additionally, we also procure a significant portion of our raw material requirements outside India and, as a result, incur such costs in currencies other than Indian Rupees. Further, we continue to incur non-Rupee indebtedness in the form of external commercial borrowings and other foreign currency denominated borrowings, which creates foreign currency exposure in respect of our cash flows. As a consequence, we are exposed to currency rate fluctuations between the Rupee and the U.S. Dollar, Euro, Pound Sterling, and other local currencies in other jurisdictions. We are also exposed to currency rate fluctuations on our foreign currency borrowings, which are not fully hedged. A devaluation of any of the currencies mentioned above against the Rupee may result in a reduction of our margins and, as a result, our results of operations.

Macroeconomic Factors

Macroeconomic factors, both in the Indian and international contexts, such as economic instability, political uncertainty, social upheavals or acts of God could influence our business. In addition, fluctuations in interest rates, exchange rates and inflation would have an effect on certain key aspects of our operations, including on the costs of our raw materials, the prices at which we can sell our pharmaceutical products, our finance costs required to fund our operations and profit margins.

Results of Operations and Financial Condition

The following table shows a breakdown of our results of operations and each item as a percentage of total revenue for the periods indicated:

	For the Fiscal						For The Nine Month Period Ended	
	2010		2011		2012		December 31, 2012	
Particulars	**₹ in million**	**% of Total Revenue**	**₹ in million**	**% of Total Revenue**	**₹ in million**	**% of Total Revenue**	**₹ in million**	**% of Total Revenue**
Revenue:								
Revenue from Operations (Net)	10,540.91	99.9%	13,497.02	99.7%	18,044.74	99.9%	15,034.93	99.0%
Other Income	10.03	0.1%	43.17	0.3%	26.65	0.1%	147.35	1.0%

Particulars	For the Fiscal 2010 ₹ in million	2010 % of Total Revenue	2011 ₹ in million	2011 % of Total Revenue	2012 ₹ in million	2012 % of Total Revenue	For The Nine Month Period Ended December 31, 2012 ₹ in million	For The Nine Month Period Ended December 31, 2012 % of Total Revenue
Total Revenue	**10,550.94**	**100.0%**	**13,540.19**	**100.0%**	**18,071.39**	**100.0%**	**15,182.28**	**100.0%**
Expenses:								
Cost of Materials Consumed	3,190.49	30.2%	4,444.83	32.8%	5,615.62	31.1%	4,050.17	26.7%
Purchases of Traded Goods	951.08	9.0%	1,002.63	7.4%	2,511.01	13.9%	2,360.73	15.6%
Changes in Inventories of Finished Goods, Work-in-progress and Traded goods	(133.27)	(1.3%)	(183.93)	(1.4%)	(644.45)	(3.6%)	(415.65)	(2.7%)
Employee benefits expense	1,790.84	17.0%	2,525.87	18.7%	3,272.30	18.1%	2,894.36	19.1%
Other Expenses	2,565.62	24.3%	3,395.68	25.1%	4,263.24	23.6%	3,800.07	25.0%
Total Expenses	**8,364.76**	**79.3%**	**11,185.08**	**82.6%**	**15,017.72**	**83.1%**	**12,689.68**	**83.6%**
Profit before Interest, Depreciation and Amortization, Taxation and Minority Interest	**2,186.18**	**20.7%**	**2,355.11**	**17.4%**	**3,053.67**	**16.9%**	**2,492.60**	**16.4%**
Finance costs	354.46	3.4%	522.65	3.9%	742.29	4.1%	638.46	4.2%
Depreciation and amortization expense	436.57	4.1%	552.78	4.1%	1,008.40	5.6%	893.23	5.9%
Total	791.03	7.5%	1,075.43	7.9%	1,750.69	9.7%	1,531.69	10.1%
Profit Before Exceptional Items, Taxation and Minority Interest	**1,395.15**	**13.2%**	**1,279.68**	**9.5%**	**1,302.98**	**7.2%**	**960.91**	**6.3%**
Exceptional Items:	(1,507.47)	(14.3%)	87.78	0.6%	56.31	0.3%	25.70	0.2%
Profit before Taxation and Minority Interest	2,902.62	27.5%	1,191.90	8.8%	1,246.67	6.9%	935.21	6.2%
Tax Expense								
Current Tax	213.30	2.0%	261.79	1.9%	312.62	1.7%	174.22	1.1%
MAT Credit Entitlement	(106.05)	(1.0%)	(122.36)	(0.9%)	(190.84)	(1.1%)	(30.23)	(0.2%)
Deferred Tax	803.61	7.6%	187.51	1.4%	124.66	0.7%	159.49	1.1%
Total Tax Expenses	**910.86**	**8.6%**	**326.94**	**2.4%**	**246.44**	**1.4%**	**303.48**	**2.0%**
Net Profit after taxation and before Minority Interest	**1,991.76**	**18.9%**	**864.96**	**6.4%**	**1,000.23**	**5.5%**	**631.73**	**4.2%**
Minority Interest	(14.15)	(0.1%)	(41.86)	(0.3%)	(43.07)	(0.2%)	(68.33)	(0.5%)
Net Profit, as Restated	**1,977.61**	**18.7%**	**823.10**	**6.1%**	**957.16**	**5.3%**	**563.40**	**3.7%**

Components of Income and Expenses

The components of our income and expenses are as set forth below:

Revenue

Our revenue comprise revenue from operations and other income.

Revenue from operations (Net)

Our revenue from operations (net) comprise revenue from the sale of products, sale of services and other operating revenue, net of excise duty paid or payable.

Revenue from operations—sale of products

Sale of products comprise sales of finished goods and sales of traded goods. Sales of finished goods are sales of pharmaceutical products and bulk drugs that we manufacture at our manufacturing facilities. Sales of traded goods are our own branded pharmaceutical products which we get manufactured on a principal-to-principal basis from other pharmaceutical companies as well as sales of multi-national pharmaceutical companies' in-licensed brands in India. Sales of finished and traded goods also includes domestic sales and export sales (including sales pursuant to manufacturing services agreements with our key customers).

Revenue from operations—sale of services

Sale of services comprise income derived from services provided as a result of technology transfer related to contract manufacturing and contract research.

Other operating revenue

Other operating revenue comprise export incentives, excise refunds, scrap sales, claims received and sales tax refund. Export incentives are incentives provided by the Government of India to encourage exports. These benefits may be availed of in either cash or set-off against import duties. Excise refund is a subsidy in form of refund of proportion of excise duty paid on value additions at our units in Jammu.

Other income

Other income primarily includes net exchange gain, interest income and miscellaneous income.

Expenses

Our total expenses comprise cost of materials consumed, purchase of traded goods, changes in inventories of finished goods, work-in-progress and traded goods, employee benefits expense and other expenses.

Cost of materials consumed. Cost of materials consumed comprise cost of raw materials for manufacturing our products and packing materials as adjusted for inventory levels.

Purchase of traded goods. Purchase of traded goods comprise the cost incurred on our own branded pharmaceutical products which we get manufactured on a principal-to-principal basis from other pharmaceutical companies as well as purchases of multi-national pharmaceutical companies' in-licensed brands.

Changes in inventories of finished goods, work-in-progress and traded goods. Changes in inventories of finished goods, work-in-progress and traded goods comprise net increases or decreases in inventory levels of (i) finished and traded goods, and (ii) work-in-progress.

Employee benefits expense. Employee benefits expense comprise salaries, wages, bonus and allowances to our employees, whole-time directors', contributions to provident fund, employee's state insurance and other welfare funds and staff welfare expenses such as food and transport costs.

Other expenses. Other expenses primarily comprise advertisement and promotional materials, travelling, conveyance and other vehicle expenses, factory expenses, power and fuel costs, commission paid on sales, freight costs, legal and professional fees, rent rates and taxes.

Earnings Before Interest, Tax, Depreciation and Amortization

We present earnings before interest, tax, depreciation and amortization ("EBITDA") as a separate line item on the face of the statement of profit and loss. EBITDA is calculated as the profit before interest, depreciation and amortization, taxation, exceptional items and minority interest and is calculated consistently year over year.

Finance Costs

Our finance costs primarily comprise interest paid on term loans and working capital loans from banks and financial institutions and other bank charges incurred in connection with our debt.

Depreciation and Amortization Expense

Depreciation is provided for using straight line method over the useful lives of our tangible assets estimated by management or at rates prescribed under Schedule XIV of the Companies Act, 1956, as amended, whichever is higher. Intangible assets are amortized over the useful life of such assets, but not for a period greater than 10 years.

Tax expenses

Tax expenses comprise current tax, minimum alternative tax ("MAT") credit entitlement and deferred tax. Current income tax is measured at amounts expected to be paid to the tax authorities in accordance with the applicable tax law in the relevant jurisdiction. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and the reversal of timing differences of earlier years. MAT credit is recognized as an asset only when and to the extent there is convincing evidence that we will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that we will pay normal income tax during the specified period.

Nine Months Ended December 31, 2012

Total Revenue. Total revenue was ₹ 15,182.28 million for the nine months ended December 31, 2012, consisting of (i) revenue from operations (net) and (ii) other income.

Revenue from Operations (Net). revenue from operations (net) was ₹ 15,034.93 million for the nine months ended December 31, 2012. Revenue from operations (net) consisted of sale of products (net of excise duty) which was ₹ 14,562.33 million and represented 96.9% of our revenue from operations (net) for the nine months ended December 31, 2012, sale of services which was ₹ 335.59 million and represented 2.2% of our revenue from operations (net) for the nine months ended December 31, 2012 and other operating revenue which was ₹ 137.01 million for the nine months ended December 31, 2012, which consisted primarily of excise refund received of ₹ 114.94 million attributable to a refund of a proportion of the excise duty paid on value additions at our units in Jammu.

- Revenue from domestic operations. Revenue attributable to sales within India was ₹ 8,221.44 million and represented 54.7% of our revenue from operations (net) for the nine months ended December 31, 2012. Revenue from sales within India was primarily attributable to sales in key therapeutic areas such as gynaecology, cardiovascular, anti-infective, vitamin, minerals and nutrients, pain and analgesics and oncology.

- Revenue outside India. Revenue attributable to sales outside India was ₹ 6,813.49 million and represented 45.3% of our revenue from operations (net) for the nine months ended December 31, 2012.

Revenue attributable to sales outside India mainly consisted of revenue from sales in the Regulated Market, mainly the United States of America which was ₹ 5,183.59 million for the nine months ended December 31, 2012 and represented 34.5% of our revenue from operations (net) for the nine months ended December 31, 2012. The Rest of World contributed 7.1% of our revenue from opertions (net) for the nine months ended December 31, 2012.

Other Income. Other income was ₹ 147.35 million for the nine months ended December 31, 2012, consisting primarily of net exchange gain of ₹ 128.14 million attributable to favorable currency impact on our export sales receivables.

Total Expenses. Total expenses, consisting primarily of cost of materials consumed, other expenses, employee benefits expense and purchases of traded goods, was ₹ 12,689.68 million and represented 83.6% of our total revenue for the nine months ended December 31, 2012.

- *Cost of Materials Consumed.* Cost of materials consumed was ₹ 4,050.17 million and represented 26.7% of our total revenue for the nine months ended December 31, 2012.

- *Purchases of Traded Goods.* Purchases of traded goods was ₹ 2,360.73 million and represented 15.6% of our total revenue for the nine months ended December 31, 2012.

- *Changes in Inventories of Finished Goods, Work-In-Progress and Traded Goods.* Our closing inventories of finished goods, work-in-progress and traded goods were higher by ₹ 415.65 million compared to our opening inventories for the nine months ended December 31, 2012. As a result of our closing inventories being higher for the nine months ended December 31, 2012, our total expenses for the nine months ended December 31, 2012 was reduced by ₹ 415.65 million.

  Cost of material consumed, purchase of traded goods and change in inventories of finished goods, work-in-progress and traded goods, as a percentage of our total revenue, was 39.5% for the nine months ended December 31, 2012.

- *Employee Benefits Expense.* Employee benefits expense was ₹ 2,894.36 million and represented 19.1% of our total revenue for the nine months ended December 31, 2012, consisting primarily of salaries, wages and bonus of ₹ 2,552.15 million. We had 8,433 employees as of December 31, 2012.

- *Other Expenses.* Other expenses was ₹ 3,800.07 million and represented 25.0% of our total revenue for the nine months ended December 31, 2012, consisting primarily of advertisement and promotional materials of ₹ 975.79 million, travelling, conveyance and vehicle expenses of ₹ 542.54 million, factory expenses of ₹ 472.94 million and power and fuel costs of ₹ 458.92 million.

Depreciation and Amortization Expense. Depreciation and amortization expense was ₹ 893.23 million and represented 5.9% of our total revenue for the nine months ended December 31, 2012, consisting primarily of depreciation on tangible assets of ₹ 506.62 million and amortization of goodwill on acquisition of Heritage amounting to ₹ 312.85 million.

Finance Costs. Finance costs were ₹ 638.46 million and represented 4.2% of our total revenue for the nine months ended December 31, 2012, consisting primarily of interest on secured borrowings of ₹ 8,951.93 million as of December 31, 2012.

Exceptional Items. Exceptional items consisted of a loss of ₹ 25.70 million for the nine months ended December 31, 2012, consisting primarily of foreign exchange loss attributable to the effect of the depreciation of the Indian Rupee against the U.S. Dollar on the value of a U.S. Dollar-denominated derivatives contract to hedge against export receivables.

Tax Expenses. Tax expenses was ₹ 303.48 million and represented 2.0% of our total revenue for the nine months ended December 31, 2012, consisting primarily of current tax of ₹ 174.22 million and deferred tax of ₹

159.49 million, which were partially offset by MAT credit entitlement of ₹ 30.23 million.

Minority Interest. Minority interest was ₹ 68.33 million for the nine months ended December 31, 2012, consisting of the share in profits attributable to the minority shareholders of Zuventus and Gennova Biopharmaceuticals Limited ("Gennova").

Net Profit, as Restated. Net profit, as restated, was ₹ 563.40 million and represented 3.7% of our total revenue for the nine months ended December 31, 2012 as a result of the factors discussed above.

Fiscal 2012 Compared to Fiscal 2011

Our results of operations for the Fiscal 2012 were particularly affected by the following factors:

- the acquisition of Heritage which was completed on April 29, 2011;
- increases in sales of domestic formulations; and
- increases in sales to the Regulated Markets.

Total Revenue. Total revenue increased by 33.5% to ₹ 18,071.39 million for the Fiscal 2012 from ₹ 13,540.19 million for the Fiscal 2011, primarily as a result of an increase in revenue from operations (net).

Revenue from Operations (Net). Revenue from operations (net) increased by 33.7% to ₹ 18,044.74 million for the Fiscal 2012 from ₹ 13,497.02 million for the Fiscal 2011. Revenue from operations consisted of sale of products (net of excise duty), which increased by 34.5% to ₹ 17,197.95 million for the Fiscal 2012 from ₹ 12,786.94 million for the Fiscal 2011, sale of services which increased by 26.6% to ₹ 618.91 million for the Fiscal 2012 from ₹ 489.01 million for the Fiscal 2011 and other operating revenue which increased by 3.1% to ₹ 227.88 million for the Fiscal 2012 from ₹ 221.07 million for the Fiscal 2011.

- Revenue from domestic operations. Revenue attributable to sales within India increased by 11.8% to ₹ 8,734.17 million for the Fiscal 2012 from ₹ 7,815.78 million for the Fiscal 2011, primarily as a result of an increase in sales in key therapeutic areas such as gynaecology, cardiovascular, anti-infective, vitamins, minerals and nutrients and pain and analgesics. Revenue attributable to sales within India represented 48.4% and 57.9% of our revenue from operations (net) for the Fiscals 2012 and 2011, respectively.

- Revenue outside India. Revenue attributable to sales outside India increased by 63.9% to ₹ 9,310.57 million for the Fiscal 2012 from ₹ 5,681.24 million for the Fiscal 2011, primarily as a result of increased sales in the Regulated Markets, mainly to the United States of America which increased by 85.0% to ₹ 6,917.98 million for the Fiscal 2012 from ₹ 3,739.12 million for the Fiscal 2011 as a result of revenue contribution from acquisition of Heritage. Revenue attributable to sales outside India represented 51.6% and 42.1% of our revenue from operations (net) for the Fiscals 2012 and 2011, respectively.

Other Income. Other income decreased by 38.3% to ₹ 26.65 million for the Fiscal 2012 from ₹ 43.17 million for the Fiscal 2011, primarily as a result of a decrease in net exchange gain to nil for the Fiscal 2012 against net exchange gain of ₹ 19.53 million for the Fiscal 2011 on account of the effect of the Rupee appreciation on our U.S. Dollar-denominated export sales receivables.

Total Expenses. Total expenses increased by 34.3% to ₹ 15,017.72 million for the Fiscal 2012 from ₹ 11,185.08 million for the Fiscal 2011, primarily as a result of an increase in purchase of traded goods and cost of materials consumed, all of which were attributable to the growth in our operations.

- *Cost of Materials Consumed.* Cost of materials consumed increased by 26.3% to ₹ 5,615.62 million for the Fiscal 2012 from ₹ 4,444.83 million for the Fiscal 2011, primarily as a result of the growth in our operations. Cost of materials consumed represented 31.1% and 32.8% of our total revenue for the Fiscals 2012 and 2011, respectively.

- *Purchase of Traded Goods*. Purchase of traded goods increased to ₹ 2,511.01 million for the Fiscal 2012 from ₹ 1,002.63 million for the Fiscal 2011, primarily as a result of the acquisition of Heritage, where there is a higher proportion of goods that are purchased on a principal to principal basis. Purchase of traded goods represented 13.9% and 7.4% of our total revenue for the Fiscals 2012 and 2011, respectively.

- *Changes in Inventories of Finished Goods, Work-In-Progress and Traded Goods.* Our closing inventories of finished goods, work-in-progress and traded goods were higher by ₹ 644.45 million compared to our opening inventories for the Fiscal 2012. As a result of our closing inventories being higher for the Fiscal 2012, our total expenses for the Fiscal 2012 was reduced by ₹ 644.45 million. Such an increase in our closing inventories was on account of higher closing inventories of traded goods due to the growth in our business and the consolidation of Heritage's operations for the first time during the Fiscal 2012.

  Costs of material consumed, purchase of traded goods and change in inventories of finished goods, work-in-progress and traded goods, as a percentage of total revenue, increased to 41.4% for the Fiscal 2012 from 38.9% for the Fiscal 2011. The increase was primarily as a result of the inclusion of costs from Heritage for the Fiscal 2012 and an increase in the proportion of sales to the Regulated Markets, where the cost of raw materials, packaging materials and finished goods, as a percentage of total revenue, are relatively higher than that for the Domestic Market.

- *Employee Benefits Expense.* Employee benefits expense increased by 29.6% to ₹ 3,272.30 million for the Fiscal 2012 from ₹ 2,525.87 million for the Fiscal 2011, primarily as a result of an increase in the number of our employees, an increase in annual pay and incentives. The number of employees increased to 7,223 as of March 31, 2012 from 6,680 as of March 31, 2011 mainly as a result of an increase in our employees at our facilities in Hinjewadi, Kurkumbh and Jammu. Employee benefits expense represented 18.1% and 18.7% of our total revenue for the Fiscals 2012 and 2011, respectively.

- *Other Expenses.* Other expenses increased by 25.5% to ₹ 4,263.24 million for the Fiscal 2012 from ₹ 3,395.68 million for the Fiscal 2011, primarily as a result of increases in operations and mainly consisted of:

  - power and fuel costs which increased by 47.3% to ₹ 538.51 million for the Fiscal 2012 from ₹ 365.68 million for the Fiscal 2011;

  - advertisement and promotional materials which increased by 14.2% to ₹ 1,067.24 million for the Fiscal 2012 from ₹ 934.65 million for the Fiscal 2011 on account of an increase in domestic marketing activities and inclusion of Heritage's expenses for the Fiscal 2012; and

  - factory expenses which increased by 25.1% to ₹ 570.29 million for the Fiscal 2012 from ₹ 455.96 million for the Fiscal 2011 on account of an increase in our manufacturing operations.

  Other expenses represented 23.6% and 25.1% of our total revenue for the Fiscals 2012 and 2011, respectively.

Depreciation and Amortization Expense. Depreciation and amortization expense increased by 82.4% to ₹ 1,008.40 million for the Fiscal 2012 from ₹ 552.78 million for the Fiscal 2011, as a result of increases in depreciation on tangible assets and amortization of intangible assets. Depreciation on tangible assets increased by 18.3% to ₹ 581.09 million for the Fiscal 2012 from ₹ 491.09 million for the Fiscal 2011 on account of the expansion of our Hinjewadi solid dosage manufacturing facility and bulk drug facility in Kurkumbh. Increase in amortization of intangible assets was primarily on account of amortization of goodwill of ₹ 333.67 million related to the acquisition of Heritage. Depreciation and amortization expense represented 5.6% and 4.1% of our total revenue for the Fiscals 2012 and 2011, respectively.

Finance Costs. Finance costs increased by 42.0% to ₹ 742.29 million for the Fiscal 2012 from ₹ 522.65 million for the Fiscal 2011, primarily as a result of an increase in interest incurred on account of an increase in secured borrowings by 31.5% to ₹ 6,886.31 million as of March 31, 2012 from ₹ 5,234.84 million as of March 31, 2011. The increase in secured borrowings was attributable towards loan taken for the acquisition of Heritage amounting to ₹ 1,068.27 million as well as loans taken for the expansion of our solid dosage manufacturing facility and bulk drug manufacturing facility. Finance costs represented 4.1% and 3.9% of our total revenue for the Fiscals 2012 and 2011, respectively.

Exceptional Items. Exceptional items consisted of a loss of ₹ 56.31 million for the Fiscal 2012 as compared to a loss of ₹ 87.78 million for the Fiscal 2011. Loss for the Fiscal 2012 was on account of loss on derivative contracts entered into to hedge against export receivables. Such losses were as a result of the depreciation of the Indian Rupee against the U.S. Dollar. Exceptional items for the Fiscal 2011 consisted of liability recognised towards settlement of derivative contracts under dispute and the reversal of excess provisions made on those contracts.

Tax Expenses. Tax expenses decreased by 24.6% to ₹ 246.44 million for the Fiscal 2012 from ₹ 326.94 million for the Fiscal 2011. Current tax increased by 19.4% to ₹ 312.62 million for the Fiscal 2012 from ₹ 261.79 million for the Fiscal 2011 on account of an increase in net profits for the Fiscal 2012 compared to the Fiscal 2011 which was offset by higher MAT credit entitlement for the Fiscal 2012. Our deferred tax expense decreased by 33.5% to ₹ 124.66 million for the Fiscal 2012 from ₹ 187.51 million for the Fiscal 2011 on account of lower claim of depreciation for tax purposes.

Minority Interest. Minority share in profit increased by 2.9% to ₹ 43.07 million for the Fiscal 2012 from ₹ 41.86 million for the Fiscal 2011 as a result of the share in profits attributable to minority shareholders of Zuventus.

Net Profit, as Restated**.** As a result of the foregoing factors, net profit, as restated, increased by 16.3 % to ₹ 957.16 million for the Fiscal 2012 from ₹ 823.10 million for the Fiscal 2011.

Fiscal 2011 Compared to Fiscal 2010

Our results of operations for the Fiscal 2011 were particularly affected by the following factors:

- increases in domestic formulations sales; and
- increases in sales to the Regulated Markets.

Total Revenue**.** Total revenue increased by 28.3% to ₹ 13,540.19 million for the Fiscal 2011 from ₹ 10,550.94 million for the Fiscal 2010 primarily as a result of an increase in revenue from operations (net).

Revenue from Operations (Net). Revenue from operations (net) increased by 28.0% to ₹ 13,497.02 million for the Fiscal 2011 from ₹ 10,540.91 million for the Fiscal 2010. Revenue from operations (net) consisted of sale of products (net of excise duty), which increased by 26.9% to ₹ 12,786.94 million for the Fiscal 2011 from ₹ 10,073.24 million for the Fiscal 2010, sale of services which increased by 22.8% to ₹ 489.01 million for the Fiscal 2011 from ₹ 398.30 million for the Fiscal 2010, and other operating revenue which increased to ₹ 221.07 million for the Fiscal 2011 from ₹ 69.37 million for the Fiscal 2010.

- Revenue from domestic operations. Revenue attributable to sales within India increased by 32.3% to ₹ 7,815.78 million for the Fiscal 2011 from ₹ 5,908.68 million for the Fiscal 2010, primarily as a result of an increase in sales in key therapeutic areas such as gynaecology, cardiovascular, anti-infective, vitamins, minerals and nutrients and pain and analgesics. Revenue attributable to sales within India represented 57.9% and 56.1% of our revenue from operations (net) for the Fiscals 2011 and 2010, respectively.

- Revenue outside India. Revenue attributable to sales outside India increased by 22.6% to ₹ 5,681.24 million for the Fiscal 2011 from ₹ 4,632.23 million for the Fiscal 2010, primarily as a result of an increase in revenue attributable to sales from the United States of America which increased by 57.6% to ₹ 3,739.12 million for the Fiscal 2011 from ₹ 2,371.76 million for the Fiscal 2010 primarily on account of an increase in revenues from our key customers. Revenues attributable to sales outside India represented 42.1% and 43.9% of our revenue from operations (net) for the Fiscals 2011 and 2010, respectively.

Other Income. Other income increased to ₹ 43.17 million for the Fiscal 2011 from ₹ 10.03 million for the Fiscal 2010, primarily as a result of an increase in net exchange gain to ₹ 19.53 million for the Fiscal 2011 from nil for the Fiscal 2010 as a result of the effect of the depreciation of the Rupee on our U.S. Dollar-denominated export receivables.

***Total Expenses*.** Total expenses increased by 33.7% to ₹ 11,185.08 million for the Fiscal 2011 from ₹ 8,364.76 million for the Fiscal 2010.

- *Cost of Materials Consumed*. Cost of materials consumed increased by 39.3% to ₹ 4,444.83 million for the Fiscal 2011 from ₹ 3,190.49 million for the Fiscal 2010, primarily as a result of growth in our operations. Cost of materials consumed represented 32.8% and 30.2% of our total revenue for the Fiscals 2011 and 2010, respectively.

- *Purchases of Traded Goods.* Purchases of traded goods increased by 5.4% to ₹ 1,002.63 million for the Fiscal 2011 from ₹ 951.08 million for the Fiscal 2010, primarily as a result of an increase in our domestic operations. Purchase of traded goods represented 7.4% and 9.0% of our total revenue for the Fiscals 2011 and 2010, respectively.

- *Changes in Inventories of Finished Goods, Work-In-Progress and Traded Goods.* Our closing inventories of finished goods, work-in-progress and traded goods were higher by ₹ 183.93 million compared to our opening inventories for the Fiscal 2011. As a result of our closing inventories being higher for the Fiscal 2011, our total expenses for the Fiscal 2011 was reduced by ₹ 183.93 million. Such an increase in our closing inventories was on account of the growth of our business.

  Cost of material consumed, purchase of traded goods and change in inventories of finished goods, work-in-progress and traded goods as a percentage of our net revenue from operations increased to 38.9% for the Fiscal 2011 from 38.0% for the Fiscal 2010. The increase was primarily as a result of the change on our product mix for sales outside India.

- *Employee Benefits Expense*. Employee benefits expense increased by 41.0% to ₹ 2,525.87 million for the Fiscal 2011 from ₹ 1,790.84 million for the Fiscal 2010, primarily on account of an increase in the number of our employees, an increase in annual pay and incentives. The number of employees increased to 6,680 as of March 31, 2011 from 5,147 as of March 31, 2010 on account of an increase in our employees at our domestic marketing operations and manufacturing and research and development facilities. Employee benefits expense represented 18.7% and 17.0% of our total revenue for the Fiscals 2011 and 2010, respectively.

- *Other Expenses*. Other expenses increased by 32.4% to ₹ 3,395.68 million for the Fiscal 2011 from ₹ 2,565.62 million for the Fiscal 2010, primarily as a result of the growth in our operations and mainly consisted of:

  - advertisement and promotional materials which increased by 37.4% to ₹ 934.65 million for the Fiscal 2011 from ₹ 680.11 million for the Fiscal 2010 on account of an increase in domestic marketing activities,

- factory expenses which increased by 37.8% to ₹ 455.96 million for the Fiscal 2011 from ₹ 330.88 million for the Fiscal 2010 on account of an increase in exports to North America and manufacturing operations at our Jammu facility, and

- travelling, conveyance and vehicle expenses which increased by 37.3 % to ₹ 513.17 million for the Fiscal 2011 from ₹ 373.85 million for the Fiscal 2010.

Other expenses represented 25.1% and 24.3% of our total revenue for the Fiscals 2011 and 2010, respectively.

Depreciation and Amortization Expense. Depreciation and amortization expense increased by 26.6% to ₹ 552.78 million for the Fiscal 2011 from ₹ 436.57 million for the Fiscal 2010, primarily as a result of an increase in depreciation on tangible assets by 28.4% to ₹ 491.09 million for the Fiscal 2011 from ₹ 382.51 million for the Fiscal 2010 on account of commencement of commercial operations at our oncology formulations facility, the capitalization of our Jammu facility, and capacity expansions at our Hinjewadi and Kurkumbh facilities. Depreciation and amortization expense represented 4.1% and 4.1% of our total revenue for the Fiscals 2011 and 2010, respectively.

Finance Costs. Finance costs increased by 47.4% to ₹ 522.65 million for the Fiscal 2011 from ₹ 354.46 million for the Fiscal 2010, primarily as a result of an increase in interest incurred on account of an increase in secured borrowings by 27.6% from ₹ 4,104.07 million as of March 31, 2010 to ₹ 5,234.84 million as of March 31, 2011. The increase in our secured borrowings was primarily attributable towards loans taken for the capacity expansion at our Hinjewadi and Kurkumbh manufacturing facilities. Finance costs represented 3.9% and 3.4% of our total revenue for the Fiscals 2011 and 2010, respectively.

Exceptional Items. Exceptional items consisted of a loss of ₹ 87.78 million for the Fiscal 2011 as compared to a gain of ₹ 1,507.47 million for the Fiscal 2010. Exceptional items of Fiscal 2012 consisted of liability recognized towards settlement of derivative contracts under dispute and the reversal of excess provision made on those contracts. Exceptional items for the Fiscal 2010 represented gains on derivative contracts on account of the appreciation of the Indian Rupee against the U.S. Dollar on the value of U.S. Dollar denominated derivative contract to hedge against export receivables.

Tax Expenses. Our tax expenses decreased to ₹ 326.94 million for the Fiscal 2011 from ₹ 910.86 million for the Fiscal 2010. Current tax increased to ₹ 261.79 million for the Fiscal 2011 from ₹ 213.30 million for the Fiscal 2010 on account of lower foreign exchange loss on derivative contracts in 2011 compared to 2010. The increase in current tax was partially set off by MAT credit entitlement. Deferred tax charge decreased to ₹ 187.51 million for the Fiscal 2011 from ₹ 803.61 million for the Fiscal 2010 on account of reversal of deferred tax asset arising out of exceptional gain in the Fiscal 2010 on mark-to-market valuations on option contracts.

*Minority Interest***.** Minority interest increased to ₹ 41.86 million for the Fiscal 2011 from ₹ 14.15 million for the Fiscal 2010 primarily as a result of relatively lower losses, attributable to minority shareholders of Emcure USA for the Fiscal 2011.

Net Profit, as Restated. As a result of the foregoing factors, net profit, as restated, decreased by 58.4% to ₹ 823.10 million for the Fiscal 2011 from ₹ 1,977.61 million for the Fiscal 2010.

Liquidity and Capital Resources

Liquidity

Historically, our primary liquidity requirements have been to finance our working capital requirements for our operations, capital expenditures and business acquisitions. We finance our working capital requirements primarily through funds generated from our operations and bank financing.

Cash flows

The table below summarizes our cash flows for the periods indicated:

	Fiscal			Nine Months Ended
	2010	2011	2012	December 31, 2012
	(₹ in million)			
Net cash generated from operating activities	1,485.78	1,082.02	2,445.41	857.87
Net cash (used in) investing activities	(1,063.10)	(1,676.90)	(2,782.47)	(1,727.82)
Net cash (used in)/generated from financing activities	(300.45)	568.69	574.48	1,069.68
Net increase/(decrease) in cash and cash equivalents	122.23	(26.19)	237.42	199.73

Operating Activities

Net cash generated from operating activities was ₹ 857.87 million for the nine months ended December 31, 2012. Our net profit before taxation was ₹ 935.21 million for the nine months ended December 31, 2012, which was adjusted mainly for depreciation and amortization of ₹ 893.23 million and finance cost of ₹ 638.46 million, and as a result, our operating profit before working capital changes was ₹ 2,486.30 million for the nine months ended December 31, 2012. This was further adjusted for increase in working capital of ₹ 1,458.60 million and, as a result, cash generated from operations before adjusting direct taxes paid was ₹ 1,027.70 million for the nine months ended December 31, 2012. Increase in working capital was primarily attributable to increases in trade receivables, inventories and loans and advances of ₹ 890.66 million, ₹ 669.36 million and ₹110.82 million, respectively, and was partially offset by an increase in trade payables of ₹ 210.48 million. The increase in inventories and trade receivables was primarily attributable to the growth in our business. Cash generated from operations of ₹ 1,027.70 million was adjusted for direct taxes paid of ₹ 169.83 million and, as a result, our net cash generated from operating activities was ₹ 857.87 million for the nine months ended December 31, 2012.

Net cash generated from operating activities was ₹2,445.41 million for the Fiscal 2012. Our net profit before taxation was ₹ 1,246.67 million for the Fiscal 2012, which was adjusted mainly for depreciation and amortization of ₹ 1,008.40 million and finance cost of ₹ 742.29 million, and as a result, our operating profit before working capital changes was ₹ 3,044.71 million for the Fiscal 2012. This was further adjusted for increase in working capital of ₹ 297.75 million and, as a result, cash generated from operations before adjusting direct taxes paid was ₹ 2,746.95 million for the Fiscal 2012. Increase in working capital was primarily attributable to increases in trade receivables, inventories and loans and advances of ₹ 555.10 million, ₹ 586.69 million and ₹ 82.38 million, respectively, and was partially offset by an increase in other liabilities and provisions of ₹ 152.74 million and an increase in trade payables of ₹ 797.57 million. The increase in inventories and trade receivables was primarily attributable to growth in our business. Cash generated from operations of ₹ 2,746.96 million was adjusted for direct taxes paid of ₹ 301.55 million and, as a result, net cash generated from operating activities was ₹ 2,445.41 million for the Fiscal 2012.

Net cash generated from operating activities was ₹ 1,082.02 million for the Fiscal 2011. Our net profit before taxation was ₹ 1,191.90 million for the Fiscal 2010, which was adjusted mainly for depreciation and amortization of ₹ 552.78 million and finance cost of ₹ 522.65 million, and, as a result, our operating profit before working capital changes was ₹ 2,352.02 million for the Fiscal 2011. This was further adjusted for increase in working capital of ₹ 1,034.76 million and, as a result, cash generated from operations before adjusting for direct taxes paid was ₹ 1,317.26 million for the Fiscal 2011. Increase in working capital was primarily attributable to increases in trade receivables, inventories and loans and advances of ₹ 689.31 million, ₹ 364.02 million and ₹ 195.41 million, respectively, and was partially offset by an increase in other liabilities and provisions of ₹ 78.23 million and an increase in trade payables of ₹ 157.77 million. The increase in inventories and trade receivables was primarily attributable to growth in our business. Cash generated from operations of ₹ 1,317.26 million was adjusted for direct taxes paid of ₹ 235.24 million and, as a result, net cash generated from operating activities was ₹ 1,082.02 million for the Fiscal 2011.

Investing Activities

Net cash used in investing activities was ₹ 1,727.82 million for the nine months ended December 31, 2012, consisting of the purchase of tangible and intangible assets, which was primarily attributable to the acquisition of global rights of the oncology brand BiCNU®, an acquisition of the remaining equity interest in Emcure USA and purchase of other tangible fixed assets.

Net cash used in investing activities was ₹ 2,782.47 million for the Fiscal 2012 consisting of the purchase of tangible and intangible assets, which was primarily attributable to the acquisition of Heritage, and additions to tangible fixed assets towards our manufacturing and research and development facilities.

Net cash used in investing activities was ₹ 1,676.90 million for the Fiscal 2011 consisting of the purchase of tangible and intangible assets, which was primarily attributable to additions to fixed assets at our Hinjewadi, Kurkumbh and Jammu manufacturing facilities and investments in research and development facilities.

Financing Activities

Net cash generated from financing activities was ₹ 1,069.68 million for the nine months ended December 31, 2012, on account of an increase in secured borrowings, net of repayment of ₹ 462.99 million and an increase in short-term borrowings of ₹ 1,339.66 million. Net cash generated from financing activities was partially offset by net cash used for interest of ₹ 625.43 million paid on our indebtedness.

Net cash generated from financing activities was ₹ 574.48 million for the Fiscal 2012, on account of an increase in secured borrowings, net of repayment of ₹ 905.39 million and short-term borrowings of ₹ 564.83 million. Net cash generated from financing activities was partially offset by net cash used for interest of ₹ 750.15 million paid on our indebtedness.

Net cash generated in financing activities was ₹ 568.69 million for the Fiscal 2011, on account of increase in secured borrowings, net of repayment of ₹1,610.56 million, offset by a decrease in short-term borrowings of ₹ 483.67 million. Net cash generated in financing activities was partially offset by net cash used for interest of ₹ 471.08 million paid on our indebtedness.

Indebtedness

Details of our indebtedness are as set out below, as of December 31, 2012:

	₹ in million
Secured Borrowings	
Long term Borrowings (including current maturities thereon of long term debt)	
Secured Term Loans	
From Banks	2,874.64
Foreign Currency Loans from Banks	1,385.46
Vehicle Loans	32.16
Others	52.58
Short Term Borrowings	
Working Capital Loans repayable on demand from Banks	3,029.76
Total Secured Borrowings	**7,374.60**
Unsecured Long Term Borrowings	70.05
Current Maturities of Long Term Debt	**1,577.33**
Total	**9,021.98**

Contractual Obligations and Contingent Liabilities

Our contractual obligations, as of December 31, 2012, comprised an estimated amount of ₹ 265.13 million for contracts remaining to be executed on capital account (net of advances). We do not expect that such obligations and commitments will have a material effect on our liquidity and cash flows.

Set forth below is a breakdown of our contractual obligations and commercial commitments as of December 31, 2012, as classified by maturity:

	Total	Less than 1 year*	1-3 years	3-5 years	More than 5 years
			(₹ in million)		
Long Term Borrowings (including current maturities of long term debt)................................	5,992.22	1,577.33	3,976.80	388.96	49.13
Short Term Borrowings	3,029.76	3,029.76	-	-	-
Contracts remaining to be executed on capital account (net of advances)	265.13	265.13	-	-	-
Lease obligations...	357.63	116.51	103.07	105.69	32.36
Total Contractual Obligations	**9,644.74**	**4,988.73**	**4,079.87**	**494.65**	**81.49**

* represents current maturities of long term debt, where applicable.

Our contingent liabilities not provided for are set out below, as of December 31, 2012:

Nature of Contingent Liability	*₹ in million*
Disputed Dues not Provided	
Provident Fund..	₹ 39.79
Sales Tax...	97.44
Excise Matters..	51.97
Total	**₹ 189.20**

Capital Expenditures

Historically, we have incurred capital expenditure in the normal course of our business in relation to the expansion of our existing manufacturing facilities, research and development facilities, acquisition of brands and licensing rights and acquisition of businesses and we expect to continue to incur such capital expenditure in the future.

Capital expenditure represents additions to fixed assets (tangible and intangible) plus changes in capital work in progress (i.e. expenses incurred in relation to capital assets but not capitalized) and advance payments on account of capital expenditure.

Nine Months Ended December 31, 2012

During the nine months ended December 31, 2012, our total capital expenditure (net of asset deletions and excluding impact of change in value of assets of foreign subsidiaries due to change in foreign exchange rates on conversion into Indian Rupees at the balance sheet date) was ₹ 1,912.55 million and primarily comprised:

- Tangible assets: capital expenditure incurred on tangible assets, including capital work in progress, for the nine months ended December 31, 2012 was ₹ 477.44 million which was primarily as a result of capitalization of plant and machinery at our solid dosage, injectables and oncology manufacturing facilities in Hinjewadi and our bulk drugs manufacturing facility in Kurkumbh.

- Intangible assets: capital expenditure incurred on intangible assets, including intangibles under development, for the nine months ended December 31, 2012 was ₹ 1,435.11 million and was primarily as a result of the acquisition of global rights for BiCNU® for ₹ 545.50 million and the goodwill arising out of the acquisition of the entire minority stake in Emcure USA for a total consideration of ₹ 356.27 million. We also incurred capital expenditure on product development including registration fees for our products for the nine months ended December 31, 2012 amounting to ` 491.73 million.

Fiscal 2012

During the Fiscal 2012, our capital expenditure (net of asset deletions and excluding impact of change in value of assets of foreign subsidiaries due to change in foreign exchange rates on conversion into Indian Rupees at balance sheet date) was ₹ 4,369.22 million and primarily comprised:

- Tangible assets: capital expenditure incurred on tangible assets, including capital work in progress, for the Fiscal 2012 was ₹ 1,339.47 million which was primarily as a result of capital expenditure on buildings, plant and machinery towards capacity expansion at our solid dosage manufacturing facility at Hinjewadi and our bulk drugs manufacturing facility at Kurkumbh and the capitalization of our Subsidiary Zuventus' Jammu plant.

- Intangible assets: capital expenditure incurred on intangible assets, including intangibles under development, for the Fiscal 2012 was ₹ 3,029.75 million which was primarily attributable to goodwill created on the amalgamation of Heritage with Emcure Pharmaceuticals Holdings Inc. amounting to ₹ 1,691.08 million and goodwill on consolidation amounting to ₹ 582.91 million. We also incurred capital expenditure on product development including addition to work in progress amounting to ₹ 527.39 million during the Fiscal 2012.

Fiscal 2011

During the Fiscal 2011, our capital expenditure (net of asset deletions and excluding impact of change in value of assets of foreign subsidiaries due to change in foreign exchange rates on conversion into Indian Rupees at balance sheet date) was ₹ 1,602.82 million and primarily comprised:

- Tangible assets: capital expenditure incurred on tangible assets, including capital work in progress, for the Fiscal 2011 was ₹ 1,212.46 million which was primarily as a result of capitalization of our oncology manufacturing facility and our injectables manufacturing facility in Hinjewadi, and our bulk drugs manufacturing facility at Kurkumbh. During the Fiscal 2011 we also incurred capital expenditure towards the expansion at Emcure USA, expansion at our solid dosage manufacturing facility and expansion at our Jammu manufacturing facility.

- Intangible assets: capital expenditure incurred on intangible assets, including intangible assets under development, for the Fiscal 2011 was ₹ 390.36 million, primarily attributable to product development expenditure amounting to ₹ 383.55 million.

Planned Capital Expenditure

We expect to fund our future capital expenditure plans through funds generated from our operations and from the Net Proceeds from the Fresh Issue. For details in relation to our planned capital expenditure, please see "Objects of the Issue" on page 95.

Off-Balance Sheet Arrangements

We use derivative contracts to hedge our exposure to movements in foreign exchange rates against future receivables. The use of these derivative contracts is to reduce the risk to us and we do not use the derivative contracts for trading or speculation purposes. The following table shows a breakdown of our foreign currency exposure that we have hedged by derivative instruments for the periods indicated:

Particulars	For the Fiscal 2010	2011	2012	Nine Month Ended December 31, 2012
	(₹ in million, apart from as specified)			
Outstanding Forward Contracts				
- Sell (USD)	-	-	-	4.50
- Buy (USD)	-	-	-	-
Derivative contracts to hedge against highly probable forecast transaction				
- Number of Contract (Actual in nos.)	7	1	1	1
- Notional Principal (USD)	100.40	8.60	5.10	1.88
Swap contracts to purchase USD	-	-	1.74	10.87
Unrealized Foreign Exchange loss				
- Option Contracts	1,001.19	64.96	86.39	43.54
- Swap Contracts	-	-	-	8.57
Total	**1,001.19**	**64.96**	**86.39**	**52.11**

Except as set forth above, we do not have any other off-balance sheet arrangements, derivative instruments or other relationships with unconsolidated entities that have been established for the purpose of facilitating off-balance sheet arrangements.

Research and Development

The following table shows a breakdown of our expenditure incurred on research and development, including in-house research and development, for the periods indicated:

Particulars	For the Fiscal 2010	2011	2012	Nine Month Ended December 31, 2012
		(₹ in million)		
Revenue Expenditure	350.89	488.17	748.10	586.02
Capital Expenditure in relation to acquisition of tangible assets and creation of intangible assets	255.32	436.51	808.73	474.32
Total	**606.21**	**924.68**	**1,556.83**	**1,060.34**
As a percentage of Total Revenue	**5.7%**	**6.8%**	**8.6%**	**7.0%**

Related Party Transactions

We have engaged in the past, and may engage in the future, in transactions with related parties, including our affiliates and certain key management members on an arm's length basis. For details of our related party transactions, see "Financial Statements — Related Party disclosures" on page 291 of this Draft Red Herring Prospectus.

Seasonality

Our results of operations have not, and are not expected to, generally exhibit seasonality.

Quantitative and Qualitative Disclosures about Market Risk

Risk Management

We are exposed to market risk as a result of various activities including manufacturing and borrowing from changes in both foreign currency exchange rates and interest rates. We face foreign exchange risk to the extent our income, expenditure, assets or liabilities are denominated in currencies other than Indian Rupees. Our interest rate risk results from changes in interest rates that may affect the cost of our financing. We use financial instruments such as foreign currency options, interest rate swaps and forward rate agreements to manage our market risk. We do not hold or issue derivative or other financial instruments for trading purposes.

Commodities Risk

We are exposed to market risk with respect to commodity prices from the purchase and sale of pharmaceutical formulations and APIs, as well as raw material components for such pharmaceutical formulations. Prices for these raw material components can fluctuate sharply over short periods of time. We evaluate and manage our commodity price risk exposure through our operating procedures and sourcing policies. In the normal course of business, we purchase our raw materials under annual supply contracts based on prevailing market conditions. We do not use any derivative financial instruments or futures contracts to hedge our remaining exposure to fluctuations in commodity prices. We do not apply hedging techniques with respect to changes in the purchase and sale prices of our APIs. Accordingly, significant increases in the prices of our raw materials could affect our results of operations.

Interest Rate Risk

We are exposed to market risk with respect to changes in interest rates related to our borrowings. Interest rate risk exists with respect to our indebtedness that bears interest at floating rates tied to certain benchmark rates as well as borrowings where the interest rate is reset based on changes in interest rates set by RBI. While we hedge the interest rates on certain of our non-Rupee indebtedness, if the interest rates for our existing or future borrowings increase significantly, our cost of servicing such debt will increase.

As of December 31, 2012, we had outstanding loans of ₹ 8,816.08 million that bears interest at floating rates. Interest rate risk exists with respect to our indebtedness that bears interest at floating rates tied to certain benchmark rates as well as borrowings where generally announced through credit policy measures issued twice a year. Moreover, our interest rate risk is affected primarily by the short-term interest rates set by Indian banks.

Foreign Currency Exchange Rate Risk

Although our Company's reporting currency is in Indian Rupees, we transact a significant portion of our business in several other currencies. Approximately 51.6% and 45.3% of our revenue from operations (net) in the Fiscal 2012 and during the nine month period ended December 31, 2012, respectively, were derived from sales outside India. Substantially all of our non-Indian sales income is denominated in foreign currencies, primarily in U.S. Dollars, Euros and Pounds Sterling. Further, we continue to incur non-Rupee indebtedness in the form of external commercial borrowings and other foreign currency denominated borrowings and packing credit, which creates foreign currency exposure in respect of our cash flows and ability to service such debt.

We also import our raw materials and some of the equipment used in our manufacturing facilities. The prices we pay for these imports are denominated in foreign currencies, predominantly in U.S. Dollars and Pound Sterling. A significant portion of our raw materials were imported during the Fiscal 2012 and the nine month period ended December 31, 2012. In addition, a portion of our other operating expenses are denominated in U.S. Dollars or other foreign currencies.

Therefore, our exchange rate risk primarily arises from our foreign currency revenues, costs and other foreign currency assets and liabilities to the extent that there is no natural hedge. While from time to time we hedge our foreign currency exposure, we may be affected by significant fluctuations in the exchange rates between the Indian rupee and other currencies.

Credit Risk

We are exposed to credit risk on monies owed to us by our customers. If our customers do not pay us promptly or at all, we may have to make provisions for or write-off such amounts. As of March 31, 2012 and December 31, 2012 our trade receivables were ₹ 3,108.68 million and ₹ 4,022.57 million, respectively.

Significant developments occurring after December 31, 2012

To our knowledge, circumstances that have arisen since the date of the last financial information, as disclosed in this Draft Red Herring Prospectus, which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months are as follows:

Rights Issue

Our Company has completed a rights offering of Equity Shares to its existing shareholders and allotted 10,047,340 Equity Shares at ₹ 10.00 per Equity Share on April 19, 2013. In this regard, RBI has issued a letter dated June 11, 2013 requiring our Company *inter alia* to submit a Government approval for brownfield investments. Our Company has filed a reply to the said letter from the RBI on June 24, 2013. For further details, see the section "Risk Factors – Our Company has allotted Equity Shares to its existing resident and non-resident shareholders on April 19, 2013 pursuant to a rights issue (the "Rights Issue"). In this regard, our Company has received a letter dated June 11, 2013 from the RBI (the "RBI Letter") requiring our Company for a copy of the Government approval. Our Company has responded to the same indicating the rationale for not obtaining prior Government approval for the Rights Issue. In the event, such allotment is considered non-compliant with the foreign exchange laws, our Company may be subject to regulatory actions including imposition of penalties by the regulators" on page 20.

Zoledronic Acid Litigation

In March 2013 and May 2013, our subsidiary, Heritage launched two Zoledronic acid injectable products, which are generic versions of Novartis Pharmaceuticals Corporation's Reclast® and Zometa®. In March 2013, Novartis Pharmaceuticals Corporation filed a complaint for an infringement of method of use patent of each of these two Zoledronic acid products against our Company and our subsidiary, Emcure Pharmaceuticals USA, Inc., and seventeen other companies in the United States District Court for the district of New Jersey. The complaint also alleges the infringement of a formulation patent but not against us. If Novartis Pharmaceuticals Corporation is successful in their claims of patent infringement, we could be required to pay damages related to sales of these products made by us, and could be prohibited from making or selling these products in the United States until the expiry of the relevant patents. See "Outstanding Litigation and Material Developments" on page 351 for more details.

Indebtedness Since December 31, 2012

Our total indebtedness was ₹ 9,021.98 million as of December 31, 2012 and as of June 24, 2013, our indebtedness was ₹ 9,640.93 million. The increase in total indebtedness in this period has been due to depreciation of Indian Rupee against U.S. Dollar and increase in working capital.

Acquisition of a Group Company

On June 19, 2013, our Company acquired 63.0% of the equity share capital of Uth Healthcare Limited, a group company, for total consideration of ₹ 31.5 million. Uth Healthcare Limited is in the business of selling healthcare and wellness products in the Domestic Market and the international markets. The acquisition was funded through our internal accruals.

Significant Accounting Policies

Tangible Assets

Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any, except in case of our Company's land and building which was revalued in 1992-93 to 1993-94.

Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Items of tangible assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realizable value and are shown separately in the financial statements. Any expected loss is recognized immediately in the statement of profit and loss.

Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognized in the statement of profit and loss.

Depreciation on all tangible assets is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets or on the straight line method at the rates specified in Schedule XIV to the Companies Act, 1956 of India, whichever is higher, as follows:

Asset	**Depreciation Rate (%)**
Leasehold Land	Over the lease period
Building	3.33 – 10.00
Furniture & Fixtures	6.33 – 16.67
Furniture & Fixtures at leasehold premises	Over the lease period
Office Equipment	4.75 – 16.67
Computer Hardware	16.21 – 33.33
Vehicles – Cars	20
Plant & Machinery, Parts thereof	4.75 – 33.33

Except for items where 100% depreciation rates are applicable, depreciation on fixed assets added / disposed of during the year is provided on pro-rata basis with reference to the date of addition / disposal.

Depreciation attributable to the enhanced value of the assets arising on revaluation has been debited to the revaluation reserve.

Intangible Assets

Intangible assets acquired separately are measured at cost on initial recognition and amortized over the estimate of useful lives commencing from the date, the asset is available to the Company for its commercial use.

Expenditure incurred in respect of internally generated intangible assets such as product development is capitalized as per Accounting Standard 26, when its future recoverability can reasonably be regarded as assured. Research costs are expensed as incurred.

Management estimates useful life of the various intangible assets as follows:

	Years
Product Development/ANDA	5 to 10 years
Brands acquired	10 years
Software, License rights	2 to 6 years
Goodwill on acquisition	5 years

The carrying value of intangible assets is reviewed for impairment annually when events or changes in circumstances indicate that the carrying value may not be recoverable.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Statement of Profit and Loss.

Lease Accounting

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

We lease certain tangible assets and such leases where we have substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance charge and the reduction of the outstanding liability. The outstanding liability is included in other long-term borrowings. The finance charge is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

Foreign Currency Translation

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

As of the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

From accounting periods commencing on or after December 7, 2006 and pursuant to the availment of choice provided under paragraph 46A of AS 11: The Effects of Changes in Foreign Exchange Rates inserted vide Notification dated December 29, 2011, we account for exchange differences arising on translation/settlement of foreign currency monetary items as below:

i) Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset. For this purpose, we treat a foreign monetary item as “long-term foreign currency monetary item”, if it has a term of 12 months or more at the date of origination.

ii) Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.

iii) Exchange differences on restatement of all other monetary items are recognized in the Statement of Profit and Loss.

We use derivative contracts to hedge our exposure to movements in foreign exchange rates against future receivables. The use of these derivative contracts is to reduce the risk or cost to us and we do not use the derivative contracts for trading or speculation purposes.

These contracts are fair valued at each reporting date and the exchange loss, if any, is debited to the statement of profit and loss in accordance with the announcement made by the Institute of Chartered Accountants of India on March 29, 2008 on accounting for derivative for entities not following Accounting Standard 30.

Investments

Investments that are readily realizable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognize a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

Inventories

Inventories are stated at lower of cost and net realizable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprise raw materials, direct labor, other direct costs and related production overheads. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Revenue Recognition

i) Sales of Goods. Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are recorded net of trade discounts, excise duty, sales returns and sales tax.

ii) Sale of services. Revenue is recognized based on percentage of completion of contract in accordance with the terms of the contract.

iii) Other Income

Interest: Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Income from duty drawback is recognized on an accrual basis.

Dividend: Dividend income is recognized when the right to receive dividend is established.

Employee Benefits

i) Provident Fund:

We have a Defined Contribution Plan for Post employment benefits in the form of Provident Fund for all employees, which is administered by Regional Provident Fund Commissioner. Provident Fund is classified as a defined contribution plan as we have no further obligation beyond making the contributions to the regulatory authorities. Our contributions to the Defined Contribution plans are charged to the statement of profit and loss as and when incurred.

ii) Gratuity:

We provide for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Our liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognized in the statement of profit and loss in the year in which they arise.

iii) Compensated Absences:

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. Our liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognized in the Statement of Profit and Loss in the year in which they arise.

iv) Employees Share based plans:

Share based payments granted under Stock Appreciation Rights ("SAR") Agreement (the "Plan") are accounted using the intrinsic value method permitted by the Guidance Note on Employee Share-based Payments issued by the Institute of Chartered Accountants of India. Intrinsic Value is the amount by which the value of the underlying share, determined in accordance with the Plan, exceeds the stated base price as per the Plan. The amount of such excess on initial recognition is recognized over the vesting period on a straight line basis. The liability in respect of SAR is remeasured at each reporting date with changes recognized as employee benefits expense in the Statement of Profit and Loss over the remaining vesting period.

Current and deferred tax

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognized for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where we have unabsorbed depreciation or carry forward losses, all deferred taxes are recognized only if there is a virtual certainty supported by convincing evidence that they can be realized against future taxable profits. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. At each balance sheet date, we reassesses unrecognized deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternative Tax credit is recognized as an asset only when and to the extent there is convincing evidence that we will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that we will pay normal income tax during the specified period.

Impairment

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset’s or cash generating unit’s net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased.

Provisions and Contingent Liabilities

Provisions: Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within our control or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability.

Cash and Cash Equivalents

In the financial statement, cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

Goodwill on Consolidation

The excess of cost to us of our investments in our Subsidiaries over our share in the equity of our Subsidiaries, at the dates on which the investments in the Subsidiaries are made, is recognized as ‘Goodwill’ being an asset in the consolidated financial statements. Goodwill arising on consolidation is not amortized.

Goodwill is reviewed for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. If impairment is indicated, the asset is written down to its fair value.

Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining our earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

EBITDA

We present earnings before interest, tax, depreciation and amortization as a separate line item on the face of the statement of profit and loss. EBITDA is calculated as the profit before interest, depreciation and amortization taxation, exceptional items and minority interest and is calculated consistently year over year.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, (i) there are no contingent liabilities not provided for, winding up petitions, no outstanding litigations, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, show cause notices or legal notices pending against our Company or against any other company whose outcome could have a materially adverse effect on the business, operations or financial position of our Company, and (ii) there are no defaults including non-payment or overdue of statutory dues, over-dues to banks or financial institutions, defaults against banks or financial institutions or rollover or rescheduling of loans or any other liability, defaults in dues payable to holders of any debenture, bonds and fixed deposits or arrears on cumulative preference shares issued by our Company, defaults in creation of full security as per the terms of issue/other liabilities, proceedings initiated for economic, civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (1) of Part I of Schedule XIII of the Companies Act) other than unclaimed liabilities of our Company except as stated below, and (iii) no disciplinary action has been taken by SEBI or any stock exchange against our Company, Directors and Promoters. With respect to past penalties, details of past penalties for last five years have been disclosed below.

Litigation involving our Company

Litigation against our Company

Criminal Cases

1. Avtar Singh (the "**Complainant**") has filed a criminal complaint before the Additional Chief Judicial Magistrate III, Lucknow (the **"ACJM"**) against our Company, Satish Ramanlal Mehta, Arun Kumar Khanna and others alleging fraud, cheating and misappropriation committed by our Company with regard to payment of insurance amount for death of the son of the Complainant caused by an accident. The son of the Complainant was employed with our Company and was posted in Ghana. According to the Complainant, the insurance amount payable is USD 0.20 million. Our Company has filed a petition before the High Court of Allahabad, Lucknow Bench for quashing of the criminal complaint. This matter is pending.

   The Complainant has also filed a criminal complaint before the Additional Chief Judicial Magistrate (C.B.I), Lucknow (the "**ACJM CBI**") against our Company, Satish Ramanlal Mehta, Arun Kumar Khanna and others (the "**Defendants**") alleging that two unknown persons had threatened and coerced the Complainant to settle the pending legal disputes with our Company in relation to the death of his son. The ACJM CBI, by its order, had summoned the Defendants. Our Company has filed a petition before the High Court of Allahabad for quashing of the criminal complaint. The High Court of Allahabad has stayed the above mentioned summon order passed by the ACJM CBI. This matter is pending.

2. The State of Andhra Pradesh, through Inspector of Drugs, has filed a criminal complaint before the Court of Additional Chief Judicial Magistrate, Secunderabad against our Company, Satish Ramanlal Mehta and Arun Kumar Khanna in relation to seizure of samples of "Emanzen Forte" tablets during the course of a routine inspection conducted at our Company's premises in Hyderabad. The laboratory analysis declared the samples as "not of standard quality". Our Company has filed a petition before the High Court of Andhra Pradesh for quashing of the aforesaid criminal complaint. This matter is pending.

3. Rakesh Madan Singh, through Inspector of Drugs, Saharsa (Bihar) (the "**Inspector**") has filed a criminal complaint before the Chief Judicial Magistrate, Saharsa (Bihar) against our Company, its Managing Director, Chairman and others alleging that manufacturing of drugs on behalf of a third party and labeling of the drugs in the name of a third party is in violation of the Drugs and Cosmetics Act, 1940 and the Drugs and Cosmetics Rules, 1945 (together the "**DCA and Rules**"). Our Company

had undertaken contract manufacturing of certain drugs on behalf of Glaxo Smithkline Pharmaceuticals Limited ("**Glaxo**"). The Inspector has challenged the manufacturing of the said drugs by our Company on behalf of Glaxo as being violative of the DCA and Rules on the ground that the said drugs were branded in the name of Glaxo. This matter is pending.

4. The State of Karnataka, through Drugs Inspector, Circle III, Bangalore has filed a criminal complaint against Satish Ramanlal Mehta and another before the Special Court for Economic Offences, Bangalore in relation to certain samples of Ferlum xt, Suspension, reported by Government Analyst, Karnataka as "not of standard quality". This matter is pending.

5. Mukesh Pachori had filed a complaint before the Additional Labour Commissioner cum Deputy Secretary (Labour), Jaipur, Government of Rajasthan, (the "**ALC**") against Arun Kumar Khanna and another (the "**Respondents**") alleging that our Company indulged in unfair labour practices by transferring him to different location after he had become a member of the labour union. It was also alleged that he was not paid salary on time and deductions were made from his salary. The ALC, by its order, held the transfer to be an unfair labour practice and that the delay and deduction in payment of salary were punishable offences under the Industrial Disputes Act, 1947 and accordingly, Mukesh Pachori may approach appropriate court for execution of the order. Accordingly, Mukesh Pachori had filed a criminal complaint before the Court of Judicial Magistrate First Class, Ajmer (the "**JMFC**") in relation to prosecution of the Respondents pursuant to the order of the ALC. The JMFC had issued bailable warrants against the Respondents. Our Company, along with the Respondents, had filed a writ petition before the High Court of Rajasthan for quashing of the order of the ALC. The High Court of Rajasthan has stayed the order of the ALC. Subsequently, the JMFC, by its order, has stayed the proceeding before it pending the disposal of the writ petition before the High Court of Rajasthan. This matter is pending.

6. Janardhan Gaur had filed a complaint before the Additional Labour Commissioner cum Deputy Secretary (Labour), Jaipur, Government of Rajasthan, (the "**ALC**") against Arun Kumar Khanna and others (the "**Respondents**") alleging that our Company indulged in unfair labour practices by transferring him to different location after he had become a member of the labour union. It was also alleged that he was not paid salary on time and deductions were made from his salary. The ALC, by its order, held the transfer to be an unfair labour practice and that the delay and deduction in payment of salary were punishable offence under the Industrial Disputes Act, 1947 and accordingly, Janardhan Gaur may approach appropriate court for execution of the order of the ALC. Accordingly, Janardhan Gaur had filed a criminal complaint before the Court of Chief Judicial Magistrate First Class, Sikar (the "**JMFC**") in relation to prosecution of the Respondents pursuant to the order of the ALC. Our Company, along with the Respondents, have filed a writ petition before the High Court of Rajasthan for quashing of the order of the ALC. The High Court of Rajasthan has stayed the order of the ALC. However, the JMFC, by its order, has denied to consider the stay order of the High Court of Rajasthan and continued with the proceedings before it. The Respondents have filed a criminal petition before the High Court of Rajasthan for setting aside of the order of the JMFC and stay of the proceedings before it. This matter is pending.

Civil Cases

1. The Director General of Investigation and Registration (the "**DGIR**") had filed an investigation report before the Monopolies and Restrictive Trade Practices Commission (the "**MRTP Commission**") alleging that our Company and Vapi Care Pharma Limited ("**VCPL**") had been indulging in unfair trade practices in relation to the brand "Normet". Our Company used to manufacture and sell "Normet" which was a composition of Norfloxacin and Metronidazole (the "**Old Composition**"). Subsequently, our Company stopped manufacturing the Old Composition and relinquished its license on September 17, 2005. Our Company entered into a manufacturing agreement with VPCL to manufacture a new composition of Ofloxacin and Ornidazole (the "**New Composition**") under the same brand name of "Normet". DGIR alleged that the purpose of the change of composition without changing the brand name was to evade price control and hence, it was deceptive and an unfair trade practice. The Competition Appellate Tribunal (pursuant to repeal of Monopolies and Restrictive Trade

Practices Act, 1969 and enactment of The Competition Act, 2002), by its order, held the National Pharmaceutical Pricing Authority (the "**NPPA**") to be the appropriate authority to adjudicate the issues and accordingly, disposed off the complaint by forwarding a copy of the order to the NPPA.

2. Avtar Singh and Mahinder Kaur (the **"Petitioners"**) have filed a civil suit before the Civil Judge (Senior Division) Lucknow (the "**CJSD**") against our Company for recovery of outstanding salary along with other perquisites including provident fund and gratuity of his deceased son who was an employee of our Company. The death of the Petitioner's son was caused due to an accident while he was posted in Ghana. The Petitioner had filed an application before the High Court of Allahabad for payment of admitted amount by our Company. In terms of the order of the High Court of Allahabad, our Company has deposited an amount of ₹ 1.29 million with the CJSD. As directed by the High Court of Allahabad, the aforesaid admitted amount of ₹ 1.29 million has been released to the Petitioners upon execution of an indemnity bond. The aggregate amount involved is ₹ 41.30 million and applicable interest. This matter is pending.

   In this regard, Avatar Singh (the "**Claimant**") has also filed an application before the Commissioner for Workmen Compensation and Deputy Labour Commissioner, Lucknow (the "**Labour Commissioner**") against the Managing Director of our Company under the Workmen Compensation Act, 1923 claiming a compensation of ₹ 0.71 million including interest and penalty**.** The Labour Commissioner has issued an order in favour of our Company in relation to change in venue of proceedings from Lucknow to Pune. The Claimant had filed a writ petition before the High Court of Allahabad challenging the aforesaid order. The aforesaid writ petition was dismissed by the High Court of Allahabad. The Petitioner has filed a special leave petition before the Supreme Court of India against the order of the High Court of Allahabad. The Supreme Court of India has granted an interim stay against the aforesaid order of the High Court of Allahabad. Further, with the consent of the parties, the matter has been referred to the Lok Adalat and the same has been informed to the Supreme Court of India. This matter is pending.

3. Sun Pharmaceuticals Industries Limited (**"Sun Pharma"**) has filed a suit before the High Court of Bombay against our Company alleging infringement of its registered trademark "SUSTEN" and to permanently restrain our Company from using its trademark "SUSTINEX" for manufacturing, marketing, selling, advertising or otherwise dealing in medicinal and pharma preparation. Sun Pharma has contended that the trademark of our Company is closely and deceptively similar to Sun Pharma's trademark. Sun Pharma has claimed for damages of ₹ 0.50 million for continuous infringement and passing off. The High Court of Bombay, by its order, has dismissed a notice of motion for interim injunction filed by Sun Pharma. Against the aforesaid order of the High Court of Bombay, Sun Pharma had filed an appeal before the High Court of Bombay (division bench) (the "**Division Bench**"). The Division Bench had dismissed the notice of motion, against which Sun Pharma has filed a special leave petition before the Supreme Court of India. The Supreme Court of India has dismissed the special leave petition and has directed the Division Bench to dispose of the pending appeal.

   Further, Sun Pharma has filed another suit against our Company before the High Court of Bombay alleging infringement of its registered trademark "SUSTEN" and to permanently restrain our Company from using its trademark "SUTIMAX" for manufacturing, marketing, trading, advertising or otherwise dealing in medicinal and pharma preparation. Sun Pharma has contended that the trademark of our Company is closely and deceptively similar to Sun Pharma's trademark. Sun Pharma has claimed for damages of ₹ 0.10 million for infringement and passing off. These matters are pending.

4. Dong-A Pharm Co. Ltd. ("**Dong**") has filed a suit before the High Court of Delhi against our Company alleging infringement of its patent for the compound 'pyrazolopyrimidinone' marketed under the brand name 'Zydena', by our Company. It has been alleged that our Company is in the process of obtaining marketing approval of generic version of Zydena from the Drug Control General of India with the intent to manufacture and/or sell the same within India and hence, shall infringe the rights of Dong under the patent granted to it. Dong has sought for permanent injunction to restraint our Company from making, selling, distributing, advertising, exporting, offering for sale and in any manner dealing in any product that infringes the subject matter of the patent of Dong. Dong has claimed for damages

of ₹ 2.00 million for infringment of patent and unfair competition. This matter is pending.

5. The Employee State Insurance Corporation ("**ESIC**") had issued a recovery notice demanding from our Company for arrears of contribution for the period between October 1980 and March 1995. During the aforesaid period, Sales Win (India) was a lessee over a land that was subsequently leased to Lasor Remedies Limited (which subsequently amalgamated with our Company) by Maharashtra Industrial Development Corporation. The ESIC has alleged that Sales Win (India) had transferred its establishment to Lasor Remedies Limited in terms of the Employees State Insurance Act, 1948 (the "**ESI Act**") and accordingly, our Company is jointly and severally liable along with Sales Win (India) for contribution under the ESI Act. Our Company had filed an application before the Employee State Insurance Court, Pune (the **"ESIC Court"**) against the ESIC challenging the legality of the demand made by ESIC. The ESIC Court has quashed the demand notice of the ESIC. ESIC has filed an appeal before the High Court of Bombay against the order of the ESIC Court. The aggregate amount involved is ₹ 0.35 million. This matter is pending.

6. Novartis Pharmaceuticals Corporation has filed a civil action before the United States District Court, New Jersey, against our Company, Emcure Pharmaceuticals USA, Inc. and 17 other generic companies (the "**Defendant Companies**") alleging patent infringment of its active ingredient zolendronic acid, sold as Zometa and Reclast (the "**Formulation**"). It is alleged that the Defendant Companies intended to launch their generic version of the Formulation in the United States before the expiry of the patent held by Novartis Pharmaceuticals Corporation. Novartis Pharmaceuticals Corporation has sought for an order to preliminarily and permanently enjoin the Defendant Companies from making, using, offering to sell or selling the generic version of the Formulation in the United States or importing into the United States till expiration of the patent held by Novartis Pharmaceuticals Corporation. Further, Novartis Pharmaceuticals Corporation has sought for damages if the Defendant Companies engage in commercial manufacture, use, offers to sell, sale or importation of generic version of the Formulation in the United States before expiration of the patent held by Novartis Pharmaceuticals Corporation. This matter is pending.

7. Ashu Rajan has filed an application before the Presiding Officer Labour Court (I) Kanpur, Uttar Pradesh in relation to payment of certain dues and transfer expenses/cost from the Company. The amount involved is ₹ 0.06 million. This matter is pending.

8. Mukesh Pachori has filed a complaint before the Judge Labour Court and Industrial Tribunal, Ajmer (the "**Labour Court**") against the Chief Operating Officer and another of our Company alleging illegal termination of his job by our Company. Mukesh Pachori has sought for reinstatement with full back wages in the Company and a direction from the Labour Court to declare the termination as illegal. The Labour Court had held that the termination was illegal and accordingly directed our Company to reinstate him. Our Company has filed a writ petition before the High Court of Rajasthan for quashing of the order of the Labour Court. Mukesh Pachori has filed a petition before the Labour and Industrial Court, Ajmer (the "**LIC**") in relation to the failure of our Company to comply with the order passed by the Labour Court, seeking a direction to our Company to pay full back wages. The amount involved is ₹ 0.65 million. These matters are pending.

9. Janardhan Gaur, through Rajasthan Medical & Sales Representative Union, has filed a complaint before the Additional Labour Commissioner, Sikar against Arun Kumar Khanna and another alleging unlawful transfer of job and harrassment caused to him by our Company, and non-payment of salary and unlawful deductions thereof. This matters is pending.

10. Ashutosh Mishra has filed a petition before the Labour Court, Lucknow against the Chief Operating Officer of our Company and another in relation to termination his job and for payments of salary for the period from December 2010 to March 2011 alongwith allowances which were allegedly not paid by our Company. The amount involved is ₹ 0.04 million.

    In this regard, Ashutosh Mishra and U.P. Medical and Sales Representatives Association have filed a complaint before the Conciliation Officer/ Deputy Labour Commissioner, Lucknow (the "**Labour**

Commissioner") against our Company, Arun Kumar Khanna and others in relation to alleged illegal transfer of Ashutosh Mishra from Lucknow to New Delhi amounting to unfair labour practices. Ashutosh Mishra has sought for a direction from the Labour Commissioner to refer the matter for adjudication under the Industrial Disputes Act, 1947 and accordingly upon adjudication, direct our Company to temporarily withdraw the unfair labour practices pending disposal of the complaint and to allow Ashutosh Mishra to continue with his work in Lucknow. These matters are pending.

11. Pravin Mishra has filed an application before the Presiding Officer, Labour Court, Lucknow, against our Company, Arun Kumar Khanna and others alleging that our Company has not paid salary and expenses incurred during certain period of employment amounting to ₹ 0.12 million alongwith applicable interests. This matter is pending.

Indirect Tax Cases

1. The Committee of the Chief Commissioners through Commissioner of Central Excise, Pune – I has filed an appeal against the order of the Commissioner of Central Excise, Pune (the **"CCE"**) before the Customs, Excise Service Tax Appellate Tribunal, Mumbai. CCE had issued a show cause cum demand notice in relation to disallowance of concessional rate of CENVAT of duty available to our Company, on the ground that our domestic tariff area sales (the "**DTA Sales**") were in excess to advance DTA Sales permission under the Foreign Trade Policy 2004-09 (the "**FTP**") for 100% export oriented unit ("**EOU**") and incorrect application of concessional rates to the advance DTA Sales within the limits of FTP for 100% EOU. The aforesaid DTA Sales pertained to financial year 2004-2006. Subsequently, the CCE had adjudicated that the said show cause cum demand notice was barred by limitation and accordingly, dismissed the proceedings. The aggregate amount involved is ₹ 22 million. This matter is pending.

2. Our Company has filed an appeal before the Customs, Excise Service Tax Appellate Tribunal, Mumbai (the "**Tribunal**") against the order of the Commissioner of Central Excise, Pune (the "**CCE**"). The CCE had levied excise duty including penalty and interest on the physician samples which did not indicate the maximum retail price and were distributed free of cost. The excise duty imposed was based on maximum retail price of similar products sold by the Company. Further, the CCE had levied excise duty on physician samples sold to third parties on principal to principal manufacturing or loan license basis, on the basis of maximum retail price which has to be mandatorily printed on such drugs manufactured. The aggregate amount involved is ₹ 30.28 million including a penalty of ₹ 15.14 million and, applicable interest. The Tribunal, by its order, has waived the penalty amounting to ₹ 15.14 million imposed by the CCE. This matter is pending.

3. Our Company has filed an appeal before the Commissioner (Appeals), Central Excise and Customs, Pune against the order of the Additional Commissioner (Service Tax), Central Excise, Pune – I Commissionerate (the "**ACST**"). ACST, by its order, demanded ₹ 1.14 million along with interest and penalty from our Company for the period 2006-2007 and 2007-2008 towards service tax in relation to receipt of certain reimbursement of expenses like telephone charges, electricity charges, analysis charges, rental charges, conference charges, etc. from Gennova Biopharmaceuticals Limited, Zuventus Healthcare Limited and H.M. Sales Corporation. This matter is pending.

4. Our Company has filed an appeal before the Appellate and Revisional Board, Commercial Taxes, West Bengal against the order of the Additional Commissioner, Commercial Taxes, Kolkata (the "**ACCT**"). The Deputy Commissioner, Commercial Taxes, Corporate Division, Kolkata (the "**DCCT**") had issued an assessment order for fourth quarter ended March 31, 2006 in relation to imposition of sales tax on medicines issued to stockists free of cost by our Company as bonus. Our Company had filed an appeal before the ACCT against the order of the DCCT and the ACCT had dismissed our appeal. The total amount involved is ₹ 0.03 million including interest and penalty. This matter is pending.

5. Our Company has filed an appeal before the Appellate and Revisional Board, Commercial Taxes, West Bengal against the order of the Additional Commissioner, Commercial Taxes, Kolkata (the "**ACCT**"). Deputy Commissioner, Commercial Taxes (the "**DCCT**") had issued an assessment order for fourth

quarter ended March 31, 2006 in relation to imposition of sales tax for inadequate filing of form 'F' by our Company against exemption claimed for inter-state sales. Our Company had filed an appeal before the ACCT against the order of the DCCT and the ACCT had dismissed our appeal. The total amount involved is ₹ 0.08 million. This matter is pending.

6. Our Company has filed an appeal before the Additional Commissioner of Sales Tax, West Bengal against the order of the Senior Joint Commissioner, Commercial/Sales Tax, West Bengal (the "**SJC**"). The SJC had issued an assessment order for fourth quarter ended March 31, 2008 in relation to imposition of sales tax for inadequate filing of applicable form against exemption claimed for stock transfer. The total amount involved is ₹ 0.26 million including interest. This matter is pending.

7. Our Company has filed an appeal before the Additional Commissioner of Commercial Tax, Central Zone, Orissa against the order of the Assistant Commissioner of Sales Tax, Range II, Cuttack (the "**ACST**"). The ACST had issued an assessment order for the period from April 1, 2005 to February 28, 2007 in relation to imposition of sales tax for discrepancy in purchase, sales, opening stock and closing stock with profit margin in the books of accounts. The total amount involved is ₹ 2.89 million including interest and penalty. This matter is pending.

8. Our Company has filed an appeal before the Additional Commissioner of Commercial Tax, Central Zone, Orissa against the order of the Assistant Commissioner of Sales Tax (LTU), Range II, Cuttack (the "**ACST**"). The ACST had issued an assessment order for the period from April 1, 2005 to February 28, 2007 in relation to understating of closing stock of goods in books of accounts and accordingly, imposed entry tax. The total amount involved is ₹ 1.15 million including penalty. This matter is pending.

9. Our Company has filed an appeal before the Joint Commissioner of Sales Tax (Appeal), Pune against the assessment order of the Deputy Commissioner of Sales Tax, LTU – 003, Pune (the "**DCST**"). The DCST had issued VAT assessment order, against our Company, for the year 2008-09 for a total demand of ₹ 17.7 million including interest. The order relates to disallowance of return of goods and input tax credit due to inadequate supporting documents. The DCST has reserved its order for levy of penalty. This matter is pending.

10. Our Company has filed an appeal before the Joint Commissioner of Sales Tax (Appeal-2), Pune against the assessment order of the Deputy Commissioner of Sales Tax, LTU E – 603, Pune (the "**DCST**"). The DCST had issued central sales tax related assessment order against our Company, for the period from April 1, 2008 to March 31, 2009 for a total demand of ₹ 75.28 million including interest in relation to disallowance of branch transfers, inter-state sales, export sales and high sea sales for inadequate filing of applicable forms and inadequate supporting documents. The DCST has reserved its order for levy of penalty. This matter is pending.

11. Our Company has filed an appeal before the Deputy Commissioner of Taxes (Appeals), Guwahati (the "**DCTA**") against the assessment order of the Superintendent of Taxes, Guwahati, Unit A (the "**STG**"). The STG had issued central sales tax related assessment order against our Company, for the period 2010-11 for a total demand of ₹ 0.30 million including interest and penalty in relation to disallowance of inter-state sales for inadequate filing of applicable form. The DCTA, by its order, has stayed the realisation of the outstanding disputed amount of central sales tax till the disposal of the appeal. This matter is pending.

Direct Tax Cases

1. Our Company has filed an appeal before the Income Tax Appellate Tribunal, Pune against the order of the Commissioner of Income Tax (Appeals), Central, Pune (the "**CIT Appeals**"). The Deputy Commissioner of Income Tax, (Transfer Pricing) III, Pune (the "**DCITTP**") had issued an assessment order for the assessment year 2007 – 2008 against our Company in relation to certain international transactions pertaining to unsecured loans advanced to Emcure Pharmaceuticals USA Inc. for meeting working capital and operational needs. The DCITTP, by its assessment order for the assessment year

2007 – 2008, issued against our Company, had held that the rate of interest charged by our Company from Emcure Pharmaceuticals USA Inc. was not on arm's length basis and accordingly increased the taxable income of our Company based on computation of differential quantum of interest. Subsequently, the Deputy Commissioner of Income Tax, Central Circle – 2(1), Pune (the "**DCIT**"), by its order, disallowed sales promotion expenses and provision for leave encashment and considered the differential quantum of interest as computed by the DCITTP to increase the total taxable income of our Company. The DCIT had also disallowed our Company's request to deduct dividend received from book profit, which our Company had inadvertently failed to do while computing the book profit. Our Company had filed an appeal before the CIT Appeals against the order of the DCIT challenging the issue of consideration of differential quantum of interest as computed by DCITTP and disallowance of our Company's request to deduct dividend received from book profit. The CIT Appeals, by its order, has partly allowed the appeal in relation to computation of differential quantum of interest by the DCITTP. However, the CIT Appeals disallowed our Company's request to deduct dividend received from book profit. This matter is pending.

2. Our Company has filed an appeal before the Commissioner of Income Tax (Appeals), Central, Pune against the order of the Deputy Commissioner of Income tax, Central Circle – 2(1), Pune (the "**DCIT**"), challenging the consideration of differential quantum of interest as computed by the Deputy Commissioner of Income Tax, (Transfer Pricing) III, Pune (the "**DCITTP**") and disallowance of our Company's request to deduct dividend received from book profit. The DCITTP had issued an assessment order for the assessment year 2008 – 2009 against our Company in relation to certain international transactions pertaining to unsecured loans advanced to Emcure Pharmaceuticals USA Inc. for meeting working capital and operational needs. The DCITTP had held that the rate of interest charged by our Company from Emcure Pharmaceuticals USA Inc. was not on arm's length basis and accordingly increased the taxable income of our Company based on computation of differential quantum of interest. Subsequently, the DCIT, by its assessment order for the assessment year 2008 – 2009, issued against our Company, disallowed sales promotion expenses and considered the differential quantum of interest as computed by the DCITTP to increase the total taxable income of our Company. The DCIT had also disallowed our Company's request to deduct dividend received, from book profit, which our Company had inadvertently failed to do while computing the book profit. This matter is pending.

3. Our Company has filed an appeal before the Income Tax Appellate Tribunal, Pune against the order of the Commissioner of Income Tax (Appeals), Central, Pune (the "**CIT Appeals**"). The Deputy Commissioner of Income Tax, (Transfer Pricing) III, Pune (the "**DCITTP**") had issued an assessment order for the assessment year 2009 – 2010 against our Company pertaining to certain international transactions. These international transactions related to unsecured loans advanced to Emcure Pharmaceuticals USA Inc. and Emcure Nigeria Limited for meeting working capital and operational needs. The DCITTP, by it order, had held that the rate of interest charged by our Company from Emcure Pharmaceuticals USA Inc. and Emcure Nigeria was not on arm's length basis and accordingly increased the taxable income of our Company based on computation of differential quantum of interest. Subsequently, the Deputy Commissioner of Income Tax, Central Circle – 2(1), Pune (the "**DCIT**"), by its assessment order for the assessment year 2009 – 2010, issued against our Company, disallowed sales promotion expenses and considered the differential quantum of interest as computed by the DCITTP to increase the total taxable income of our Company. The DCIT had also disallowed our Company's request to deduct dividend received, from book profit, which our Company had inadvertently failed to do while computing the book profit. Our Company had filed an appeal before the CIT Appeals against the order of the DCIT challenging consideration of differential quantum of interest as computed by DCITTP and disallowance of our Company's request to deduct dividend received from book profit. The CIT Appeals, by its order, has allowed the appeal in relation to computation of differential quantum of interest by the DCITTP. However, the CIT Appeals disallowed our Company's request to deduct dividend received from book profit. This matter is pending.

Other cases

Our Company has in the past settled proceedings with three banks (the "**Banks**") in relation to payment obligations under certain derivative contracts entered into by our Company. In one of the proceedings, the High Court of Bombay quashed and set aside an unilateral act of the Bank to declare our Company as a willful defaulter on account of non-adherence to the principles of natural justice. The aforesaid order was also sustained by the Supreme Court in another proceeding in relation to this matter. The Bank did not initiate a fresh proceeding pursuant to the aforesaid orders and the matter has been settled between the Bank and our Company.

Notices

Indirect Tax Notices

1. The Additional Commissioner of Central Excise, Pune – I Commissionerate has issued a show cause cum demand notice disallowing concessional rate of CENVAT duty on the ground that our Company's advance domestic tariff area sales (the "**DTA Sales**") during 2006-2007 were in excess to the limit allowed under the Foreign Trade Policy 2004-09 (the "**FTP**") for 100% export oriented unit (the "**EOU**"). Our Company has already paid the differential CENTVAT duty amounting to ₹ 2.5 million. Our Company has been show caused in relation to the amount paid by our Company towards appropriation against the demand of CENVAT duty and demand of interest amounting ₹ 1.00 million and penalty. Further, our Company has been show caused in relation to the abovementioned DTA Sales during 2006-2007, held liable for confiscation. The aggregate amount involved is ₹ 3.59 million. This matter is pending.

2. The Deputy Commissioner of Sales Tax, LTU, Pune has issued two show causes notices for the period 2006-2007 and 2009-2010, respectively, to our Company in relation to assessment of value added tax, central sales tax and imposition of interest and penalty thereon. These matters are pending.

Direct Tax Notices

The Additional Commissioner of Income Tax, Transfer Pricing Officer – I, Pune has issued a notice to our Company seeking information and supporting documents in relation to determination of arm's length price for the international transactions undertaken by the Company for the assessment year 2010-2011. This matter is pending.

Other Notices

1. The Village Development Officer and Sarpanch, Gram Panchayat, Maan, has issued a demand notice to our Company for a demand of Rs. 5.44 million in relation to outstanding property tax on property no. 984 and 1381. This matter is pending.

2. The Chief Administrative Officer, District Session Court, Bidar issued a show cause notice to our Company directing our Company to appear before the Court of Pre-Sessions Judge, Bidar in relation to an application filed by the State of Karnataka through the Drugs Inspector, Bidar. This matter is pending.

Litigation by our Company

Criminal Cases

Our Company has filed 18 complaints for dishonour of cheque under Section 138 of the Negotiable Instruments Act, 1881 for recovery of dues amounting to ₹ 5.73 million against various customers and distributors of our Company in various states. These matters are pending.

Civil Cases

1. Our Company has filed five special civil suits against various customers and distributors before the Court of Civil Judge, Senior Division, Pune, in relation to defaults in payment for certain

pharmaceutical products supplied by our Company. The aggregate amount involved is ₹ 1.96 million and applicable interest. These matters are pending.

2. Our Company has filed two separate special civil suits against Deepak Neema and Pravin Khode, respectively before the Civil Judge Senior Division, Pune for breach of bond executed in favour of our Company by discontinuing from work. The aggregate amount involved is ₹ 0.24 million and ₹ 0.26 million alongwith interest, respectively. These matters are pending.

3. Our Company has filed a regular civil suit against the Maharashtra State Medical Representatives Association, Pune and others (the **"Defendants"**) before the Civil Judge, Senior Division, Pune, for permanent injunction restraining the Defendants from circulating certain defamatory pamphlets and handouts with the intention to create obstructions in marketing products of our Company and from interfering with the internal management and business activities of our Company. The Civil Judge has temporarily restrained the Defendants from the abovementioned activities. This matter is pending.

4. Our Company has filed a special civil suit against Medico Labs Limited (the "**MLL**") before the Court of District Judge, Pune (the "**CDJ**") for a permanent injunction restraining the Defendant from using the registered trademark "OBECURE" which was owned by our Company. Our Company had also made an application before the CDJ for temporary injunction, which was granted in favour of our Company. This matter is pending.

5. Our Company and others have filed a special leave petition before the Supreme Court of India in relation to applicability of the new octroi rates during the period of stay granted by the State of Maharashtra. The Pimpri-Chinchwad Municipal Corporation had implemented the Pimpri-Chinchwad Municipal Corporation (Octroi) Rules, 2001 providing for new octroi rates which was subsequently stayed by the State of Maharashtra by an oral order. A public interest litigation was filed by the Civil Forum for Scientific Development of Pimpri-Chinchwad and others before the High Court of Bombay, challenging the validity of the oral stay order. The High Court of Bombay had held the oral stay order to be void and illegal. The Maharashtra Chamber of Commerce and Agriculture filed an appeal before the Supreme Court of India, which also held the oral stay order to be illegal. However, the Supreme Court of India did not address the issue of applicability of new octroi rates and the quantum of levy during the period of stay. Subsequently, in a separate petition, the High Court of Bombay had held that during the period of stay, the new rates under the Pimpri-Chinchwad Municipal Corporation (Octroi) Rules, 2001 would be applicable. Since our Company and others had charged octroi at the older rates during the period of stay, our Company and others preferred the aforesaid special leave petition against the order of the High Court of Bombay. This matter is pending.

6. Our Company has filed a civil suit against Ortin Laboratories Limited ("**Ortin**") before the Court of District Judge, Pune alleging infringement of our registered trademark "OROFER" and to permanently restrain Ortin from using its marks "OROFER-12" for manufacturing, marketing, trading, advertising or otherwise dealing in medicinal and pharma preparation. Our Company has claimed damages of ₹ 10 million for infringement and passing off. This matter is pending.

7. Our Company has filed a regular civil suit against the State of Maharashtra, Pimri Chinchwad Mathadi and Asanrakshit Kamgar Mandal (the "**Board**") and others before the Court of Civil Judge, Senior Division, Pune in relation to applicability of the Maharashtra Mathadi Hamal & Other Manual Workers (Regulation of Employment and Welfare) Act, 1969 (the "**MMHOMW Act**") to our Company and registration thereof. The Board, by its letter, had informed our Company that our Company has been registered under the MMHOMW Act and it shall pay the requisite registration fee within stipulated period. Our Company has sought for a decree to hold the direction of the Board to be null and void and that the MMHOMW Act is not applicable to our Company. Further, a similar regular civil suit had been filed by Lasor Remedies Limited (which subsequently amalgamated with our Company) before the Court of Civil Judge, Senior Division, Pune. These matters are pending.

Litigation involving Subsidiaries

Gennova Biopharmaceuticals Limited ("GBL")

Litigation against GBL

Notices

Indirect Tax Notices

1. The Commissioner, Central Excise, Pune – I Commissionerate has issued a show cause cum demand notice of ₹ 10 million along with interest and penalty from GBL, for the period 2007-2008 to 2010-2011, towards service tax in relation to receipt of certain reimbursement of expenses like electricity charges, water charges, power and fuel expenses, wages etc. from our Company. This matter is pending.

2. The Additional Commissioner (Service Tax), Central Excise, Pune – I Commissionerate has issued a show cause cum demand notice of ₹ 0.07 million along with interest and penalty from GBL, for the period 2011-2012, towards service tax in relation to receipt of certain reimbursement of expenses like electricity charges, water charges, power and fuel expenses, wages etc. from our Company. This matter is pending.

Other Notices

1. The Village Development Officer and Sarpanch, Gram Panchayat Maan, has issued a demand notice to GBL for amount of ₹ 2.56 million in relation to outstanding property tax, health tax, electricity tax, other water tax and special water tax on property no. 1331 and 1404. This matter is pending.

2. Metropolis Healthcare Limited ("**MHL**") has issued a legal notice through its advocate demanding an amount of ₹ 0.95 million and applicable interest, allegedly outstanding pursuant to certain laboratory services provided by MHL in terms of a memorandum of understanding entered into between MHL and GBL.

Past Penalties

GBL has paid penalty and redemption fine in the past imposed by the Additional Commissioner of Customs, Mumbai in relation to attempt to import certain drugs without shelf life of more than 60% by GBL. The total penalty paid by GBL is ₹ 0.22 million.

Litigation by GBL

Criminal Cases

GBL has filed four criminal complaints before the Judicial Magistrate First Class, Pune, Khakdi for dishonour of cheque under Section 138 of the Negotiable Instruments Act, 1938 for dishonour of cheques against various stockists of our Company in various states. The aggregate amount involved is ₹ 1.04 million. These matters are pending.

Zuventus Healthcare Limited ("ZHL")

Litigation against ZHL

Civil Cases

1. Group Pharmaceuticals Limited and Enicar Pharmaceuticals Private Limited (the **"EPPL"**) have filed a suit against Lasor Pharmaceuticals Limited (subsequently merged with ZHL) (the **"Defendant"**) before the High Court of Bombay alleging infringement of EPPL's trademark "A-Cool" and to permanently restrain the Defendant from using its trademark "ANCOOL", causing infringement and

passing off to Petitioners' trademark. This matter is pending.

2. ZHL has filed an appeal before the Employees' Provident Fund Appellate Tribunal, New Delhi (the "**EPFAT**") challenging the order of the Regional Provident Fund Commissioner – I, Mumbai II (the "**RPFC**") in relation to determination of provident fund, pension fund and insurance fund contribution and administrative charge amounting to ₹ 39.79 million, due and payable by ZHL. The RPFC had considered fitment allowance as a part of basic wage and accordingly, computed the abovementioned due from ZHL. The EPFAT has dismissed the appeal filed by ZHL and upheld the order of the RPFC. This matter is pending.

Litigation by ZHL

Criminal Cases

ZHL has filed a criminal complaint against Manish Gupta, proprietor of Bhagwati Pharmaceuticals, before the Judicial Magistrate First Class, Pimpri, Pune for dishonour of cheque under Section 138 of the Negotiable Instruments Act, 1938 for dishonour of cheque issued in relation payment towards supply of certain pharmaceutical products. The aggregate amount involved is ₹ 0.07 million. This matter is pending.

Emcure Pharmaceuticals USA, Inc. ("EPU")

Litigation against EPU

Civil Cases

Novartis Pharmaceuticals Corporation has filed a civil action before the United States District Court, New Jersey, against EPU, our Company and 17 other generic companies (the "**Defendant Companies**") alleging patent infringment of its active ingredient zolendronic acid, sold as Zometa and Reclast. For further details please see the section "Outstanding Litigation and Material Developments – Litigation against our Company Civil cases" on page 352.

Emcure Nigeria Limited ("ENL")

Litigation against ENL

Civil Cases

Apple Pharma Limited ("**Apple**") has filed a suit before the High Court of Lagos State, Nigeria against ENL alleging breach of a distribution agreement by ENL entered into between the parties. Apple has alleged that ENL has deployed independent marketers to directly distribute its products which has breached the exclusive distribution rights under the said distribution agreement. Apple has claimed for general damages amounting to Naira 20 million. This matter is pending.

Litigation involving our Promoters

Litigation against Satish Ramanlal Mehta

Criminal cases

1. The State of Karnataka, through Drugs Inspector, Circle III, Bangalore has filed a criminal complaint before the Special Court for Economic Offences, Bangalore in relation to certain samples of drugs being "not of standard quality". For further details please see the section "Outstanding Litigation and Material Developments – Litigation against our Company - Criminal cases" on page 351.

2. Avtar Singh has filed criminal complaints before the Additional Chief Judicial Magistrate, Lucknow and Additional Chief Judicial Magistrate (CBI), Lucknow in relation to alleged fraud and cheating

committed by our Company and coercion to settle pending legal disputes, respectively. For further details please see the section "Outstanding Litigation and Material Developments – Litigation against our Company - Criminal cases" on page 351.

3. The State of Andhra Pradesh, through Inspector of Drugs, has filed a criminal complaint before the Court of Additional Chief Judicial Magistrate, Secunderabad in relation to certain drug samples declared as "not of standard quality". For further details please see the section "Outstanding Litigation and Material Developments – Litigation against our Company - Criminal cases" on page 351.

4. Rakesh Madan Sing, through Inspector of Drugs, Saharsa (Bihar) has filed a criminal complaint before the Chief Judicial Magistrate, Saharsa (Bihar) in relation to manufacturing of drugs on behalf of a third party and labeling of the drug in the name of a third party. For further details please see the section "Outstanding Litigation and Material Developments – Litigation against our Company - Criminal cases" on page 351.

Civil cases

Avatar Singh has filed an application before the Commissioner for Workmen Compensation and Deputy Labour Commissioner, Lucknow under the Workmen Compensation Act, 1923 claiming a compensation of ₹ 0.71 million**.** For further details please see the section "Outstanding Litigation and Material Developments – Litigation against our Company Civil cases" on page 352.

Litigation involving our Directors

Litigation against Humayun Raja Dhanrajgir

Criminal cases

Rakesh Madan Sing, through Inspector of Drugs, Saharsa (Bihar) has filed a criminal complaint before the Chief Judicial Magistrate, Saharsa (Bihar) in relation to manufacturing of drugs on behalf of a third party and labelling of the drug in the name of a third party. For further details please see the section "Outstanding Litigation and Material Developments – Litigation against our Company - Criminal cases" on page 351.

Litigation against Shrikant Krushnaji Bapat

Criminal cases

The Secretary of Maharashtra Police Service Commission filed a first information report with the Anti-Corruption Bureau, Government of Maharashtra in 2006 against Shrikant Krushnaji Bapat and others in relation to certain alleged malpractices in conducting of Maharashtra Police Service Commission examination under Section 420 and other provisions of the Indian Penal Code, 1960.

Litigation against Arun Kumar Khanna

Criminal cases

1. Avtar Singh has filed criminal complaints before the Additional Chief Judicial Magistrate, Lucknow and Additional Chief Judicial Magistrate (CBI), Lucknow in relation to alleged fraud and cheating committed by our Company and coercion to settle pending legal disputes, respectively. For further details please see the section "Outstanding Litigation and Material Developments – Litigation against our Company - Criminal cases" on page 351.

2. The State of Andhra Pradesh, through Inspector of Drugs, has filed a criminal complaint before the Court of Additional Chief Judicial Magistrate, Secunderabad in relation to certain drug samples declared as "not of standard quality". For further details please see the section "Outstanding Litigation and Material Developments – Litigation against our Company - Criminal cases" on page 351.

3. Mukesh Pachori and Janardan Gaur have filed separate complaints before the Additional Labour Commissioner, Jaipur alleging unfair labour practices by the Company. For further details please see the section “Outstanding Litigation and Material Developments – Litigation against our Company - Criminal cases” on page 351.

Civil cases

1. Janardhan Gaur, through Rajasthan Medical & Sales Representative Union, has filed a complaint before the Labour Court, Sikar alleging unlawful transfer of job and harrassment caused to him by our Company, and non-payment of salary and unlawful deductions thereof. For further details please see the section “Outstanding Litigation and Material Developments – Litigation against our Company - Criminal cases” on page 351.

2. Ashutosh Mishra and U.P. Medical and Sales Representatives Association have filed a complainnt before the Conciliation Officer/ Deputy Labour Commissioner, Lucknow in relation to alleged illegal transfer of Asutosh Mishra from Lucknow to New Delhi amounting to unfair labour practices. For further details please see the section “Outstanding Litigation and Material Developments – Litigation against our Company Civil cases” on page 352.

3. Pravin Mishra has filed an application before the Presiding Officer, Labour Court, Lucknow alleging that our Company has not paid salary and expenses incurred during certain period of employment. For further details please see the section “Outstanding Litigation and Material Developments – Litigation against our Company Civil cases” on page 352.

4. Mukesh Pachori has filed a complaint before the Judge, Labour Court and Industrial Tribunal alleging illegal termination of his job by our Company. For further details please see the section “Outstanding Litigation and Material Developments – Litigation against our Company Civil cases” on page 352.

5. Ashutosh Mishra has filed a petition before the Labour Court, Lucknow in relation to termination his job and for payments of salary for the period from December 2010 to March 2011 alongwith allowances. For further details please see the section “Outstanding Litigation and Material Developments – Litigation against our Company Civil cases” on page 352.

Litigation against Satish Ramanlal Mehta

For details please see the section “Outstanding Litigation and Material Developments – Litigation involving our Promoters – Litigation against Satish Ramanlal Mehta” on page 361.

Small Scale Industries

Our Company does not owe any small scale undertakings or other creditors any amounts exceeding ₹ 1,00,000 which is outstanding for more than 30 days. There are no disputes with such entities in relation to payments to be made to them.

Material Developments

For details of material developments, please see the section “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 324.

GOVERNMENT AND OTHER APPROVALS

On the basis of list of approvals indicated in this section, our Company is permitted to undertake its business activities.

A. General details

Certificate of incorporation dated April 16, 1981 issued by the RoC as Emcure Pharmaceuticals Limited.

B. Approvals for the Issue

1. In - principle approval from the NSE dated [●].
2. In - principle approval from the BSE dated [●].
3. Our Company will make an application to the FIPB after filing of the Draft Red Herring Prospectus for participation of the non-residents in the Issue pursuant to the the Press Note 3 of 2011 dated November 8, 2011 issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and the circular dated December 9, 2011 notified by the RBI.

C. Approvals in relation to the business of our Company

We require various approvals and/or licenses under various statutes, rules and regulations to conduct our business in India and other jurisdictions. These approvals and/or licenses may differ on the basis of the location of the facilities as well as the jurisdictions where our Company manufactures, markets or sells its drugs. An indicative list of the material approvals required by our Company to undertake its businesses including manufacturing, marketing of drugs and operation of its facilities are set out below:

I. Product Related approvals:

Domestic approvals:

1. Permission/approval for manufacture of a new drugs formulation or manufacture of raw material (new bulk drug substance) issued by the Central Drugs Standard Control Organisation, Directorate General of Health Services under Rule 122B, 122D and 122DA of the Drugs and Cosmetics Rules, 1945.
2. License to import drugs issued by the Drugs Controller (India), Directorate General of Health Services under Rule 23 and 27 of the Drugs and Cosmetics Rules, 1945.
3. License to sell, stock or exhibit or offer for sale, or distribute by wholesale drugs issued by the respective Commissioner/ Joint Commissioner/ Assistant Commissioner under the Food and Drug Administration under Rules 61 and 63A of the Drugs and Cosmetics Rules, 1945.
4. Loan license/ license to manufacture for sale or for distribution of drugs issued by the Food and Drug Administration under Rules 70, 70A, 73, 73A, 83, 83A and 76A of the Drugs and Cosmetics Rules, 1945.
5. Registration of marks/ brands under various classes including class 5, 16 and 29 issued by Registrar of Trademarks under Section 23 of the Trademarks Act, 1999.
6. Registration of active product ingredients and formulations issued by the Controller-General of Patents, Designs and Trade Marks under section 43 of the Patents Act, 1970.

International approvals

7. Certificate approving the manufacturing facility to be compliant with good manufacturing practices issued by the World Health Organisation.
8. Accreditation of the facility under the laws of various jurisdictions where our Company markets or sells its products.
9. Product registration under the laws of various jurisdictions where our Company markets or sells its products.

II. Other Approvals:

Environment related approvals:

1. Consent to establish issued by the State Polltion Control Board under The Water (Prevention & Control of Pollution) Act, 1974, The Air (Prevention & Control of Pollution) Act, 1981 and/or Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rules 2000-2003.
2. Consent to operate issued by the State Pollution Control Board under The Water (Prevention & Control of Pollution) Act, 1974, The Air (Prevention & Control of Pollution) Act, 1981 and/or The Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008.
3. Consent to operate diesel generator set issued by the State Pollution Control Board under the Air (Prevention & Control of Pollution) Act, 1981 and the Noise Pollution (Regulation & Control) Rules 2000.
4. Grant of authorization to operate a facility for storage of hazardous waste on the premises issued by the State Pollution Control Board under the Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.
5. Certificate of membership of Common Hazardous Waste Treatment, Storage and Disposal Facility issued by the Maharashtra Enviro Power Limited.
6. Certificate of membership of Common Hazardous Waste Treatment, Storage and Disposal Facility issued by the Mumbai Waste Management Limited.

Manufacturing facility/ office premise related approvals:

7. Factory license issued by the Chief Inspector of Factories, Government of Jammu and Kashmir for Jammu unit and the Director, Industrial Safety & Health, Government of Maharashtra for all other units under the Factories Act, 1948.
8. Approval for installation of diesel generator set issued by the Electrical Inspector, Public Works Department, Government of Maharashtra under the Indian Electricity Rules, 1956.
9. Approval for energization of DG sets issued by the Chief Electrical Inspector, Government of Jammu and Kashmir, Gandhinagar, Jammu under the Jammu and Kashmir Electricity Act, 1997.
10. Certificate of fitness for power load machinery issued by the Chief Electrical Inspector,, Government of Jammu and Kashmir under the Jammu and Kashmir Electricity Act, 1997.
11. License for working of the lift issued by the Electrical Inspector (Lifts) under the Bombay Lifts Rules, 1958.
12. Certificate for use of boiler issued by the Directorate of Steam Boilers under the Indian Boilers Act, 1923.
13. No objection certificate issued by the Chief Fire Officer, Maharashtra Industrial Development Corporation under the Maharashtra Fire Prevention and Life Safety Measures Act, 2006.
14. No objection certificate and clearance for storage of petroleum solvents in the factory premises issued by the Directorate of Fire and Emergency Services, Government of Jammu & Kashmir.
15. Industrial permit issued by the Pimpri Chichwad Municipal Corporation.
16. Licence for possession and use of rectified spirit including absolute alcohol for industrial, medicinal, scientific and educational purposes issued by the Collector, Pune under the Bombay Prohibition Act, 1949.
17. License for import and storage of petroleum for different classes of installation issued by the Petroleum and Explosives Safety Organisation, Ministry of Commerce and Industry, Government of India under the Petroleum Rules, 2002.
18. License to manufacture medical and toilet preparations containing alcohol, opium, Indian hemp and other narcotic drugs and narcotics under bond for payment of duty issued by the Collector, Pune under the Medical and Toilet Preparations (Excise Duties) Rules, 1956.
19. License authorising to buy, possess, transport and use of ordinary denatured spirit for bonafide purposes of industry issued by the Collector of Pune the Bombay Prohibition Act, 1949.
20. Approval of weighing scale issued by Inspector of Legal Metrology, Government of Maharashtra under the Legal Metrology Act, 2009.
21. Registration of establishment issued by the Inspector under the Bombay Shops and Establishment Act, 1948.
22. Importer Exporter Code issued by the Office of Joint Director General of Foreign Trade, Ministry of

Commerce, Government of India under the Foreign Trade (Development and Regulation) Act, 1992.

23. Registration cum membership as manufacturer exporter and merchant exporter issued by the Executive Director, Pharmaceuticals Export Promotion Council.
24. Acknowledgement of memorandum of manufacture issued by Secretariat of Industries Assistance, Ministry of Commerce and Industry, Government of India.
25. Industrial license issued by Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India under the Industrial (Development & Regulation) Act, 1951.
26. Grant of toll tax exemption of raw material to be imported and finished goods to be exported issued by the Directorate of Industries and Commerce, Government of Jammu and Kashmir.

EoU/SEZ related approvals:

27. Green card issued by the Development Commissioner, SEEPZ SEZ, Ministry of Commerce and Industry, Government of India.
28. Letter of permission for manufacture and export of allopathic pharmaceutical products issued by the Development Commissioner, SEEPZ SEZ, Ministry of Commerce and Industry, Government of India.
29. Certificate for exemption from paying electricity duty issued by the Development Commissioner, SEEPZ SEZ, Ministry of Commerce and Industry, Government of India.
30. License for Customs Bonded Warehouse issued by the Assistant Commissioner of Central Excise, Pune under Customs Act, 1962.

Labour related approvals:

31. Registration for provident fund issued by the Regional Provident Fund Commissioner under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.
32. Registration for provident fund issued by the Additional Provident Fund Commissioner, Jammu under the Jammu and Kashmir Employees Provident Funds and Miscellaneous Provisions Act, 1961.
33. Registration for employees' state insurance issued by the Regional Office, Employees State Insurance Corporation under the Employees' State Insurance Act, 1948.
34. Receipt of Labour Welfare Fund contribution issued by the Welfare Commissioner, Maharashtra Labour Welfare Fund under the Bombay Labour Welfare Fund Act, 1953.
35. Certificate for contract labour issued by the Assistant Commissioner of Labour under the Maharashtra Contract Labour (Regulation & Abolition) Rules, 1971.
36. Certificate for contract labour issued by the Registration Licensing Officer under the Contract Labour (Regulation & Abolition) Act, 1970 for Jammu unit.

Research and development related approvals:

37. Recognition of in-house research and development unit issued by the Department of Science and Industrial Research, Ministry of Science & Technology, Government of India.
38. Registration of research institution for the purpose of availing customs/central excise duty exemption issued by the Department of Science and Industrial Research, Ministry of Science & Technology, Government of India.

Tax related approvals:

39. Permanent Account Number AAACE4574C under the Income Tax Act, 1961.
40. Tax Payers Deduction Account Number PNEE00094D under the Income Tax Act, 1961.
41. Tax Payers Identification Number 27750247807V under the Maharashtra Value Added Tax Act, 2002.
42. Central Sales Tax Registration Number 27750247807C registered under the Central Sales Tax (Registration & Turnover) Rules, 1957.
43. Service Tax Code AAACE4574CST001 in relation to the registration with the Central Excise Department.
44. Registration issued by the Deputy Commissioner, Central Excise under the Customs (Import of Goods at Concessional Rate of Duty for Manufacture of Excisable Goods) Rules, 1996.
45. Certificate of registration issued by relevant authorities under the relevant State Tax on Profession,

Trades, Calling and Employments laws of the respective States.

46. Central Excise registration issued by Deputy/Assistant Commissioner of Central Excise, under the Central Excise Rules, 2002.
47. VAT and Central Sales Tax registration issued by relevant authorities in different States under relevant laws of the respective States.

III. Key Pending Applications:

List of material approvals which have expired and application for renewal has been made by our Company:

Nature of approval - description	Approval reference number	Issuing authority	Date of expiry	Date of acknowledgement of renewal application / Date of renewal application
Products related approvals				
License to commence food business obtained by Windlas Biotech Limited in relation to the product – XPLODE issued under Regulation- 2.1.4 (6) of Food Safety and Security Regulations, 2011.	Form C (License Number-12612005000032)	Department of Food safety, Dehradun	May 4, 2013	May 4, 2013
License to sell, stock or exhibit or offer for sale or distribute by wholesale drugs obtained by our Company in relation to the premises at S.No. 255/2, Hinjewadi, Mulaka Taluka, Pune District, Maharashtra issued under Rule 63A of Drugs and Cosmetics Rules, 1945	Form 21C (relating to P/M/1159-A and P/M/1126-A)	Foods and Drugs administration, Maharashtra	February 9, 2013	February 8, 2013
License to sell, stock or exhibit or offer for sale or distribute by wholesale drugs obtained in relation to premises at Shimla, Himachal Pradesh issued under Rule 63A of Drugs and Cosmetics Rules, 1945	Form 21C (for the Licenses Drugs/2000/521-NB and Drugs/2000/522-B)	Drug Controlling and Licensing Authority	December 31, 2011	October 18, 2011
License to sell, stock or exhibit or offer for sale or distribute by wholesale drugs obtained in relation to the premises at Hyderabad, Andhra Pradesh, issued under Rule 61 of Drugs and Cosmetics Rules, 1945.	Forms 20B and 21B (19/HD/AP/99/W)	District Licensing Authority	December 31, 2012	December 18, 2012
Licence to sell, stock or exhibit or offer for sale or distribute by wholesale drugs obtained in relation to the premises at Cochin, Kerela, issued under Rule 61 of Drugs and Cosmetics Rules, 1945.	Forms 20B (7-639/20B/2006) and 21B (7-640/21B/2006)	Licensing Authority, Assistant Drug Controller	December 20, 2011	December 19, 2011
Trademark registration obtained under Class 5 for the mark- ACNEBAN issued under Section 23 of the Trademarks Act, 1999.	398411	Registrar of Trademarks	December 5, 2010	December 2, 2010

Nature of approval - description	Approval reference number	Issuing authority	Date of expiry	Date of acknowledgement of renewal application / Date of renewal application
Trademark registration obtained under Class 5 for the mark- CELOL MOM issued under Section 23 of the Trademarks Act, 1999.	1151923	Registrar of Trademarks	November 20, 2012	June 14, 2013
Trademark registration obtained under Class 5 for the mark- CIPBIOTIC issued under Section 23 of the Trademarks Act, 1999.	1123671	Registrar of Trademarks	August 2, 2012	June 14, 2013
Trademark registration obtained under Class 5 for the mark- CITABI issued under Section 23 of the Trademarks Act, 1999.	1190682	Registrar of Trademarks	April 8, 2013	June 14, 2013
Trademark registration obtained under Class 5 for the mark- DOM-INSTA issued under Section 23 of the Trademarks Act, 1999.	1115573	Registrar of Trademarks	July 1, 2012	June 14, 2013
Trademark registration obtained under Class 5 for the mark- DOTRA issued under Section 23 of the Trademarks Act, 1999.	1148234	Registrar of Trademarks	November 5, 2012	June 14, 2013
Trademark registration obtained under Class 5 for the mark- FIBROLIP issued under Section 23 of the Trademarks Act, 1999.	1096502	Registrar of Trademarks	April 18, 2012	March 20, 2013
Trademark registration obtained under Class 5 for the mark- FPS issued under Section 23 of the Trademarks Act, 1999.	1122081	Registrar of Trademarks	July 29, 2012	March 20, 2013
Trademark registration obtained under Class 5 for the mark- LIPIRA issued under Section 23 of the Trademarks Act, 1999.	1151924	Registrar of Trademarks	November 20, 2012	March 20, 2013
Trademark registration obtained under Class 5 for the mark- MONAST issued under Section 23 of the Trademarks Act, 1999.	1148232	Registrar of Trademarks	November 5, 2012	March 20, 2013
Trademark registration obtained under Class 5 for the mark- NUSAPRIL issued under Section 23 of the Trademarks Act, 1999.	1123668	Registrar of Trademarks	August 2, 2012	June 14, 2013
Trademark registration obtained under Class 5 for the mark- OXA- 24 issued under Section 23 of the Trademarks Act, 1999.	1109087	Registrar of Trademarks	June 4, 2012	June 3, 2013
Trademark registration obtained under Class 5 for the mark- OXA-Z issued under Section 23 of the Trademarks Act, 1999.	1134947	Registrar of Trademarks	September 19, 2012	June 14, 2013
Trademark registration obtained under Class 5 for the mark- PTS issued under Section 23 of the Trademarks Act, 1999.	1123666	Registrar of Trademarks	August 2, 2012	June 14, 2013

Nature of approval - description	Approval reference number	Issuing authority	Date of expiry	Date of acknowledgement of renewal application / Date of renewal application
Trademark registration obtained under Class 5 for the mark- PEEBIND issued under Section 23 of the Trademarks Act, 1999.	1134478	Registrar of Trademarks	September 18, 2012	June 14, 2013
Trademark registration obtained under Class 5 for the mark- PAUSIC issued under Section 23 of the Trademarks Act, 1999.	1167130	Registrar of Trademarks	January 16, 2013	June 14, 2013
Trademark registration obtained under Class 5 for the mark- PAUZIN issued under Section 23 of the Trademarks Act, 1999.	1167129	Registrar of Trademarks	January 16, 2013	March 20, 2013
Trademark registration obtained under Class 5 for the mark- POSEER issued under Section 23 of the Trademarks Act, 1999.	1184325	Registrar of Trademarks	March 20, 2013	June 14, 2013
Trademark registration obtained under Class 5 for the mark- STS issued under Section 23 of the Trademarks Act, 1999.	1123672	Registrar of Trademarks	August 2, 2012	June 14, 2013
Trademark registration obtained under Class 5 for the mark- UNMET issued under Section 23 of the Trademarks Act, 1999.	1121024	Registrar of Trademarks	July 23, 2012	June 14, 2013
Trademark registration obtained under Class 5 for the mark- WEBER issued under Section 23 of the Trademarks Act, 1999.	1174747	Registrar of Trademarks	February 13, 2013	June 14, 2013
Other approvals				
Consent to operate under Water (Prevention & Control of Pollution) Act, 1974, Air (Prevention & Control of Pollution) Act, 1981 and Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rules, 2003 for FII – Pimpri unit	BO/ROPune/PCI-I/EIC No. PN-2209-08/R/CC-175	Maharashtra Pollution Control Board	December 31, 2012	December 26, 2012
No objection certificate under Maharashtra Fire Prevention and Life Safety Measures Act, 2006 for FII – Pimpri unit	FS/HWDI/123	Divisional Fire Officer, Pune Region, Maharashtra Industrial Development Corporation	October 27, 2009	March 21, 2013
Consent to operate under Water (Prevention & Control of Pollution) Act, 1974, Air (Prevention & Control of Pollution) Act, 1981 and Hazardous Wastes (Management, Handling & Transboundary Movement) Rules, 2008 for SPD , P – I, Hinjewadi unit	BO/JDPAMS/EIC No. PN - 10177-11/R/CC-109	Maharashtra Pollution Control Board	April 30, 2013	April 17, 2013

Nature of approval - description	Approval reference number	Issuing authority	Date of expiry	Date of acknowledgement of renewal application / Date of renewal application
Final no objection certificate under Maharashtra Fire Prevention and Life Safety Measures Act, 2006 for Kurkumbh unit	MIDC/FIRE/834	Chief Fire Officer, MIDC, Pune	April 6, 2013	April 3, 2013
Grant of Toll tax exemption for raw material to be imported and finished goods to be exported by Jammu unit	SSI-J/L & M/57/1781-84	Assistant Director of Industries, Directorate of Industries and Commerce, Government of Jammu and Kashmir	Valid for the year 2012-13	April 15, 2013
Registration under Bombay Shops and Establishment Act, 1948 for marketing office in Ahmedabad	P.E.CO16281715	Inspector under the Bombay Shops and Establishment Act, 1948	December 31, 2012	June 26, 2013

Our Company obtains applicable approvals in relation to manufacturing facility, sale, storage and distribution for its products marketed in other jurisdictions. Certain of these approvals may have elapsed in their normal course and our Company has either made an application to the appropriate authority for renewal of such licenses or is in the process of making such application.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

1. The Issue has been authorised by a resolution of the Board of Directors passed at their meeting held on June 5, 2013, subject to the approval of shareholders of our Company through a special resolution to be passed pursuant to section 81 (1A) of the Companies Act.

2. The shareholders of our Company have authorised the Issue by a special resolution passed pursuant to section 81(1A) of the Companies Act, passed at the EGM of our Company held on June 14, 2013.

3. Blackstone has authorised offer of 1,716,332 Equity Shares in the Issue by way of the board resolution dated June 14, 2013. Additionally, the Selling Shareholders, other than Blackstone, have approved the transfer of the Equity Shares pursuant to the Issue as set out below:

S. No.	Name of the Selling Shareholder	Date of authorisation letter	Number of the Equity Shares offered for sale
1.	Jitendra Vir Singh	May 25, 2013	120,000
2.	Marvin Samson	May 28, 2013	80,000
3.	Arun Kumar Khanna	June 04, 2013	76,500
4.	Avinash Medhekar	May 29, 2013	75,625
5.	Dr. Mahedra Patel	May 28, 2013	75,000
6.	Dr. Sanjay Singh and Kavita Singh (jointly held)	June 04, 2013	75,000
7.	Bhalchandra Khare and Padmini Khare (jointly held)	May 29, 2013	45,375
8.	Shreekant Krushnaji Bapat and Alaka Bapat (jointly held)	June 01, 2013	42,150
9.	Berjis Minoo Desai	May 31, 2013	37,500
10.	R.P. Soonawala	June 03, 2013	26,250
11.	Mahesh Nathalal Shah	May 28, 2013	25,000
12.	Mukund Ranade	May 31, 2013	25,000
13.	Dr. Mukund Keshao Gurjar	June 01, 2013	20,000
14.	Humayun Dhanrajgir and Jini Dhanrajgir (jointly held)	May 25, 2013	15,000
15.	Prakash Kumar Guha	June 04, 2013	15,000
16.	Fakrul Sayeed	May 29, 2013	12,500
17.	N.K. Sagar	May 30, 2013	9,000
18.	Raju P. Kalera	June 01, 2013	5,125
19.	Chandrakant V. Shetty	May 28, 2013	4,500
20.	Shriram Balasubramanian	May 28, 2013	4,500
21.	Uday Borde	June 01, 2013	2,325
22.	Vijay Kulkarni	June 03, 2013	2,025
23.	Milind Lad	May 28, 2013	2,000
24.	Dev Balaji	June 04, 2013	1,350

The Selling Shareholders have confirmed that they hold the Equity Shares proposed to be offered and sold in the Issue for more than one year prior to the date of filing of this Draft Red Herring Prospectus and that the Selling Shareholders have not been prohibited from dealings in securities market and the Equity Shares offered and sold are free from any lien, encumbrance or third party rights.

4. Our Company will make an application to the FIPB after filing of the Draft Red Herring Prospectus for participation of the non-residents in the Issue pursuant to the the Press Note 3 of 2011 dated November 8, 2011 issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and

Industry, Government of India, and the circular dated December 9, 2011 notified by the RBI.

Prohibition by SEBI or Other Governmental Authorities

Our Company, our Promoters, Directors, Promoter Group entities, the persons in control of our Company and the Selling Shareholders, have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies, with which our Promoters, our Directors or persons in control of our Company are or were associated as promoters, directors or persons in control have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of the Directors are in any manner associated with the securities market.

Prohibition by RBI

Neither our Company, our Promoters, relatives of Promoters (as defined under Companies Act), nor the Selling Shareholders have been identified as wilful defaulters by the RBI or any other governmental authority. There are no violations of securities laws committed by them in the past or no such proceedings are pending against them or our Company.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with the Regulation 26(1) of the SEBI Regulations as explained under the eligibility criteria calculated in accordance with the restated financial information prepared in accordance with the Companies Act and restated in accordance with the SEBI Regulations:

- Our Company has net tangible assets of at least ₹ 30 million in each of the preceding three full years (of 12 months each) of which not more than 50% is held in monetory assets;
- Our Company has a minimum average pre-tax operating profit of ₹ 150 million calculated on a restated and consolidated basis, during the three most profitable years out of the immediately preceding five years;
- Our Company has a net worth of at least ₹ 10 million in each of the three preceding full years (of 12 months each);
- The proposed Issue size does not exceed five times the pre-Issue net worth as per the audited accounts for the year ended March 31, 2013; and
- Our Company has not changed its name during the last one year.

Our Company's net worth, net tangible assets, monetary assets and pre-tax operating profit derived from the restated financial information included in this Draft Red Herring Prospectus as at for the last five years ended fiscal 2012 are set forth below:

(₹ *in million, unless otherwise stated*)

Particulars	Fiscal 2012		Fiscal 2011		Fiscal 2010		Fiscal 2009		Fiscal 2008	
	Stand-alone	Consolidated	Stand-alone	Consolidated	Stand-alone	Consolidated	Stand-alone	Consolidated	Stand-alone	Consolidated
Pre-tax operating profit (1)	N/A	2,081.63	N/A	1,759.15	N/A	1,739.58	N/A	1,074.61	N/A	317.40
Net Worth(2)	5,081.19	5,135.03	4,027.23	4,367.58	3,630.89	3,678.01	2,030.49	1,846.73	3,503.16	3,290.46
Net Tangible Assets (3)	4,157.11	2,819.75	3,389.78	3,320.73	3,231.81	2,969.85	1,761.62	1,335.68	3,334.11	2,977.94

Particulars	Fiscal 2012		Fiscal 2011		Fiscal 2010		Fiscal 2009		Fiscal 2008	
	Stand-alone	Consolidated	Stand-alone	Consolidated	Stand-alone	Consolidated	Stand-alone	Consolidated	Stand-alone	Consolidated
Monetary Assets(4)	203.03	464.43	108.75	208.73	43.65	213.02	80.17	99.26	26.13	58.60
Monetary Assets as a percentage of the net tangible assets	4.88%	16.47%	3.21%	6.29%	1.35%	7.17%	4.55%	7.43%	0.78%	1.97%

1) 'Pre tax operating profit' comprises of profit from operations before other income, interest and exceptional items in accordance with Clause 41 1(A) of the Equity Listing Agreements.

(2) 'Net worth' means the aggregate of the paid-up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of statement of profit and loss.

(3) 'Net tangible assets' means the sum of all net assets of the Company excluding intangible assets as defined in Accounting Standard 26 issued by Institute of Chartered Accountants of India.

(4) Monetary assets comprise of cash and bank balances, public deposit accounts with the Government.

Fiscal 2012, 2011 and 2010 are the three most profitable years out of the immediately preceding five financial years in terms of our restated consolidated financial information.

Further, in accordance with Regulation 26(4) of the SEBI Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

Disclaimer Clause of SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, DSP MERRILL LYNCH LIMITED, MORGAN STANLEY INDIA COMPANY PRIVATE LIMITED AND IDFC CAPITAL 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 MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, DSP MERRILL LYNCH LIMITED, MORGAN STANLEY INDIA COMPANY PRIVATE LIMITED AND IDFC CAPITAL LIMITED, HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JUNE 26, 2013, WHICH READS AS FOLLOWS:

WE, THE LEAD MERCHANT BANKER(S) TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL DOCUMENTS 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 COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**

   (A) **THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**

   (B) **ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

   (C) **THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED 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 (THE "SEBI REGULATIONS") 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 SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") AND THAT TILL DATE SUCH REGISTRATION IS VALID.**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. – <u>NOTED FOR COMPLIANCE</u>**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA 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 SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS. - <u>NOTED FOR COMPLIANCE</u>**

7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE**

THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. <u>NOT APPLICABLE</u>

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION. - <u>NOTED FOR COMPLIANCE</u>**

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. <u>NOT APPLICABLE. AS THE ISSUE SIZE IS MORE THAN ₹ 100 MILLION, HENCE UNDER SECTION 68B OF THE COMPANIES ACT, 1956, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT ONLY.</u>**

11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SEBI REGULATIONS HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:**

    (A) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND

    (B) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI REGULATIONS WHILE MAKING THE ISSUE. - <u>NOTED FOR COMPLIANCE</u>**

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 COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC.**

15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI REGULATIONS, CONTAINING DETAILS**

SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

16. **WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THE ISSUE)', AS PER FORMAT SPECIFIED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA THROUGH CIRCULAR.**

17. **WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS.**

The filing of this Draft Red Herring Prospectus does not, however, absolve our Company and the Selling Shareholders from any liabilities under section 63 or section 68 of Companies Act or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with BRLMs, any irregularities or lapses in this Draft Red Herring Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with RoC in terms of section 60B of the Companies Act. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with RoC in terms of Sections 56, 60 and 60B of the Companies Act.

Caution - Disclaimer from our Company, the Selling Shareholders and BRLMs

Our Company, Directors, the Selling Shareholders and BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.emcure.co.in, would be doing so at his or her own risk.

BRLMs accept no responsibility, save to the limited extent as provided in the Issue Agreement and Underwriting Agreement to be entered into between Underwriters, the Selling Shareholders and our Company.

All information shall be made available by our Company, the Selling Shareholders and BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

None among our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Investors who Bid in the Issue will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares of our Company and will not issue, sell, pledge, or transfer the Equity Shares of our Company to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares of our Company. Our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares of our Company.

BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Price information of past issues handled by the BRLMs

5. Price information of past issues handled by DSPML

Sr. No.	Issue name	Issue size (₹ mm)	Issue price (₹)	Listing date	Opening price on listing date (₹)	Closing price on listing date (₹)	% Change in price on listing date (closing) vs. issue price	Benchmark index on listing date (closing)	Closing price as on 10th calendar day from listing day (₹)	Benchmark index as on 10th calendar day from listing day (closing)	Closing price as on 20th calendar day from listing day (₹)	Benchmark index as on 20th calendar day from listing day (closing)	Closing price as on 30th calendar day from listing day (₹)	Benchmark index as on 30th calendar day from listing day (closing)
1.	Credit Analysis and Research Limited	5,399.8	750.00	December 26, 2012	949.00	923.95	23.2%	19,417.46	934.45	19,784.08	924.15	19,906.41	916.60	19,923.78
2.	Bharti Infratel Limited	41,727.6	220.00[(1)]	December 28, 2012	200.00	191.20	(13.1%)	19,444.84	207.40	19,691.42	203.80	19,817.63	208.80	20,103.35

Source: *www.bseindia.com*

1. Issue price for non- institutional investors, QIB category: ` 220.0 per equity share; issue price for retail individual investors: ₹ 210.0; Issue price for anchor investors: ₹ 230.0

Notes:
a. Benchmark index is Sensex.
b. In case 10th day, 20th day or 30th day is not a trading day, closing price on BSE of next trading day is considered
c. 10th listing day has been taken as listing date plus 9 calendar days
d. 20th listing day has been taken as listing date plus 19 calendar days
e. 30th listing day has been taken as listing date plus 29 calendar days

2. Summary statement of price information of past issues handled by DSPML

Financial year	Total no. of IPOs [(1)]	Total funds raised (₹ million)	Nos. of IPOs trading at discount on listing date			Nos. of IPOs trading at premium on listing date			Nos. of IPOs trading at discount as on 30th calendar day from listing day			Nos. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
FY 11-12	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FY 12-13	2	47,127.4	-	-	1	-	-	1	-	-	1	-	-	1
FY 13-14	-	-	-	-	-	-	-	-	-	-	-	-	-	-

1. Based on the date of listing

3. Price information of past issues handled by IDFC

Sr. No.	Issue Name	Issue size ` Cr.)	Issue price (`)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar day from listing day (Closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar day from listing day (Closing)	Closing price as on 30th calendar day from listing day	Benchmark index as on 30th calendar day from listing day (Closing)
1	Tribhovandas Bhimji Zaveri Limited	2,00.0	120.0	9-May-12	115.0	111.2	-7.33%	16,479.6	120.3	16,183.3	116.0	1,6438.6	110.0	16,718.9
2	Repco Home Finance Limited	2,70.4	172.0	1-Apr-13	159.95	161.80	-5.93%	5704.40	168.30	5594.00	170.65	5783.10	170.90	5930.20

Source: www.bseindia.com, www.nseindia.com for the price information and prospectus for issue details

Notes:

i. In case of reporting dates falling on a holiday, values for the trading day immediately following the holiday has been considered
ii. Price information and benchmark index values has been shown only for designation stock exchange for the issuer
iii. BSE is the designated stock exchange for the issues listed as item 1. NSE is the designated stock exchange for the remaining issues mentioned in the table above.

4. Summary statement of price information of past issues handled by IDFC

Financial Year	Total No. of IPOs	Total Funds Raised (₹ Cr.)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30th calendar day from listing day			No. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2011-12	Nil	-	-	-	-	-	-	-	-	-	-	-	-	-
2012-13	1	2,00.0	-	-	1	-	-	-	-	-	1	-	-	-
2013-14	1	2,70.4	-	-	1	-	-	-	-	-	1	-	-	-

5. Price information of past issues handled by Morgan Stanley

Sr. No.	Issue Name	Issue size (` Mn.)	Issue price (`)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)[(1)]	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar day from listing day (Closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar day from listing day (Closing)	Closing price as on 30th calendar day from listing day	Benchmark index as on 30th calendar day from listing day (Closing)
1	Just Dial Limited	9,191.41	530.00[2]	05-Jun-13	590.00	612.35	15.54%	5,923.85	629.30	19,177.93	625.45	18,629.15	-	-
2	Multi Commodity Exchange of India Limited	6,633.05	1,032.00	9-Mar-12	1,387	1297.05	25.68%	17,503.24	1,290.5	17,273.37	1,249.9	17,058.61	1,288.8	17,486.02

Notes:

1. *The Standard & Poor's CRISIL NSE Index 50 ("Nifty") is considered as the Benchmark Index. Except in case of Multi Commodity Exchange of India Limited ("MCX"), where we have considered S&P BSE SENSEX as benchmark index given equity shares of MCX are not listed on the NSE.*
2. *Issue price for all categories except Retail Individual Bidders was ` 530.00 per equity share. A discount of ` 47.00 per equity share was offered to these Retail Individual Bidders. All calculations are based on Issue Price of ` 530.00 per equity share.*
3. *Price on the NSE is considered for all of the above calculations except in case of Multi Commodity Exchange of India Limited ("MCX") which price on the BSE is considered as equity shares of MCX are not listed on the NSE.*
4. *In case 10th/20th/30th day is not a trading day, closing price on the NSE of a trading day immediately prior to the 10th/20th/30th day, as the case may be, is considered*

6. Summary statement of price information of past issues handled by Morgan Stanley

Fiscal	Total No. of IPOs	Total Funds Raised (` million)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30th calendar day from listing day			No. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2011-2012	1	6,633.05	-	-	-	-	1	-	-	-	-	-	1	-
2012-2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2013-2014	1	9,191.41	-	-	-	-	-	1	-	-	-	-	-	-

Track record of past issues handled by BRLMs

For details regarding the track record of the BRLMs to the Issue as specified in Circular reference CIR/MIRSD/1/ 2012 dated January 10, 2012 issued by the SEBI, please refer to the websites of the BRLMs at http://www.dspml.com/gmcgib.aspx; and http://www.morganstanley.com/indiaofferdocuments/ and http://www.idfc.com/capital/ investment-banking/track-record-document.aspx.

Disclaimer in respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India) and to FIIs, Eligible NRIs and other eligible foreign investors (viz. FVCIs, multilateral and bilateral development financial institutions). This Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations and SEBI shall give its observations in due course. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

IMPORTANT INFORMATION FOR INVESTORS – ELIGIBILITY AND TRANSFER RESTRICTION

The Equity Shares have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States to U.S. QIBs in reliance on Rule 144A under the Securities Act and (ii) outside the United States in reliance on Regulation S under the Securities Act.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to the Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to the Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Filing

A copy of this Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, Plot No.C4-A, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.

A copy of the Red Herring Prospectus, along with the documents required to be filed under section 60B of the Companies Act, would be delivered for registration to RoC and a copy of the Prospectus to be filed under section 60 of the Companies Act would be delivered for registration with the RoC at the office of the Registrar of Companies, Pune PMT Building, 3rd Floor, Deccan Gymkhana, Pune 411 004.

Listing

Applications have been made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company and the Selling Shareholders will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus in the proportion of the Equity Shares issued by the Company in the Fresh Issue and the Equity Shares offered by each of the Selling Shareholders offered in the Offer for Sale. If such money is not repaid within eight days after our Company and the Selling Shareholders become liable to repay it, then our Company, the Selling Shareholders and every Director of our Company who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under section 73 of the Companies Act. Any expense incurred by our Company on behalf of the Selling Shareholders with regard to refunds, interest for delays, etc., for the Equity Shares being offered in the Issue, will be reimbursed by the Selling Shareholders to our Company in proportion to the Equity Shares contributed by the Selling Shareholders to the Issue.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges mentioned above are taken within 12 Working Days of the Bid/ Issue Closing Date. Further, the Selling Shareholders confirm that all steps, as may be reasonably required and necessary, will be taken for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within 12 Working Days of the Bid/Issue Closing Date.

Consents

Consents in writing of: (a) Directors, Company Secretary and Compliance Officer, Statutory Auditors, legal advisors, Bankers to the Issue, Bankers to our Company, and (b) BRLMs, Syndicate Members, Escrow Collection Bankers, Registrar to the Issue and IPO Grading Agency to act in their respective capacities, will be obtained and will be filed along with a copy of the Red Herring Prospectus with RoC as required under Sections 60 and 60B of the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus for registration with RoC.

In accordance with the Companies Act and the SEBI Regulations, Price Waterhouse, Chartered Accountants, our Company's statutory auditors, have given their written consent for inclusion of their reports dated June 26, 2013 on the restated stand-alone financial information, the restated consolidated financial information, the statement of tax benefits and declaration by the Company in relation to acquisition of a Subsidiary in the form and context in which it appears in this Draft Red Herring Prospectus and such consent shall not be withdrawn up to the time of submission of the Red Herring Prospectus and the Prospectus for registration with RoC. A written consent under the provisions of the Companies Act is different from a consent filed with the U.S. Securities and Exchange Commission under Section 7 of the Securities Act which is applicable only to transactions involving securities registered under the Securities Act. As the Equity Shares are proposed to be offered as a part of an initial public offering in India and the Equity Shares have not been and will not be registered under the Securities Act, the Statutory Auditors have not given consent under Section 7 of the Securities Act.

Experts

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

(i) Our Company has received written consent from the Statutory Auditors namely, Price Waterhouse, Chartered Accountants, to include its name as an expert under Section 58 of the Companies Act in this Draft Red Herring Prospectus in relation to the reports of the Statutory Auditors dated June 26, 2013 on the restated stand-alone financial information, the restated consolidated financial information and the statement of tax benefits and declaration by the Company in relation to acquisition of a Subsidiary, included in this Draft Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus for registration with the RoC. A written consent under the provisions of the Companies Act is different from a consent filed with the U.S. Securities and Exchange Commission under Section 7 of the Securities Act which is applicable only to transactions involving securities registered under the Securities Act. As the Equity Shares are proposed to be offered as a part of an initial public offering in India and the Equity Shares have not been and will not be registered under the Securities Act, the Statutory Auditors have not given consent under Section 7 of the Securities Act. In this regard, the Statutory Auditors have given consent to be referred to as "experts" in this Draft Red Herring Prospectus in accordance with the requirements of the Companies Act. The term "experts" as used in this Draft Red Herring Prospectus is different from those defined under the Securities Act which is applicable only to transactions involving securities registered under the Securities Act. The reference to the Statutory Auditors as "experts" in this Draft Red Herring Prospectus is not made in the context of the Securities Act but solely in the context of this initial public offering in India or the Issue.

(ii) The report of [●] in respect of the IPO grading for the Issue, which will be annexed to the Red Herring Prospectus; [●], the IPO Grading Agency engaged by us for the purpose of obtaining IPO grading in respect of this Issue, has given its written consent to include its name as an expert in relation to the inclusion of its report in the form and context in which it would appears in the Red Herring Prospectus and such consent and report has not been and will not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

Issue Related Expenses

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. For further details of Issue related expenses, see "Objects of the Issue" on page 95.

Other than the listing fees which will be borne by our Company, all expenses relating to the Issue as mentioned above will be shared between our Company and the Selling Shareholders on a pro-rata basis, in the ratio of the Equity Shares issued by our Company in the Fresh Issue and the Equity Shares being sold by the Selling Shareholders in the Offer for Sale.

Activity	Estimated expenses* (₹ in million)	As a % of the total estimated Issue expenses*	As a % of the total Issue size*

Activity	Estimated expenses* (₹ in million)	As a % of the total estimated Issue expenses*	As a % of the total Issue size*
Book Running Lead Manager (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Commission/processing fee for SCSBs and Bankers to the Issue	[●]	[●]	[●]
Brokerage and selling commission for Registered Brokers	[●]	[●]	[●]
Registrar to the Issue	[●]	[●]	[●]
Other advisors to the Issue	[●]	[●]	[●]
Others			
- Listing fees	[●]	[●]	[●]
- Printing and stationary	[●]	[●]	[●]
- Advertising and marketing expenses	[●]	[●]	[●]
- Miscellaneous	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

**To be completed after finalization of the Issue Price*

Fees Payable to Syndicate

The total fees payable to Syndicate (including underwriting commission and selling commission and reimbursement of their out-of-pocket expense) will be as per the Engagement Letter dated June 26, 2013 with BRLMs, a copy of which is available for inspection at the Registered Office.

Fees Payable to the Registrar to the Issue

The fees payable by our Company and the Selling Shareholders to the Registrar to the Issue for processing of application, data entry, printing of CAN/refund order, Allotment Advice, preparation of refund data on magnetic tape, printing of bulk mailing register will be as stated in Memorandum of Understanding dated June 26, 2013 signed among our Company, Registrar to the Issue and the Selling Shareholders, a copy of which is available for inspection at the Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to Registrar to the Issue to enable it to send refund in any of the modes described in the Red Herring Prospectus or Allotment advice by registered post/speed post.

Underwriting commission, brokerage and selling commission on Previous Issues

Since this is an initial public offering of our Company, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any Equity Shares since inception of our Company.

Particulars regarding Public or Rights Issues by our Company during the last ten years

Other than the details of the rights issue undertaken by our Company as described below and as disclosed in this Draft Red Herring Prospectus, our Company has not made any public or rights issues during the 10 years preceding the date of this Draft Red Herring Prospectus:

Particulars	Details	
Closing date	August 27, 2004	April 19, 2013
Date of allotment	August 27, 2004	April 19, 2013*
Date of refunds	October 15, 2004	May 9, 2013
Date of listing on the recognised stock	N/A	N/A

Particulars	Details	
exchanges		
If the issue(s) was at premium or discount and the amount thereof.	Rights issue was made at face value of the Equity Shares	Rights issue was made at face value of the Equity Shares
The amount paid or payable by way of premium, if any, on each equity share which had been issued within the two years preceding the date of the offer document or is to be issued, stating the dates or proposed dates of issue and, where some shares have been or are to be issued at a premium and other shares of the same class at a lower premium, or at par or at a discount, the reasons for the differentiation and how any premiums received have been or are to be disposed of.	N/A	N/A
Objects of the issue and the achievment of the same	Proceeds was utilised towards large investments in the projects of pharmaceuticals and biotech sector.	Proceeds is yet to be utilised for acquisition of movable and immovable fixed assets of Gennova Biopharmaceuticals Limited and for undertaking further expansion plans.

* *Our Company had allotted 10,047,340 Equity Shares pursuant to a rights issue approved by our Shareholders in the meeting held on February 8, 2013 which included 1,574,306 Equity Shares allotted to non-resident shareholders. For further details, see the section "Risk Factors – Our Company has allotted Equity Shares to its existing resident and non-resident shareholders on April 19, 2013 pursuant to a rights issue (the "Rights Issue"). In this regard, our Company has received a letter dated June 11, 2013 from the RBI (the "RBI Letter") requiring our Company for a copy of the Government approval. Our Company has responded to the same indicating the rationale for not obtaining prior Government approval for the Rights Issue. In the event, such allotment is considered non-compliant with the foreign exchange laws, our Company may be subject to regulatory actions including imposition of penalties by the regulators" on page 20.*

Previous issues of the Equity Shares otherwise than for cash

Except as disclosed in the section "Capital Structure" on page 67, our Company has not issued any Equity Shares for consideration otherwise than for cash.

Previous capital issue during the previous three years by listed subsidiaries or associates of our Company

None of our Subsidiaries or associates are listed on any stock exchange.

Performance vis-à-vis objects – Public/Rights Issue of our Company and associates of our Company

Other than as disclosed in this Draft Red Herring Prospectus, our Company or its associates has not undertaken any previous public or rights issue. None of our Subsidiaries or associates are listed on any stock exchange.

Outstanding Debentures or Bonds

Our Company does not have any outstanding debentures or bonds as of the date of filing this Draft Red Herring Prospectus.

Outstanding Preference Shares

Except as stated in the section "Capital Structure" on page 67, our Company does not have any outstanding preference shares as on date of this Draft Red Herring Prospectus.

Stock Market Data of the Equity Shares

This being an initial public issue of our Company, the Equity Shares are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The Memorandum of Understanding between Registrar to the Issue, our Company and the Selling Shareholders provides for the retention of records with Registrar to the Issue for a period of at least three years from the last date of despatch of the letters of Allotment, demat credit and refund orders to enable the investors to approach Registrar to the Issue for redressal of their grievances.

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

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSBs or the member of the Syndicate if the Bid was submitted to a member of the Syndicate at any of the Specified Cities or the relevant Registered Broker if the Bid was submitted through Registered Brokers, as the case may be, giving full details such as name and address of the sole or the First Bidder, the Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, number of the Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate or the Registered Broker or the Designated Branch, as the case may be, where the ASBA Bid was submitted and ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or Registrar to the Issue or SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has also appointed Kedar P. Phadke, Company Secretary of our Company, as the Compliance Officer for this Issue and he may be contacted in case of any pre-Issue or post-Issue related problems at the following address:

Emcure House
T 184, M.I.D.C.
Bhosari
Pune 411 026
Tel: (91 20) 2712 0084 / 3061 0000 / 4070 0000
Fax: (91 20) 3061 0111
Email: investor.grievance@emcure.co.in

Our Company has not received any investor complaint during the three years preceding the date of filing of the Draft Red Herring Prospectus.

Changes in auditors

There have been no changes in the auditors of our Company during the three years preceding the date of this Draft Red Herring Prospectus.

Capitalisation of Reserves or Profits

Our Company has not capitalised its reserves or profits at any time during the last five years, except as stated in the section "Capital Structure" on page 67.

Revaluation of Assets

Our Company has not re-valued its assets in the last five years.

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued and transferred pursuant to the Issue shall be subject to the provisions of the Companies Act, the Memorandum and Articles of Association, the terms of the Red Herring Prospectus and the Prospectus, Bid cum Application Form, the Revision Form, the CAN, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, 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, Stock Exchanges, RoC, RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable, or such other conditions as may be prescribed by SEBI, RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Issue.

Ranking of the Equity Shares

The Equity Shares being issued and transferred in the Issue shall be subject to the provisions of Companies Act and Memorandum and Articles of Association and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of dividend. Allottees in receipt of Allotment of the Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see the section "Main Provisions of the Articles of Association" on page 434.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to its shareholders in accordance with the provisions of Companies Act, Memorandum and Articles of Association and provisions of the Listing Agreement to be entered into with the Stock Exchanges.

Face Value and Issue Price

The face value of the Equity Shares is ₹ 10 each and the Issue Price is ₹ [●] per Equity Share. The Anchor Investor Issue Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company and the Selling Shareholders in consultation with BRLMs and advertised in [●] edition of English national newspaper [●], [●] edition of Hindi national newspaper [●], and [●] edition of regional language newspaper [●] each with wide circulation, at least five Working Days prior to the Bid/ Issue Opening Date.

At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with the SEBI Regulations

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholder

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;

- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreement executed with the Stock Exchanges and our Company's Memorandum and Articles of Association.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, see the section "Main Provisions of the Articles of Association" on page 434.

Market Lot and Trading Lot

In terms of section 68B of Companies Act, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form. Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [•] Equity Shares.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Mumbai.

Nomination Facility to Investor

In accordance with section 109A of the Companies Act, the sole or the First Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with section 109A of 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 the Registered Office/Corporate Office of our Company or to the Registrar and Transfer Agent of our Company.

In accordance with section 109B of the Companies Act, any person who becomes a nominee by virtue of section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of the Equity Shares in the Issue will be made only in dematerialised form, 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 investors require changing their nomination, they are requested to inform their respective depository participant.

Minimum Subscription

Since the Fresh Issue and the Offer for Sale together constitute 10% of the post-Issue paid-up equity share capital of our Company (the minimum number of securities as specified under Rule 19(2)(b) of SCRR), the entire Issue needs to be subscribed, in accordance with the SEBI Regulations. If the Issue is not fully subscribed, including devolvement of underwriters, within 60 days from the Bid/Issue Closing Date, our Company and the Selling Shareholders shall forthwith refund the entire subscription amount received not later than 70 days from the Bid/Issue Closing Date. If there is a delay beyond eight days after the expiry of 70 days from the Bid/Issue Closing Date, our Company and the Selling Shareholders shall, in proportion to the number of the Equity Shares offered/issued by each of them in the Issue, pay interest as prescribed under section 73 of the Companies Act.

Further, we shall ensure that the number of prospective Allotees to whom the Equity Shares will be Allotted shall not be less than 1,000.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Arrangement for disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restriction on transfer of the Equity Shares

Except for lock-in of the pre-Issue Equity Shares, Promoter's minimum contribution and Anchor Investor lock-in in the Issue as detailed in the section "Capital Structure" on page 67, and except as provided in the Articles of Association, there are no restrictions on transfers of the Equity Shares. There are no restrictions on transmission of shares and on their consolidation/ splitting except as provided in the Articles of Association. For details, see the section "Main Provisions of the Articles of Association" on page 434.

ISSUE STRUCTURE

Issue of [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including share premium of ₹ [●] per Equity Share) aggregating to ₹ [●] million. The Issue consists of a Fresh Issue of [●] Equity Shares aggregating up to ₹ [●] million and an Offer for Sale of up to 2,513,057 Equity Shares by the Selling Shareholders aggregating up to ₹ [●] million, respectively. The Issue will constitute [●] of the post-Issue paid-up equity share capital of our Company.

The Issue is being made through the Book Building Process.

	QIBs#	**Non-Institutional Bidders**	**Retail Individual Bidders**
Number of the Equity Shares *	[●] Equity Shares	Not less than [●] Equity Shares available for allocation or Issue less allocation to QIBs and Retail Individual Bidders.	Not less than [●] Equity Shares available for allocation or Issue less allocation to QIBs and Non-Institutional Bidders.
Percentage of Issue Size available for Allotment/allocation	Not more than 50% of the Issue Size being available for allocation to QIBs. However, up to 5% of the QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only.	Not less than 15% of the Issue or the Issue less allocation to QIBs and Retail Individual Bidders.	Not less than 35% of the Issue or Issue less allocation to QIBs and Non-Institutional Bidders.
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate as follows: (a) [●] Equity Shares shall be allocated on a proportionate basis to Mutual Funds only; [(b) [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors;] and (c) [●] Equity Shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	In the event, the Bids received from Retail Individual Bidders exceeds [●] Equity Shares, then the maximum number of Retail Individual Bidders who can be allocated/Allotted the minimum Bid Lot will be computed by dividing the total number of the Equity Shares available for allocation/Allotment to Retail Individual Bidders by the minimum Bid Lot (“**Maximum RIB Allottees**”). The allocation/Allotment to Retail Individual Bidders will then be made in the following manner: • In the event the

	QIBs#	Non-Institutional Bidders	Retail Individual Bidders
			number of Retail Individual Bidders who have submitted valid Bids in the Issue is equal to or less than Maximum RIB Allottees, (i) Retail Individual Bidders shall be allocated / Allotted the minimum Bid Lot; and (ii) the balance Equity Shares, if any, remaining in the Retail Portion shall be allocated/ Allotted on a proportionate basis to the Retail Individual Bidders who have received allocation/Allotment as per (i) above for less than the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot). • In the event the number of Retail Individual Bidders who have submitted valid Bids in the Issue is more than Maximum RIB Allottees, the Retail Individual Bidders (in that category) who will then be allocated/ Allotted minimum Bid Lot shall be determined on draw of lots basis. For details see, "Issue Procedure – Illustration Explaining Procedure of Allotment to Retail Individual Bidders" on page 429.
Minimum Bid	Such number of the Equity	Such number of the Equity	[•] Equity Shares and

	QIBs#	Non-Institutional Bidders	Retail Individual Bidders
	Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of [•] Equity Shares thereafter.	Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of [•] Equity Shares thereafter.	in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of the Equity Shares not exceeding the Issue, subject to applicable limits.	Such number of the Equity Shares not exceeding the Issue, subject to applicable limits.	Such number of the Equity Shares, whereby the Bid Amount does not exceed ₹ 200,000.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Who can Apply **	Public financial institutions as specified in section 4A of the Companies Act, scheduled commercial banks, mutual fund registered with SEBI, FIIs and sub-account registered with SEBI (other than a sub-account which is a foreign corporate or foreign individual), VCFs, FVCIs, multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDA, provident fund (subject to applicable law) with minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million, in accordance with applicable law and National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals.	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)

	QIBs#	Non-Institutional Bidders	Retail Individual Bidders
	set up and managed by the Department of Posts, India.		
Terms of Payment	Full Bid Amount shall be payable at the time of submission of Bid cum Application Form. (including for Anchor Investors*#) ##	Full Bid Amount shall be payable at the time of submission of Bid cum Application Form.##	Full Bid Amount shall be payable at the time of submission of Bid cum Application Form.##

\# *Our Company may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. For details, see the section "Issue Procedure" on page 394.*

\## *In case of ASBA Bidders, the SCSB shall be authorised to block such funds in the bank account of the Bidder that are specified in the Bid cum Application Form.*

* *Subject to valid Bids being received at or above the Issue Price. This Issue is being made in accordance with Rule 19(2)(b)(ii) of the SCRR and under the SEBI Regulations, where the Issue will be made through the Book Building Process wherein not more than 50% of the Issue will be available for allocation on a proportionate basis to QIBs, provided that our Company may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. Out of the QIB Portion (excluding the Anchor Investor Portion), 5% will be available for allocation on a proportionate basis to Mutual Funds only. The remainder will be available for allocation on a proportionate basis to QIBs (other than Anchor Investors) and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIBs (other than Anchor Investors) in proportion to their Bids. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.*

** *In case the Bid cum Application Form is submitted in joint names, the Bidders should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.*

*# *Bid Amount shall be payable by the Anchor Investors at the time of submission of the Bid cum Application Forms. The balance, if any, shall be paid within the two Working Days of the Bid/Issue Closing Date.*

Under subscription, if any, in any category, except in the QIB category, would be met with spill-over from other categories at the discretion of our Company and the Selling Shareholders in consultation with BRLMs and the Designated Stock Exchange.

Withdrawal of the Issue

Our Company and the the Selling Shareholders, in consultation with the BRLMs, reserve the right not to proceed with the Issue anytime after the Bid/Issue Opening Date but before the Allotment of the 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. BRLMs, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of ASBA Bidders within one day of receipt of such notification. Our Company shall also inform the same to Stock Exchanges on which the Equity Shares are proposed to be listed.

If our Company and the Selling Shareholders withdraw the Issue after the Bid/Issue Closing Date and thereafter determine that they will proceed with the issue of our Company's Equity Shares, our Company shall file a fresh draft red herring prospectus with 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 after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with RoC.

Bid/ Issue Programme

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

* *Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider participation by Anchor Investors. The Anchor Investor Bid/ Issue Period shall be one Working Day prior to the Bid/ Issue Opening Date in accordance with the SEBI Regulations.*

** *Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid/Issue Period for QIBs one day prior to the Bid/Issue Closing Date in accordance with the SEBI Regulations.*

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Bid/Issue Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of refunds	[●]
Credit of the Equity Shares to demat accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchanges	[●]

The above timetable is indicative and does not constitute any obligation on our Company or the Selling Shareholders or the BRLMs. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within 12 Working Days of the Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/Issue Period by our Company and the Selling Shareholders, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Selling Shareholders confirm that they shall extend all reasonable co-operation required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares (offered by each such Selling Shareholder in the Issue) at all the Stock Exchanges within 12 Working Days from the Bid/Issue Closing Date.

Except in relation to the Bids received from Anchor Investors, Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m**. (Indian Standard Time, “IST”) during the Bid/ Issue Period (except the Bid/Issue Closing Date) as mentioned above at the bidding centres and the Designated Branches as mentioned on the Bid cum Application Form. On the Bid/ Issue Closing Date, the Bids and any revision in the Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and shall be uploaded until (i) 4.00 p.m. (IST) in case of Bids by QIBs and Non-Institutional Bidders, and (ii) until 5.00 p.m. (IST) or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders after taking into account the total number of applications received up to the closure of timings and reported by BRLMs to the Stock Exchanges. It is clarified that the Bids not uploaded on the online IPO system would be rejected.

Due to limitation of time available for uploading Bids on the Bid/ Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/ Issue Closing Date and no later than 1.00 p.m. (IST) on the Bid/ Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is Indian Standard Time. Bidders are cautioned that in the event a large number of Bids are received on Bid/ Issue Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only on Business Days, i.e., Monday to Friday (excluding any public holiday). None among our Company, the Selling Shareholders, or any member of Syndicate is liable for any failure in uploading Bids due to faults in any software/hardware system or otherwise.

On Bid/ Issue Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders after taking into account the total number of Bids received and as reported by BRLMs to the Stock Exchanges.

Our Company and the Selling Shareholders, in consultation with BRLMs, reserve the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and Floor Price shall not be less than the Face Value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

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

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical or electronic Bid cum Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSB or the member of the Syndicate for rectified data.

ISSUE PROCEDURE

This section applies to all Bidders. Please note that QIBs (other than Anchor Investors) and Non-Institutional Bidders shall mandatorily participate in the Issue only through the ASBA process. Retail Individual Bidders can participate in the Issue through the ASBA process as well as the non-ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that may be different from the procedure applicable to non-ASBA Bidders. Bidders applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all the Bidders are required to make payment of the full Bid Amount along with the Bid cum Application Form. In case of ASBA Bidders, an amount equivalent to the full Bid Amount will be blocked by the SCSBs.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, PAN and Client ID, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Our Company, the Selling Shareholders and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section, and are not liable for any amendment, modification or change in applicable law, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus.

Book Building Procedure

The Issue is being made through the Book Building Process wherein not more than 50% of the Issue shall be available for allocation to QIBs on a proportionate basis, provided that our Company may, in consultation with the BRLMs, allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. Out of the QIB Portion (excluding the Anchor Investor Portion), 5% will be available for allocation on a proportionate basis to Mutual Funds only. The remainder will be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange.

Bid cum Application Form

Please note that there is a common Bid cum Application Form for ASBA Bidders as well as for non-ASBA Bidders. The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis*	White
Eligible NRIs, Eligible QFIs, FIIs or Foreign Venture Capital Investors, registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis	Blue
Anchor Investors**	White

**Bid cum Application Forms and the abridged prospectus will be available at the offices of the BRLMs, the Syndicate Members, the Registered Brokers and the SCSBs. An electronic copy of the Bid cum Application Form will also be available on the websites of the SCSBs, NSE (www.nseindia.com) and the BSE (www.bseindia.com) and the terminals of the Registered Brokers.*

** *Physical Bid cum Application Forms for Anchor Investors shall be made available at the offices of the BRLMs.*

Bidders can also submit Bid cum Application Forms in the Issue using the stock broker network of the Stock Exchanges *i.e.* through the Registered Brokers at the Broker Centres. This mechanism can be used to submit ASBA Bids as well as non ASBA Bids.

All non-ASBA Bidders are required to submit their Bids through the Syndicate or the Registered Brokers at the Broker Centres only. In case of physical Bid cum Application Form, non-ASBA Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate or a SCSB or a Registered Broker, as the case may be, for the purpose of making a Bid in terms of the Red Herring Prospectus. ASBA Bidders are required to submit their Bids through the SCSBs (in physical or electronic form) authorising blocking of funds that are available in the bank account specified in the Bid cum Application Form. ASBA Bids may also be submitted with the Syndicate in the Specified Cities only or with the Registered Brokers. Further, the Syndicate or the Designated Branch or the Registered Broker, as applicable, shall affix its stamp, date and time on the Bid cum Application Form acknowledging the upload of the Bid in the online IPO system of the Stock Exchanges. 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.

No separate receipts shall be issued for the money payable on the submission of the Bid cum Application Form or Revision Form. However, the members of the Syndicate or the SCSBs or the Registered Brokers, 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. The Bidder should preserve this acknowledgement slip and should provide the same for any queries related to non-Allotment of the Equity Shares in the Issue.

Bidders are required to ensure that the PAN (of the sole/ First Bidder) provided in the Bid cum Application Form is exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders.

ASBA Bidders submitting their Bid through the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only in the Specified Cities. ASBA Bidders should also note that Bid cum Application Forms submitted to the Syndicate in the Specified Cities will not be accepted if the SCSB, where the ASBA Account is maintained as specified in the Bid cum Application Form, has not named at least one branch at that location for the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries). ASBA Bidders bidding through a Registered Broker should note that Bid cum Application Forms submitted to the Registered Brokers will not be accepted if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the Registered Brokers to deposit Bid cum Application Forms. ASBA Bidders bidding directly through the SCSBs should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

Upon the filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completion and submission of the Bid cum Application Form to the Syndicate, an SCSB or a Registered Broker, the Bidder will be deemed to have authorised our Company and the Selling Shareholders to make the necessary changes in the Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

Who can Bid?

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three). Furthermore, based on the information provided by the Depositories, our Company and the Selling Shareholders shall have the right to accept Bids belonging to an account for the benefit of a minor (under guardianship);

- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids by HUFs would be considered at par with those from individuals;

- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in the Equity Shares;

- Mutual Funds registered with SEBI;

- Eligible NRIs on a repatriation basis or on a non repatriation basis subject to applicable laws. NRIs other than Eligible NRIs cannot participate in this Issue;

- Indian financial institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);

- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, under the QIB category;

- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only, under the Non-Institutional Bidders category;

- Venture Capital Funds registered with SEBI;

- Alternative Investment Funds registered with SEBI;

- Foreign Venture Capital Investors registered with SEBI;

- Eligible QFIs under the Non-Institutional Bidders category;

- Multilateral and bilateral development financial institutions;

- State Industrial Development Corporations;

- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in the Equity Shares;

- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares;

- Insurance companies registered with Insurance Regulatory and Development Authority;

- Provident Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in the Equity Shares;

- Pension Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in the Equity Shares;

- National Investment Fund;

- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- Insurance funds set up and managed by the army, navy or air force of the Union of India;
- Insurance funds set up and managed by Department of Posts, India; and
- Any other person eligible to Bid in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.

As per the existing regulations, OCBs cannot participate in this Issue.

Participation by associates and affiliates of the BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to purchase in this Issue in any manner except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may purchase the Equity Shares in the Issue, either in the QIB Portion or in Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

The BRLMs and any persons related to the BRLMs or our Promoters and our Promoter Group cannot apply in the Issue under the Anchor Investor Portion.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand 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 the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion. With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

One-third of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors.

In case of a Mutual Fund (other than in case of Mutual Fund bidding in Anchor Investor Portion), a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs intending to make payment through freely convertible foreign exchange and bidding on a repatriation basis could make payments through Indian Rupee drafts purchased abroad or cheques or bank drafts or by debits to their Non-Resident External ("NRE") or Foreign Currency Non-Resident ("FCNR") accounts, maintained with banks authorized by the RBI to deal in foreign exchange. Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour), accompanied by a bank certificate confirming that the payment has been made by debiting to the NRE or FCNR account, as the case may be. Payment for Bids by non-resident Bidder bidding on a repatriation basis will not be accepted out of Non-Resident Ordinary ("NRO") accounts.

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of the Equity Shares to a single FII should not exceed 10% of total post- Issue paid-up share capital. In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total paid-up share capital or 5% of our total paid-up share capital in case such sub-account is a foreign corporate or a foreign individual.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the SEBI FII Regulations, an FII, as defined in the SEBI FII Regulations, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FII Regulations as any instrument, by whatever name called, which is issued overseas by a 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. An FII is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII Regulations. Associates and affiliates of the underwriters, including the BRLMs and the Syndicate Members, that are FIIs may issue offshore derivative instruments against the Equity Shares Allotted to them in the Issue. Any such offshore derivative instrument does not constitute any obligation or claim or claim on or an interest in, our Company or the Selling Shareholders.

Bids by Eligible QFIs

Eligible QFIs are permitted to invest in equity shares of Indian companies, which are offered to the public in India in accordance with the SEBI Regulations, on a repatriation basis subject to certain terms and conditions. The individual and aggregate investment limits for Eligible QFIs in an Indian company are 5% and 10%, respectively, of the paid-up capital of the Indian company. These limits are in addition to the investment limits prescribed under the portfolio investment scheme for FIIs and NRIs. However, in case of those sectors which have composite foreign investment caps, Eligible QFI investment limits are required to be considered within such composite foreign investment cap.

Eligible transactions for Eligible QFIs includes investment in equity shares in public issues to be listed on recognised stock exchanges and sale of equity shares held by Eligible QFIs in their demat account through SEBI registered brokers). Further, the manner of operation of demat accounts by Eligible QFIs, transaction processes and investment restrictions are prescribed under various circulars and guidelines issued by SEBI and the RBI. Also, Eligible QFIs are treated at par with those made by Indian non-institutional investors in various respects including, margins, voting rights and public issues.

Eligible QFIs shall open a single non interest bearing Rupee account with an AD category-I bank in India for routing the payment for transactions relating to purchase of equity shares (including investment in equity shares in public issues) subject to the conditions as may be prescribed by the RBI from time to time.

Eligible QFIs who wish to participate in the Issue are required to submit the Bid cum Application Form for the Issue. Eligible QFIs are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour). Eligible QFIs are required to participate in the Issue through the ASBA process only.

Eligible QFIs are not permitted to issue off-shore derivative instruments or participatory notes.

Bids by SCSBs

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Bids by SEBI registered Venture Capital Funds, Alternative Investment Funds and Foreign Venture Capital Investors

The SEBI VCF Regulations and the SEBI FVCI Regulations *inter alia* prescribe the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs.

Accordingly, the holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than $1/3^{rd}$ of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulations.

All Non-Resident Bidders including Eligible NRIs, Eligible QFIs, FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the LLP Act, a certified copy of certificate of registration issued under the LLP Act, must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 are broadly set forth below:

(a) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
(b) the entire group of the investee company: the least of 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of ULIPs); and
(c) the industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of ULIPs).

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 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, our Company and the Selling Shareholders reserve the right to reject any Bid, without assigning any reason thereof.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

Maximum and Minimum Bid Size

(a) **For Retail Individual Bidders:** The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed ₹ 200,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed ₹ 200,000. Where the Bid Amount is over ₹ 200,000, Retail Individual Bidders applying through the ASBA process and such Bidders applying through the ASBA process will be considered for allocation under the Non-Institutional Portion. Furthermore, in case of non-ASBA Bids, if the Bid Amount is over ₹ 200,000, the Bid is liable to be rejected. The Cut-off Price option is an option given only to the Retail Individual Bidders indicating their agreement to Bid for and purchase the Equity Shares at the final Issue Price as determined at the end of the Book Building Process. Retail Individual Bidders can revise their Bid during the Bid/Issue Period and withdraw their Bids until finalisation of Basis of Allotment.

(b) **For Other Bidders (Non-Institutional Bidders and QIBs):** The Bid must be for a minimum of such number of the Equity Shares such that the Bid Amount exceeds ₹ 200,000 and in multiples of [•] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **QIBs and Non-Institutional Bidders cannot withdraw or lower their Bids (in terms of quantity of the Equity Shares or the Bid Amount) at any stage and are required to pay the full Bid Amount upon submission of the Bid. QIBs (other than Anchor Investors) and Non-Institutional Bidders are mandatorily required to submit their Bids through the ASBA process.**

In case of the Non-Institutional Bidders, if the Bid Amount reduces to ₹ 200,000 or less due to a revision of the Price Band, Bids by such Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off Price'.

(c) **For Bidders in the Anchor Investor Portion:** The Bid must be for a minimum of such number of the Equity Shares such that the Bid Amount is at least ₹ 100 million and in multiples of [•] Equity Shares thereafter. Bids by QIBs (qualifying as Anchor Investors) in the Anchor Investor Portion by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids. A Bid **cannot** be submitted for more than 30% of the QIB Portion under the Anchor Investor Portion. Anchor Investors are not allowed to submit their Bid through the ASBA process. **Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of the Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised Allotment Advice. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.**

Information for the Bidders:

(a) Our Company, the Selling Shareholders and the BRLMs shall declare the Bid/ Issue Opening Date and Bid/ Issue Closing Date in the Red Herring Prospectus to be registered with the RoC and also publish the same in: (i) [●] edition of English national newspaper [●]; (ii) [●] edition of Hindi national newspaper [●]; and (iii) [●] edition of the regional language newspaper [●], each with wide circulation. This advertisement shall be in the prescribed format.

(b) Our Company and the Selling Shareholders in consultation with the BRLMs will decide the Price Band and the minimum Bid lot size and the same shall be advertised in: (i) [●] edition of English national newspaper [●]; (ii) [●] edition of Hindi national newspaper [●]; and (iii) [●] edition of the regional language newspaper [●], each with wide circulation at least five Working Days prior to the Bid/ Issue Opening Date with the relevant financial ratios calculated at the Floor Price and at the Cap Price. Such information shall also be disclosed to the Stock Exchanges for dissemination through, and shall be prefilled in the Bid cum Application Forms available on, the Stock Exchanges' websites and Registered Broker terminals. The Syndicate, the SCSBs and the Registered Brokers shall accept Bids from the Bidders during the Bid/ Issue Period.

(c) 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: (i) [●] edition of English national newspaper [●]; (ii) [●] edition of Hindi national newspaper [●]; and (iii) [●] edition of the regional language newspaper [●], each with wide circulation and also by indicating the change on the websites of the BRLMs and at the terminals of the Syndicate and the Registered Brokers.

(d) Our Company will file the Red Herring Prospectus with the RoC at least three days before the Bid/ Issue Opening Date.

(e) Copies of the Bid cum Application Form in the physical form will be available with the Syndicate, the SCSBs and the Registered Brokers. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges, the SCSBs and the terminals of the Registered Brokers. Copies of the Bid cum Application Form and the Red Herring Prospectus for Anchor Investors can be obtained from the BRLMs. Copies of the Red Herring Prospectus will be available at the Registered Office of our Company and will be made available by the BRLMs upon request.

(f) Eligible Bidders who are interested in purchasing the Equity Shares should approach any of the members of the Syndicate or their authorised agent(s) or the Registered Brokers to register their Bids. Bidders who wish to use the ASBA process should approach the Designated Branches, the Syndicate (only in the Specified Cities) or the Registered Brokers (at Broker Centres), to register their Bids. Bidders applying through the ASBA process also have an option to (i) submit the Bid cum Application Form in electronic form; (ii) submit Bids through the Syndicate in the Specified Cities; or (iii) submit Bids through the Registered Brokers. QIBs (other than Anchor Investors) and Non-Institutional Bidders can participate in the Issue only through the ASBA process. Retail Individual Bidders have the option to Bid through the ASBA process or the non-ASBA process.

(g) The Bids should be submitted on the prescribed Bid cum Application Form only. The Bid cum Application Forms submitted to a member of the Syndicate should bear the stamp of the member of the Syndicate, otherwise they are liable to be rejected. The Bid cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch and/or the Syndicate in the Specified Cities, if not, the same are liable to be rejected. Further, Bid cum Applications Forms submitted to the Registered Brokers should bear the stamp of the Registered Brokers, otherwise they are liable to be rejected.

(h) ASBA Bids can be submitted (i) in physical mode, to the Syndicate in the Specified Cities only or to the Registered Brokers; or (ii) either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained.

(i) ASBA Bidders should also note that Bid cum Application Forms submitted to the Syndicate in the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the Syndicate to deposit Bid cum Application Forms (A list of such branches is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries). ASBA Bidders bidding through a Registered Broker should note that Bid cum Application Forms submitted to the Registered Brokers will not be accepted if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the Registered Brokers to deposit Bid cum Application Forms. ASBA Bidders bidding directly through the SCSBs, in physical mode, should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained. 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.

(j) Except for Bids by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of a Bid in joint names, the First Bidder, should mention his/ her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. Any Bid cum Application Form without the PAN is liable to be rejected. With effect from August 16, 2010, the beneficiary accounts of Bidders for whom PAN details have not been verified will be "suspended for credit" by the Depositories, and no credit of the Equity Shares pursuant to the Issue will be made in the accounts of such Bidders.

See the section "Issue Procedure – Grounds for Technical Rejections" on page 421, for information on rejection of Bids.

The Bidders should note that in case the DP ID, Client ID and PAN mentioned in the Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the Syndicate or the SCSBs or the Registered Brokers do not match with the DP ID, Client ID and PAN available in the database of Depositories, the Bid cum Application Form is liable to be rejected and our Company and the Selling Shareholders, the Syndicate, the SCSBs, the Registered Brokers and shall not be liable for losses, if any.

Pre- Issue Advertisement

Subject to section 66 of the Companies Act, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre- Issue advertisement, in the form prescribed by the SEBI Regulations, in: (i) [●] edition of English national newspaper [●]; (ii) [●] edition of Hindi national newspaper [●]; and (iii) [●] edition of the regional language newspaper [●], each with wide circulation.

Method and Process of Bidding

(a) Our Company and the Selling Shareholders in consultation with the BRLMs will decide the Price Band and the minimum Bid lot size and the same shall be advertised in: (i) [●] edition of English national newspaper [●]; (ii) [●] edition of Hindi national newspaper [●]; and (iii) [●] edition of the regional language newspaper [●], each with wide circulation at least five Working Days prior to the Bid/ Issue Opening Date with the relevant financial ratios calculated at the Floor Price and at the Cap Price. Such information shall also be disclosed to the Stock Exchanges for dissemination through, and shall be prefilled in the Bid cum Application Forms available on the websites of the Stock Exchanges, the SCSBs and the terminals of the Registered Brokers. The Syndicate, the SCSBs and the Registered Brokers shall accept Bids from the Bidders during the Bid/ Issue Period.

(b) 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: (i) [●] edition of English national newspaper [●]; (ii) [●] edition of Hindi national newspaper [●]; and (iii) [●] edition of the regional language newspaper [●], each with wide circulation and also by indicating the change on the websites of the BRLMs and at the terminals of the Syndicate Members, the SCSBs and the Registered Brokers.

(c) During the Bid/Issue Period, non-ASBA Bidders should approach the Syndicate (or their authorised agents) or the Registered Brokers to register their Bids. With respect to ASBA Bidders, the Bid cum Application Form or the Revision Form shall be submitted (i) either in electronic form through the internet banking facility available with the SCSBs or any other electronically enabled mechanism for bidding; or (ii) in physical form, to the Designated Branches or to the Syndicate in the Specified Cities; or (iii) to the Registered Brokers in the Broker Centers. The Syndicate shall accept Bids from all non-ASBA Bidders and from the ASBA Bidders in Specified Cities and it shall have the right to vet the Bids during the Bid/ Issue Period in accordance with the terms of the Red Herring Prospectus.

(d) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled "Bids at Different Price Levels and Revision of Bids" below) within the Price Band and specify the demand (i.e., the number of the Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of the Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.

(e) The Bidder cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a member of the Syndicate, the SCSBs or the Registered Brokers, as the case maybe. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker will be treated as multiple Bid and is liable to be rejected either before entering the Bid into the online IPO system, or at any point of time prior to the allocation or Allotment of the Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph "Build up of the Book and Revision of Bids" on page 407. Further, QIBs and Non-Institutional Bidders cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

(f) Except in relation to the Bids received from the Anchor Investors, the Syndicate, the SCSBs or the Registered Brokers as the case may be, will enter each Bid option into the online IPO system as a separate Bid and generate a Transaction Registration Slip, ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.

(g) The BRLMs shall accept the Bids from the Anchor Investors during the Anchor Investor Bid/ Issue Period i.e. one working day prior to the Bid/ Issue Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.

(h) Along with the Bid cum Application Form, all non-ASBA Bidders will make payment in the manner described in "Escrow Mechanism - Terms of payment and payment into the Escrow Accounts" in the section "Issue Procedure" beginning on page 394.

(i) With respect to ASBA Bidders, upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form, prior to uploading such Bids into the online IPO system of the Stock Exchanges. If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the online IPO system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.

(j) The Bid Amount shall remain deposited in the Escrow Account or blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted the Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal (by Retail Individual Bidders) /rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Escrow Bank and the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the deposited amount or the blocked amount shall be refunded or unblocked, as applicable, on receipt of such information from the Registrar to the Issue.

INVESTORS ARE ADVISED NOT TO SUBMIT THE BID CUM APPLICATION FORMS TO THE ESCROW COLLECTION BANKS. BIDS SUBMITTED TO THE ESCROW COLLECTION BANKS SHALL BE REJECTED AND SUCH BIDDERS SHALL NOT BE ENTITLED TO ANY COMPENSATION ON ACCOUNT OF SUCH REJECTION.

Bids at Different Price Levels and Revision of Bids

(a) Our Company and the Selling Shareholders, in consultation with the BRLMs and without the prior approval of, or intimation, to the Bidders, reserve the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the Face Value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed at least five Working Days prior to the Bid/ Issue Opening Date and the Cap Price will be revised accordingly.

(b) Our Company in consultation with the BRLMs will finalise the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.

(c) Our Company in consultation with the BRLMs can finalise the Anchor Investor Issue Price within the Price Band, without the prior approval of, or intimation, to the Anchor Investors.

(d) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of the Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.

(e) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders applying through non ASBA process shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate or the Registered Brokers. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIBs) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price. In the event the Bid Amount is higher than the subscription amount payable by Retail Individual Bidders who Bid at the Cut-off Price, such Retail Individual Bidders will receive refunds of the excess amounts in the manner provided in the Red Herring Prospectus.

(f) In accordance with the SEBI Regulations, QIBs and Non-Institutional Bidders are not permitted to lower the size of their Bids (in terms of quantity of the Equity Shares or the Bid Amount) at any stage. QIBs and Non-Institutional Bidders may revise their Bids upwards (in terms of quantity of the Equity Shares or Bid Amount) during the Bid/Issue Period. Such upward revision must be made using the Revision Form. Retail Individual Bidders can revise their Bids during the Bid/Issue Period and withdraw their Bids until finalisation of the Basis of Allotment.

Escrow mechanism, terms of payment and payment into the Escrow Accounts

For details of the escrow mechanism and payment instructions, see "Issue Procedure - Payment Instructions" at page 417.

Electronic Registration of Bids

(a) The Syndicate, the SCSBs and the Registered Brokers will upload the Bids received, except Bids received from Anchor Investors, using the online IPO facilities of the Stock Exchanges.

(b) The Syndicate, the SCSBs and the Registered Brokers will undertake modification of selected fields in the Bid details already uploaded within one Working Day from the Bid/ Issue Closing Date.

(c) There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Bids are being accepted.

(d) None of the BRLMs, our Company or the Selling Shareholders or the Registrar to the Issue shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the Syndicate Members, the SCSBs or the Registered Brokers; (ii) the Bids uploaded by the Syndicate Members, the SCSBs or the Registered Brokers; (iii) the Bids accepted but not uploaded by the Syndicate Members, the SCSBs or the Registered Brokers; or (iv) with respect to Bids by ASBA Bidders, Bids accepted and uploaded without blocking funds in the ASBA Accounts.

(e) An SCSB shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by such SCSB, (ii) the Bids uploaded by such SCSB, (iii) the Bids accepted but not uploaded by such SCSB and (iv) Bids accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Bids uploaded by such SCSB, the full Bid Amount has been blocked in the relevant ASBA Account. A Registered Broker shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to (i) the Bids accepted by such Registered Broker, (ii) the Bids uploaded by such Registered Broker, (iii) Bids accepted but not uploaded by such Registered Broker. With respect to Bids by ASBA Bidders, which are accepted and uploaded by a Registered Broker, the Designated Branches of the relevant SCSB, which receives the relevant schedule (along with Bid cum Application Forms) will be responsible for blocking the necessary amounts in the ASBA Accounts.

(f) The Stock Exchanges will offer an electronic facility for registering Bids for the Issue. This facility will be available with the Syndicate (and their authorised agents), the SCSBs and the Registered Brokers during the Bid/ Issue Period. The Syndicate and the Designated Branches can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the online IPO facilities for Book Building on a regular basis. On the Bid/ Issue Closing Date, the Syndicate and the Designated Branches shall upload the Bids till such time as may be permitted by the Stock Exchanges. Details of Bids in the Anchor Investor Portion will not be registered using the online IPO facilities of the Stock Exchanges. This information will be available with the Syndicate on a regular basis.

(g) The Syndicate, the SCSBs and the Registered Brokers will undertake modification of selected fields in the
Bid details already uploaded within one Working Day from the Bid/Issue Closing Date to amend some of the data fields (currently DP ID and Client ID) entered by them in the online IPO system. Bidders are cautioned that a high inflow of Bids typically experienced on the last Working Day of the Bid/Issue Period 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 uploaded will not be considered for allocation. Bids will only be accepted on the Working Days.

(h) 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 as available on the websites of the Stock Exchanges would be made available at the bidding centres during the Bid/ Issue Period.

(i) At the time of registering each non-ASBA Bid, the Syndicate or the Registered Brokers, as the case may be, shall enter the following details of the Bidders in the online IPO system:

1. Bid cum Application Form number;
2. PAN (of the sole/ First Bidder);
3. Investor Category;
4. DP ID and Client ID; and
5. Bid Amount;
6. Cheque number;
7. Number of the Equity Shares Bid for; and
8. Price per Equity Share.

With respect to Bids by ASBA Bidders, at the time of registering such Bids, the SCSBs shall enter the following information pertaining to the ASBA Bidders into the online IPO system:

1. Bid cum Application Form number;
2. PAN (of the sole/ First Bidder);
3. Investor Category;
4. DP ID and Client ID;
5. Numbers of the Equity Shares Bid for;
6. Price per Equity Share;
7. Bid Amount blocked; and
8. Bank account number;

With respect to ASBA Bids submitted to the Syndicate (at the Specified Cities) or to the Registered Brokers, at the time of registering each Bid, the Syndicate or the Registered Brokers, as the case may be, shall enter the following details on the online IPO system:

1. Bid cum Application Form number;
2. PAN (of the sole/First Bidder);
3. Investor category;
4. DP ID and Client ID;
5. Number of the Equity Shares Bid for;
6. Price per Equity Share;
7. Bank code for the SCSB where the ASBA Account is maintained;
8. Name of Specified City or location of the Broker Centre, as the case may be;
9. Bid Amount; and
10. Bank account number.

(j) TRS will be generated for each of the bidding options when the Bid is registered. **It is the Bidder's responsibility to obtain the TRS from the Syndicate, the Designated Branches or the Registered Brokers, as the case may be.** The registration of the Bid by the Syndicate, the Designated Branches or the Registered Bidders or the Designated Branches does not guarantee that the Equity Shares shall be allocated / Allotted either by the Syndicate, our Company or the Selling Shareholders.

(k) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(l) Bids made at the Broker Centres shall be stamped and acknowledged by the Registered Brokers at the time of receipt, which shall form the basis of any complaint for the Bidder.

(m) In case of QIBs, the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) the Syndicate (only in the Specified Cities) shall have the right to reject the Bid at the time of receiving it, provided that a reason for such rejection shall be provided to such Bidders in writing. Further, the Bids may be rejected on technical grounds listed herein. The Registered Brokers shall have no right to reject Bids, except on technical grounds.

(n) 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, the Selling Shareholders and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the Selling Shareholders, our Promoters, the 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 this 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.

(o) Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/ Allotment. The Syndicate, the SCSBs and the Registered Brokers will be given up to one Working Day after the Bid/ Issue Closing Date to verify DP ID and Client ID uploaded in the online IPO system during the Bid/ Issue Period after which the Registrar to the Issue will receive this data from the Stock Exchanges and will validate such electronic bid details with the records of the Depositories. In case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Bids are liable to be rejected.

(p) Details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details.

(q) Details of Bids in the Anchor Investor Portion will not be registered on the online IPO facilities of the electronic facilities of the Stock Exchanges.

Build up of the book and revision of Bids

(a) Bids received from various Bidders through the Syndicate, the SCSBs and the Registered Brokers shall be electronically uploaded to the online IPO system of 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 BRLMs at the end of the Bid/ Issue Period.

(c) Retail Individual Bidders are permitted to revise their Bids during the Bid/Issue Period. However, QIBs and Non-Institutional Bidders cannot lower the size of their Bids (in terms of quantity of the Equity Shares or the Bid Amount) at any stage though it is possible to revise their Bids upwards (in terms of quantity of the Equity Shares or Bid Amount) during the Bid/Issue Period. Such upward revision must be made using the Revision Form.

(d) Revisions can be made in both the desired number of the Equity Shares and the price per Equity Share by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of unchanged options as per the Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and such Bidder is changing only one option in the Revision Form, the Bidder must still fill the details of the other two options that are not being revised, in the Revision Form. The Syndicate, the SCSBs and the Registered Brokers will not accept incomplete or inaccurate Revision Forms.

(e) For any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate, the SCSB or the Registered Broker 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) In case of an upward revision in the Price Band, Retail Individual Bidders who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e. the original Bid Amount plus additional payment does not exceed ₹ 200,000 if the Bidder wants to continue to Bid at Cut-off Price), with the Syndicate, the SCSBs or the Registered Broker, as the case maybe, to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid submitted through the ASBA process will be considered for allocation under the Non-Institutional Portion in terms of the Red Herring Prospectus and non-ASBA Bids will be liable to be rejected. If, however, the Retail Individual Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of the Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Retail Individual Bidder and the Retail Individual Bidder is deemed to have approved such revised Bid at Cut-off Price.

(g) In case of a downward revision in the Price Band, Retail Individual Bidders who have Bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account or unblocked by the SCSBs.

(h) Our Company and the Selling Shareholders, in consultation with the BRLMs, shall decide the minimum number of the Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000.

(i) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. In relation to the ASBA Bidders, if revision of the ASBA Bid results in an additional amount, the relevant SCSB to block the additional Bid Amount. In such cases, the Syndicate, the SCSBs or the Registered Brokers, as the case may be, will revise the earlier Bid details with the revised Bid and provide the cheque or demand draft number or the ASBA Account 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.

(j) When a Bidder revises his or her Bid, he or she should surrender the earlier TRS and request for a revised TRS from the Syndicate, the SCSBs or the Registered Brokers, 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.

(k) If Retail Individual Bidder wants to withdraw its Bid during the Bid/Issue Period, such Bidder shall submit the withdrawal request to the Syndicate or to the SCSB or to the Registered Brokers, as the case may be, which shall perform the necessary actions, including deletion of details of the withdrawn Bid cum Application Form from the online IPO system of the Stock Exchanges and unblocking of funds in the relevant bank account or refund of Bid Amount. In accordance with the SEBI Regulations, QIBs bidding in the QIB Portion and the Non-Institutional Bidders bidding in the Non Institutional Portion are not allowed to withdraw their Bids at any stage.

(l) If a Retail Individual Bidder wants to withdraw its Bid after the Bid/Issue Closing Date, such Bidder shall submit the withdrawal request to the Registrar to the Issue before finalization of basis of Allotment. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file. The instruction for unblocking of funds in the relevant bank account or a refund of Bid Amount, in such withdrawals, shall be forwarded by the Registrar to the Issue to the SCSB or the Escrow Banks once the Basis of Allotment has been approved by the Designated Stock Exchange.

Price Discovery and Allocation

(a) Based on the demand generated at various price levels, our Company in consultation with the BRLMs, shall finalise the Issue Price and the Anchor Investor Issue Price.

(b) Under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange.

(c) Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs and FIIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.

(d) Allocation to Anchor Investors shall be at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs, subject to compliance with the SEBI Regulations.

(e) The Basis of Allotment shall be made available on the website of the Registrar to the Issue.

(f) 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, the SCSBs and the Registered Brokers shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Bid data in the online IPO system of the Stock Exchanges. In order that the data so captured is accurate the members of the Syndicate, the SCSBs and the Registered Brokers will be given up to one Working Day after the Bid/Issue Closing Date to modify/ verify certain selected fields uploaded in the online IPO system during the Issue Period after which the data will be sent to the Registrar to the Issue for reconciliation with the data available with the NSDL and CDSL.

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company, the Selling Shareholders and the BRLMs intend to enter into an Underwriting Agreement after the finalisation of the Issue Price.

(b) After signing the Underwriting Agreement, our Company and the Selling Shareholders will update and file the updated Red Herring Prospectus with the RoC in accordance with the applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Issue Price, the Anchor Investor Issue Price, Issue size, and underwriting arrangements and will be complete in all material respects.

Advertisement regarding Issue Price and Prospectus

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price and the Anchor Investor Issue Price. Any material updates between the date of the Prospectus and the date of such advertisement will be included in such statutory advertisement.

Notice to Anchor Investors: Allotment Reconciliation and Allotment Advice

A physical book will be prepared by the Registrar on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs, selected Anchor Investors will be sent CAN indicating the number of the Equity Shares that may be allocated to them after the Anchor Investor Bid/Issue Period. In the event that the Issue Price is higher than the Anchor Investor Issue Price, the Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of the Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors should note that they shall be required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. The revised CAN will constitute a valid, binding and irrevocable contract (subject to the issue of Allotment Advice) for the Anchor Investor to pay the difference between the Issue Price and the Anchor Investor Issue Price and accordingly the Allotment Advice will be issued to such Anchor Investors. In the event the Issue Price is lower than the Anchor Investor Issue Price, the Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice. The Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment of the Equity Shares to such Anchor Investors.

The final allocation is subject to the physical application being valid in all respect along with receipt of stipulated documents, the Issue Price being finalised at a price not higher than the Anchor Investor Issue Price and Allotment by the Board of Directors.

Designated Date and Allotment of the Equity Shares:

(a) Our Company and the Selling Shareholders will ensure that: (i) the Allotment of the Equity Shares; and (ii) credit to the successful Bidder's depositary account will be completed within 12 Working Days of the Bid/ Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, our Company and the Selling Shareholders will ensure the credit to the successful Bidder's depository account is completed within two Working Days from the date of Allotment.

(b) In accordance with the SEBI Regulations, the Equity Shares will be transferred 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 Allotted to them pursuant to this Issue.

Issuance of Allotment Advice

(a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, our Company shall pass necessary corporate action to facilitate the Allotment of the Equity Shares.

(b) Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders who have been Allotted Equity Shares in the Issue.

(c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

(d) The Issuance of Allotment Advice is subject to "Notice to Anchor Investors - Allotment Reconciliation and Allotment Advice" as set forth above.

GENERAL INSTRUCTIONS

Do's:

(a) Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law;

(b) Ensure that you have Bid within the Price Band;

(c) Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

(d) Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active as Allotment of the Equity Shares will be in the dematerialised form only;

(e) Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of the Syndicate (except in case of electronic forms) or with respect to ASBA Bidders, ensure that your Bid is submitted either to a member of the Syndicate (only in the Specified Cities), a Designated Branch of the SCSB or to a Registered Broker where the ASBA Bidder or the person whose bank account will be utilised by the ASBA Bidder for bidding has a bank account.

(f) In relation to the ASBA Bids, ensure that your Bid cum Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Syndicate in the Specified Cities or with a Registered Broker, and not to the Escrow Collecting Banks (assuming that such bank is not a SCSB) or to our Company or the Selling Shareholders or the Registrar to the Issue;

(g) With respect to Bids by ASBA Bidders ensure that the Bid cum Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

(h) QIBs (other than Anchor Investors) and the Non-Institutional Bidders should submit their Bids through the ASBA process only;

(i) With respect to Bids by SCSBs ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Bid;

(j) Ensure that you request for and receive a TRS for all your Bid options;

(k) Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to the respective member of the Syndicate (only in Specified Cities), the Designated Branch or the Registered Broker;

(l) Ensure that you have funds equal to the Bid Amount in your bank account before submitting the Bid cum Application Form under non-ASBA process to the Syndicate or the Registered Brokers;

(m) With respect to non-ASBA Bids, ensure that the full Bid Amount is paid for the Bids and with respect to ASBA Bids, ensure funds equivalent to the Bid Amount are blocked;

(n) Instruct your respective banks to not release the funds blocked in the ASBA Account under the ASBA process;

(o) Submit revised Bids to the same Syndicate, SCSB or Registered Broker, as applicable, through whom the original Bid was placed and obtain a revised TRS;

(p) Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;

(q) Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;

(r) Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

(s) Ensure that the signature of the sole Bidder/ First Bidder, in case of joint Bids, is included in the Bid cum Application Forms.

(t) Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

(u) Ensure that the category and sub-category is indicated;

(v) Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;

(w) Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;

(x) Ensure that the DP ID, the Client ID and the PAN mentioned in the Bid cum Application Form and entered into the online IPO system of the stock exchanges by the Syndicate, the SCSBs or the Registered Brokers, as the case may be, match with the DP ID, Client ID and PAN available in the Depository database;

(y) In relation to the ASBA Bids, ensure that you use the Bid cum Application Form bearing the stamp of the Syndicate (in Specified Cities) and/or relevant SCSB and/ or the Designated Branch and/ or the the Registered Broker (except in case of electronic forms);

(z) Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;

(aa) ASBA Bidders bidding through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only in the Specified Cities and that the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has named at least one branch at that location for the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries). ASBA Bidders bidding through a Registered Broker should ensure that the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has named at least one branch at that location for the Registered Brokers to deposit Bid cum Application Forms.

(bb) Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;

(cc) In relation to the ASBA Bids, ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form; and

(dd) In relation to the ASBA Bids, ensure that you receive an acknowledgement from the Designated Branch or from the Syndicate in the Specified Cities or from the Registered Broker, as the case may be, for the submission of your Bid cum Application Form.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don’ts:

(a) Do not Bid for lower than the minimum Bid size;

(b) Do not Bid/ revise Bid Amount to less than the Floor Price or higher than the Cap Price;

(c) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the Syndicate, the SCSBs or the Registered Brokers, as applicable.

(d) Do not pay the Bid Amount in cash, by money order or by postal order or by stockinvest;

(e) Do not send Bid cum Application Forms by post; instead submit the same to the Syndicate, the SCSBs or the Registered Brokers only;

(f) Do not submit the Bid cum Application Forms to the Escrow Collection Bank(s), our Company, the Selling Shareholders or the Registrar to the Issue;

(g) Do not Bid on a Bid cum Application Form that does not have the stamp of the Syndicate, the Registered Brokers or the SCSBs;

(h) Anchor Investors should not Bid through ASBA process;

(i) QIBs and Non-Institutional Bidders should not withdraw or lower the size of their Bids at any stage after submission of the Bid;

(j) Do not Bid at Cut-off Price (for QIBs and Non-Institutional Bidders);

(k) Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders);

(l) Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue Size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

(m) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground;

(n) Do not submit the Bids without the full Bid Amount;

(o) Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;

(p) Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

(q) If you are a QIB, do not submit your Bid after 3.00 pm on the QIB Bid/Issue Closing Date;

(r) If you are a Non Institutional Bidder or Retail Individual Bidder, do not submit your Bid after 3.00 pm on the Bid/Issue Closing Date;

(s) Do not Bid if you are not competent to contract under the Indian Contract Act, 1872;

(t) Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage if you are a QIB or a Non-Institutional Bidder;

(u) Do not submit more than five Bid cum Application Forms per ASBA Account;

(v) Do not submit ASBA Bids to a member of the Syndicate at a location other than the Specified Cities or to brokers other than Registered Brokers; and

(w) Do not submit ASBA Bids to a member of the Syndicate in the Specified Cities unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at-least one branch in the relevant Specified City, for the Syndicate to deposit Bid cum Application

Forms (A list of such branches is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/ Recognised-Intermediaries).

(x) Do not submit ASBA Bids to a Registered Broker unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at-least one branch in that location for the Registered Broker to deposit Bid cum Application Forms.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

Bids must be:

(a) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable.

(b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected. Bidders should note that the Syndicate or the SCSBs or the Registered Brokers, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Bid cum Application Forms or Revision Forms.

(c) Information provided by the Bidders will be uploaded in the online IPO system by the Syndicate, the Registered Brokers or the SCSBs, as the case may be, and the electronic data will be used to make allocation/ Allotment. The Bidders should ensure that the details are correct and legible.

(d) For Retail Individual Bidders, the Bid must be for a minimum of [•] Equity Shares and in multiples of [•] thereafter subject to a maximum Bid Amount of ₹ 200,000.

(e) For Non-Institutional Bidders and QIBs, Bids must be for a minimum of such number of the Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of [•] Equity Shares thereafter. Bids cannot be made for more than the Issue size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of the Equity Shares that can be held by them under the applicable laws or regulations. Bids must be submitted through ASBA process only.

(f) For Anchor Investors, Bids must be for a minimum of such number of the Equity Shares that the Bid Amount exceeds or equal to ₹ 100 million and in multiples of [•] Equity Shares thereafter. Bids by various schemes of a Mutual Fund in the Anchor Investor Category shall be considered together for the purpose of calculation of the minimum Bid Amount of ₹ 100 million.

(g) In single name or in joint names. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders.

(h) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bidder's PAN, Depository Account and Bank Account Details

Bidders should note that on the basis of PAN, DP ID and Client ID of the Bidders provided by them in the Bid cum Application Form, and as entered by the Syndicate, the SCSB or the Registered Broker while registering the Bid, the Registrar will obtain from the Depository the demographic details including PAN, address, Bidders bank account details, MICR code and occupation (hereinafter referred to as "Demographic Details"). These bank account details would be used for giving refunds (including

through physical refund warrants, direct credit, NECS, NEFT and RTGS) or unblocking of ASBA Account. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch/ credit of refunds to Bidders or unblocking of ASBA Account at the Bidders sole risk and neither the Syndicate or the Registrar or the Escrow Collection Banks or the SCSBs nor our Company or the Selling Shareholders shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DP ID, CLIENT ID AND PAN IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER, CLIENT ID AND PERMANENT ACCOUNT NUMBER GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE DEPOSITORY DATABASE. IN CASE OF JOINT BIDS, THE BID CUM APPLICATION FORM SHOULD CONTAIN ONLY THE NAME OF THE FIRST BIDDER WHOSE NAME SHOULD ALSO APPEAR AS THE FIRST HOLDER OF THE BENEFICIARY ACCOUNT HELD IN JOINT NAMES. THE SIGNATURE OF ONLY SUCH FIRST BIDDER WOULD BE REQUIRED IN THE BID CUM APPLICATION FORM AND SUCH FIRST BIDDER WOULD BE DEEMED TO HAVE SIGNED ON BEHALF OF THE JOINT HOLDERS.

Bidders may note that in case the DP ID, Client ID and PAN mentioned in the Bid cum Application Form, as the case may be and entered into the online IPO system of the stock exchanges by the Syndicate, the SCSBs or the Registered Brokers do not match with the DP ID, Client ID and PAN available in the Depository database, the Bid cum Application Form is liable to be rejected our Company, the Selling Shareholders and members of the Syndicate/SCSBs/Registered Broker shall not be liable for losses, if any.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/CANs/Allotment Advice and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid cum Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to the Issue.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Refund orders/ Allotment Advice 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 may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In case of refunds through electronic modes as detailed in the Red Herring Prospectus, refunds may be delayed if bank particulars obtained from the Depository are incorrect. In such an event, the address and other details given by the non-ASBA Bidder in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at such Bidder's sole risk and neither our Company, the Selling Shareholders nor the Escrow Collection Banks, Registrar and the BRLMs shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches the parameters, namely, PAN of the Bidder and the DP ID and Client ID, then such Bids are liable to be rejected.

Bids by Non-Residents including Eligible NRIs, Eligible QFIs, FIIs and Foreign Venture Capital Investors on a repatriation basis

Bids and revision to Bids must be made in the following manner:

1. On the Bid cum Application Form or the Revision Form, as applicable (Blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

2. In a single name or joint names. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders.

3. Bids on a repatriation basis shall be in the names of individuals, or in the name of FIIs, Eligible QFIs or FVCIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding Eligible NRIs or Eligible QFIs) or their nominees.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission.

There is no reservation for Eligible NRIs, Eligible QFIs or FIIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, Eligible QFIs, insurance companies and provident funds with a minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof.

In addition to the above, certain additional documents are required to be submitted by the following entities:

(a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.

(b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.

(c) With respect to Bids made by provident funds with a minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.

(d) With respect to Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form.

(e) Our Company, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company and the BRLMs may deem fit.

Submission of Bid cum Application Forms or Revision Forms

With respect to non-ASBA Bidders, all Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the Syndicate or the Registered Brokers at the time of submission of the Bid. With respect to ASBA Bidders, the Bid cum Application Form or the

Revision Form shall be submitted (i) either in physical form to the Designated Branches or in electronic form through the internet banking facility available with the SCSBs or any other electronically enabled mechanism for bidding; or (ii) to the Syndicate in the Specified Cities; or (iii) to the Registered Brokers.

PAYMENT INSTRUCTIONS

Escrow Mechanism for non-ASBA Bidders

Our Company, the Selling Shareholders and the Syndicate shall open Escrow Account(s) 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 would be deposited in the Escrow Account. Please note that the escrow mechanism is applicable only to the Bidders applying through the non-ASBA process.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Bidders 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 the Equity Shares (including the amount due to the Selling Shareholders and other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the BRLMs, the Escrow Collection Banks and the Registrar to facilitate collections from the Bidders.

Payment mechanism for ASBA Bidders

The ASBA Bidders shall specify the bank account number in the Bid cum Application Form and the SCSB shall block an amount equivalent to the Bid Amount in the bank account specified in the Bid cum Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal (by Retail Individual Bidders) / rejection of the ASBA Bid or receipt of instructions from the Registrar to unblock the Bid Amount. In the event of withdrawal (by Retail Individual Bidders) or rejection of the Bid cum Application Form or for unsuccessful Bid cum Application Forms, the Registrar shall give instructions to the SCSB to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Bids by ASBA Bidder, as the case may be.

In case of Bids by SCSBs, the SCSB (which is the Bidder) shall ensure that it has a separate account in its own name with any other SCSB, having clear demarcated funds, for applying under the ASBA process and that such separate account (held with any other SCSB) is used as the ASBA Account with respect to its Bid.

In case of Bids by FIIs, a special Rupee Account should be mentioned in the Bid cum Application Form, for blocking of funds, along with documentary evidence in support of the remittance.

In case of Bids by Eligible NRIs applying on repatriation basis, a Non-Resident External ("NRE") Account or a Foreign Currency Non-Resident ("FCNR") Account, maintained with banks authorised to deal in foreign exchange in India, should be mentioned in the Bid cum Application Form for blocking of funds, along with documentary evidence in support of the remittance.

In case of Bids by Eligible NRIs applying on a non-repatriation basis, a NRE Account or a FCNR Account maintained with banks authorised to deal in foreign exchange in India or a Non-Resident Ordinary ("NRO")

Account, should be mentioned in the Bid cum Application Form for blocking of funds, along with documentary evidence in support of the remittance.

Payment into Escrow Account for non-ASBA Bidders

Each Bidder shall draw a cheque or demand draft or remit the funds electronically through the RTGS mechanism for the Bid Amount payable on the Bid as per the following terms:

1. All Bidders would be required to pay the full Bid Amount at the time of the submission of the Bid cum Application Form.

2. The Bidders shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the Syndicate or the Registered Brokers, as the case may be. If the payment is not made favouring the Escrow Account along with the Bid cum Application Form, the Bid of the Bidder shall be rejected. Bid cum Application Forms accompanied by cash/ stockinvest/money orders/postal orders will not be accepted.

3. The payment instruments for payment into the Escrow Account should be drawn in favour of:

   (a) In case of Resident Retail Individual Bidders: "[●]"

   (b) In case of Non-Resident Retail Individual Bidders: "[●]"

4. Anchor Investors would be required to pay the Bid Amount at the time of submission of the Bid cum Application Form. In the event of the Issue Price being higher than the price at which allocation is made to Anchor Investors, the Anchor Investors shall be required to pay such additional amount to the extent of shortfall between the price at which allocation is made to them and the Issue Price as per the pay-in date mentioned in the revised Allotment Advice. If the Issue Price is lower than the price at which allocation is made to Anchor Investors, the amount in excess of the Issue Price paid by Anchor Investors shall not be refunded to them.

5. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

   (a) In case of resident Anchor Investors: "[●]"

   (b) In case of non-resident Anchor Investors: "[●]"

6. In case of Bids by Eligible 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.

7. In case of Bids by Eligible NRIs applying on non-repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a NRO Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.

8. The monies deposited in the Escrow Account will be held for the benefit of the non-ASBA Bidders till the Designated Date.

9. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.

10. Payments should be made by cheque, or a demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the 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.

11. Payments made through cheques without the Magnetic Ink Character Recognition ("MICR") code will be rejected.

12. Bidders are advised to provide the number of the Bid cum Application Form on the reverse of the cheque or bank draft to avoid misuse of instruments submitted with the Bid cum Application Form.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders. All payments will be made out in favour of the First Bidder whose name appears 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 the Equity Shares required.

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of the Mutual Fund and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made. Bids by QIBs under the Anchor Investor Portion and the QIB Portion (excluding the Anchor Investor Portion) will not be treated as multiple Bids.

After submitting an ASBA Bid either in physical or electronic mode, where such ASBA Bid has been submitted to the SCSBs and uploaded with the Stock Exchanges, an ASBA Bidder cannot Bid (either in physical or electronic mode), to either the same or another Designated Branch of the SCSB or to the Syndicate in Specified Cities or to the Registered Broker. Submission of a second Bid in such manner will be deemed a multiple Bid and would be rejected before entering the Bid into the online IPO system or at any point of time prior to the allocation or Allotment of the Equity Shares in the Issue. However, ASBA Bidders may revise their Bids through the Revision Form, the procedure for which is described in "Build Up of the Book and Revision of Bids" above. Please note that QIBs and Non-Institutional Bidders are not permitted to withdraw or lower the size of their Bid(s) (in terms of quantity of the Equity Shares or the Bid Amount) at any stage.

More than one ASBA Bidder may Bid for the Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Bid cum Application Forms with respect to any single ASBA Account.

Duplicate copies of Bid cum Application Forms downloaded and printed from the website of the Stock Exchanges bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

Our Company, the Selling Shareholders and the BRLMs, reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories. In this regard, the procedure which would be followed by the Registrar to detect multiple Bids is given below:

1. All Bids will be checked for common PAN as per the records of Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN will be treated as multiple Bids and will be rejected.

2. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the Bidders for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Bids will be checked for common DP ID and Client ID. In any such Bids which have the same DP ID and Client ID, these will be treated as multiple Bids and will be rejected.

Permanent Account Number or PAN

Except for Bids on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in Sikkim, 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 circulars issued by SEBI, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. **Any Bid cum Application Form without the PAN is liable to be rejected, except for residents in the state of Sikkim, who are exempted from specifying their PAN for transactions in the securities market. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground**.

However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Bids, the Registrar will check under the Depository records for the appropriate description under the PAN field i.e. either Sikkim category or exempt category.

With effect from August 16, 2010, the beneficiary accounts of Bidders for whom PAN details have not been verified will be "suspended for credit" and no credit of the Equity Shares pursuant to the Issue will be made in the accounts of such Bidders.

Withdrawal of ASBA Bids

Retail Individual Bidders can withdraw their Bids until finalisation of Basis of Allotment. In case a Retail Individual Bidder wishes to withdraw the Bid during the Bid/Issue Period, the same can be done by submitting a request for the same to the concerned member of the Syndicate or the concerned SCSB, as applicable, who shall do the requisite, including unblocking the funds by the SCSBs in the ASBA Account. In case a Retail Individual Bidder wishes to withdraw the Bid after the Bid/Issue Period, the same can be done by submitting a withdrawal request to the Registrar until finalisation of the Basis of Allotment. The Registrar to the Issue shall give instructions to the SCSBs for unblocking the ASBA Account on the Designated Date.

QIBs and Non-Institutional Bidders cannot withdraw their Bids at any stage.

REJECTION OF BIDS

Our Company and the Selling Shareholders have a right to reject Bids based on technical grounds. Further, in case of QIBs, (i) the SCSBs (for Bids other than Bids by Anchor Investors); and (ii) the Syndicate (only in the Specified Cities), may at the time of submission of the Bid, reject such Bids provided that the reasons for rejecting the same shall be provided to such Bidders in writing. Consequent refunds shall be made by RTGS/NEFT/NECS/Direct Credit/cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk. With respect to Bids by ASBA Bidders, the Designated Branches shall have the right to reject

Bids by ASBA Bidders 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 Bid by ASBA Bidder by the SCSB, our Company would have a right to reject the ASBA Bids only on technical grounds.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected *inter alia* on the following technical grounds:

- DP ID and Client ID not mentioned in the Bid cum Application Form;
- Amount paid does not tally with the amount payable for the highest value of the Equity Shares Bid for. With respect to Bids by ASBA Bidders, the amounts mentioned in the Bid cum Application Form does not tally with the amount payable for the value of the Equity Shares Bid for;
- Application by the applicant SCSBs through blocking of funds with the same SCSBs;
- In case of partnership firms, the Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply. However, a limited liability partnership can apply in its own name;
- Bid by persons not competent to contract under the Indian Contract Act, 1872. However, our Company and the Selling Shareholders shall have the right to accept Bids belonging to an account for the benefit of a minor (under guardianship), solely based on information provided by the depositories;
- PAN not mentioned in the Bid cum Application Form except for Bids by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- GIR number furnished instead of PAN;
- Bids for lower number of the Equity Shares than the minimum specified for that category of investors;
- Bids at a price less than the Floor Price;
- Bids at a price more than the Cap Price;
- Signature of sole and/or First Bidder missing;
- Submission of more than five Bid cum Application Forms per bank account;
- Bids by Bidders whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
- Bids at Cut-off Price by Non-Institutional and QIBs;
- Bids for a Bid Amount of more than ₹ 200,000 by Retail Individual Bidders by applying through non-ASBA process;
- Bids for number of the Equity Shares which are not in multiples of [•];
- Category not indicated;
- Multiple Bids as defined in the Red Herring Prospectus;

- In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;

- Bids accompanied by stockinvest/money order/postal order/cash/ outstation cheques;

- Bid cum Application Forms does not have Bidder's depository account details or all the information required is not provided and the details given are incomplete or incorrect;

- Bid cum Application Forms not being signed by the ASBA account holder, if the account holder is different from the ASBA Bidder;

- Bid cum Application Form submitted to the Syndicate does not bear the stamp of the Syndicate or the Registered Brokers. ASBA Bids submitted directly to the SCSBs does not bear the stamp of the SCSB and/or the Designated Branch and/or the Syndicate, as the case may be;

- Bid cum Application Forms, submitted under the ASBA process, not having details of the ASBA Account to be blocked or not containing the authorization for blocking the Bid Amount in the bank account specified in the Bid cum Application Form;

- Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid/ Issue Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Forms;

- In case no corresponding record is available with the Depositories that matches the DP ID, Client ID and PAN;

- With respect to ASBA Bids, inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form at the time of blocking such Bid Amount in the bank account;

- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;

- Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;

- With respect to ASBA Bids, where no confirmation is received from SCSB for blocking of funds;

- Bids by QIBs (other than Anchor Investors) and Non-Institutional Bidders not submitted through ASBA process;

- Bids by QIBs (other than Anchor Investors) and Non-Institutional Bidders accompanied by cheque(s) or demand draft(s);

- ASBA Bids submitted to a member of the Syndicate at locations other than the Specified Cities and Bid cum Application Forms, under the ASBA process, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB), to our Company, the Selling Shareholders or the Registrar to the Issue;

- Bids by persons in the United States or by U.S. Persons (as defined in Regulation S) excluding persons who are both a U.S. QIB and a QP (as defined in this Draft Red Herring Prospectus);

- Bids by any person outside India if not in compliance with applicable foreign and Indian laws;

- Bids not uploaded on the terminals of the Stock Exchanges;

- Bids by QIBs submitted after 4.00 p.m. on the QIB Bid/ Issue Closing Date, Bids by Non-Institutional

Bidders submitted after 4.00 p.m. on the Bid/ Issue Closing Date, and Bids by Retail Individual Bidders submitted after 5.00 p.m. on the Bid/ Issue Closing Date unless extended by the Stock Exchanges, as applicable;

- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority; and

- Bids by OCBs.

Bid cum Application Forms can be rejected on the aforesaid technical grounds either at the time of their submission to the authorised agents of the Syndicate, the SCSBs or the Registered Brokers or at the time of finalisation of the Basis of Allotment.

IN CASE THE DP ID, CLIENT ID AND PAN MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ONLINE IPO SYSTEM OF THE STOCK EXCHANGES BY THE SYNDICATE /THE SCSBs DO NOT MATCH WITH THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE RECORDS WITH THE DEPOSITARIES, THE APPLICATION IS LIABLE TO BE REJECTED.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

As per the provisions of section 68B of the Companies Act, the Allotment of the Equity Shares in this Issue shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar:

- Agreement dated [●] among NSDL, our Company and the Registrar;

- Agreement dated [●] among CDSL, our Company and the Registrar.

All Bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

(a) A Bidder applying for the Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

(b) The Bidder must necessarily fill in the details (including the Client ID and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.

(c) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.

(d) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.

(e) Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

(f) Non transferable advice or refund orders will be directly sent to the Bidders by the Registrar to the Issue.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar quoting the full name of the sole or First Bidder, the Bid cum Application Form number, Bidders Depository Account Details, number of the Equity Shares applied for, date of Bid cum Application Form, name and address of the Syndicate or the Designated Branch of the SCSBs or the Registered Broker where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, bank account number in which the amount equivalent to the Bid Amount was blocked.

Bidders can contact the Compliance Officer or the Registrar in case of any pre- Issue or post- Issue related problems such as non-receipt of Allotment Advice, credit of Allotted Equity Shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Bids submitted to the Designated Branches or the Registered Brokers, the Bidders can contact the Designated Branches or the Registered Brokers.

PAYMENT OF REFUND

Non-ASBA Bidders must note that on the basis of Bidder's DP ID and Client ID provided by them in the Bid cum Application Form, the Registrar 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 to make refunds.

On the Designated Date and no later than 12 Working Days from the Bid/ Issue Closing Date, the Registrar to the Issue shall despatch refund orders for all amounts payable to unsuccessful non-ASBA Bidders and also the excess amount paid on bidding, if any, after adjusting for allocation/Allotment to such Bidders.

Mode of making refunds for non-ASBA Bidders

The payment of refund, if any, for non-ASBA Bidders would be done through various modes by any of the following:

1. 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.

2. Direct Credit – Applicants having bank accounts with the Refund Bank(s), as per the Demographic Details received from the Depositories, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Selling Shareholders.

3. RTGS – Bidders having a bank account with a bank branch which is RTGS-enabled as per the information available on the RBI's website and whose refund amount exceeds ₹ 0.2 million, will be eligible to receive refund through RTGS, provided the Demographic Details downloaded from the Depositories contain the nine digit MICR code of the Bidder's bank which can be mapped with the RBI data to obtain the corresponding Indian Financial System Code ("IFSC"). Any bank charges levied by the Refund Bank will be borne by the Selling Shareholders. Any bank charges levied by the Bidders' bank receiving the credit will be borne by the respective Bidders.

4. NEFT – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the IFSC, which can be linked to a MICR, if any, available to that particular bank branch. IFSC will be obtained from the website of the 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 of that particular bank branch and the payment of refund will be made to the applicants through this method.

5. For all other applicants, including those who have not updated their bank particulars with the MICR

code, the refund orders will be despatched through Speed Post/ Registered Post. 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 SCSBs to unblock the funds in the relevant ASBA Accounts to the extent of the Bid Amount specified in the Bid cum Application Forms or relevant part thereof, for withdrawn (by Retail Individual Bidders), rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid/ Issue Closing Date.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

With respect to non-ASBA Bidders, our Company shall ensure dispatch of Allotment Advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants of the Bidders and submit the documents pertaining to the Allotment to the Stock Exchanges within 12 Working Days from the Bid/ Issue Closing Date.

In case of applicants who receive refunds through NECS, NEFT, direct credit or RTGS, the refund instructions will be given to the clearing system within 12 Working Days from the Bid/ Issue Closing Date. A suitable communication shall be sent to the Bidders receiving refunds through this mode within 15 days from the Bid/ Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

Our Company shall 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 12 Working Days of the Bid/ Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, our Company further undertakes that:

- Allotment of the Equity Shares shall be made only in dematerialised form within 12 Working Days of the Bid/ Issue Closing Date; and

- With respect to non-ASBA Bidders, dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 12 Working Days of the Bid/ Issue Closing Date would be ensured. With respect to the ASBA Bidders, instructions for unblocking of the ASBA Bidder’s Bank Account shall be made within 12 Working Days from the Bid/ Issue Closing Date.

- Our Company and the Selling Shareholders shall pay interest at 15% p.a. for any delay beyond 15 days from the Bid/ Issue Closing Date, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within the 12 Working Days prescribed above. If such money is not repaid within eight days from the day our Company and the Selling Shareholders become liable to repay, our Company, the Selling Shareholders and every Director of our Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under the applicable law.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of section 68A of the Companies Act, which is reproduced below:

“*Any person who:*

(a) ***makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or***

(b) ***otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,***

***shall be punishable with imprisonment for a term which may extend to five years.*”**

BASIS OF ALLOTMENT

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

- The Issue size less Allotment to Non-Institutional and QIBs will 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.

- In the event, the Bids received from Retail Individual Bidders exceeds [●] Equity Shares, then the maximum number of Retail Individual Bidders who can be allocated/Allotted the minimum Bid Lot will be computed by dividing the total number of the Equity Shares available for allocation/Allotment to Retail Individual Investors by the minimum Bid Lot (“**Maximum RII Allottees**”). The allocation/Allotment to Retail Individual Investors will then be made in the following manner:

    - In the event the number of Retail Individual Bidders who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, (i) Retail Individual Bidders shall be allocated/ Allotted the minimum Bid Lot; and (ii) the balance Equity Shares, if any, remaining in the Retail Portion shall be allocated/ Allotted on a proportionate basis to the Retail Individual Bidders who have received allocation/Allotment as per (i) above for less than the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).

    - In the event the number of Retail Individual Bidders who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the Retail Individual Bidders (in that category) who will then be allocated/ Allotted minimum Bid Lot shall be determined on draw of lots basis.

    For further details, see the section “Issue Procedure – Illustration Explaining Procedure of Allotment to Retail Individual Bidders” on page 429.

- Each successful Retail Individual Bidder shall be Allotted a minimum number of [●] Equity Shares.

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. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.

- The Issue size less Allotment to QIBs and Retail Individual Bidders will 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.

- In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares, and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

C. For QIBs (other than Anchor Investors)

- Bids received from the QIBs at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all the successful QIBs will be made at the Issue Price.

- The QIB Portion will be available for Allotment to QIBs 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 (excluding Anchor Investor Portion) shall be determined as follows:

    (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Portion (excluding Anchor Investor Portion), allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion (excluding Anchor Investor Portion).

    (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion (excluding Anchor Investor Portion) then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.

    (iii) the Equity Shares not purchased, if any, not allocated to Mutual Funds will be available for Allotment to all QIBs 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 over-subscription in the QIB Portion, all QIBs 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, who have received allocation as per (a) above, for less than the number of the Equity Shares Bid for by them, are eligible to receive the Equity Shares on a proportionate basis along with other QIBs.

(iii) Under-subscription below 5% of the QIB Portion (excluding Anchor Investor Portion), if any, from Mutual Funds, would be included for allocation to the remaining QIBs on a proportionate basis.

- The aggregate Allotment to QIBs shall be not more than 50% of the Issue and [●] Equity Shares.

D. For Anchor Investor Portion

- Allocation of the Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs, subject to compliance with the following requirements:

  (a) not more than 30% of the QIB Portion will be allocated to Anchor Investors;

  (b) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and

  (c) allocation to Anchor Investors shall be on a discretionary basis and subject to:

    (i) a maximum number of two Anchor Investors for allocation up to ₹ 100 million;
    (ii) a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 100 million and up to ₹ 2,500 million subject to minimum allotment of ₹ 50 million per such Anchor Investor; and
    (iii) a minimum number of five Anchor Investors and maximum number of 25 Anchor Investors for allocation of more than ₹ 2,500 million subject to minimum allotment of ₹ 50 million per such Anchor Investor.

- In addition, Anchor Investors in the United States are required to be U.S. QIBs, and are required to deliver the representations, warranties and agreements contained in the Bid cum Application Form and certify that they have read and agreed to these representations, warranties and agreements.

- The number of the Equity Shares allocated to Anchor Investors and the Anchor Investor Issue Price, shall be made available in the public domain by the BRLMs before the Bid/ Issue Opening Date by intimating the same to the Stock Exchanges.

Method of Proportionate Basis of Allotment in the Issue

In the event of there being over-subscription in the Issue, our Company and the Selling Shareholders shall finalise the Basis of Allotment in consultation with the Designated Stock Exchange. The executive director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLMs and the Registrar 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 the Equity Shares applied for.

b) The total number of the 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 the Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of the Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

c) Number of the Equity Shares to be Allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of the 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:

- 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 the Equity Shares Allotted in that category is equal to the number of the Equity Shares calculated in accordance with (b) above; and

- 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 Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of the Equity Shares.

g) Subject to valid Bids being received, allocation of the Equity Shares to Anchor Investors shall be at the sole discretion of our Company and the Selling Shareholders, in consultation with the BRLMs.

Illustration Explaining Procedure of Allotment to Retail Individual Bidders *(Investors should note that this example is solely for illustrative purposes and is not specific to the Issue)*

Total number of equity shares offered in the offer: 35 million, at an offer price of ₹ 600 per equity share. The retail portion for the offer consists of 3.5 million equity shares. The company and the selling shareholders fix the minimum bid lot as 20 equity shares.

A. A total of 0.1 million retail individual bidders have applied in the offer, in varying number of bid lots i.e. between 1 to 16 bid lots, based on the maximum application size of up to ₹ 200,000. The retail individual bidders' category is oversubscribed 4 times. From the 0.1 million retail individual bidders, there are five retail individual bidders, namely A, B, C, D and E, who have applied in the offer as follows: A has applied for 320 equity shares, B has applied for 220 equity shares, C has applied for 120 equity shares, D has applied for 60 equity shares and E has applied for 20 equity shares. As per the SEBI Regulations, the allotment to retail individual investors shall not be less than the minimum bid lot, subject to availability of shares, and the remaining available shares, if any, shall be allotted on a proportionate basis. Accordingly, the actual entitlement of each of A, B, C, D and E shall be as follows:

Name of the retail individual bidder	Total No. of equity shares applied for	Total number of equity shares eligible to be allotted
A	320	**20 equity shares** (i.e. the minimum bid lot) + **38 equity shares** [{3,500,000 - (100,000 * 20)} / {14,000,000 - (100,000 * 20)}] * 300 (i.e. 320-20)
B	220	**20 equity shares** (i.e. the minimum bid lot) + **25 equity shares** [{3,500,000 - (100,000 * 20) / {14,000,000 - (100,000 * 20)}] * 200 (i.e. 220-20)
C	120	**20 equity shares** (i.e. the minimum bid lot) + **13 equity shares** [{3,500,000 - (100,000 * 20)} / {(14,000,000 - (100,000 * 20)}] * 100 (i.e. 120-20)
D	60	**20 equity shares** (i.e. the minimum bid lot) + **5 equity shares** [{(3,500,000 -

Name of the retail individual bidder	Total No. of equity shares applied for	Total number of equity shares eligible to be allotted
		100,000 * 20)} / {(14,000,000 - (100,000 * 20)}] * 40 (i.e. 60-20)
E	20	**20 equity shares** (i.e. the minimum bid lot)

B. A total of 0.2 million retail individual bidders have applied in the offer, in varying number of bid lots i.e. between 1 to 16 bid lots, based on the maximum application size of upto ₹ 200,000. The retail individual bidders' category is oversubscribed 9.37 times. Since the total number of equity shares offered retail individual bidders is 3,500,000 and the minimum bid lot is 20 equity shares, the maximum number of retail individual bidders who can be allotted this minimum bid lot will be 175,000 (i.e. 3,500,000/20). The remaining 25,000 retail applicants will not get allotment and such bidders will be determined on basis of draw of lots, in the manner provided below:

No. of lots	No. of equity shares at each lot	No. of retail individual bidders applying at each lot	Total No. of equity shares applied for at each lot	No. of retail individual bidders who shall receive minimum bid-lot (to be selected on lottery)
A	**B**	**C**	**D=(B*C)**	**E (175,000/200,000)*C**
1	20	10,000	200,000	8,750
2	40	10,000	400,000	8,750
3	60	10,000	600,000	8,750
4	80	10,000	800,000	8,750
5	100	20,000	2,000,000	17,500
6	120	20,000	2,400,000	17,500
7	140	15,000	2,100,000	13,125
8	160	20,000	3,200,000	17,500
9	180	10,000	1,800,000	8,750
10	200	15,000	3,000,000	13,125
11	220	10,000	2,200,000	8,750
12	240	10,000	2,400,000	8,750
13	260	10,000	2,600,000	8,750
14	280	5,000	1,400,000	4,375
15	300	15,000	4,500,000	13,125
16	320	10,000	3,200,000	8,750
Total		**200,000**	**32,800,000**	**1,75,000**

Letters of Allotment or Refund Orders or instructions to the SCSBs

The Registrar to the Issue shall give instructions for credit to the beneficiary account with depository participants within 12 Working Days from the Bid/ Issue Closing Date. Applicants residing at the centres where clearing houses are managed by the RBI, will get refunds through NECS only except where applicant is otherwise eligible to get refunds through direct credit, RTGS and NEFT. Our Company and the Selling Shareholders shall ensure dispatch of refund orders, if any, by registered post or speed post at the sole or First Bidder's sole risk within 12 Working Days of the Bid/ Issue Closing Date. Bidders to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within 15 days from the Bid/ Issue Closing Date. In case of ASBA Bidders, the Registrar shall instruct the relevant SCSBs to, on the receipt of such instructions from the Registrar, unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the Bid cum Application Form or the relevant part thereof, for withdrawn (in the case of Retail Individual Bidders), rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid/ Issue Closing Date.

Interest in case of delay in despatch of Allotment Letters or Refund Orders/ instruction to the SCSBs by the Registrar.

Our Company and the Selling Shareholders agree that (i) Allotment of the Equity Shares; and (ii) credit to the successful Bidders' depositary accounts will be completed within 12 Working Days of the Bid/ Issue Closing

Date. Our Company and the Selling Shareholders further agree that they 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 within 15 days from the Bid/ Issue Closing Date, whichever is later.

Our Company and the Selling Shareholders will provide adequate funds required for dispatch of refund orders or Allotment Advice to the Registrar.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by our Company and the Selling Shareholders 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.

In case of ASBA Bidders, the SCSBs will unblock funds in the ASBA Account to the extent of refund to be made based on instruction received from the Registrar.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- That if our Company does not proceed with the Issue after the Bid/Issue Closing Date, the reason thereof shall be given as a public notice within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;

- That if the Selling Shareholders withdraw the Offer for Sale after the Bid/Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issue;

- 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 the Stock Exchanges where the Equity Shares are proposed to be listed are taken within 12 Working Days of the Bid/Issue Closing Date;

- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to 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 from the Bid/Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- That the certificates of the securities/ refund orders to Eligible NRIs shall be despatched within specified time;

- That no further Issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.;

- That adequate arrangement shall be made to collect all Bid cum Application Forms under the ASBA process and to consider them similar to non-ASBA Bids while finalising the Basis of Allotment; and

- Our Company shall not have recourse to the proceeds of the Issue until final approval for trading of the Equity Shares from all Stock Exchanges where listing is sought has been received.

UNDERTAKINGS BY THE SELLING SHAREHOLDERS

Each Selling Shareholder undertakes that:

- the Equity Shares being sold by it pursuant to the Offer for Sale, have been held by it for a period of more than one year prior to the date of filing the Draft Red Herring Prospectus with SEBI, are fully paid-up and are in dematerialised form;

- it is the legal and beneficial owner of, and has full title to, the Equity Shares being sold in the Offer for Sale;

- the Equity Shares being sold by it pursuant to the Offer for Sale are free and clear of any liens or encumbrances and shall be transferred to the eligible investors within the specified time;

- it shall provide all reasonable cooperation as requested by our Company in relation to the completion of allotment and dispatch of the allotment advice and Anchor Investor allocation note, if required, and refund orders to the extent of the Equity Shares offered by it pursuant to the Issue;

- it shall provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLMs in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Issue;

- 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 the Selling Shareholders, to the extent applicable;

- it shall provide such reasonable support and extend such reasonable cooperation as may be required by our Company in sending a suitable communication, where refunds are made through electronic transfer of funds, to the applicant within 15 days from the Bid/Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- it shall not have recourse to the proceeds of the Issue until final approval for trading of the Equity Shares from all Stock Exchanges where listing is sought has been received;

- if our Company does not proceed with the Issue after the Bid/Issue Closing Date, the reason thereof shall be given by our Company as a public notice within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly. It shall extend all reasonable cooperation requested by our Company and the BRLMs in this regard;

- it shall not further transfer the Equity Shares (other than Blackstone who may transfer its Equity Shares except the Equity Shares offered in the Offer for Sale or which are subject to lock-in under the SEBI Regulations) during the period commencing from submission of the Draft Red Herring Prospectus with SEBI until the final trading approvals from all the Stock Exchanges have been obtained for the Equity Shares Allotted/ to be Allotted pursuant to the Issue;

- it shall not sell, transfer, dispose of in any manner or create any lien, charge or encumbrance on the Equity Shares offered in the Offer for Sale;

- it shall take all such steps as may be required to ensure that the Equity Shares being sold by it pursuant to the Offer for Sale are available for transfer in the Offer for Sale; and

- it shall comply with all applicable laws including the Companies Act, the SEBI Regulations, the FEMA and the applicable circulars, guidelines and regulations issued by SEBI and the RBI, in relation to the Equity Shares offered by it in the Offer for Sale.

Utilisation of Issue proceeds

The Board of Directors certify that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 73 of the Companies Act;

- details of all monies utilised out of Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;

- details of all unutilised monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested;

- the utilisation of monies received under the Promoters' contribution shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

- the details of all unutilised monies out of the funds received under the Promoters' contribution shall be disclosed under a separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

The Selling Shareholders along with our Company declare that all monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 73 of the Companies Act.

SECTION VIII: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule II of the Companies Act and the SEBI Regulations, the main provisions of the Articles of Association of our Company are detailed below:

The Articles of Association of our Company is divided into Parts A and B. Part B of the Articles shall automatically terminate and cease to have any force and effect from the date of commencement of trading of the equity shares of our Company pursuant to the initial public offer.

Part I of the Articles of Association

PRELIMINARY APPLICATION OF TABLE "A"

Article 1 provides that "Regulations in Table A in the First Schedule to the Companies Act, 1956 shall apply to this Company except in so far as they are inconsistent with any of the provisions contained in these regulations and except in so far as they are hereinafter expressly or impliedly excluded or modified."

INCREASE OF CAPITAL

Article 4 provides that "The Company in General Meeting may, from time to time, by an Ordinary Resolution, increase the capital by the creation of new Shares, such increase to be of such aggregate amount and to be divided into Shares of such respective amounts as the resolution shall prescribe. 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 Meetings of the Company, in conformity with Section 87 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."

REDUCTION OF CAPITAL

Article 5 provides that "The Company may, subject to the provisions of Sections 78, 80, 100 to 105 (both inclusive) and other applicable provisions of the Act from time to time, by a special resolution reduce its capital and any capital redemption reserve account or securities premium account in any manner for the time being authorized by law, and in particular, the capital may be paid off on the footing that it may be called up again or otherwise."

NEW CAPITAL PART OF THE EXISTING CAPITAL

Article 6 provides that "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 instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise."

SUB-DIVISION, CONSOLIDATION AND CANCELLATION OF SHARES

Article 7 provides that "Subject to the provisions of Section 94 of the Act, the Company in General Meeting may, from time to time subdivide 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-division one or more of such Shares shall have some preference or special advantage as regards dividend, capital; or otherwise over or as compared with the others or other. Subject as aforesaid, the Company, in General Meeting, 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. The cancellation of Shares in pursuance of this Article shall not be deemed to be a reduction of the Share Capital."

INTEREST MAY BE PAID OUT OF CAPITAL

Article 8 provides that "Where any Shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building, or the provision of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that Share Capital as is for the time being paid-up, for the period, at the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of the cost of construction of the work or building or the provision of the plant."

CONSIDERATION OTHER THAN CASH

Article 9 provides that "The Directors may issue fully paid-up or partly paid-up Shares either on payment of cash or against consideration other than cash or partly by payment in cash and partly by consideration other than cash."

BUY-BACK OF SECURITIES

Article 10 provides that "Subject to Section 77A, 77AA, 77B of the Act and other rules and regulations applicable from time to time, the Company shall have right to purchase its own Securities."

MODIFICATIONS OF RIGHTS

Article 11 provides that "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 Section 106 and 107 of the Act be modified, commuted affected or abrogated or dealt with by agreement with the Company and any person purporting to contract on behalf of that class, provided that such agreement is ratified in writing by holders of at least three fourth in nominal value of the issued Shares of the class or is confirmed by a special resolution passed at a separate general meeting of holders of Shares of that class."

SWEAT EQUITY

Article 12 provides that "Subject to the provisions of Section 79A of the Act and other rules and regulations applicable from time to time, the Company shall have right to issue sweat Equity Shares."

EMPLOYEE STOCK OPTION

Article 13 provides that "The Directors are hereby authorised to issue the Equity Shares or Debentures (whether or not convertible into the Equity Shares) for offer and allotment to such of the officers, employees and workers of the Company as the Directors may select or the trustees of such trust as may be set up for the benefit of the officers, employees and workers in accordance with the terms and conditions of such scheme, plan or proposal as the Directors may formulate. Subject to the consent of the Stock Exchanges and of the Securities and Exchange Board of India, if applicable, the Directors may impose the condition that the Shares in or Debentures of the Company so allotted shall not be transferable for a specified period."

SHARE WARRANTS- RIGHTS TO ISSUE SHARE WARRANTS

Article 14 provides that

"a) Subject to these Articles, the Company may issue share warrants subject to and in accordance with, the provisions of Section 114 and 115 of the Act.

b) The Board may in its discretion, with respect to any share which is fully paid-up, on application in writing signed by the persons registered as holder of the share, and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the person signing the application, and on receiving the certificate (if any) of the share, and the amount of stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant."

ISSUE OF NEW SHARE WARRANT OR COUPON

Article 17 provides that "The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in the case of defacement, loss or destruction."

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

RIGHTS TO CONVERT SHARES INTO STOCK & VICE-VERSA

Article 18 provides that "The Company in General Meeting may convert any fully paid-up Shares into stock; and when any Shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest herein, or any part of such interest, in the same manner and subject to the same regulations as, and subject to which Shares from which the stock arose might have been transferred, if no such conversion had taken place, or as near thereto as circumstances will admit. The Company may, by an Ordinary Resolution reconvert any stock into fully paid-up shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however such minimum shall not exceed the nominal amount of shares from which the stock arose."

RIGHT OF STOCK HOLDERS

Article 19 provides that "The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the Shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding-up) shall be conferred by an amount of stock which would not, if existing in Shares have conferred that privilege or advantage."

ISSUE AND ALLOTMENT OF SHARES

FURTHER ISSUE OF CAPITAL

Article 20 provides that

"(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

(a) Such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid-up on those shares at that date.

(b) The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of offer within which the offer, if not accepted, will be deemed to have been declined.

(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) hereof shall contain a statement of this right.

(d) After the expiry of the time specified in the aforesaid notice 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 may dispose of them in such manner as they think most beneficial to the Company.

(2) Notwithstanding anything contained in sub-clause (1) the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub- clause (1) hereof) in any manner whatsoever.

(a) If a Special Resolution to that effect is passed by the Company in general meeting, or

(b) Where no such Special Resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any, of the Chairman) by the 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.

(3) Nothing in sub-clause (c) of (1) hereof shall be deemed:

(a) To extend the time within which the offer should be accepted; or

(b) To authorize 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.

(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 or loans raised by the Company:

a. To convert such debentures or loans into shares in the Company; or

b. To subscribe for shares in the Company.

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:

(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 rules, if any, made by that Government in this behalf; and

(b) In the case of debentures or loans other than debentures issued to or loans obtained from the Government or any institution specified by the Central Government in this behalf, has also been approved by a Special Resolution passed by the Company in general meeting before the issue of the debentures or raising of the loans."

SHARES UNDER CONTROL OF DIRECTORS

Article 21 provides that "Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the general meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered 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 of shares shall not be given to any person or persons without the sanction of the Company in the general meeting."

ALLOTMENT OF SHARES

Article 22 provides that "The Directors shall in making the allotments duly observe the provisions of the Act and the Listing Agreements of Stock Exchange/s, and any modifications or changes made therein from time to time."

POWER TO COMPANY IN GENERAL MEETING TO ISSUE SHARES

Article 23 provides that

"(a) In addition to and without derogating from the powers for the purpose conferred on the Board under Articles 20 and 21, the Company in General Meeting may, subject to the provisions of Section 81 of the Act, determine that any share (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 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 members or not) the option to call for or be allotted Shares of any class of the Company either (subject to compliance with the provisions of 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.

(b) Any application signed by or on behalf of applicant for Shares in the Company, followed by an allotment of any share therein, shall be an acceptance of Shares within the meaning of these Articles, and every person who thus or otherwise accepts any Shares and whose name is entered on the Register of Members shall, for the purposes of these Articles, be a Member

(c) The Board shall observe the restrictions as regards allotment of shares to the public contained in Sections 69 and 70 of the Act, and as regards return on allotments, the Directors shall comply with Section 75 of the Act.

(d) The money (if any) which the Board shall, on the allotment of any Shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any Shares allotted by them, shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

(e) If, by the conditions of allotment of any shares, the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment 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 share or his legal representative."

LIABILITY OF MEMBERS

Article 24 provides that "Every member, or his heirs, executors or administrators, shall pay to the Company the portion of the capital represented by his share or Shares which may, for the time being remain unpaid thereon, in such amounts, at such time or times, and in such manner as the Board shall from time to time in accordance with the Company's regulations, require or fix for the payment thereof."

RIGHTS OF JOINT HOLDERS

Article 28 provides that “If any share stands in the names of two or more persons, the person first named in the Register shall, as regards receipt of dividends or bonus or service of notices and all or any other matter connected with the Company, except voting at meeting and the transfer of the shares be deemed the sole holder thereof but the joint holders of share shall be severally as well as jointly liable for payment of all installments and calls due in respect of such share and for all incidents thereof according to these Regulations.”

LIMITATION OF TIME FOR ISSUE OF CERTIFICATES

Article 29 provides that “Every Member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within 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 to one of several joint holders shall be sufficient delivery to all such holders.”

DEMATERIALISATION OF SECURITIES

Article 30 provides that

a) “Definitions: For the purpose of this Article:

“*Beneficial Owner*” means a person whose name is recorded as such with a Depository.

“*Depositories Act*” means the Depository Act, 1996, including any statutory modifications or re-enactment for the time being in force.

“*Depository*” means a company formed and registered under the Act and which has been granted a Certificate of Registration to act as a depository under the Securities and Exchange Board of India Act 1992.

“*Participant*” means a person registered as such under Section 12 (1A) of the Securities and Exchange Board of India Act, 1992.

“*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 issued by the Securities and Exchange Board of India in relation to the Depository Act, 1996.

“*Registered Owner*” means a Depository whose name is entered as such in the records of the Company.

“*SEBI*” means the Securities and Exchange Board of India

“*Security*” means such security as may be specified by the Securities and Exchange Board of India from time to time.

b) Company *to Recognize Interest in Dematerialized Securities under the Depositories Act, 1996*.

Either the Company or the member may exercise an option to issue, dematerialise, hold the securities (including shares) with a Depository in Electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification(s) thereto or re-enactment thereof.

c) *Dematerialisation/Re-Materialisation of Securities*

Notwithstanding anything to the contrary or inconsistent contained in these Articles, the Company shall be entitled to dematerialize its existing securities, re-materialize its securities held in Depositories and/or offer its fresh securities in the de-materialized form pursuant to the Depositories Act, 1996 and the rules framed there under, if any.

d) *Option to Receive Security Certificate or Hold Securities with Depository*

Every person subscribing to or holding securities of the Company shall have the option to receive the security certificate or hold securities with a Depository. Where a person opts to hold a security with the Depository, the Company shall intimate such Depository of the details of allotment of the security and on receipt of such information, the Depository shall enter in its record, the name of the allottees as the beneficial owner of that security.

e) *Securities in Electronic Form*

All securities held by a Depository shall be dematerialized and held in electronic form. No certificate shall be issued for the securities held by the Depository. Nothing contained in Section 153, 153A, 153B, 187 B, 187 C and 372 of the Act, shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

f) *Beneficial Owner Deemed as Absolute Owner*

Except as ordered by a court of competent jurisdiction or by law required, the Company shall be entitled to treat the person whose name appears on the Register as the holder of any share or whose name appears as the beneficial owner of any share in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them.

g) *Rights of Depositories and Beneficial Owners*

Notwithstanding anything to the contrary contained in the Act, or these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.

Save as otherwise provided above, the Depository is the registered owner of the securities, and shall not have any voting rights or any other rights in respect of the securities held by it.

Every person holding securities of the Company and whose name is entered as a beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository

h) *Register and Index of Beneficial Owners*

The Company shall cause to be kept a Register and Index of members with details of shares and debentures held in materialized and dematerialized forms in any media as may be permitted by law including any form of electronic media.

The Register and Index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be a Register and Index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a Branch register of Members resident in that state or country.

i) *Cancellation of Certificates upon Surrender by Person*

Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the Depository as the registered owner in respect of the said securities and shall also inform the Depository accordingly.

j) *Service of Documents*

Notwithstanding anything contained in the Act, or these Articles, to the contrary, where securities are held in a Depository, the record of the beneficial ownership may be served by such Depository on the Company by means of hard copies or through electronic mode or by delivery of floppies or discs.

k) (xi) *Allotment of Securities*

Where the securities are dealt within a Depository, the Company shall intimate the details of allotment of relevant securities to the Depository on allotment of such securities.

l) *Transfer of Securities*

The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly, particulars of every transfer or transmission of any share held in material form. Nothing contained in these Articles shall apply to transfer of securities held in Depository.

m) *Distinctive Number of Securities held in a Depository*

The shares in the capital shall be numbered progressively according to their several denominations, provided, however that the provisions relating to progressive numbering shall not apply to the shares of the Company which are in dematerialized form.

n) *Provisions of Articles to apply to Shares held in Depository*

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act, 1996.

o) *Depository to Furnish Information*

Every Depository shall furnish to the Company information about the transfer of securities in the name of the beneficial owner at such intervals and in such manner as may be specified by laws and the Company in that behalf.

p) *Option to opt out in Respect of any such Security*

If a beneficial owner seeks to opt out of a Depository in respect of any security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30 (thirty) days of the receipt of intimation from a Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be.

q) *Overriding Effect of this Article*

Provisions of this Article will have full effect and force not withstanding anything to the contrary or inconsistent contained in any other Articles of these Presents."

DECLARATION BY PERSON NOT HOLDING BENEFICIAL INTEREST IN ANY SHARES

Article 31 provides that "Notwithstanding anything herein contained a person whose name is at any time entered, in the Register of Members of the Company as the holders of Shares in the Company, but who does not hold the beneficial interest in such share, shall, within such time and in such form as may be prescribed, make a declaration to the Company specifying the name and other particulars of the person or persons, who hold the beneficial interest in such Shares in the manner provided in Section 187- C of the Act."

UNDERWRITING

Article 32 provides that "Subject to provisions of Section 76 of the Act the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Shares or Debentures in the Company, or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any Shares or Debentures in the company; but so that the commission shall not exceed in the case of Shares five percent of the price at which the Shares are issued and in the case of Debentures two and half percent of the price at which the Debentures are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid Shares or partly in one way and partly in the other."

BROKERAGE

Article 33 provides that "The Company may authorise the payment of any sum by way of brokerage which it may deem reasonable."

CALLS ON SHARES

DIRECTORS MAY MAKE CALLS

Article 34 provides that "The Board may, from time to time subject to the terms on which any Shares may have been issued and subject to the conditions of allotment, by resolution passed at a meeting of the Board (and not by circular resolution) make such call as it thinks fit, upon the Members in respect of all the moneys unpaid on the Shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board. A call may be made payable by instalments."

NOTICE OF CALL

Article 35 provides that "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."

CALLS TO DATE FROM RESOLUTIONS

Article 36 provides that "A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board."

CALL MAY BE REVOKED OR POSTPONED

Article 37 provides that “A call may be revoked or postponed at the discretion of the Board.”

LIABILITY OF JOINT HOLDERS

Article 38 provides that “The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.”

DIRECTORS MAY EXTEND TIME

Article 39 provides that “The Board may, from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the Members who from residence at a distance or other cause, the Board may deem fairly entitled to such extension but no member shall be entitled to such extension save as a matter of grace and favour.”

CALLS TO CARRY INTEREST

Article 40 provides that “If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory on the Board to demand or recover any interest from any such Member.”

SUMS DEEMED TO BE CALLS

Article 41 provides that “Any sum, which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purpose of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.”

PROOF ON TRIAL OR SUIT FOR MONEY DUE ON SHARES

Article 42 provides that “On the trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any money claimed to be due to the Company in respect of his Shares, it shall be sufficient to prove that the name of member in respect of whose Shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequently to the date at which the money sought to be recovered is alleged to have become due on the Shares in respect of which such money is sought to be recovered, that the resolution making the call is duly recorded in the Minute Book; and that notice of such call was duly given to the Member, his representatives sued in pursuance of these Articles; and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive of the debt.”

PARTIAL PAYMENT NOT TO PRECLUDE FORFEITURE

Article 43 provides that “Neither the receipt by the Company of a portion of any money which shall from time to time due from any Member to the Company in respect of his Shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.”

PAYMENT IN ANTICIPATION OF CALLS MAY CARRY INTEREST

Article 44 provides that

“(i) The Board may, if it thinks fit, agree to and receive from any Member willing to advance the same, all or any part of the amount of his Shares beyond the sums actually called up; and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the Shares on account of which such advances are made, the Board may pay or allow interest at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months notice in writing provided that moneys paid in advance of calls shall not confer a right to dividend or to participate in profits.

(ii) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable.”

LIEN

COMPANY TO HAVE LIEN ON SHARES

Article 45 provides that

“(a) The Company shall have a first and paramount lien on all the Shares (other than fully paid-up Shares) registered in the name of each member (whether held solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares, and no equitable interest in any Shares shall be created except upon the footing and upon the condition that Article 28 is to have full effect. PROVIDED THAT the Board may, at any time, declare any share to be wholly or in part exempt from the provisions of the Articles.

(b) The Company’s lien, if any, on a share shall extend to all dividends payable thereon.

(c) Unless otherwise agreed, the registration of a transfer of Shares shall operate as a waiver of the Company’s lien, if any, on such Shares, as against the transferor.”

AS TO ENFORCING LIEN BY SALE

Article 46 provides that “For the purpose of enforcing such lien the Board may sell the Shares subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued the duplicate certificate in respect of such Shares and may authorise one of their member to execute a transfer deed thereof on behalf of and in the name of such Member. No sale shall be made until such period as aforesaid shall have arrived, and until notice in writing of the intention to sell shall have been served on such Member or his representatives and default shall have been made by him or them in payment, fulfilment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.”

APPLICATION OF PROCEEDS OF SALE

Article 47 provides that “The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the Shares before the sale) be paid to the person entitled to the Shares at the date of sale.”

FORFEITURE OF SHARES

IF MONEY PAYABLE ON SHARES NOT PAID, NOTICE TO BE GIVEN TO MEMBER

Article 48 provides that “If any Member fails to pay any call or instalment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter, during such time as the call or instalment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the

Company by reason of such non-payment."

TERMS OF NOTICE

Article 49 provides that "The notice shall name a day not being earlier than the expiry of fourteen days from the date of service of notice and a place or places on and at which such call or instalment and such interest thereon at such rate as the Director shall determine from the day on which such call or instalment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment on or before the time and at the place appointed, the Shares in respect of which the call was made or instalment is payable, will be liable to be forfeited."

IN DEFAULT OF PAYMENT SHARES TO BE FORFEITED

Article 50 provides that "If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter before payment of all calls or instalments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture."

NOTICE OF FORFEITURE TO A MEMBER

Article 51 provides that "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 Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid."

FORFEITED SHARE TO BE PROPERTY OF THE COMPANY AND MAY BE SOLD ETC.

Article 52 provides that "Any share so forfeited shall be deemed to be the property of the Company, and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit."

MEMBER STILL LIABLE TO PAY MONEY OWING AT TIME OF FORFEITURE AND INTEREST

Article 53 provides that "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 as the Board may determine and the Board may enforce the payment thereof, if it thinks fit."

EFFECT OF FORFEITURE

Article 54 provides that "The forfeiture of a share involves extinction, at the time of the forfeiture, of all the interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved."

SURRENDER OF SHARE

Article 55 provides that "The Directors may subject to the provisions of the Act, accept surrender of any Shares from or by any member desirous of surrendering them on such terms as they think fit."

CANCELLATION OF SHARE CERTIFICATES IN RESPECT OF FORFEITED SHARES

Article 58 provides that "Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative Shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new certificate or certificates in respect of the said Shares to the person or persons entitled thereto."

POWER TO ANNUL FORFEITURE

Article 59 provides that "The Board may at any time before any share so forfeited shall have been sold, re-alloted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit."

TRANSFER AND TRANSMISSION OF SHARES

REGISTER OF TRANSFERS

Article 60 provides that "The Company shall keep a "Register of Transfers", and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share."

FORM OF TRANSFER

Article 61 provides that "Shares in the Company may be transferred by an instrument in writing in the form prescribed by the provisions of the Act, and shall be duly stamped and delivered to the Company within the prescribed period."

TRANSFER FORM TO BE COMPLETED AND PRESENTED TO THE COMPANY

Article 62 provides that "the instrument of Transfer duly stamped and executed by the Transferor and the Transferee and shall be delivered to the Company in accordance with the provisions of the Act. The instrument of Transfer shall be accompanied by such evidence as the Board may require to prove the title of the transferor and his right to transfer the Shares and every registered Instrument of Transfer shall remain in the custody of the Company until destroyed by order of the Board. The transferor shall be deemed to be the holder of such Shares until the name of the transferee shall have been entered in the Register of Members in respect thereof. Before the registration of a transfer, the certificate or certificates of the Shares must be delivered to the Company. In the case of transfer or transmission of Shares or other marketable securities where the Company has not issued any certificate and where such Shares or securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply."

DIRECTORS MAY REFUSE TO REGISTER TRANSFERS

Article 64 provides that "Subject to the provisions of Section 111 of the Act, the Board may, at its own absolute and uncontrolled discretion and without assigning any reason, decline to register or acknowledge any transfer of Shares (notwithstanding that the proposed transferee be already a member) but in such case it shall, within two months from the date on which the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to register such transfer. Provided that registration of a transfer shall not be refused on a 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 Board has exercised the power of lien vested in it under these Articles in respect of the Shares proposed to be transferred. Transfer of Shares in whatever lot shall not be refused, though there would be no objection to the Company refusing to split a share certificate into several scrips of any small denominations or to consider a proposal for transfer of Shares comprised in a share certificate to several parties, involving such splitting, if on the face of it such splitting/transfer appears to be unreasonable or without a genuine need. The Company should not, therefore, refuse transfer of Shares in violation of the Stock Exchange listing requirements on the ground that the number of Shares to be transferred is less than any specified number. The Company shall send the Shares duly transferred within three months from allotment and one month from the date of lodgement of application for transfer."

NOTICE OF TRANSFER WHEN TO BE GIVEN

Article 65 provides that "Where in the 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 the Section 110 of the Act.”

DEATH OF ONE OR MORE JOINT HOLDERS OF SHARES

Article 66 provides that “In the case of the death of any one or more of the persons named in the register or 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 to 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 jointly with any other person.”

TITLE TO SHARES OF DECEASED MEMBER

Article 67 provides that “The executors or administrators or holders of a succession certificate or the legal representative of a deceased member (not being one of two or more joint holders) shall be the only persons recognised by the Company as having any title to the Shares registered in the name of such member, and the Company shall not be bound to recognise such executors or administrators or holders of a succession certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained probate or letters of Administration or Succession Certificate, as the case may be from a duly constituted Court in the Union of India; provided that in any case where the Board in its absolute discretion thinks fit, the Board may dispense with production of Probate or Letters of Administration or Succession Certificate, upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and under Article 68 register the name of any person who claims to be absolutely entitled to the Shares standing in the name of a deceased member as a member. No share shall in any circumstances be transferred to any minor, insolvent or person of unsound mind.”

REGISTRATION OF PERSONS ENTITLED TO SHARE OTHERWISE THAN TRANSFER

Article 68 provides that “Subject to provisions of Article 67 any person becoming entitled to Shares in consequence of death, lunacy, bankruptcy or insolvency of any member, or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that the sustains the character in respect of which he proposes to act under this Article or of his title as the Board thinks sufficient, either be registered himself as the holder of the Shares or elect to have some person nominated by him and approved by the Board registered as such holder; provided nevertheless that if such person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained, and until he does so, he shall not be free from any liability in respect of the Shares.”

PERSONS ENTITLED MAY RECEIVE DIVIDENDS WITHOUT BEING REGISTERED AS MEMBER

Article 69 provides that “Person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends or money as hereinafter provided, be entitled to receive, and may give a discharge for any dividends or other moneys payable in respect of the Shares.”

FEE ON TRANSFER OR TRANSMISSION

Article 70 provides that “The Company shall not charge any fee in respect of the transfer or transmission of any number of Shares.”

COMPANY NOT LIABLE FOR DISREGARD OF EQUITABLE RIGHT

Article 71 provides that

a. “The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of share made or purporting to be made by any apparent legal owner thereof as shown or appearing in the Register of members to the prejudice of persons having or claiming any equitable right, title or interest to or in the said Shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

b. The Directors shall have the same right to refuse to register a person entitled by transmission to any Shares or his nominee as if he were the transferee named in the case of a transfer of Shares presented for registration.

c. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividend and other advantages to which he would be entitled if he were the registered holder of the Shares, except that he shall not, before being registered as a Member in respect of the Shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company PROVIDED THAT the directors shall, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Shares and if the notice is not complied with within ninety days, the directors may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Shares until the requirements of the notice have been complied with."

TRANSFER AND TRANSMISSION OF DEBENTURES

Article 72 provides that "The provisions of these Articles, shall, mutatis mutandis, apply to the transfer of or the transmission by law of the right to debentures of the Company."

NOMINATION

Article 73 provides that

(a) "Every shareholder or debentureholder of the Company, may at anytime, nominate, in the prescribed manner, a person to whom his Shares in, or Debentures of the Company shall vest in the event of his death.

(b) Where the Shares in, or Debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the Shares or Debentures of the Company as the case may be, shall vest in the event of death of all the joint holders.

(c) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such Shares in or Debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the Shares in or Debentures of the Company, the nominee shall, on the death of the shareholder or debentureholder or, as the case may be, on the death of the joint holders, become entitled to all the rights in such Shares or Debentures or, as the case may be, all the joint holders, in relation to such Shares or Debentures, to the exclusion of all other persons, unless the nomination is varied, cancelled in the manner prescribed under the Act.

(d) Where the nominee is a minor, it shall be lawful for the holder of the Shares or Debentures, to make the nomination to appoint, in the prescribed manner, any person to become entitled to Shares in or Debentures of the Company, in the event of his death, during the minority."

TRANSMISSION OF SECURITIES BY NOMINEE

Article 74 provides that

"A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either –

(a) to be registered himself as holder of the share or debenture, as the case may be;

(b) to make such transfer of the share or debenture, as the case may be, as the deceased shareholder or debentureholder, could have made;

(c) if the nominee elects to be registered as holder of the share or debenture, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture holder as the case may be;

(d) All the limitations, restrictions and provisions of these Articles, relating to the right to transfer and the registration of transfers of share(s) and /or Debentures(s) shall be applicable to any such notice or transfer as aforesaid as if the death of the shareholder/debentureholder had not occurred and the notice or transfer were signed by that shareholder and/or debentureholder, as the case may be;

(e) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the share or debenture except that he shall not, before being registered as a member in respect of his share or debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company. Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with."

BORROWING POWERS

Article 76 provides that

(a) "The Board of Directors may from time to time but with such consent of the Company in general meeting as may be required under the Act raise any moneys or sums of money for the purpose of the Company provided that the moneys to be borrowed by the Company apart from temporary loans obtained from the Company's bankers in the ordinary course of business shall not, without the sanction of the Company at a general meeting, 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 specified purpose and in particular, but subject to the provisions of Section 292 and 293 and other applicable provisions of the Act, the Board may from time to time at their discretion raise or borrow or secure the payment of any such sum of money for the purpose of the Company, by the issue of debentures, perpetual or otherwise, including debentures convertible into shares of this or any other Company or perpetual annuities and to secure any such money so borrowed, raised or received, mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities.

Provided that every resolution passed by the Company in general meeting in relation to the exercise of the power to borrow as stated shall specify the total amount up to which moneys may be borrowed by the Board Directors.

(b) The Directors may by resolution at a meeting of the Board delegate the above power to borrow money otherwise than on debentures to a committee of Directors or Managing Director or to any other person permitted by applicable law, if any, within the limits prescribed.

(c) Subject to provisions of the above sub-clause, the Directors may, from time to time, at their discretion, raise or borrow or secure the repayment of any sum or sums of money for the purposes of the

Company, at such time and in such manner and upon such terms and conditions in all respects as they think fit, and in particular, by promissory notes or by receiving deposits and advances with or without security or by the issue of bonds, perpetual or redeemable debentures (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, goods or other property and securities of the Company, or by such other means as they may seem expedient.

(d) To the extent permitted under the applicable law and subject to compliance with the requirements thereof, the Directors shall be empowered to grant loans to such entities at such terms as they may deem to be appropriate and the same shall be in the interests of the Company."

PAYMENT OR REPAYMENT OF MONEYS BORROWED

Article 77 provides that "Subject to the provisions of Articles 76 hereof, 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 Special resolution shall prescribe including by the issue of Debentures or debenture-stock of the Company, charged upon all or any part of the property of the Company, (both present and future), including its uncalled capital for the time being and Debentures, debenture-stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued."

TERMS OF ISSUE OF DEBENTURES

Article 78 provides that "Any Debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into Shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of Shares and attending (but not voting) at General Meetings, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of Shares shall be issued only with the consent of the Company in General Meeting."

ASSIGNMENT OF DEBENTURES

Article 79 provides that "Such debentures may be assignable free from any equities between the Company and the person to whom the same may be issued."

ANNUAL GENERAL MEETINGS

Article 82 provides that "The Company shall, in addition to any other meetings hold a general meeting which shall be called as its Annual General Meeting, at the intervals and in accordance with the provisions of the Act."

EXTRAORDINARY GENERAL MEETINGS

Article 83 provides that "The Board may, whenever it thinks fit, convene an Extraordinary General Meeting at such date, time and at such place as it deems fit, subject to such directions if any, given by the Board."

EXTRAORDINARY MEETINGS ON REQUISITION

Article 84 provides that "The Board shall on, the requisition of members convene an Extraordinary General Meeting of the Company in the circumstances and in the manner provided under Section 169 of the Act."

NOTICE FOR GENERAL MEETINGS

Article 85 provides that "All general meetings shall be convened by giving not less than twenty- one days notice excluding the day on which the notice is served or deemed to be served (i.e. on expiry of 48 hours after the letter containing the same is posted) and the date of the meeting, specifying the place and hour of the meeting and in case of any special business proposed to be transacted, the nature of that business shall be given in the manner mentioned in Section 173 of the Act. Notice shall be given to all the shareholders and to such persons as are under the Act and/or these Articles entitled to receive such notice from the Company but any accidental omission to give notice to or non-receipt of the notice by any member or other person to whom it should be given shall not invalidate the proceedings of any general meeting.

The members may participate in general meetings through such modes as permitted by applicable laws."

SHORTER NOTICE ADMISSIBLE

Article 86 provides that "With the consent of all the members entitled to vote, at an Annual General Meeting or with the consent of the members holding 95 percent of such part of the paid-up share capital of the Company as gives a right to vote thereat, any general meeting may be convened by giving a shorter notice than twenty one days."

SPECIAL AND ORDINARY BUSINESS

Article 88 provides that

(a) All business shall be deemed special that is transacted at an Extraordinary General Meeting and also that is transacted at an Annual General Meeting with the exception of sanctioning of dividend, the consideration of the accounts, balance sheet and the reports of the Directors and Statutory Auditors, the election of Directors in place of those retiring by rotation and the appointment of and the fixing up of the remuneration of the auditors.

(b) In case of special business as aforesaid, an explanatory statement as required under Section 173 of the Act shall be annexed to the notice of the meeting.

QUORUM FOR GENERAL MEETING

Article 89 provides that "Five members or such other number of members as the law for the time being in force prescribes, personally present shall be quorum for a general meeting and no business shall be transacted at any general meeting unless the requisite quorum is present at the commencement of the meeting."

TIME FOR QUORUM AND ADJOURNMENT

Article 90 provides that "If within half an hour from the time appointed for a meeting a quorum is not present, the meeting, if called upon the requisition of members, shall be dissolved and in any other case, it shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors may determine. If at the adjourned meeting also a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be quorum and may transact the business for which the meeting was called."

CHAIRMAN OF GENERAL MEETING

Article 91 provides that "The Chairman, if any, of the Board of Directors shall preside as Chairman at every general meeting of the Company."

ELECTION OF CHAIRMAN

Article 92 provides that "If there is no such Chairman or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as Chairman, the members present shall choose another Director as Chairman and if no Director be present or if all the Directors decline to take the chair then the members present shall choose someone of their number to be the Chairman."

ADJOURNMENT OF MEETING"

Article 93 provides that "The Chairman may, with the consent given in the meeting at which a quorum is present (and shall if so directed by the meeting) adjourn that meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When the meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as nearly as may be in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of adjournment of the business to be transacted at an adjourned meeting."

VOTING AT MEETING

Article 94 provides that "At any general meeting, a resolution put to the vote at the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded in accordance with the provisions of Section 179 of the Act. Unless a poll is so demanded, a declaration by the Chairman that the resolution had, on a show of hands been carried unanimously or by a particular majority or lost and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution."

DECISION BY POLL

Article 95 provides that "If a poll is duly demanded in accordance with the provisions of the Act, it shall be taken in such manner as the Chairman directs and the results of the poll shall be deemed to be the decision of the meeting on the resolution in respect of which the poll was demanded."

CASTING VOTE OF CHAIRMAN

Article 96 provides that "In case of equal votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or a casting vote in addition to the vote or votes to which he may be entitled to as a member."

PASSING RESOLUTIONS BY POSTAL BALLOT

Article 100 provides that

(a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 or other applicable law to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the general meeting of the Company.

(b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 192A of the Act and the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, as amended from time.

VOTING RIGHTS OF MEMBERS

Article 101 provides that

(a) "On a show of hands every member holding equity shares and present in person shall have one vote.
(b) On a poll, every member holding equity shares therein shall have voting rights in proportion to his share of the paid-up equity share capital.
(c) On a poll, a member having more than one vote, or his proxy or other persons entitled to vote for him need not use all his votes in the same way."

VOTING BY JOINT-HOLDERS

Article 102 provides that "In case of joint-holders the vote of first named of such joint-holders who tender a vote whether in person or by proxy shall be accepted to the exclusion of the votes of other joint holders."

NO RIGHT TO VOTE UNLESS CALLS ARE PAID

Article 104 provides that "No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has lien and has exercised any right of lien."

PROXY

Article 105 provides that "On a poll, votes may be given either personally or by proxy."

VALIDITY OF PROXY

Article 107 provides that "A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death of or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the shares in respect of revocation or transfer shall have been received by the Company at its Office before the commencement of the meeting or adjourned meeting at which the proxy is used."

CORPORATE MEMBERS

Article 108 provides that "any corporation 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 and the said person so authorized shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual member of the Company (including the right to vote by proxy)."

FIRST DIRECTORS

Article 109 provides that

"First directors of the company are:

1) Hiralal Ambalal Mehta
2) Ramanlal Ambalal Mehta
3) Satish Ramanlal Mehta
4) Rajanikant Hiralal Mehta
5) Popatlal B. Shah

Except Satish Ramanlal Mehta all other Directors are liable to retire by rotation."

NUMBER OF DIRECTORS

Article 110 provides that "unless otherwise determined by general meeting, the number of Directors shall not be less than three and not more than twelve, including all kinds of Directors."

APPOINTMENT OF DIRECTOR BY BLACKSTONE

Article 111 provides that "notwithstanding anything contained herein, Blackstone GPV Capital Partners Mauritius V-C Ltd. shall have the right to appoint a Director and an alternate Director in place of such Director, as long as Blackstone GPV Capital Partners Mauritius V-C Ltd. has an Ownership of at least 4%. Such Director shall not be liable to retire by rotation.

SHARE QUALIFICATION NOT NECESSARY

Article 112 provides that "any person whether a member of the Company or not may be appointed as Director and no qualification by way of holding shares shall be required of any Director.”

DIRECTOR’S POWER TO FILL-UP CASUAL VACANCY

Article 113 provides that “the Board of Directors shall have power at any time and from time to time to appoint subject to the provisions of these Presents any person as a Director to fill a casual vacancy and any Director so appointed to fill a casual vacancy shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated.”

ADDITIONAL DIRECTORS

Article 115 provides that “The Board of Directors shall have power at any time and from time to time to appoint one or more persons as Additional Directors provided that the number of Directors and Additional Directors together shall not exceed the maximum number fixed. An additional Director so appointed shall hold office up to the date of the next Annual general Meeting of the Company and shall be eligible for appointment by the Company as a Director at that Meeting subject to provisions of the Act.”

ALTERNATE DIRECTORS

Article 116 provides that “Subject to Section 313 of the Act, the Board of Directors may appoint an Alternate Director to act for a Director (hereinafter called the original Director) during the absence of the original Director for a period of not less than 3 months from the State in which the meetings of the Board are ordinarily held. An Alternate Director so appointed shall vacate office if and when the original Director returns to the State in which the meetings of the Board are ordinarily held. If the term of office of the original Director is determined before he so returns to the State aforesaid, any provision for the automatic reappointment of retiring Directors in default of another appointment shall apply to the original and not to the Alternate Director.”

REMUNERATION OF DIRECTORS

Article 117 provides that “A Director (other than a Managing Director or Whole- Time Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act or the Central Government from time to time for each meeting of the Board of Directors or any Committee thereof attended by him. The remuneration of Directors including Managing Director and/or Whole-time Director may be paid in accordance with the applicable provisions of the Act.

The Board of Directors may allow and pay or reimburse any Director who is not a bonafide resident of the place where a meeting of the Board or of any Committee is held and who shall come to such place for the purpose of attending such meeting or for attending its business at the request of the Company, such sum as the Board may consider fair compensation for travelling, and out-of-pocket expenses and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business he shall be entitled to be reimbursed any travelling or other expenses incurred in connection with the business of the Company.”

REMUNERATION FOR EXTRA SERVICES

Article 118 provides that “If any Director, being willing, shall be called upon to perform extra services or to make any special exertions (which expression shall include work done by Director as a member of any Committee formed by the Directors) in going or residing away from the town in which the Office of the Company may be situated for any purposes of the Company or in giving any special attention to the business of the Company or as member of the Board, then subject to the provisions of the Act the Board may remunerate the Director so doing either by a fixed sum, or by a percentage of profits or otherwise and such remuneration, may be either in addition to or in substitution for any other remuneration to which he may be entitled.”

VACATION OF OFFICE OF DIRECTOR

Article 120 provides that “The Office of a Director shall be deemed to have been vacated under the circumstances enumerated under Section 283 of the Act.”

ONE-THIRD OF DIRECTORS TO RETIRE EVERY YEAR

Article 122 provides that "At the Annual General Meeting of the Company to be held in every year, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election. Provided nevertheless that the Managing Director or Whole time Director(s), appointed or the Directors appointed as a Debenture Director under Articles hereto and the Director appointed pursuant to Article 111 shall not retire by rotation under this Article nor shall they be included in calculating the total number of Directors of whom one third shall retire from office under this Article."

RETIRING DIRECTORS ELIGIBLE FOR RE-ELECTION

Article 123 provides that "A retiring Director shall be eligible for re-election and the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing a person thereto."

WHICH DIRECTOR TO RETIRE

Article 124 provides that "The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lots."

INCREASE OR REDUCTION IN THE NUMBER OF DIRECTORS

Article 126 provides that "Subject to the provisions of Section 252, 255, 259 of the Act, the Company in general meeting may by Ordinary Resolution increase or reduce the number of its Directors."

POWER TO REMOVE DIRECTOR BY ORDINARY RESOLUTION

Article 127 provides that "subject to the provisions of the Act and Article 111, the Company may by an Ordinary Resolution in general meeting remove any Director before the expiration of his period of office and may, by an Ordinary Resolution, appoint another person instead; the person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected as Director."

RIGHT OF PERSONS OTHER THAN RETIRING DIRECTORS TO STAND FOR DIRECTORSHIP

Article 128 provides that "A person not being a retiring Director shall, in accordance with Section 257 of the Act, be eligible for appointment to the office of a Director at any general meeting if he or some other member intending to propose him as a Director not less than 14 days before the meeting has left at the office of the Company, a notice in writing under his hand signifying his candidature for the office of the Director or the intention of such member to propose him as a candidate for that office as the case may be, along with the prescribed deposit amount which shall be refunded to such person or as the case may be, to such member if the person succeeds in getting elected as Directors."

DIRECTORS MAY CONTRACT WITH THE COMPANY

Article 129 provides that

(a) "Subject to the provisions of Section 295, 297, 299, 300, 302, 314 and other applicable provisions, if any, of the Act, the Directors shall not be disqualified by reason of his or their office as such from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or otherwise nor shall any such contract, or arrangement entered into by or on behalf of the Company with such Director or with any company, body corporate or partnership in which he shall be a member or otherwise interested be avoided nor shall any Director so contracting or being such member or so interested 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 fiduciary relation thereby established but the nature of the interest must be disclosed by him or them at the meeting of Directors at which the contract or arrangement is determined if the interest then exists or in any other case at the first meeting of the Directors after the acquisition of the interest.

(b) A general notice such as is referred to in sub-section (3) of Section 299 of the Act shall be sufficient disclosure under this Article as provided in that Section."

PROCEEDINGS OF BOARD OF DIRECTORS

MEETINGS OF THE BOARD

Article 132 provides that

(a) "The Board of Directors shall meet at least once in every three months for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit in accordance with section 288 of the Act, provided that at least four such meetings shall be held in every year.

(b) The Chairman may, at any time, and the company secretary or such other Officer of the Company as may be authorised in this behalf on the requisition of Director shall at any time summon a meeting of the Board. Notice in writing of every meeting of the Board shall be given to every Director for the time being in India, and at his usual address in India to every other Director.

(c) The Directors may participate in Board Meetings through such modes as permitted by applicable laws."

QUORUM

Article 133 provides that "Subject to the provisions of the Act, the quorum for a meeting of the Board shall be one-third of its total strength (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 is equal to or exceeds two-thirds of total strength, the number of remaining Directors, that is to say the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time. The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of Board after deducting there from the number of Directors, if any, whose places are vacant at the time. The term 'interested director' means any Director who presence cannot, by reason of Section 300 of the Act be counted for the purpose of forming a quorum at meeting of the Board, at the time of the discussion or vote on the concerned matter or resolution."

INTERESTED DIRECTOR NOT TO PARTICIPATE

Article 134 provides that "No Director shall as a Director, take any part in the discussion of, or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly concerned or interested in such contract or arrangement; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void; provided however that nothing herein contained shall apply to :-

(i) 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;
(ii) 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
    (a) in his being
        1. a director of such company, and
        2. the holder of not more than Shares of such number or value therein as is requisite to qualify him for appointment as a director thereof, he having been nominated as such director by the

Company, or

(b) in his being a member holding not more than 2% of its paid-up Share Capital. Provided further that in the event of the Central Government issuing a notification under Sub-section (3) of Section 300 of the Act exempting the Company from the application of all or any of the provisions contained in sub-section (1), the Directors of the Company may take part in the discussion of or vote on a contract or arrangement entered into or to be entered into by or on behalf of the Company notwithstanding that they may be directly or indirectly concerned or interested in the contract or arrangement and the presence of such Director shall count for the purposes of forming a quorum at the time any such discussion or vote and his vote shall not be void.

QUESTIONS HOW DECIDED

Article 136 provides that

(a) "Save as otherwise expressly provided in the Act, a meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a majority of the Board.

(b) In case of an equality of votes, the Chairman shall have second or casting vote in addition to his vote as Director."

PROVISION IN DEFAULT OF APPOINTMENT

Article 137 provides that

(a) "If the place of the retiring Director is not so filled and the meeting has not expressly resolved not to fill the vacancy, the meeting shall 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.

(b) if at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy the retiring Director shall be deemed to have been reappointed at the adjourned meeting, unless –

   (i) at that meeting or at the previous meeting a resolution for the re- appointment of such Director has been put to the meeting and lost;

   (ii) the retiring Director has by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so re-appointed;

   (iii) he is not qualified or is disqualified for appointment;

   (iv) a resolution, whether special or ordinary, is required for the appointment or re-appointment by virtue of any provisions of the Act; or

   (v) the provision to sub-section (2) of Section 263 of the Act is applicable to the case."

ELECTION OF CHAIRMAN OF BOARD

Article 138 provides that

(a) "The Board may elect a Chairman of its meeting and determine the period for which he is to hold office.

(b) If no such Chairman is elected or at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting the Directors present may choose one among themselves to be the Chairman of the Meeting."

DELEGATION OF POWERS

Article 139 provides that

(a) "The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such members of its body as it thinks fit.

(b) Any committee so formed shall, in the exercise of the power so delegated conform to any regulations that may be imposed on it by the Board."

ELECTION OF CHAIRMAN OF COMMITTEE

Article 140 provides that

(a) "A committee may elect a Chairman of its meeting. If no such Chairman is elected or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting, the members present may choose one among themselves to be the Chairman of the Committee Meeting.

(b) The quorum of a committee may be fixed by the Board of Directors."

QUESTIONS HOW DETERMINED

Article 141 provides that

(a) "A committee may meet and adjourn as it thinks proper.

(b) Questions arising at any meeting of a committee shall be determined by the sole member of the committee or by a majority of votes as the members present as the case may be and in case of an equality of vote the Chairman shall have a second or casting vote, in addition to his vote as a member of the committee."

VALIDITY OF ACTS DONE BY BOARD OR A COMMITTEE

Article 142 provides that "All acts done by any meeting of the Board, of a committee thereof, or by any person acting as a Director shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid or that they or any of them were disqualified be as valid as if even such Director or such person has been duly appointed and was qualified to be a Director."

RESOLUTION BY CIRCULATION

Article 143 provides that "Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with the necessary papers, if any, to all the Directors or to all the members of the committee then in India, not being less in number than the quorum fixed of the meeting of the Board or the Committee, as the case may be and to all other Directors or members at their usual address in India and approved by such of the Directors as are then in India or by a majority of such of them as are entitled to vote at the resolution shall be valid and effectual as if it had been a resolution duly passed at a meeting of the Board or committee duly convened and held."

NOMINEE DIRECTORS

Article 145 provides that

(a) "So long as any moneys remain owing by the Company to any All India Financial Institutions, State

Financial Corporation or any financial institution owned or controlled by the Central Government or State Government or any Non Banking Financial Company controlled by the Reserve Bank of India or any such company from whom the Company has borrowed for the purpose of carrying on its objects or each of the above has granted any loans / or subscribes to the debentures of the Company or so long as any of the aforementioned companies of financial institutions holds or continues to hold debentures /shares in the Company as a result of underwriting or by direct subscription or private placement or so long as any liability of the Company arising out of any guarantee furnished on behalf of the Company remains outstanding, and if the loan or other agreement with such institution/ corporation/ company (hereinafter referred to as the "Corporation") so provides, the corporation shall have a right to appoint from time to time any person or persons as a Director or Directors whole- time or non whole- time (which Director or Director/s is/are hereinafter referred to as "Nominee Directors/s) on the Board of the Company and to remove from such office any person or person so appointed and to appoint any person or persons in his /their place(s).

(b) The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the Corporation, such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

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 or so long as they holds or continues to hold debentures/shares in the Company as result of underwriting or by direct subscription or private placement or the liability of the Company arising out of the guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall vacate such office immediately on the moneys owing by the Company to the Corporation are paid off or they ceasing to hold debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of the guarantee furnished.

(c) The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all general meetings, Board meetings and of the meetings of the committee of which 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.

(d) The Company shall pay the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees commission, monies or remuneration in any form is payable to the Directors of the Company the fees, commission, monies and remuneration in relation to such Nominee Director/s shall accrue to the nominee appointer and same shall accordingly be paid by the Company directly to the Corporation.

(e) Provided that the sitting fees, in relation to such Nominee Director/s shall also accrue to the appointer and same shall accordingly be paid by the Company directly to the appointer."

POWERS TO BE EXERCISED BY BOARD ONLY BY MEETING

Article 146 provides that

(a) "The Board of Directors shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolution passed at the meeting of the Board:

- (i) Power to make calls on shareholders in respect of moneys unpaid on their shares;
- (ii) Power to issue debentures;
- (iii) Power to borrow money otherwise than on debentures:

(iv) Power to invest the funds of the Company;

(v) Power to make loans.

(b) The Board of Directors may by a resolution passed at a meeting delegate to any committee of directors or the Managing Director or to any person permitted by applicable law the powers specified in sub clauses (a) (iii), (iv) and (v) above.

(c) Every resolution delegating the power set out in sub clause (a) (iii) above shall specify the total amount up to which moneys may be borrowed by the said delegate.

(d) Every resolution delegating the power referred to in sub-clause (a) (iv) above shall specify the total amount, up to which the fund may be invested and the nature of the investments which may be made by the delegate.

(e) Every resolution delegating the power referred to in sub-clause (a) (v) above shall specify the total amount up to which the loans may be made by the delegate, the purposes for which the loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases."

CERTAIN POWERS OF THE BOARD

Article 149 provides that "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, it is hereby declared that the Board shall have the following powers, that is to say, power –

(a) 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;

(b) Subject to the Sections 293 and 360 of the Act to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or other acquisition to accept such title as the Board may believe or may be advised to be reasonably satisfactory;

(c) at their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in Shares, bonds Debentures, mortgages or other securities of the Company, and any such Shares may be issued either as fully paid-up or with such amount credited as paid-up thereon as may be agreed upon; and any such bonds, Debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;

(d) To secure the fulfillment of any contracts or engagements 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;

(e) To accept from any member, as far as may be permissible by law, a surrender of its Shares or any part thereof, on such terms and conditions as shall be agreed;

(f) To appoint any person to accept and hold in trust for the Company any property belonging to the Company, in which it is interested, or for any other purposes; and to execute and do all such deeds and things as may be required relating to any such trust, and to provide for the remuneration of such trustee or trustees.

(g) 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 for any claims or demands by or against the Company and to refer any differences to arbitration, and observe and perform any awards made thereon;

(h) To act on behalf of the Company in all matters relating to bankrupts and insolvents;

(i) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.

(j) Subject to provisions of Section 292, 293(1) (c), 295, 369, 372A and 373 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 think fit, and from time to time to vary and 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;

(k) 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;

(l) 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;

(m) To distribute by way of bonus amongst the staff of the Company a share or Shares in the profits of the Company, and to give to any officer or other person employed by the Company a commission on the profits of any particular business or transaction; and to charge such bonus or commission as part of the working expenses of the Company;

(n) To provide for the welfare of the Directors or ex Directors or employees or ex- employees of the Company and their spouses, and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwellings or chawls, by or grants of money, pension gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds, or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit; and subject to Section 293 (i) (e) to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise;

(o) 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 a Reserve Fund or Sinking Fund or any special Fund to meet contingencies or to repay 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 purposes referred to in the preceding article), as the Board may, in their absolute discretion, think conducive to the interests of the Company, and subject to Section 292 of the Act, to invest the several sums so set aside or so much thereof as required to be invested, upon such investments (other than Shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose off and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board in their absolute discretion, think conducive to the interests of the Company notwithstanding that the matters to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied to expend the same; and to divide the Reserve Fund into such special funds as the Board may think fit with full power to transfer the whole or any portion, or a Reserve fund or division of a Reserve fund to another Reserve fund or division of a Reserve fund and with full power to employ the assets constituting all or any or the above funds, including the Depreciation Fund in the business of the Company or in the purchase or repayment of Debentures or debenture-stock, and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the 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) To appoint, and at their discretion remove or suspend such general managers, managers, secretaries, assistants, supervisors, clerks, agents, and servants for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties, and fix their salaries, wages 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 fit; and the provisions contained in the four next following sub-articles shall be without prejudice to the general powers conferred by this sub-clause;

(q) To comply with the requirements of any local law which in their opinion shall in the interests of the Company be necessary or expedient to comply with;

(r) 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 persons to be Members of such Local Boards, and to fix their remuneration;

(s) 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 moneys 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 conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annul or vary delegation;

(t) At any time and from time to time by Power of Attorney under the Seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) 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 Members or any of the Members of any Local Board, established as aforesaid or 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 or persons whether nominated directly or indirectly by the Board and any such Power of Attorney may contain such powers for the protection or convenience of persons dealings 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;

(u) Subject to Section 294, 297 and 300 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;

(v) From time to time to make, vary and repeal bye-laws, for the regulation of the business of the Company, its officers and servants."

MANAGING DIRECTOR(S) AND/ OR WHOLE-TIME DIRECTOR(S)

Article 150 provides that

(a) “The Board may from time to time and with such sanction of the Central Government as may be required by the Act, appoint one or more of the Directors to the office of the Managing Director and/ or whole-time Directors for such term and subject to such remuneration, terms and conditions as they may think fit.

(b) The Directors may from time to time resolve that there shall be either one or more Managing Directors and/ or Whole time Directors.

(c) In the event of any vacancy arising in the office of a Managing Director and/or Whole-time Director, the vacancy shall be filled by the Board of Directors subject to the approval of the members.

(d) If a Managing Director and/or whole time Director ceases to hold office as Director, he shall ipso facto and immediately cease to be Managing Director/whole time Director.

(e) The Managing Director and/or whole time Director shall not be liable to retirement by rotation as long as he holds office as Managing Director or whole-time Director.”

POWERS AND DUTIES OF MANAGING DIRECTOR OR WHOLE-TIME DIRECTOR

Article 151 provides that “The Managing Director/Whole-time Director shall subject to the supervision, control and direction of the Board and subject to the provisions of the Act, exercise such powers as are exercisable under these Presents by the Board of Directors, as they may think fit and confer such power for such time and to be exercised as they may think expedient and they may confer such power either collaterally with or to the exclusion of any such substitution for all or any of the powers of the Board of Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any such powers. The Managing Directors/ whole time Directors may exercise all the powers entrusted to them by the Board of Directors in accordance with the Board’s direction.”

REMUNERATION OF MANAGING DIRECTORS/WHOLE TIME DIRECTORS

Article 152 provides that “Subject to the provisions of the Act and subject to such sanction of Central Government\Financial Institutions as may be required for the purpose, the Managing Directors\whole-time Directors shall receive such remuneration (whether by way of salary, perquisites, commission or participation in profits or partly in one way and partly in another) as the Company in general meeting may from time to time determine.”

REIMBURSEMENT OF EXPENSES

Article 153 provides that “The Managing Directors\whole-time Directors shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business of the Company. They shall be entitled to appoint part time employees in connection with the management of the affairs of the Company and shall be entitled to be paid by the Company any remuneration that they may pay to such part time employees.”

BUSINESS TO BE CARRIED ON BY MANAGING DIRECTORS/ WHOLE TIME DIRECTORS

Article 154 provides that “The Managing Directors\whole-time Director shall have subject to the supervision, control and discretion of the Board, the management of the whole of the business of the Company and of all its affairs and shall exercise all powers and perform all duties in relation to the management of the affairs and transactions of Company, except such powers and such duties as are required by law or by these Presents to be exercised or done by the Company in general meeting or by Board of Directors and also subject to such conditions or restrictions imposed by the Act or by these Presents.

(a) Without prejudice to the generality of the foregoing and subject to the supervision and control of the Board of Directors, the business of the Company shall be carried on by the Managing Director/ Whole time Director and he shall have all the powers except those which are by law or by these Presents or by any resolution of the Board required to be done by the Company in general meeting or by the Board.

(b) The Board may, from time to time delegate to the Managing Director or Whole time Director such powers and duties and subject to such limitations and conditions as they may deem fit. The Board may from time to time revoke, withdraw, alter or vary all or any of the powers conferred on the Managing Director or Whole time Director by the Board or by these Presents."

CUSTODY OF COMMON SEAL

Article 155 provides that "The Board shall provide for the safe custody of the Common Seal for the Company and they shall have power from time to time to destroy the same and substitute a new seal in lieu thereof; and the Common Seal shall be kept at the Office of the Company and committed to the custody of the Managing Director or the Secretary if there is one."

RIGHT TO DIVIDEND

Article 157 provides that

(a) "The profits of the Company, subject to any special rights, relating thereto created or authorized to be created by these Presents and subject to the provisions of these Presents as to the Reserve Fund, shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively on the last day of the year of account in respect of which such dividend is declared and in the case of interim dividends on the close of the last day of the period in respect of which such interim dividend is paid.

(b) Where capital is paid in advance of calls, such capital, whilst carrying interest, shall not confer a right to participate in the profits."

DECLARATION OF DIVIDENDS

Article 158 provides that "The Company in general meeting may declare dividends but no dividend shall exceed the amount recommended by the Board."

INTERIM DIVIDENDS

Article 159 provides that "The Board may from time to time pay to the members such interim dividends as appear to them to be justified by the profits of the Company.'

DIVIDENDS TO BE PAID OUT OF PROFITS

Article 160 provides that "No dividend shall be payable except out of the profits of the Company for that year or any other undistributed profits except as provided by Section 205 of the Act."

RESERVE FUNDS

Article 161 provides that

(a) "The Board may, before recommending any dividends, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends 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 Board may, from time to time think fit.

(b) The Board may also carry forward any profits when it may think prudent not to appropriate to

Reserves."

DEDUCTION OF ARREARS

Article 162 provides that "Subject to Section 205 of the Act, no Member shall be entitled to receive payment of any interest or dividend in respect of his share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares of or otherwise howsoever wither alone or jointly with any other person or persons and the Board may deduct from any dividend payable to any members all sums of money, if any, presently payable by him to the Company on account of the calls or otherwise in relation to the shares of the Company."

ADJUSTMENT OF DIVIDENDS AGAINST CALLS

Article 163 provides that "Any general meeting declaring a dividend may make a call on the members as such amount as the meeting fixed, 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 call."

RECEIPT OF JOINT HOLDER

Article 164 provides that "Any one of two or more joint holders of a share may give effectual receipt for any dividends, or other moneys payable in respect of such shares."

NOTICE OF DIVIDENDS

Article 165 provides that "Notice of any dividend that may have been declared shall be given to the persons entitled to share thereto in the manner mentioned in the Act."

DIVIDENDS NOT TO BEAR INTEREST

Article 166 provides that "No dividends shall bear interest against the Company."

TRANSFER OF SHARES AND DIVIDENDS

Article 167 provides that "Subject to the provisions of Section 206 A of the Act, any transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer."

UNPAID OR UNCLAIMED DIVIDEND

Article 168 provides that

(a) "Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, the Company shall within seven days from the date of expiry of the said period of 30 days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days, to a special account to be opened by the Company in that behalf in any scheduled bank to be called "Unpaid Dividend Account of [●]".

(b) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the fund known as Investors Education And Protection Fund established under section 205C of the Act.

(c) No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law."

NO INTEREST ON DIVIDENDS

Article 169 provides that "No unpaid dividend shall bear interest as against the Company subject to the provisions of the Act."

CAPITALISATION OF PROFITS

Article 170 provides that

(a) "The Company in general meeting, may, on recommendation of the Board resolve:

(i) That it 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

(ii) That such sum be accordingly set free for distribution in the manner specified in the sub-clause (b) amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion.

(b) The sum aforesaid shall not be paid in cash but shall be applied, either in or towards:

(i) Paying up any amounts for the time being unpaid on shares held by such members respectively

(ii) Paying up in full, unissued share of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid; or

(iii) Partly in the way specified in sub-clause (i) and partly that specified in sub clause (ii).

(c) A share premium account may be applied as per Section 78 of the Act and a capital redemption reserve account may, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

(d) The Board shall give effect to the resolution passed by the Company in pursuance of these Regulations."

POWER OF DIRECTORS FOR DECLARATION OF BONUS ISSUE

Article 171 provides that

(a) "Whenever such a resolution as aforesaid shall have been passed, the Board shall:

(i) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and

(ii) generally do all acts and things required to give effect thereto.

(b) The Board shall have full power:

(i) to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or debentures becoming distributable in fraction; and also

(ii) to authorize any person, on behalf of all the members entitled thereto, to enter into an agreement with the Company providing for the allotment to such members, credited as fully paid-up, of any further shares or debentures to which they may be entitled upon such capitalization or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any parts of the amounts remaining unpaid on the shares.

(c) Any agreement made under such authority shall be effective and binding on all such members."

INDEMNITY AND RESPONSIBILITY

DIRECTOR'S AND OTHERS' RIGHT TO INDEMNITY

Article 190 provides that

(a) "Subject to the provisions of the Act, the Managing Director and every Director, Manager, Secretary and other Officer or Employee of the Company shall be indemnified by the Company against any liability and it shall be the duty of Directors, out of the funds of the Company to pay, all costs and losses and expenses (including traveling expenses) which any such Director, Officer or Employee may incur or become liable to by reason of any contract entered into or act or deed done by him as such Managing Director, Director, Officer or Employee or in any way in the discharge of his duties.

(b) Subject as aforesaid the Managing Director and every Director, Manager, Secretary or other Officer or Employee of the Company shall be indemnified against any liability incurred by them or in defending any proceeding whether civil or criminal in which judgment is given in their or his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act in which relief is given to him by the Court."

Not responsible for acts of others

Article 191 provides that

(a) "Subject to the provisions of Section 201 of the Act no Director or other Officer of the Company shall be liable for the acts, receipt, neglects or defaults of any other Director or Officer, or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Director for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency, or tortuous act of any person, Company or Corporation, with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgment or over sight in his part or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own willful act or default.

(b) Without prejudice to the generality foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with Registrar of Companies in respect of any act done or required to be done by any Director or other Officer by reason of his holding the said office, shall be paid and borne by the Company."

Part II of the Articles of Association

Part B of the Articles include all the rights and obligations of the parties to the Shareholders Agreement dated August 3, 2006, as amended by amendment agreement dated June 14, 2013, entered into between the Company, the persons set out in Exhibit A to the shareholders agreement and Blackstone GPV Capital Partners Mauritius V-C Limited. In the event of any inconsistency between Part A and Part B of the Articles, the provisions of Part B shall override the provisions of Part A.

Part B of these Articles shall automatically terminate and cease to have any force and effect from the date of commencement of trading of the Equity Shares of the Company on a recognized stock exchange(s) pursuant to the initial public offering of shares of the Company.

PRELIMINARY

Article 1 provides that "The Regulations contained in Table 'A' in the Schedule 1 of the Companies Act, 1956, shall apply to the Company except in as far as otherwise expressly incorporated hereinafter."

TERMS OF OCRP SHARES

Article 3 provides that

(a) "OCRP Shares. The OCRP Shares issued to the Investor by the Company shall be on such terms and conditions as provided herein. Each OCRP Share shall have a par value of ₹ 10 and a tenure of 10 years ("Tenure") and shall be convertible in terms hereof in the ratio of 100 Equity Shares for every 417 OCRP Shares (rounded off to the nearest integer), subject to adjustment as provided herein. Subject to Law, each OCRP Share and Additional Security being in the nature of OCRP Shares shall subject to applicable Law be entitled to dividends on a as converted basis on the same basis and terms that each Equity Share would be entitled to dividends. For the avoidance of doubt if the Share Capital is not as represented in the Subscription Agreement or immediately following the issuance of all of the Equity Shares representing the Proposed New Issue, the Investor together with its Affiliates have an Ownership of less than 12.9 % of the Share Capital, the Investor together with its Affiliates shall be issued additional Equity Securities so as to ensure that the Ownership of the Investor and its Affiliate(s) arising from the subscription of the OCRP Shares and the Equity Shares aggregates to 12.9 % of the Share Capital including the Equity Shares representing the Proposed New Issue.

PRE-EMPTIVE RIGHTS

Article 4 provides that

(a) "The Company shall not, at any time prior to an IPO, issue any securities (including any Equity Securities) of any type or class to any Person (the "Proposed Recipient") unless the Company has offered each Shareholder in accordance with the provisions of this Article 4 the right to purchase such Shareholder's Pro Rata Share of such issuance for a per unit consideration, payable solely in cash, equal to the per unit consideration to be paid by the Proposed Recipient and otherwise on the same terms and conditions as are offered to the Proposed Recipient; provided, however, that the foregoing restriction shall not apply to any issuance of Equity Securities (i) to the Investor pursuant to the Subscription Agreement or the exercise of the conversion option attached to any of the OCRP Shares, (ii) pursuant to the terms of an employee stock option plan provided that such issuance of Equity Securities do not exceed in the aggregate 5% of the Share Capital on a fully diluted basis, (iii) upon the conversion, exercise or exchange of options, warrants or convertible securities issued on or after the date of these Articles in accordance with the terms hereof, (iv) in an IPO approved by the Board in accordance with these Articles.

(b) Notice. Not less than 45 Business Days before a proposed issuance of securities by the Company other than in connection with an issuance permitted under Article 4 (a)(i);(ii) and (iii) (a "Proposed Issuance"), the Company shall deliver to each Shareholder written notice of the Proposed Issuance setting forth (i) the number, type and terms of the securities to be issued, (ii) the consideration to be received by the Company in connection with the Proposed Issuance and (iii) the identity of the Proposed Recipients.

(c) Exercise of Rights. Within 30 Business Days following delivery of the notice referred to in Article 4 (b), each Shareholder electing to exercise its rights under this Article 4 shall give written notice to the Company specifying the number of securities to be purchased by such Shareholder and the calculation by such Shareholder of its Pro Rata Share. Except as provided in the next succeeding sentence, failure by any Shareholder to give such notice within such 30 Business Day period shall be deemed a waiver by such Shareholder of its rights under this Article 4 with respect to such Proposed Issuance. If any Shareholder fails to give the notice required under this Article 4 (c) solely because of the Company's failure to comply with the notice provisions of Article 4 (b), then the Company shall not issue securities pursuant to this Article 4 and if purported to be issued, such issuance of securities shall be void. A Shareholder may assign to its Affiliate the right to acquire the securities pursuant to this Article 4, provided that such Affiliate complies with the provisions of Article 6 (c) as if it were a Permitted Transferee.

(d) Failure to Subscribe. Subject to the Company's compliance with the notice provisions of Article 4 (b), in the event that any Shareholder (a "Non-Subscribing Shareholder") notifies the Company that it declines to exercise its right to subscribe to its Pro Rata Share of the Proposed Issuance, in part or in whole, is deemed to have waived its right in accordance with Article 4 (c), or fails to settle the payment of the consideration required for the Proposed Issuance within the 45 Business Day period following delivery of the notice referred to in Article 4 (c) (except where such 45 Business Day period is extended for an additional period necessary to obtain any Governmental Approvals required for such subscription and payment), the other Shareholders shall be entitled to subscribe to such securities not subscribed to by any Non-Subscribing Shareholder, consistent with applicable Law."

ADDITIONAL SECURITIES

Article 5 provides that

(a) "Adjustment Event. In the event the conditions set forth in the first sentence of Clause_7(a) of the Shareholders' Agreement is satisfied, then the Company shall, as soon as practicable and in any event no later than 30 days after such audited financial accounts become available, issue such number of additional Equity Securities to the Investor and its Affiliates ("Additional Securities") at a price in accordance with the Act, which price shall in any event not be greater than the aggregate par value of the Equity Securities entitling the Investor together with its Affiliates to an additional Ownership of the Share Capital as on the Effective Date calculated as the percentage as set forth in sub-clauses (i) and (ii) of Clause 7(a) of the Shareholders' Agreement. For the avoidance of doubt, in this Article 5(a) for the purposes of calculation of the Ownership of 1.5% of the Share Capital as of the Effective Date, the Equity Securities issued pursuant to Clause 7(a) and 7(b) of the Subscription Agreement shall not be taken into consideration and the Equity Shares to be issued in the Proposed New Issuance will be taken into consideration.

(b) Issuance of Additional Securities. The Company shall deliver certificates representing the_Additional Securities. The Additional Securities shall when issued and paid for as provided in these Articles will be duly authorized and validly issued, fully paid, and: (i) in respect of Additional Securities being in the nature of the Equity Shares shall rank *pari-passu* with other Equity Shares; and (ii) in respect of Additional Securities being in the nature of OCRP Shares shall rank senior in priority to other Equity Shares and preference Shares in accordance with Clause 9(h)(i) of the Shareholders Agreement. The Additional Securities are and will be free of restrictions on transfer other than restrictions on transfer under the Shareholders' Agreement and the Charter Documents. The Additional Securities are and will be free and clear of any Encumbrances and the Company shall so represent and warrant. Any stamp duty or fees payable on the issuance of such Additional Securities shall be borne by the Company.

(c) EBITDA. For the purpose of this Article 5: (1) the calculation of FY2007 EBITDA will be jointly agreed and negotiated in good faith between the Promoters and the Investor so as to exclude non-recurring and extra-ordinary items from such calculation; (2) "Differential EBITDA" shall have the meaning ascribed to it in the Shareholders' Agreement; (3) the Investor shall have the right to chose the form of Equity Securities to be issued as Additional Securities, which Equity Securities shall either be (i) Equity Shares; or (ii) OCRP Shares, on terms set forth in Article 3."

TRANSFER OF EQUITY SECURITIES

Article 6 provides that

(a) “Transfer. No Shareholder shall Transfer or attempt to Transfer any Equity Securities or any right, title or interest therein or thereto, except as expressly permitted by the provisions of the Articles 6, 7 and 8. Any Transfer or attempt to Transfer Equity Securities in violation of the preceding sentence shall be null and void ab initio, and the Company shall not register any such Transfer.

(b) Transfer Procedure. No Transfer may be made pursuant to these Articles 6, 7 and 8 unless (i) the transferee has executed a Deed of Adherence (except if such Transfer is pursuant to an IPO) (ii) the Transfer complies in all respects with the other applicable provisions of these Articles and (iii) the Transfer complies in all respects with applicable Laws provided, however, and subject to Article 6(g), nothing in this Article 6 (b) shall apply if the Equity Securities being Transferred by the Investor are less than 6.5 % of the Share Capital on a fully-diluted basis.

(c) Permitted Transfers. The following Transfers of Equity Securities may be made at any time without compliance with the provisions of Article 6(h), Article 7 and Article 8:

   (i) any Transfer by the Promoter or the Investor or their respective Affiliates to an Affiliate, subject to such Affiliates executing a Deed of Adherence;

   (ii) any Transfer of Equity Securities by the Investor or the Promoter or their Affiliates pursuant to an IPO;

For the avoidance of doubt, the rights of the Investor and its Affiliates shall be exercised through either the Investor or any one Affiliate of the Investor.

An Affiliate who is a transferee of the Equity Securities from the Investor or the Promoter as described in Article 6(c) is hereinafter referred to as a “Permitted Transferee” of the Investor or the Promoter. The Promoter and the Investor undertake that each of them shall, prior to a Permitted Transferee ceasing to be an Affiliate, acquire by itself or through any of its Affiliates all but not less than all of the Equity Securities held by such Affiliate, notwithstanding that such Permitted Transferee has executed a Deed of Adherence.

(d) Depositories. In the event the Equity Securities of the Company are dematerialized, the Company, the Promoter and the Investor shall issue appropriate instructions to the depository not to Transfer the Equity Securities of any Shareholder except in accordance with the Charter Documents and these Articles. The Company shall cause the Shareholders to direct their respective depository participants not to accept any instruction slip or delivery slip or other authorisation for Transfer contrary to the terms of Charter Documents and these Articles.

(e) Avoidance of Restrictions. The Parties agree that the Transfer restrictions in these Articles (including in Articles 6, 7 and 8) and in the Charter Documents shall not be capable of being avoided by the holding of Equity Securities indirectly through a company or other entity that can itself be sold in order to dispose of an interest in Equity Securities free of such restrictions.

(f) Restricted Transfer Period. The Investor and its Affiliates shall not Transfer any Equity Securities to a Company Competitor for a period of 24 months from the Effective Date (“Restricted Period”) provided that after the expiry of the Restricted Period, the Investor and its Affiliates shall not Transfer any Equity Securities to such Company Competitors not exceeding five (5) in number as may be notified by the Company to the Investor in writing in accordance with Clause 16 of the Shareholders Agreement within a period of 15 days prior to the expiry of the Restricted Period.

(g) Right to Transfer. Subject to Articles 6 (f), 6(h) and Article 7, the Investor and its Affiliates shall have the right to Transfer any or all Equity Securities together with its or their rights and obligations under the Subscription Agreement and these Articles at any time to a Person (“Purchaser”) without the prior written consent of any shareholder, Promoter or the Company provided that if the Equity Securities being Transferred by the Investor to any Purchaser in a single or more than one related transactions are less than 6.5 % of the Share Capital onfully diluted basis, such Purchaser shall not be entitled to any rights and subject to any obligations of the Investor under the Subscription Agreement and these Articles. In any Transfer by the Investor to the Purchaser of more than 6.5% of the Share Capital on a fully diluted basis, upon receipt of reasonable notice and subject to the Purchaser assuming similar obligations to the Investor and against execution of suitable confidentiality / non-disclosure agreement/undertaking by the Purchaser, the Company shall give reasonable access to the Purchaser and their authorized representatives (including lawyers, accountants, auditors and other professional advisors) to visit and inspect all properties, assets, corporate, financial and other records, reports, books, contracts and commitments of the Company and to discuss and consult with respect to its business, actions plans, budgets and finances with the directors and executive officers of the Company.

(h) Post IPO Intimation. Prior to any Transfer of Equity Securities anytime subsequent to the IPO, the Investor and/or the Promoter proposing to Transfer its Equity Securities shall give a written notice ("Proposed Sale Notice") to the Investor or the Promoter (as the case may be) at least 3 Business Days prior to such proposed Transfer, which notice shall provide for the following details : (i) number of Equity Securities proposed to be Transferred; (ii) the name and address and identity of the proposed transferee; (iii) the amount of the proposed consideration for the proposed Transfer. In the event the Transfer of Equity Securities is being effected through the stock exchange and provided that such Transfer of Equity Securities through the stock exchange is not being effected on a negotiated basis, it shall not be necessary for the Proposed Sale Notice to contain the information set forth in this Article 6(h)(ii) and (iii). If such a Transfer does not occur within a period of three months from the time of issuance of a Proposed Sale Notice for any reason, the requirements provided in this Article 6(h) shall again become effective, and no Transfer of Equity Securities may be made by the Investor or the Promoter (as the case may be) thereafter without again issuing a notice to the Investor or the Promoter (as the case may be) in accordance with this Article 6(h). For the avoidance of doubt, this Article 6 (h) shall not confer on any Person a pre-emptive right to acquire or sell Equity Securities from or along with the Investor or the Promoter (as the case may be)."

RIGHT OF FIRST OFFER

Article 7 provides that

(a) "If either the Promoter or the Investor or their respective Affiliates (the "Transferring Shareholder") proposes to Transfer its or their Equity Securities, the Investor and/or the Promoter as the case may be shall first have a right of first offer (the "First Offer Right") with respect to such sale as provided in this Article 7.

(b) If the Transferring Shareholder proposes to sell its Equity Securities the Transferring Shareholder shall send a written notice (the "Transfer Notice") to the Promoter and/or the Investor as the case may be (the "Offeree"), which notice shall state (i) the name of the Transferring Shareholder and, if known, the name of the proposed transferee (ii) the number of Equity Securities to be sold (the "Offered Securities") and (iii) the total value of the consideration for each Equity Security for the proposed sale as proposed by the Transferring Shareholder ("Offer Price").

(c) Rights of Other Shareholders. For a period of 30 Business Days after delivery of a Transfer Notice (the "Offer Period"), the Offeree shall have the right, exercisable by each Offeree through the delivery of an Acceptance Notice as provided in Article 7 (d), to purchase in aggregate all, but not less than all, of the Offered Securities at a purchase price equal to the Offer Price per Equity Security and upon the other terms and conditions set forth in the Transfer Notice. An Offeree may assign to an Affiliate of such Offeree its right to acquire Offered Securities pursuant to this Article 7(c), provided that such Affiliate complies with the provisions of Article 6(c) as if it were a Permitted Transferee.

(d) Exercise of Rights. The First Offer Right of each Offeree under Article 7(a) shall be exercisable by delivering written notice of exercise (an "Acceptance Notice") within the Offer Period to the Transferring Shareholder. An Acceptance Notice shall be irrevocable and shall constitute a binding agreement by such Offeree to purchase the relevant number of Offered Securities. The failure of an

Offeree to give an Acceptance Notice within the Offer Period shall be deemed to be a waiver of such Offeree's First Offer Right.

(e) Sale to Third-Party Purchaser. Unless the Offerees elect in the aggregate to purchase all of the Offered Securities under Article 7(d) or in the event the Offerees fail to close the purchase of Offered Securities in accordance with Article 7(b), subject to Article 6(f), the Transferring Shareholder may Transfer, subject to Article 8 (in the case where the Promoter and/or its Affiliates are the Transferring Shareholder), all of the Offered Securities to any Person (which Person is not required to be the proposed transferee, if any, identified in the Transfer Notice) ("Transferee"); provided, that (i) the price for the sale to the Transferee is at a price per Share not less than 95 % of the Offer Price on a per Equity Security basis and (ii) the sale is otherwise on terms and conditions (taken in the aggregate) not materially less favourable to the Transferring Shareholder than those set forth in the Transfer Notice; and (iii) the Transfer is made within six months after the giving of the Transfer Notice. If such a Transfer does not occur within such six-month period for any reason, the restrictions provided for herein shall again become effective, and no Transfer of Equity Securities may be made by the Transferring Shareholder thereafter without again making an offer to the other Shareholders in accordance with this Article 7.

(f) Closing. The closing of any purchase of Offered Securities by the Offerees shall be held at the principal office of the Company at 11:00 a.m. local time on the 45th day after the giving of the Transfer Notice or at such other time and place as the parties to the transaction may agree. Such 30 day period shall be extended for an additional period necessary (as may be agreed between the parties) to obtain any Governmental Approvals required for such purchase and payment. At such closing, the Transferring Shareholder shall deliver certificates representing the Offered Securities, accompanied by duly executed instruments of transfer or duly executed transfer instructions to the relevant depositary participant. Such Offered Securities shall be free and clear of any Encumbrance (other than Encumbrances arising hereunder or attributable to actions by the Offerees), and the Transferring Shareholder shall so represent and warrant and shall further represent and warrant that it is the beneficial and record owner of such Offered Securities. Each Offeree purchasing Offered Securities shall deliver at such closing (or on such later date or dates as may be provided in the Transfer Notice with respect to payment of consideration by the proposed Transferee) payment in full of the Offer Price in accordance with the terms set forth in the Transfer Notice, an executed Deed of Adherence and any requisite transfer taxes. At such closing, all of the parties to the transaction shall execute such additional documents as may be necessary or appropriate to effect the sale of the Offered Securities to the Offerees. Any stamp duty or transfer taxes or fees payable on the transfer of any Offered Securities shall be borne and paid by the relevant Offerees in proportion with the number of Offered Securities each such Offeree is purchasing."

TAG ALONG RIGHT

Article 8 provides that

(a) "If a Promoter and/or its Affiliates receives a bona fide offer to acquire Equity Securities or proposes to make a Transfer of Equity Securities to a Transferee pursuant to Article 7(e), the Promoter and/or its Affiliates shall send a written notice (the "Tag-Along Notice") to the Investor, which notice shall state : (i) the name and address and identity of the proposed Transferee, (ii) the number of Equity Securities to be Transferred (the " Sale Securities"), (iii) the amount and form of the proposed consideration for the Transfer, (iv) the other terms and conditions of the proposed Transfer, (v) a representation that no consideration, tangible or intangible, is being provided to the Promoter and/or its Affiliates that is not reflected in the price to be paid to the Investor exercising their Tag-Along Rights hereunder and (vi) the number of Equity Securities the Promoter together with its Affiliates then owns. In the event that the proposed consideration for the Transfer includes consideration other than cash, the Tag-Along Notice shall include a calculation of the fair market value of such consideration as determined by an internationally-reputed investment bank. The total value of the consideration for the proposed Transfer is referred to herein as the "Tag-Along Price."

(b) Tag-Along Rights. The Investor shall have the right (the "Tag-Along Right") but not the obligation to require the Promoters to cause the Transferee in a Transfer of Equity Securities to purchase from the Investor and/or its Affiliates, for the same consideration per Equity Security and upon the same terms and conditions as are to be paid and given to the Promoter and/or its Affiliates (except that the Investor and its Affiliates will not be required to make any representations or warranties except as provided in Article 8(e) or otherwise be liable for any indemnification (except in respect of their own breach), such number of Equity Securities equal to the Sale Securities multiplied by a fraction, the numerator of which is the total number of Equity Securities held by the Investor together with its Affiliates and the denominator of which is the total number of Equity Securities held by the Promoter together with its Affiliates, in each case on a fully-diluted basis provided that if the Promoter and/or its Affiliates propose to make a Transfer of Equity Securities to a Transferee such that the aggregate Ownership of the Promoter together with is Affiliates would cease to be (fifty per cent) 50 % immediately upon the Transfer of the Equity Securities as provided in Article 8(e), the Investor and its Affiliates shall be entitled to sell to the Transferee up to all of the number of Equity Securities held by the Investor together with its Affiliates at such time.

(c) Tag-Along Notice. Within twenty-five (25) Business Days following the receipt of the Tag-Along Notice, in the event the Investor and/or its Affiliates elects to exercise its Tag-Along Right, it shall deliver a written notice of such election to the Promoter and/or its Affiliates ("Tag Acceptance Notice") and the number of Equity Securities calculated in accordance with Article 8(b), the Investor and/or its Affiliates proposes to Transfer to such Transferee ("Tag-Along Securities"). Such notice shall be irrevocable and shall constitute a binding agreement by the Investor and/or its Affiliates to sell such Equity Securities on the terms and conditions set forth in the Tag Acceptance Notice.

(d) Non-Consummation. Where the Investor and/or its Affiliates have properly elected to exercise its Tag-Along Right and the proposed Transferee fails to purchase Equity Securities from the Investor and/or its Affiliates, the Promoter and/or its Affiliates shall not make the proposed Transfer, and if purported to be made, such Transfer shall be void and the Company shall not register any such Transfer of Equity Securities.

(e) Closing. The closing of any purchase of Equity Securities by the Transferee from the Investor and/or its Affiliates shall take place simultaneous with the closing of the purchase of Equity Securities by the Transferee from the Promoter and its Affiliates or at such other time and place as the Investor may agree in writing. At such closing, the Investor and/or its Affiliates shall deliver certificates representing the Tag-Along Securities, accompanied by duly executed instruments of transfer or duly executed transfer instructions to the relevant depository participant. Such Tag-Along Securities shall be free and clear of any Encumbrance (other than Encumbrances arising hereunder or attributable to actions by the Offerees), and the Investor and/or its Affiliates shall so represent and warrant and shall further represent and warrant that it is the beneficial and record owner of such Tag-Along Securities. The Investor and its Affiliates shall not be required to make any other representations or warranties. Any Transferee purchasing the Tag-Along Securities shall deliver at such closing (or on such later date or dates as may be provided in the Tag-Along Notice with respect to payment of consideration by the proposed Transferee) payment in full of the Tag-Along Price in accordance with the terms set forth in the Tag-Along Notice, an executed Deed of Adherence and any requisite transfer taxes. At such closing, all of the parties to the transaction shall execute such additional documents as may be necessary or appropriate to effect the sale of the Equity Securities to the Transferee.

(f) Post-IPO Tag-Along Right. Notwithstanding anything mentioned in the Articles 8(a) to 8(e), the Investor shall not have a Tag-Along Right in respect of any Transfer or sale of Equity Securities by the Promoter and/or its Affiliates anytime after the occurrence of an IPO and provided that such Transfer or sale of Equity Securities by the Promoter and/or its Affiliates together with prior Transfers or sales in the current Financial Year do not exceed 1% of the Share Capital. If such 1% threshold is exceeded in a Financial Year, then the Tag-Along Right shall apply, unless such Equity Securities are sold in a public offering."

LEGEND

Article 9 provides that "Each certificate for any Equity Securities now held or hereafter acquired by any Shareholder shall, for as long as these Articles is effective, bear a legend as follows:

"THE TRANSFER OF THE EQUITY SECURITIES REPRESENTED BY THIS CERTIFICATE SHALL BE SUBJECT TO THE PROVISIONS OF THAT CERTAIN SHAREHOLDERS' AGREEMENT, DATED AS OF [ ], 2006 AMONG THE COMPANY AND THE SHAREHOLDERS OF THE COMPANY NAMED THEREIN OR SUBSEQUENTLY ADHERING THERETO. A COPY OF SUCH SHAREHOLDERS' AGREEMENT IS ON FILE AT THE REGISTERED OFFICES OF THE COMPANY. THE COMPANY WILL NOT REGISTER THE TRANSFER OF SUCH EQUITY SECURITIES UNLESS THE TRANSFER HAS BEEN MADE IN ACCORDANCE WITH SUCH SHAREHOLDERS' AGREEMENT."

In the event the Equity Securities are dematerialised, an appropriate lien will be marked in the records of the depository participant."

QUORUM

Article 10 provides inter alia that

a) "Shareholders Meetings. Subject to the provisions of the Act, all Shareholders Meetings shall require a quorum of at least 5 Shareholders present in person or through their representative; provided, however, that such quorum must include the Investor. If such quorum is not present within one hour from the time appointed for the meeting, the meeting shall be adjourned to the same time and place not earlier than ten (10) Business Days but no later than twenty-one (21) Business Days thereafter as the Chairman may determine after prior consultations with the Investor Director (if the Investor Director is present). In the absence of a valid quorum at such adjourned meeting, the Shareholders present in person or through their representative thereat shall, notwithstanding anything to the contrary herein contained, constitute a quorum and all business transacted thereat shall be regarded as having been validly transacted provided, however, that in any such adjourned meeting, no matter listed in Article 11(n) shall be taken up unless a quorum of at least two Shareholders is present, which quorum must include the Investor.

b) Complete Effect. Each Shareholder shall vote its Equity Shares at any general or extraordinary general meeting of the Shareholders or matters required to be voted by way of a postal ballot (a "**Shareholders Meeting**"), and shall take all other actions necessary, to give effect to the provisions of the Agreement and to ensure the inclusion in the Charter Documents the rights and privileges of the Shareholders included in these Articles and the Subscription Agreement. In addition, each Shareholder shall vote its Equity Shares at any Shareholders' Meeting upon any matter submitted for action by the Shareholders or with respect to which the Shareholders may vote and shall cause its Directors on the Board to vote, in conformity with the specific terms and provisions of these Articles to the extent legally permissible to give complete legal effect to the provisions of the Agreement. The Parties shall use their best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or desirable under Law to consummate or implement expeditiously the transactions contemplated by, and the agreements and understanding contained in these Articles. The Shareholders shall vote their Equity Shares and shall take all other action necessary or required, to ensure that at all times the Charter Documents or the charter documents of the relevant Subsidiary, as the case may be, facilitate, and do not conflict with, the provisions of these Articles, and require the approval of the Company or the Board in order for each of the actions set out in Article 12 to be taken by such Subsidiary."

DIRECTORS AND NUMBER OF DIRECTORS

Article 11 provides that

a. "Authority of the Board. Subject to the provisions of these Articles and the Act, the Board shall be responsible for the management, supervision, direction and control of the Company and, as a holding company, its Subsidiaries. Subject to the provisions of these Articles, the Board shall be entitled to delegate powers to such persons and such committees that the Board may create to assist it in its business strategy and objectives.

b. Size of the Board. The number of directors constituting the entire Board shall be 12. The Investor and its Affiliates shall have the right to nominate one (1) Director, which Director shall initially be Akhil Gupta ("Investor Director") provided that such right shall be transferable, directly or indirectly, by the Investor to one or more of its Affiliates. The Investor Director shall not be a Director on the board of directors of a Company Competitor. The Promoters shall ensure that the Company appoints, and the Company shall appoint at all times such number of Independent Directors to the Board such that the majority of Directors on the Board are Independent Directors, provided that if for any reason the Company has not been able to appoint an adequate number of Independent Directors in accordance with this Article 11 (b), the Promoter shall procure the resignation of such number of Directors (other than the Investor Director) such that the majority of Directors on the Board are Independent Directors. The Investor Director shall be a director whose office is not capable of being vacated by retirement or by rotation.

c. Election of Directors. The Promoter, the Investor and their respective Affiliates shall each exercise its votes in relation to all the Equity Securities held by it at any Shareholders Meeting called for the purpose of filling the positions on the Board or in any decision of the Board for such purpose to elect, and shall take all other actions necessary to ensure the election to the Board of such number of Directors as specified in Article 11 (b).

d. Invitee. For a period of one (1) year from the Effective Date, the Company shall invite one nominee of the Investor to all meetings of the Board and the audit and/or remuneration committees thereof. After the expiry of one (1) year from the Effective Date, the Company, the Promoter and the Investor shall in good faith review the obligation of the Company in this Article 11(d). For the avoidance of doubt, the Invitee shall not be a Director and shall have no rights or obligations as that of a Director.

e. Board Committees. Subject to restrictions contained in Section 292 of the Act the Board may delegate any of their powers to one or more committees of the Board consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part, and either as to persons or purposes; but every committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulation that may from time to time be imposed on it by the Board in conformity with such regulations and in fulfillment of the purpose of their appointment but not otherwise, shall have the like force and effect as if done by the Board. In the event any committee(s) is formed by the Board in respect of audit and remuneration matters, the Investor shall have the right to, and the Company shall, appoint the Investor Director to such audit and remuneration committee(s) and shall invite the Invitee to meetings of such audit and remuneration committees of the Board. The proceedings and decisions of any committee(s) formed by the Board shall be subject to Article 11 (n) and (o). The provisions of Article 11(k) below relating to quorum in so far as they apply to meetings of the Board which are not Scheduled Board Meetings shall apply mutatis mutandis to meetings of such audit and remuneration committee(s) of the Board.

f. Removal and Replacement of Directors. The Investor Director shall be removed from the Board, with or without cause, upon, and only upon, the affirmative vote of the Investor. Each Shareholder shall exercise its vote in relation to the Equity Securities controlled by it for the removal of the Investor Director upon the written request of the Investor. The Investor shall cause the replacement of the Investor Director in the event the Investor Director is appointed as a director on the board of directors of a Company Competitor. Except in the event of the Investor failing to remove the Investor Director in accordance with the foregoing sentence, no Shareholder shall exercise its votes in relation to the Equity Securities controlled by it for the removal of the Investor Director in any other circumstances. In the event the Investor Director resigns or is removed in accordance with

Article 11 (f), the Investor will have the right to nominate such Director's successor or replacement, and such successor or replacement Director shall be nominated and elected on or as soon as practicable after the date of such resignation or removal and in any event within 25 Business Days after such resignation or removal.

g. Alternate Director. Notwithstanding anything contained in Article 115 and subject to the applicable provisions of the Act, the Investor shall be entitled through its Investor Director to nominate an alternate Director to act in accordance with the Act for any Director nominated by the Investor and shall issue a written notice to the Company in accordance with Clause 16 of the Shareholders' Agreement providing the name and contact address of such alternate Director ("Alternate Director Nomination Notice"). The Board shall appoint the alternate Director so nominated within 5 Business Days of the receipt of such Alternate Director Nomination Notice. The Investor shall also have a right to withdraw its nominated alternate Director and nominate another in his place. The Investor and the Promoter shall take all such actions, including exercising their respective votes in relation to the Equity Securities controlled by it, as may be required to cause any alternate Director nominated pursuant to this Article 11 (g) to be duly elected or appointed.

h. Quorum. Subject to the provisions of the Act, all meetings of the Board shall require a quorum of at least two Directors; provided, however, that the quorum must include at least one Investor Director in respect of any meeting of the Board which is not a Scheduled Board Meeting. If such a quorum is not present within one hour from the time appointed for the meeting, the meeting shall adjourn to such place and time as those Directors who did attend shall decide or, if no such decision is reached, at the same place and time seven Business Days later, at which meeting the Directors present shall constitute a valid quorum even though the Investor Director is not present, provided that written notice of such adjourned meeting shall have been delivered to all Directors at least five (5) Business Days prior to the date of such adjourned meeting. Notwithstanding anything in this Article 11 (k), the adoption of any resolution of the Board at any meeting where an Investor Director is present or not at such meeting of the Board, or in any adjourned meeting shall also be subject to the provisions of Articles 11 (n).

i. Voting. At any Board meeting, each Director may exercise one vote. Except as provided in Article 11(n) the adoption of any resolution of the Board shall require the affirmative vote of a majority of the Directors present at a duly constituted meeting of the Board or in the case of a circular resolution signing by the majority of the Directors to whom the resolution is circulated. Subject to Article 11 (n) the Board shall not at any meeting adopt any resolution covering any matter that is not expressly specified on the agenda for such meeting unless a majority of the Directors present at such meeting which shall include the Investor Director vote in favour of such resolution.

j. Company Affirmative Voting Matters. Subject to any additional requirements imposed by the Act and to the last sentence of this Article 11 (n), the Shareholders agree that neither the Company nor any Shareholder, Director, officer, committee, committee member, employee, agent or any of their respective delegates shall, without the affirmative written consent or approval of at least a majority of the Directors, including the affirmative written consent or approval of at least the Investor Director, obtained at a validly convened Board meeting, take or permit any Subsidiary to take any of the actions set forth in Article 12, whether by circular resolution or otherwise. All matters in respect of the actions set forth in Article 12 (whether such action is to be taken by the Company or its Subsidiaries must be referred to the Board, and no Shareholder, Director, officer, committee, committee member, employee, agent or any of their respective delegates shall take any actions purporting to commit the Company or any Subsidiary in relation to any such matters without the prior approval of the Board in accordance with this Article 11 (n)."

COMPANY: RESERVED MATTERS

Article 12 provides that

(a) "Commencement of any business, not being in the nature of domestic pharmaceuticals sales and marketing, domestic contract manufacturing for final formulations and active pharmaceuticals ingredients, contract manufacturing for export markets for final formulations and active pharmaceuticals ingredients which, individually or in the aggregate, involves expenditure in excess of Rupees 750 million in any two year period (not being treasury operations) and for the avoidance of doubt the Company and its Subsidiaries shall not engage in (i) research and development of new chemical entities intended for marketing or sale in regulated markets (including the United States of America); or (ii) setting up of a sales force for direct sales in the Regulated Markets (including the United States of America);

(b) Issue, allot, repurchase, redeem, alter, reorganize or retire Equity Shares or convertible securities or options in respect of such Equity Securities and any rights attached to such Equity Securities or otherwise permit any change in the equity structure of the Company or any Subsidiary, any changes in class rights for securities, undertake stock splits or stock consolidations, or modify or adopt any equity option plan except for any additional Equity Securities of the Company issued pursuant to an employee stock option plan adopted by the Company which shall not exceed 5% of the current paid-up capital of the Company;

(c) Initiate or consummate (i) an IPO at any time prior to the expiry of 3 years from the Effective Date if such IPO would result or results in an aggregate valuation of all the Equity Securities held by the Investor and its Affiliates, (assuming the Investor and its Affiliates have not acquired or Transferred any Equity Securities) that is less than the aggregate of the Investment Amount and an additional amount being the amount calculated on a compounded basis at the rate of 15 % per annum on the Investment Amount from the Effective Date until the consummation of the IPO or (ii) any public offering of Equity Securities any Subsidiary;

(d) Delist any Equity Securities of the Company or any Subsidiary on or from any stock exchange;

(e) Acquire assets (or any interest therein) or sell or otherwise dispose of any assets, other than in the ordinary course of its business where the amount involved (whether in cash or otherwise and including any Indebtedness assumed, incurred or disposed of), individually or in the aggregate for all such acquisitions and sales or other dispositions, over any two year period , does not exceed Rupees 750 million, or incur any capital expenditure where the amount involved (whether in cash or otherwise), individually or in the aggregate, in any financial year of the Company, exceeds Rupees 750 million;

(f) Sell or otherwise dispose of any Equity Securities of any Subsidiary;

(g) Declare or pay any dividend or other distribution (whether in cash, securities, property or other assets) on any class of Equity Securities of the Company in excess of the lower of: (i) 25% of the net income of the Company for the pertaining period as provided in the audited accounts of the Company; (ii) 50 % of the par value of the Equity Shares. Declare or pay any dividend or other distribution (whether in cash, securities, property or other assets) on any class of Equity Securities of a relevant Subsidiary in excess of 25% of the net income of the relevant Subsidiary for the pertaining period as provided in the audited accounts of the relevant Subsidiary;

(h) Incur, issue or assume any Indebtedness if, on a pro forma basis immediately after giving effect thereto, either (i) the Company and its Subsidiaries (on a consolidated basis) would have a ratio of Net Indebtedness to EBITDA greater than 4 to 1; or (ii) the Indebtedness of the Company and its Subsidiaries (on a consolidated basis) would exceed Rupees 4,500 million, whichever of (i) or (ii) is higher;

(i) Utilize the securities premium account of the Company for any purpose other than the redemption of the OCRP Shares held by the Investor together with its Affiliates and the buy-back of the Equity Shares held by the Investor together with its Affiliates, as contemplated in these Articles;

(j) Enter into any arrangement, contract or agreement with any Related Party or an Affiliate (other than a wholly owned Subsidiary of the Company) with a value of more than Rupees 100 million;

(k) Merge, amalgamate or consolidate the Company or any Subsidiary with any other entity;

(l) Cause the Company or any Subsidiary to (1) commence any case, proceeding or other action (A) under any bankruptcy, insolvency or similar law seeking to have an order of relief entered with respect to it or seeking to adjudicate it as bankrupt or insolvent, or seeking reorganisation, arrangement, adjustment, winding up, liquidation, dissolution, composition or other relief with respect to it or its debts or (B) seeking appointment of a receiver, trustee, custodian or other similar official for it or all or any substantial part of its property, (2) make a general assignment for the benefit or its creditors or (3) admit in writing its inability to pay its debts when they become due;

(m) Dissolve, liquidate, reorganise or restructure the Company or any Subsidiary;

(n) Amend any Charter Documents of the Company or the articles of association or the memorandum of association of any Subsidiary;

(o) Change the accounting standards or tax policies or practices employed by the Company or any Subsidiary;

(p) Change the statutory or internal auditors of the Company or any Subsidiary;

(q) Establish or set up any Person who is or would be a Subsidiary of the Company or any Subsidiary;

(r) Cause or permit the Company or any Subsidiary to cease carrying on a material part of its business; and

(s) Enter into any binding agreement to take any of the foregoing actions."

INITIAL PUBLIC OFFERING

Article 14 provides that

(a) "<u>IPO Period</u>. The Parties agree that an IPO may be conducted as soon as practicable within three (3) years from the Effective Date (the "Target Period"), subject to compliance with Law including the guidelines and regulations of the Securities and Exchange Board of India ("SEBI Regulations"), and in accordance with the principles set forth in this Article 14. In the event the Company and the Promoters are not able to effect an IPO within the Target Period, the Investor may by written notice to the Company inform the Company of its desire to have the Company listed on a Stock Exchange. Upon the issuance of such notice by the Investor, the Company and the Promoter shall on a best efforts basis and in accordance with the provisions of this Article 14 take all necessary steps to effect an IPO of the Company. In the event an IPO of the Company has not occurred by the 4th anniversary of the Effective Date, the Investor shall have the right, exercisable by written notice to the Company and the Promoter, to cause the Company and the Promoter, and the Company shall and the Promoter shall cause the Company to effect an IPO within 6 months of the completion of the 4th anniversary of the Effective Date provided however that the Company shall seek the prior written consent of the Investor in respect of all the terms and conditions of such IPO conducted anytime after the 4th anniversary of the Effective Date.

(b) <u>Mode of IPO</u>. The Parties shall in good faith consider approving a fresh issuance of Equity Securities or an offer for sale of existing Equity Securities in consultation with the investment bankers. In the event of an IPO, subject to advice from internationally reputed investment banks and underwriters, the Company shall ensure that, of the total number of Equity Securities offered in the IPO, at least one half 50% of such Equity Securities are offered through a process of offer for sale ("Offer For Sale Securities"). In the event of an IPO which involves an offer for sale of existing Equity Securities, the Investor and the Promoter, together with their respective Affiliates, respectively shall have the right to tender an equal number of Equity securities constituting the Offer For Sale

Securities [in each case the "Investor Entitlement" or the "Promoter Entitlement" (as the case may be)]. Within 45 Business Days of the meeting of the Board deciding to proceed with an IPO, the Promoter and the Investor shall send a written notice to the Company, which written notice shall provide (i) the irrevocable intention of the Investor and/or the Promoter to participate in the IPO through the offer for sale process; (ii) subject to the "Investor Entitlement" or the "Promoter Entitlement" (as the case may be), the number of Equity Securities proposed to be tendered by the Investor and/or the Promoter together with their respective Affiliates ("Investor Participation" or the "Promoter Participation" (as the case may be)). In the event either the Promoter or the Investor decide not to tender in an IPO to the full extent of the Promoter Entitlement or the Investor Entitlement (as the case may), the Investor or the Promoter (as the case may be) shall have the right to tender in an offer for sale such number of additional Equity Securities being the "Investor Entitlement" or the "Promoter Entitlement" (as the case may be) less the Investor Participation or the Promoter Participation (as the case may be). The Company shall include all such Equity Securities of the Investor and/or Promoter together with their Affiliates in an IPO.

(c) <u>Advisors to IPO</u>. In consultation with the Investor, the Company shall retain leading internationally reputed investment banks and underwriters to advise on the Company's options with respect to the IPO. The Company and the Promoters shall take all such steps, and extend all such co-operation to each other and the lead managers, underwriters and others as may be required for the purpose of expeditiously making and completing the IPO including (i) preparing and signing the relevant offer documents; (ii) conducting road shows with adequate participation of senior management; (iii) entering into appropriate and necessary agreements; (iv) providing all necessary information and documents necessary to prepare the offer documents; (v) filing with appropriate regulatory authorities; and (vi) obtaining any necessary regulatory or other approvals in relation to the IPO. All expenses in relation to the IPO shall be borne by the Company.

(d) <u>Investor not a Promoter</u>. The Company and the Promoter agree that under no circumstances shall the Investor and its Affiliates be referred to or otherwise considered as a 'promoter' of the Company in connection with any IPO or any documents filed in connection therewith. In the event of an IPO, the Company and the Promoter agree to do all that is necessary to ensure that the Equity Securities held by the Investor and its Affiliates are not subject to any lock-in requirements as a 'promoter'."

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material have been attached to the copy of the Red Herring Prospectus delivered to RoC for registration. Copies of these contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10.00 a.m. and 5.00 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

A. Material Contracts for the Issue

1. Engagement Letter dated June 26, 2013 between our Company and the BRLMs.

2. Issue Agreement dated June 26, 2013 between our Company, the Selling Shareholders and the BRLMs.

3. Memorandum of Understanding dated June 26, 2013 between our Company, the Selling Shareholders and the Registrar to the Issue.

4. Escrow Agreement dated [●] between our Company, the Selling Shareholders, the BRLMs, the Escrow Collection Bank and the Registrar to the Issue.

5. Syndicate Agreement dated [●] between our Company, the Selling Shareholders, the BRLMs and Syndicate Members.

6. Underwriting Agreement dated [●] between our Company, the Selling Shareholders, the BRLMs and the Syndicate Members.

B. Material Documents in relation to the Issue

1. Certified copies of the updated Memorandum and Articles of Association of our Company as amended from time to time.

2. Certificate of Incorporation dated April 16, 1981.

3. Resolutions of the Board of Directors dated June 5, 2013 in relation to this Issue and other related matters.

4. Shareholders' resolution dated June 14, 2013 in relation to this Issue and other related matters.

5. Resolution dated June 14, 2013 passed by the board of directors of Blackstone approving the Equity Shares offered by Blackstone in the Issue.

6. Consent from Arun Kumar Khanna, Mahesh Nathalal Shah, Avinash Medhekar, Bhalchandra Khare and Padmini Khare, Shreekant Krushnaji Bapat and Alaka Bapat, R.P. Soonawala, Berjis Minoo Desai, N.K. Sagar, Milind Lad, Uday Borde, Raju P. Kalera, Humayun Dhanrajgir and Jini Dhanrajgir, Vijay Kulkarni, Dr. Mukund Keshao Gurjar, Mukund Ranade, Dev Balaji, Jitendra Vir Singh, Prakash Kumar Guha, Chandrakant V. Shetty, Shriram Balasubramanian, Dr. Mahedra Patel, Dr. Sanjay Singh and Kavita Singh, Marvin Samson and Fakrul Sayeed in relation to the Equity Shares offered by them in the Issue.

7. The examination reports of the Statutory Auditors, on our Company's restated stand-alone financial information and restated consolidated financial information, included in this Draft Red Herring Prospectus.

8. The Statement of Tax Benefits dated June 26, 2013 from the Statutory Auditors.

9. Consent of Directors, Statutory Auditors, BRLMs, Syndicate Members, Domestic Legal Counsel to our Company, Domestic Legal Counsel to the Underwriters, International Legal Counsel to the Underwriters, Registrars to the Issue, Escrow Collection Banker, Bankers to the Issue, Bankers to our Company, Company Secretary and Compliance Officer as referred to in their specific capacities. In relation to the consent obtained from the Statutory Auditors, a written consent from the Statutory Auditors under the provisions of the Companies Act is different from a consent filed with the U.S. Securities and Exchange Commission under Section 7 of the Securities Act which is applicable only to transactions involving securities registered under the Securities Act. As the Equity Shares are proposed to be offered as a part of an initial public offering in India and the Equity Shares have not been and will not be registered under the Securities Act, the Statutory Auditors have not given consent under Section 7 of the Securities Act.

10. Due Diligence Certificate dated June 26, 2013 addressed to SEBI from the BRLMs.

11. In principle listing approvals dated [●] and [●] issued by the BSE and the NSE respectively.

12. Tripartite Agreement dated [●] between our Company, NSDL and Registrar to the Issue.

13. Tripartite Agreement dated [●] between our Company, CDSL and Registrar to the Issue.

14. IPO Grading Report dated [●] by [●].

15. SEBI observation letter no. [●] dated [●].

Material contracts for our Company

1. Scheme of Amalgamation between our Company and Lasor Drugs Limited.

2. Scheme of Arrangement between Emcure Laboratories Private Limited, Lasor Laboratories Limited, Lasor Remedies Limited, Nucron Pharmaceuticals Limited and Hiralal Mehta Sales Private Limited.

3. Agreement and Plan of Merger between our Company, Emcure Pharmaceutical Holdings Inc., Heritage Pharma Holdings, Inc., Heritage Pharmaceuticals Inc. and the Holder's Committee.

4. Share Subscription Agreement dated July 10, 2006, Shareholders agreement dated August 3, 2006 and the amendment agreement dated June 14, 2013 entered between our Company, individuals listed in Exhibit B of the Share Subscription Agreement dated July 10, 2006 and Blackstone.

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.

DECLARATION

All relevant provisions of the Companies Act and the guidelines issued by the Government or the regulations or guidelines issued by SEBI, established under section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SEBI Act or rules or regulations made 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 THE DIRECTORS OF OUR COMPANY

______________________	**Satish Ramanlal Mehta** (Managing Director and Chief Executive Officer)
______________________	**Humayun Dhanrajgir** (Chairman and Independent Director)
______________________	**Arun Kumar Khanna** (Executive Director and Chief Operating Officer)
______________________	**Mahesh Nathalal Shah** (Executive Director and Director (Technical))
______________________	**Dr. Mukund Keshao Gurjar** (Executive Director, Director (Research and Development) and Chief Scientific Officer)
______________________	**Mukund Ranade** (Executive Director and President (Business Development))
______________________	**Sunil Rajanikant Mehta** (Executive Director and Senior Director (Projects))
______________________	**Berjis Minoo Desai** (Independent and Non-Executive Director)
______________________	**Shreekant Krushnaji Bapat** (Independent and Non-Executive Director)
______________________	**Amit Dixit** (Non-Independent and Non-Executive Director)
______________________	**Dr. Girish L. Telang** (Independent and Non-Executive Director)
______________________	**Namita Thapar** *(Chief Financial officer)*

Date: June 26, 2013
Place: Pune

DECLARATION

All relevant provisions of the Companies Act and the guidelines issued by the Government or the regulations or guidelines issued by SEBI, established under section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SEBI Act or rules or regulations made 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 THE DIRECTOR OF OUR COMPANY

____

Marvin Samson
(Independent and Non-Executive Director)

Date: June 26, 2013
Place: Pune

DECLARATION

The undersigned Selling Shareholder, hereby certifies that all statements and undertakings made by the Selling Shareholder in this Draft Red Herring Prospectus about or in relation to itself and the Equity Shares being sold by it in the Offer for Sale are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any other Selling Shareholder or any expert or any other person(s) in this Draft Red Herring Prospectus.

Signed by the Selling Shareholder

For Blackstone GPV Capital Partners Mauritius V-C Limited

Date: June 26, 2013
Place: Pune

DECLARATION

The undersigned Selling Shareholders, hereby certify that all statements and undertakings made by the Selling Shareholders in this Draft Red Herring Prospectus about or in relation to themselves and the Equity Shares being sold by them in the Offer for Sale are true and correct, provided however, that the undersigned Selling Shareholders assume no responsibility for any of the statements made by the Company or any other Selling Shareholder or any expert or any other person(s) in this Draft Red Herring Prospectus.

Signed by the Selling Shareholders

___________________________	**Jitendra Vir Singh**
___________________________	**Arun Kumar Khanna**
___________________________	**Avinash Medhekar**
___________________________	**Dr. Mahedra Patel**
___________________________	**Dr. Sanjay Singh and Kavita Singh**
___________________________	**Bhalchandra Khare and Padmini Khare**
___________________________	**Shreekant Krushnaji Bapat and Alaka Bapat**
___________________________	**Berjis Minoo Desai**
___________________________	**R.P. Soonawala**
___________________________	**Mahesh Nathalal Shah**
___________________________	**Mukund Ranade**
___________________________	**Dr. Mukund Keshao Gurjar**
___________________________	**Humayun Dhanrajgir and Jini Dhanrajgir**
___________________________	**Prakash Kumar Guha**

Date: June 26, 2013
Place: Pune

DECLARATION

The undersigned Selling Shareholders, hereby certify that all statements and undertakings made by the Selling Shareholders in this Draft Red Herring Prospectus about or in relation to themselves and the Equity Shares being sold by them in the Offer for Sale are true and correct, provided however, that the undersigned Selling Shareholders assume no responsibility for any of the statements made by the Company or any other Selling Shareholder or any expert or any other person(s) in this Draft Red Herring Prospectus.

Signed by the Selling Shareholders

______________________	**Fakrul Sayeed**
______________________	**N.K. Sagar**
______________________	**Raju P. Kalera**
______________________	**Chandrakant V. Shetty**
______________________	**Shriram Balasubramanian**
______________________	**Uday Borde**
______________________	**Vijay Kulkarni**
______________________	**Milind Lad**
______________________	**Dev Balaji**
______________________	**Marvin Samson**

Date: June 26, 2013
Place: Pune