LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Letter of Offer is sent to you as a shareholder(s) of Tonira Pharma Limited. If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or the Manager to the Offer/ Registrar to the Offer. In case you have recently sold your equity shares in Tonira Pharma Limited, please hand over this Letter of Offer, the accompanying Form of Acceptance-cum-Acknowledgement, Form of Withdrawal and the Transfer Deed to the member of the stock exchange through whom the said sale was effected

Ipca Laboratories Limited (Ipca)

Registered Office: 48, Kandivli Industrial Estate, Kandivli (W), Mumbai - 400 067.

(Tel: +91-22-6647 4747, Fax:+91-22-2868 6954)

(the "Acquirer")

AND

Kaygee Investments Private Limited (KIPL)

Registered Office: 1701/1702, Oberoi Sky Heights, Lokhandwala Complex, Andheri (W), Mumbai 400 053

(Tel: + 91-22-2639 8634 : Fax: +91-22 - 2868 2875)

who is acting in concert with each other for the purpose of this open offer (hereinafter collectively referred to as the "**Acquirers**")

MAKE A CASH OFFER AT Rs.29 (RUPEES TWENTY NINE ONLY) PER FULLY PAID-UP EQUITY SHARE OF FACE VALUE OF RUPEES TEN EACH pursuant to the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers Regulations), 1997 and subsequent amendments thereto (the "SEBI Takeover Code")

TO ACQUIRE 23,83,260 FULLY PAID-UP EQUITY SHARES

representing 30.00% of Equity Share Capital of

Tonira Pharma Limited

Registered Office: 23-24, GIDC Estate, Nandesari, Dist: Vadodara 391 340, Gujarat

Corporate Office: 301, Yogi Complex, 44, Sampatrao Colony, Alkapuri, Vadodara 390 005, Gujarat

(Tel: +91-265-2358266, 2343263 Fax: +91-265-2341594)

Please Note:

1) This Offer is being made pursuant to Regulations 10, 12 and other applicable provisions of the SEBI Takeover Code.
2) If the aggregate of the valid response exceeds 23,83,260 equity shares, then the Acquirer shall accept shares equal to 23,83,260 equity shares, on a proportionate basis, in consultation with the Manager to the Offer, in accordance with Regulation 21(6) of the SEBI Takeover Code.
3) If there is any upward revision in the Offer Price by the Acquirers till the last date of revision i.e. Friday, April 04, 2008, or withdrawal of the Offer in terms of the SEBI Takeover Code, the same would be informed by way of a public announcement in the same newspapers where the original Public Announcement dated November 1, 2007 had appeared. Such revised offer price would be payable for all the equity shares of Tonira Pharma Limited, validly tendered anytime during the Offer and accepted under the Offer.
4) The procedure for acceptance is set out in Part 9 of this Letter of Offer. A Form of Acceptance-cum-Acknowledgement and a Form of Withdrawal is enclosed with this Letter of Offer.
5) This offer is not subject to a minimum level of acceptance by the shareholders of Tonira Pharma Ltd.
6) There has been no competitive bid.
7) The Public Announcement, Revised Public Announcement (Corrigendum), Letter of Offer, Form of Acceptance-cum-Acknowledgement and Form of Withdrawal would also be available on the website of Securities and Exchange Board of India (the "SEBI") www.sebi.gov.in.
8) Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement / Letter of Offer, can withdraw the same up to three working days prior to the date of closure of the Offer. Requests for such withdrawals should reach the designated collection centers before the close of business hours on Thursday, April 10, 2008.
9) As on the last date for Competitive Bid i.e. November 23, 2007, there has been no competitive bid.
10) The Offer is subject to the approval of the Reserve Bank of India under the Foreign Exchange Management Act, 1999 for acquiring the shares tendered from non-resident persons under the Offer. Please refer to Part 8 of this Letter of Offer for details.

All future correspondence, if any, should be addressed to the Registrar to the Offer at address mentioned below:

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
Imperial Corporate Finance & Services Pvt. Ltd. 102, Mittal Chambers, Nariman Point, Mumbai - 400 021 Contact Person: Mr. Ramesh Satagopan Tel.:+91-22-40024601 Fax:+91-22-22875825 Email: imperial1@vsnl.com	**Sharex Dynamic (India) Pvt. Ltd.** 17/B, Dena Bank Building, 2nd Floor, Horniman Circle, Fort, Mumbai 400 001 Contact Person: Mr. B.S. Baliga Tel.:+91-22-22702485 Fax:+91-22-22641349 Email: sd_India@rediffmail.com

OFFER OPENS ON : Friday, March 28, 2008	**OFFER CLOSES ON : Wednesday, April 16, 2008**

SCHEDULE OF THE MAJOR ACTIVITIES OF THE OFFER:

Activity	Original Schedule		Revised Schedule	
	Day	**Date**	**Day**	**Date**
Date of Public Announcement (PA)	Friday	2nd November 2007	Friday	2nd November 2007
Specified Date (for the purpose of determining the names of shareholders to whom the Letter of Offer will be posted)	Thursday	8th November 2007	Thursday	8th November 2007
Last date for a competitive bid	Friday	23rd November 2007	Friday	23rd November 2007
Date by which Letter of Offer to be dispatched to shareholders	Monday	10th December 2007	Wednesday	19th March 2008
Date of opening of the Offer.	Wednesday	26th December 2007	Friday	28th March 2008
Last date for revision of offer Price / number of equity shares.	Friday	4th January 2008**	Friday	4th April 2008
Last date for shareholders to withdraw their acceptance of the Offer.	Thursday	10th January 2008**	Thursday	10th April 2008
Date of Closure of the Offer.	Tuesday	15th January 2008**	Wednesday	16th April 2008
Date by which acceptance/rejection under the Offer would be communicated and the corresponding payment for the acquired equity shares will be dispatched and/or the unaccepted demat equity shares/ share certificates will be credited/dispatched.	Tuesday	29th January 2008	Wednesday	30th April 2008

** The above dates appearing in PA were subsequently rectified in the Draft Letter of Offer filed with SEBI as 3rd January 2008, 9th January 2008 and 14th January 2008 respectively.

RISK FACTORS

Relating to the Proposed Offer and Transaction:

i. Acceptance of the equity shares of Tonira Pharma Limited tendered in the Offer is subject to receipt of the statutory approvals, as mentioned in Part 8 of this Letter of Offer. In the event, any of the required statutory approvals are refused; the Offer would stand withdrawn in terms of the SEBI Takeover Code. For further details, see Part 8 of this Letter of Offer.

ii. In the event that either (a) a regulatory approval is not received in time, (b) there is any litigation leading to a stay on the Offer, or (c) SEBI instructing the Acquirers not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the shareholders of Tonira Pharma Limited whose equity shares have been accepted in the Offer as well as the return of the equity shares not accepted by the Acquirers may be delayed. In case of delay, due to non-receipt of statutory approvals, as per Regulation 22(12) of the SEBI Takeover Code, SEBI may, if satisfied that the non receipt of approvals was not due to any willful default or negligence on the part of the Acquirers, grant an extension for the purpose of completion of the Offer subject to the Acquirers paying interest to the shareholders, as may be specified by SEBI.

iii. Shareholders should note that after the last date of withdrawal i.e. April 10, 2008 shareholders who have lodged their acceptances would not be able to withdraw them even if the acceptance of shares under the Offer and dispatch of consideration gets delayed. The tendered shares and documents would be held by the Registrar to the Offer, till such time as the process of acceptance of tenders and the payment of consideration is completed. During such period, there may be fluctuation in the market price of equity shares of Tonira Pharma Ltd.

iv. The Acquirers make no assurance with respect to the market price of the Equity Shares of Tonira Pharma Ltd. both during the Offer period and upon the completion of the Offer, and disclaims any responsibility with respect to any decision by the shareholders on whether or not to participate in the Offer.

v. The Acquirers make no assurance with respect to the financial performance of Tonira Pharma Limited. The Acquirers make no assurance with respect to their investment / divestment decisions relating to their proposed shareholding in Tonira Pharma Limited.

vi. Tonira Exports Limited has issued a Legal Notice to Tonira Pharma Ltd. to vacate the immovable property being Industrial Plot No. 4724 situated at GIDC Estate, Ankleshwar, Dist: Bharuch, Gujarat, immediately. Tonira Pharma Limited has its manufacturing facility on the said plot amongst other plots in the said GIDC Estate.

Tonira Exports Limited has also issued a Legal Notice to Bank of Baroda, Sayajigunj, Baroda, to revoke the corporate guarantee given by it to Bank of Baroda towards the credit facility given to Tonira Pharma Limited and to give back to Tonira Exports Limited all original papers and documents pertaining to the immovable property situated at Plot No. 4730, GIDC Estate, Ankleshwar, Dist: Bharuch, Gujarat kept as security with the said bank.

Public Notice has also been published in Regional daily news paper namely "Gujarat Samachar" on March 07, 2008 by Tonira Exports Limited that Tonira Pharma Limited has no rights and interests in aforesaid plots.

Relating to the Acquirers:

i. Ipca has the following contingent liabilities as per the financial statements for the year ended March 31, 2007 and period ended December 31, 2007:

Sr. No.	Particulars	March 31, 2007 Amount (Rs. Lakhs)	December 31, 2007 Amount (Rs. Lakhs)
1	Bill Discounted with banks	6733	1829
	Since Realised	480	00
2	Other moneys for which the Company is contingently liable for tax, excise, customs and other matters not accepted by the Company.	332	104
	Total	**6585**	**1933**

ii. Since more than 50% of Ipca's 2006-07 income was from exports, exchange rate fluctuation will have an impact on income and profitability of the Company.

iii. Changes in the regulatory policy relating to Drugs pricing in the countries where Ipca operates, would have impact on Company's income and profitability.

iv. Ipca is operating in a knowledge based industry. Attrition of key personnel would have impact on Company's operations.

The risk factors set forth above pertain to Ipca and the Offer and not in relation to the present or future business or operations of Tonira Pharma Limited or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a shareholder in the Offer. Shareholders of Tonira Pharma Limited are advised to consult their stockbroker or investment consultant, if any, for further risks with respect to their participation in the Offer.

TABLE OF CONTENTS

1 DEFINITIONS

TERM	DESCRIPTION
Acquirer	Ipca Laboratories Limited
PAC	Kaygee Investments Private Limited who is acting in concert for the purpose of this open offer
Tonira / the Target Company	Tonira Pharma Limited
APIs	Active Pharmaceutical Ingredients
BSE	Bombay Stock Exchange Limited, Mumbai
CDSL	Central Depository Services (India) Limited
DP	Depository Participant
EGM	Extraordinary General Meeting
Eligible Person(s) for the Offer	All owners (registered or unregistered) of equity shares of Tonira Pharma Limited (other than the Acquirers and the Sellers) anytime before the closure of the Offer
Escrow Agent	AXIS Bank Limited
FEMA	Foreign Exchange Management Act, 1999
FII(s)	Foreign Institutional Investor(s)
Form of Acceptance / FOA	Form of Acceptance-cum-Acknowledgement
FOW	Form of Withdrawal
FY	Financial Year
Ipca / IPCA	Ipca Laboratories Limited
Letter of Offer / LOF	this Letter of Offer
Ltd.	Limited
Manager/Manager to the Offer	Imperial Corporate Finance & Services Pvt. Ltd.
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB	Overseas Corporate Bodies
Offer	Open offer for acquisition of 23,83,260 fully paid-up equity shares of face value of Rs.10/- each representing 30% of the paid up equity share capital of Tonira Pharma Limited at a price of Rs.29/- per fully paid-up equity share
Offer Price	Rs.29/- (Rupees Twenty Nine only) per fully paid-up equity share of Rs.10 each
Offer Size	23,83,260 Equity Shares
Original Promoters/Original Promoter Group	The Promoters of Target Company consisting of Mr. Bhailal B Shah, Mr. Mahesh N Shah and Mr. Virendra B Shah.
Public Announcement/ PA	Announcement of the Offer made on November 2, 2007
RBI	Reserve Bank of India
KIPL	Kaygee Investments Pvt. Ltd.
Registrar to Offer	Sharex Dynamic (India) Pvt. Ltd.
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI Guidelines	Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 and the subsequent amendments thereto

TERM	DESCRIPTION
SEBI Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto
Sellers	Mr. Bhailal Shah family comprising of
	Mr. Anil V Shah
	Ms. Jigna P Shah
	Mr. Piyush B Shah
	Ms. Pooja V Shah
	Mr. Deepak B Shah
	Ms. Ranjan B Shah
	Ms. Ranjan V Shah
	Ms. Vijaylaxmi R Shah
	Ms. Nita Jayesh Shah
SEZ	Special Economic Zone
Share(s)	Fully paid-up equity shares of face value of Rs.10/- each of Tonira Pharma Limited
SPA	The Share Purchase Agreement dated November 1,2007 entered into between Ipca Laboratories Limited and the Sellers
SPAs Shares	7,24,223 Equity Shares agreed to be sold by the Sellers to Ipca Laboratories Limited under the SPA
Specified Date	Thursday, November 8, 2007

2 DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF TONIRA PHARMA LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF THE ACQUIRERS OR THE COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT, WHILE THE ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY, AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRERS DULY DISCHARGES THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, IMPERIAL CORPORATE FINANCE & SERVICES PVT. LTD., HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 14.11.2007 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS 1997 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

3 DETAILS OF THE OFFER

3.1 Background of the Offer

3.1.1 The Acquirers are making this offer to the equity shareholders of Tonira Pharma Limited to acquire from them up to 23,83,260 Equity Shares, representing 30% of the paid- up Voting Equity Share Capital of Tonira at a price of Rs.29/- (Rupees Twenty Nine Only) per equity share, payable in cash and subject to the terms and conditions mentioned hereinafter. Ipca would be acquiring all the Equity Shares that are validly tendered and accepted under the Offer subject to the maximum acceptance of 30% as stated above. The Offer is being made in compliance with Regulations 10, 12 and other applicable provisions of the SEBI Takeover Code and other applicable provisions involving substantial acquisition of shares or voting rights for change in control / management of the Target Company.

3.1.2 The Acquirers are making an offer to the equity shareholders of Tonira Pharma Limited to acquire from them up to 23,83,260 Equity Shares, representing 30% of the paid- up Voting Equity Capital of Tonira at a price of Rs.29/-

(Rupees Twenty Nine Only) per equity share, payable in cash and subject to the terms and conditions mentioned hereinafter. Ipca would be acquiring all the Equity Shares that are validly tendered and accepted under the Offer subject to the maximum acceptance of 30% as stated above.

3.1.3 Other than Ipca and KIPL who is acting in concert with each other for the purpose of the Offer, no other person is acting in concert with the Acquirers for the Offer.

3.1.4 On November 1, 2007, Ipca has entered into a Share Purchase Agreement with family members of Shri Bhailal B Shah (one of the Promoters of Tonira) namely Mr.Anil V Shah, Ms. Jigna P Shah, Mr. Piyush B Shah, Ms. Pooja V Shah, Mr. Deepak B Shah, Ms. Ranjan B Shah, Ms. Ranjan V Shah, Ms. Vijayalaxmi R Shah and Ms. Nita J Shah for acquiring from them 7,24,223 fully paid equity shares of Tonira Pharma Limited. These Shares being acquired from the Sellers represent 9.12% of the present voting equity share capital of Tonira at a price of Rs.28/- per equity share payable in cash (share consideration) from off market on a "Spot Delivery" basis. The equity share consideration has been paid on November 1, 2007 and the equity shares are transferred to the Acquirer.

The contact details of the Sellers are as follows:

Sr. No.	Name of Share Holder	Address	Telephone
1	Mr. Anil V Shah	F-6, Vasundhara , Vikrant Circle, Ghatkopar (East), Mumbai - 400 077	09324517106
2	Ms. Jigna P Shah	F-6, Vasundhara , Vikrant Circle, Ghatkopar (East), Mumbai - 400 077	09324517106
3	Mr. Piyush B Shah	F-6, Vasundhara , Vikrant Circle, Ghatkopar (East), Mumbai - 400 077	09324517106
4	Ms. Pooja V Shah	F-6, Vasundhara , Vikrant Circle, Ghatkopar (East), Mumbai - 400 077	09324517106
5	Mr. Deepak B Shah	F-6, Vasundhara , Vikrant Circle, Ghatkopar (East), Mumbai - 400 077	09324517106
6	Ms. Ranjan B Shah	F-6, Vasundhara , Vikrant Circle, Ghatkopar (East), Mumbai - 400 077	09324517106
7	Ms. Ranjan V Shah	F-6, Vasundhara , Vikrant Circle, Ghatkopar (East), Mumbai - 400 077	09324517106
8	Ms. Vijayalaxmi R Shah	F-6, Vasundhara , Vikrant Circle, Ghatkopar (East), Mumbai - 400 077	09324517106
9	Ms. Nita J Shah	F-6, Vasundhara , Vikrant Circle, Ghatkopar (East), Mumbai - 400 077	09324517106

3.1.5 Key terms of the SPA are:

- The purchase consideration for the shares shall be at the rate of Rs.28/- (Rupees Twenty Eight Only) per Equity Share. Acquirer shall pay the purchase consideration to the Sellers for the equity shares acquired by such acquirer.
- The purchase consideration has been fixed on the basis of the negotiation between the parties to the said agreement.
- Entire sum towards the purchase consideration is paid to the Sellers simultaneously with the execution of this Agreement and exchange of Demat transfer slip in favor of Ipca for entire block of shares except 92,500 equity shares which are pending Demat in favour of the Sellers and the Sellers will transfer these shares to Ipca when they received Demat credit in their respective Demat accounts.

3.1.6 In addition to the shares stated in 3.1.4 above, PAC has acquired 3,95,000 equity shares of the target company representing 4.97% of the current voting rights of the target company in last 12 months. The maximum price paid by PAC for the acquisition is Rs.27.11 per equity share, which is below the offer price of Rs.29.00 per equity share. The Acquirer and the PAC have jointly intimated to Bombay Stock Exchange under Chapter II of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 vide their letter dated November 01, 2007.

3.1.7 The Managing Director of Target Company, Mr. Mahesh N Shah had resigned from the post of Managing Director and Director with effect from November 16, 2007. Target Company had informed BSE with regard to the same on November 16, 2007. Save and except this there are no changes in the Board of Directors of Tonira since the date of Public Announcement.

3.1.8. As on date, the Manager to the Offer does not hold any shares in the Target Company. They declare and undertake that they shall not deal in the shares of Target Company during the period commencing from the date of the appointment as Manager to the Offer till the expiry of 15 days from the date of Closure of the Offer.

3.1.9 Neither the Acquirers nor the Target Company nor the Sellers have been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B or any other regulations made under the SEBI Act.

3.1.10 The applicable provisions of Chapter II of the SEBI Takeover Code vis-à-vis the Target Company have been complied by the Acquirers.

3.1.11 There has been no competitive bid by any other party. The Due date for submission of competitive bid ended on November 23, 2007.

3.2 Details of the Offer

3.2.1 The Public Announcement dated November 1, 2007 was made in the following newspapers, in accordance with Regulation 15 of the SEBI Takeover Code:

Publication	Language	Editions	Date of Publication
Financial Express	English	All Editions	2nd November, 2007
Jansatta	Hindi	Chandigarh /Delhi/ Kolktata/ Lucknow	2nd November, 2007
Navshakti	Marathi	Mumbai	2nd November, 2007
Vadodara Samachar	Gujarati	Vadodara	2nd November, 2007

(The Public Announcement would be available at the SEBI website: www.sebi.gov.in)

3.2.2 The Acquirers have acquired Shares of Target Company since the date of the Public Announcement in the following instances:

Sr. No.	Name of Acquirer	Date of acquisition	No. of Shares acquired	% of the paid up capital	Price per share acquired (Rs.)	No. of shares Pre acquisition	% of paid up capital Pre acquisition	No. of Shares Post acquisition	% of paid up capital post acquisition
1	Ipca	14-01-2008	56271	0.71	28.50	724223	9.12	780494	9.83
	KIPL		00	0.00		395000	4.97	395000	4.97
	Total		**56271**	**0.71**		**1119223**	**14.09**	**1175494**	**14.80**
2	Ipca	28-01-2008	369450	4.65	23.85 to 24.60	780494	9.83	1149944	14.48
	KIPL		00	0.00		395000	4.97	395000	4.97
	Total		**369450**	**4.65**		**1175494**	**14.80**	**1544944**	**19.45**
3	Ipca	04-02-2008	65000	0.82	27.00 to 27.20	1149944	14.48	1214944	15.30
	KIPL		00	0.00		395000	4.97	395000	4.97
	Total		**65000**	**0.82**		**1544944**	**19.45**	**1609944**	**20.27**
4	Ipca	06-02-2008	35453	0.44	28.00	1214944	15.30	1250397	15.74
	Kipl		00	0.00		395000	4.97	395000	4.97
	Total		**35453**	**0.44**		**1609944**	**20.27**	**1645397**	**20.71**
5	Ipca	08-02-2008	44939	0.57	27.00	1250397	15.74	1295336	16.31
	KIPL		00	0.00		395000	4.97	395000	4.97
	Total		**44939**	**0.57**		**1645397**	**20.71**	**1690336**	**21.28**
6	Ipca	13-02-2008	18010	0.22	25.75 to 26.20	1295336	16.31	1313346	16.53
	KIPL		00	0.00		395000	4.97	395000	4.97
	Total		**18010**	**0.22**		**1690336**	**21.28**	**1708346**	**21.50**
7	Ipca	14-02-2008	4462	0.06	26.75	1313346	16.53	1317808	16.59
	KIPL		00	0.00		395000	4.97	395000	4.97
	Total		**4462**	**0.06**		**1708346**	**21.50**	**1712808**	**21.56**

Sr. No.	Name of Acquirer	Date of acquisition	No. of Shares acquired	% of the paid up capital	Price per share acquired (Rs.)	No. of shares Pre acquisition	% of paid up capital Pre acquisition	No. of Shares Post acquisition	% of paid up capital post acquisition
8	Ipca	18-02-2008	70181	0.88	25.40 to 27.00	1317808	16.59	1387989	17.47
	Kipl		00	0.00		395000	4.97	395000	4.97
	Total		**70181**	**0.88**		**1712808**	**21.56**	**1782989**	**22.44**
9	Ipca	19-02-2008	28256	0.36	26.80 to 27.00	1387989	17.47	1416245	17.83
	KIPL		00	0.00		395000	4.97	395000	4.97
	Total		**28256**	**0.36**		**1782989**	**22.44**	**1811245**	**22.80**
10	Ipca	20-02-2008	33000	0.41	26.95 to 27.00	1416245	17.83	1449245	18.24
	KIPL		00	0.00		395000	4.97	395000	4.97
	Total		**33000**	**0.41**		**1811245**	**22.80**	**1844245**	**23.21**
11	Ipca	03-03-2008	17128	0.22	27.00	1449245	18.24	1466373	18.46
	KIPl		00	0.00		395000	4.97	395000	4.97
	Total		**17128**	**0.22**		**1844245**	**23.21**	**1861373**	**23.43**
12	Ipca	04-03-2008	42599	0.54	27.00	1466373	18.46	1508972	19.00
	KIPL		00	0.00		395000	4.97	395000	4.97
	Total		**42599**	**0.54**		**1861373**	**23.43**	**1903972**	**23.97**
13	Ipca	05-03-2008	74782	0.94	27.00 to 27.75	1508972	19.00	1583754	19.94
	KIPL		00	0.00		395000	4.97	395000	4.97
	Total		**74782**	**0.94**		**1903972**	**23.97**	**1978754**	**24.91**

3.2.3 The Offer is not subject to any minimum level of acceptance and Ipca will acquire all the Equity Shares that are validly tendered in terms of the Offer, up to a maximum of 23,83,260 Equity Shares at the Offer Price being 30% of the voting rights.

3.3 Object of the Offer

3.3.1 The Offer is being made in compliance with Regulations 10, 12 and other applicable provisions of the SEBI Takeover Code for the purposes of substantial acquisition of shares and voting rights as disclosed earlier accompanied with change in control and management of the Target Company thereby enabling the acquirers to exercise control over Tonira Pharma Ltd. This may also enable the Acquirers to participate in the management and policy making decisions of Tonira. The acquirers have no immediate plans but reserves the right to seek reconstitution of the Board of Directors of Tonira.

The acquisition will enhance the business potential for the Acquirers and will provide more operational flexibility, synergy and extended product range for marketing.

3.3.2 The acquirers have no immediate growth/diversification plans for Tonira. The acquisition will facilitate the Acquirers to use the R&D and manufacturing facilities of Tonira to meet its growing requirements of Research, Development and Manufacturing of Drug Intermediaries and APIs for Indian and world market.

3.3.3 The acquirers do not have any plan to dispose off or otherwise encumber any asset of Tonira in the next two years except in the ordinary course of business of Tonira. The acquirers undertake that they shall not sell, dispose of or otherwise encumber any substantial assets of Tonira except with the prior approval of the shareholders of Tonira..

4 BACKGROUND OF THE ACQUIRERS

4.1.1 Ipca Laboratories Limited

4.1.1.1 Ipca Laboratories Limited is a Public Limited Company constituted under the Indian Companies Act, 1913 and incorporated on 19th October 1949, having its registered office at 48, Kandivli Industrial Estate, Kandivli (W), Mumbai 400 067 (Telephone: +91-22-6647 4747, Fax: +91-22-2868 6954). The company was originally promoted by a group of medical professionals and businessmen as The Indian Pharmaceutical Combine Association Ltd. The company is engaged in the manufacturing and marketing of Drug Intermediaries, APIs and Formulations.

4.1.1.2 Nearly 50% of IPCA's 2006-07 revenue of Rs.92100 Lakhs is from exports to nearly 110 countries across the globe. IPCA has 7 manufacturing facilities in India and the 8th facility is coming up at Indore SEZ. IPCA has wholly owned subsidiaries in Australia, New Zealand, South Africa, Nigeria, Brazil, United Kingdom and United States of America. IPCA also has marketing offices in Russia, Kazakhstan, Ukraine, Sri Lanka, Kenya, Columbia and Philippines.

4.1.1.3 As on the date of PA, Shri Premchand Godha family and Shri M R Chandurkar family along with companies promoted by them, including KIPL, holds as promoters of IPCA 1,14,84,934 equity shares constituting 45.94% of the paid up equity share capital of IPCA.

4.1.1.4 The authorized share capital of IPCA is Rs.4500 Lakhs comprising of 4,50,00,000 equity shares of Rs.10/- each. Its paid up capital is Rs.2500 Lakhs comprising of 2,50,00,000 equity shares of Rs.10 each. IPCA's equity shares are listed on BSE and NSE.

4.1.1.5 The board of directors of IPCA as on the date of the Public Announcement, was as follows:

Name	Age	Residential Address	Experience (Years)	Qualification	Date of Appointment
Mr R S Hugar (Chairman)	67 yrs	"PITAMBAR", Kalyan Nagar, 10th Cross, University Road, Dharwad 580 007 Karnataka	40 years in Banking	Post Graduate - Econometrics	11.06.2002
Mr. Premchand Godha (Managing Director)	61 yrs	1701/02, Oberoi Sky Heights, Lokhandwala Complex, Andheri (W), Mumbai - 400 053	38 years in Pharma Industry	B.Com, A.C.A	31.10.1975
Mr. M. R. Chandurkar (Managing Director)	69 yrs	12 IRIS, Cuffe Parade, Colaba, Mumbai - 400005	38 years in Pharma Industry	B.Com	31.10.1975
Mr. A. K .Jain (Executive Director)	52 yrs	2B/32, Nalanda, Evershine Nagar, Mitch Chowki, Malad (W), Mumbai - 400064	30 years in Pharma Industry	B.Sc., A.C.A.	21.08.1994
Mr. T Ramachandran (Director)	58 yrs	6/35, Prakash CHSL Relief Road, Daulat Nagar, Santacruz (W), Mumbai - 400054	34 years in Pharma Industry	B.Com, D.E.M	21.08.1994
Mr. Babulal Jain (Director)	57 yrs	A6/171, Snehdhara Society, 3rd Dadabhai Cross Lane, Irla, Vile Parle (West) Mumbai - 400056	32 years as a Practising Chartered Accountant	A.C.A.	07.06.1988
Dr. V. V. Subba Rao (Director)	68 yrs	35, Dhanalaxmi Colony, Mahendra Hills, Secunderabad 500026	31 years in Science and Technology	M.Sc., PhD.	23.09.2000
Mr. V. A. Gore (Director)	69 yrs	A/1 Jeevan Sarita Tejpal Scheme Road No.1 Vile Parle (E), Mumbai - 400057	43 yrs in Finance and Administration	B.Com, M.F.M	27.04.2000

4.1.1.6 None of the above directors are on the board of directors of the Target Company.

None of the above directors have acquired any equity shares of Target Company.

4.1.1.7 Ipca have complied with all the disclosure requirement under Chapter II of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 since the said regulations came into effect.

4.1.1.8 IPCA has been incorporated with an objective:

- To carry on business as manufacturers of and dealers in all kinds of medicines, drugs, oils and chemicals, pharmaceutical, anatomical, scientific and surgical apparatus, instruments and appliances, thermometers, stethoscopes and other articles required by laboratories, hospitals and medical practitioners.
- To carry on business of chemists, druggists, dealers in chemicals, oils, pharmaceutical, industrial, medical, chemical and other articles and products, compounds, cements, paints, oils, varnishes, pigments, dyeware, soaps and saponaceous substances, toilet requisites and perfumery, provisions, mineral waters and patent medicines and makers of and dealers in such other articles.

4.1.1.9 Key financials of IPCA on a stand-alone legal entity basis:

INCOME STATEMENT	**Year Ended**		
(Rs. in Lakhs)	**March 31, 2007 Audited**	**March 31, 2006 Audited**	**March 31, 2005 Audited**
Sales (Net of Excise Duty and Sales Tax)	90914	74904	67626
Income from Operations	837	230	595
Other Income	373	147	324
Total Income	**92124**	**75282**	**68545**
Total Expenses including exceptional items	71872	63620	55098
PBIDT	**20252**	**11662**	**13447**
Depreciation	2916	2461	1901
Interest	2212	1362	1093
PBT	**15124**	**7839**	**10453**
Provision for tax	2901	1441	2382
Profit after tax & after exceptional items	12223	6398	8071

BALANCE SHEET	**Year Ended**		
(Rs. in Lakhs)	**March 31, 2007 Audited**	**March 31, 2006 Audited**	**March 31, 2005 Audited**
SOURCES OF FUNDS			
Equity Share Capital	2500	2500	2500
Share Application money	4	–	–
Reserves and Surplus (excluding revaluation reserves)	46102	36089	31259
Less: Miscellaneous expenditure	–	–	–
Networth	48606	38589	33759
Loans & Other Liability	29013	24479	26368
Total	**77619**	**63068**	**60127**
APPLICATIONS OF FUNDS			
Net block	37448	34380	29429
Capital Work in Progress	5700	2972	2817
Investments	2492	1393	1029
Net current assets	31979	24323	26852
Total	**77619**	**63068**	**60127**
OTHER FINANCIAL DATA Year Ended			
Dividend (% of face value)	75	55	55
Earnings per share of Rs. 10/- each ("EPS") (Rs.)	48.89	25.59	32.28
Return on Net Worth (%)	25.15	16.58	23.91
Book Value per share (Rs.)	194.41	154.36	135.04

Note:

(1) Dividend (%) = Dividend paid / No. of equity shares outstanding / Par value per equity share

(2) EPS = Profit After Tax / No. of equity shares outstanding

(3) Return on Net Worth = Profit after Tax / Net Worth at year-end

(4) Book Value per equity share = Net Worth / No. of equity shares outstanding

(Source: Annual Report & Company Data)

Unaudited Financial Results, certified by statutory auditors, in terms of clause 41 of the Listing Agreement, as taken on record by the Board of Directors in their meeting held on January 19, 2008 with a limited review carried out by the Auditors of the Company are as under:

(Rs. Lakhs)	Quarter Ended		Nine Months Ended		Year Ended
Particulars	**31.12.2007**	**31.12.2006**	**31.12.2007**	**31.12.2006**	**31.3.2007 (Audited)**
Sales/Income from operations	**29340**	**24620**	**86724**	**74611**	**97809**
Less : Excise Duty & Sales Tax	1161	1185	3873	4791	5698
Net Sales/Income from operations	**28179**	**23435**	**82851**	**69820**	**92111**
Other Income	58	41	153	158	373
Total Income	**28237**	**23476**	**83004**	**69978**	**92484**
Expenditure					
a) (Increase)/decrease in stock in trade and work in progress	833	(800)	(1719)	(2231)	(2253)
b) Materials consumption	10529	9440	33479	27632	36997
c) Purchase of traded goods	981	1063	3764	3978	5046
d) Staff Cost	3445	3068	10788	8888	11465
e) Depreciation /Amortisation	813	739	2373	2157	2916
f) Manufacturing and other expenditure	6236	4797	17559	15806	21061
Total Expenditure	**22837**	**18307**	**66244**	**56230**	**75232**
Financial Cost	551	527	1547	1558	2212
Profit from ordinary activities before tax	**4849**	**4642**	**15213**	**12190**	**15040**
Less: Provision for taxation					
Current	700	812	2200	2040	2300
Deferred	190	360	815	585	437
Fringe benefit	125	70	350	191	280
Add : Excess provision for Taxation/ Income tax refund of earlier year	—	—	—	—	116
Profit from ordinary activities after tax	**3834**	**3400**	**11848**	**9374**	**12139**
Extraordinary Items					
Insurance Claim on assets damaged in flood	—	84	—	84	84
Net Profit for the period	3834	3484	11848	9458	12223
Paid-up equity share capital					
(Face value of Rs.10/- each)	2509	2500	2509	2500	2500
Reserves excluding revaluation reserve					46102
Earnings per share (Rs.) (before extraordinary items)					
- Basic	15.28	13.60	47.22	37.50	48.56
- Diluted	15.23	13.57	47.07	37.40	48.39
Earnings per share (Rs.) (after extraordinary items)					
- Basic	15.28	13.94	47.22	37.83	48.89
- Diluted	15.23	13.90	47.07	37.74	48.72

4.1.1.10 The summarized significant accounting policies of IPCA, as per the audited financial statements for the year ended March 31, 2007, are as follows:

A) System of Accounting - The Company follows the accrual system of accounting.

B) Fixed Assets - All fixed assets are stated at cost less depreciation.

C) Investments - Long-term investments are valued at cost. Provisions are made for diminution in value of investments other than temporary in nature.

D) Depreciation - Depreciation is provided on straight-line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

E) Retirement Benefits - Gratuity is charged to revenue on actuarial valuation by Life Insurance Corporation of India under Employees' Group Gratuity Policy modified to comply with provisions of AS-15 (revised)

F) Research & Development - Revenue expenditure on research and development is charged to Profit and Loss Account in the year in which it is incurred. Capital expenditure on research and development is considered as an addition to fixed assets.

G) Foreign Exchange Transactions - Transactions denominated in foreign currency re recorded at the exchange rate on the date of transaction. The transaction gain/loss on settlement/negotiation during the year are recognized in the Profit and Loss Account.

Foreign currency transactions remaining unsettled at the end of the year are converted at year-end rates. Gain or loss arising on account of transactions covered by forward contract are recognized over the period of contracts.

Current assets and current liabilities at the end of the year not covered by forwarded contracts are converted at the year-end rate and the resultant gain and loss are accounted for in the Profit and Loss Account.

Gain or loss on foreign exchange transactions other than those related to fixed assets purchased from outside India are recognized in the Profit and Loss Account.

4.1.1.11 Comparison of results:

Financial year ended on March 31,2007 compared to Financial Year ended on March31, 2006.

Ipca's total income for the financial year ended March 31, 2007 was Rs.92124 Lakhs, compared to Rs.75282 Lakhs in the previous year. As a result, operating profit (PBDIT) was higher at Rs.20252 Lakhs compared to Rs.11662 Lakhs in the previous year. Interest expenses for the year ended March 31, 2007 increased to Rs.2212 Lakhs compared to Rs.1362 Lakhs in the previous year. Depreciation during the year was higher at Rs.2916 Lakhs compared to Rs. 2461 Lakhs in the previous year. Net profit increased to Rs.12223 Lakhs from Rs.6398 Lakhs in the previous year mainly on account of product mix change.

Financial year ended on March 31, 2006 compared to Financial Year ended on March 31, 2005.

Ipca's total income for financial year ended March 31,2006 was Rs.75282 Lakhs compared to Rs.68545 Lakhs in the previous year. Despite of increase in total income for financial year ended on March 31, 2006 operating profit (PBDIT) has reduced at Rs.11662 Lakhs as compared to Rs.13447 Lakhs for financial year ended on March 31, 2005. Interest expense for the year ended March 31, 2006 increased to Rs.1362 Lakhs from Rs.1093 Lakhs in the previous year. Depreciation during the year was higher at Rs.2461 Lakhs against Rs.1901 Lakhs in the previous year. Net profit has reduced at Rs.6398 Lakhs as compared to Rs.8071 Lakhs in the previous year mainly on account of pressure on generic sales and margins

4.1.1.12 According to the financial statements for the year ended March 31, 2007, Ipca has contingent liability of Rs. 6585 Lakhs.

4.1.1.13 There are no mergers / demergers / spin offs involving Ipca during last 3 years.

4.1.1.14 Details of litigations concerning Ipca: There are no material litigations pending concerning Ipca other than those stated as contingent liabilities.

4.1.1.15 Ipca has complied with the applicable requirements of the listing agreement. The details of the corporate governance for Ipca, as per the Annual Report for the period ended March 31, 2007, are as follows:

Composition of the Board of Directors

The composition of board of directors is in conformity with the Code of Corporate Governance. The board of directors of Ipca consists of 8 directors of which 2 are promoter Managing Directors, 1 professional non-promoter Executive Director, and 5 non-executive directors. Out of the 5 non-executive directors, 4 are Independent Directors with independent judgment in the deliberation and decision of the Board. The Chairman of the Board is a non-executive Independent Director.

Audit Committee

The Audit Committee of the company comprises of Mr. Babulal Jain, Chairman of committee and Mr. V.A. Gore and Dr. V.V. Subba Rao, all being Independent Directors with independent judgment in the deliberation and decisions of the Board as well as Audit Committee. All members of the audit Committee have knowledge on financial matters and the Chairman of the Audit Committee is a Senior Chartered Accountant in practice having accounting and financial management expertise.

Mr. Harish Kamath, Vice President - Legal and Company Secretary is the Secretary of this committee.

The terms of Reference to this Committee, inter-alia, covers all the matters specified under Section 292(A) of the Companies Act, 1956 and also all the matters listed under Clause 49 of the Listing Agreement with Stock Exchanges.

Remuneration and Compensation Committee

The Remuneration and Compensation Committee comprises of Mr. Babulal Jain (Chairman of the Committee), Mr. V.A. Gore and Dr. V.V. Subba Rao all Independent Directors to function in the manner and to deal with the matters specified in the clause 49 of the listing agreement and also to review the overall compensation structure and policies of the Company to attract, motivate and retain employees as well as to consider grant of stock options to permanent employees and Directors of the Company.

Shareholders / Investors Grievance Committee

The committee functions under the Chairmanship of Mr. Babulal Jain, the non-executive independent Director. Mr. Premchand Godha, Managing Director and Mr. M.R. Chandurkar, Managing Director are the other members of this committee.

This Committee monitors share transfers, transmissions and other shareholders related activities including redressal of investor grievances.

Compliance Certificate of the Auditors

The statutory auditors of Ipca, vide their letter dated May 25, 2007 have certified that Ipca has complied with the conditions of corporate governance as stipulated in the listing agreements.

Details about the Compliance Officer:

The compliance officer of Ipca is Mr. Harish Kamath, Vice President - Legal and Company Secretary. His contact details are as follows: Ipca Laboratories Limited, 142-AB, Kandivli Industrial Estate, Kandivli (West), Mumbai - 400 067. Tel:+91-22-66474747, Fax:+91-22-28686954

4.1.1.16 Share holding pattern as on September 30, 2007:

Category of Shareholder		No. of Shareholders	Total No. of Shares	Total Share holding as a % of total No. of Shares
(A)	**Shareholding of Promoter and Promoter Group**			
(1)	Indian			
	Individuals / Hindu Undivided Family	16	1989760	7.96
	Bodies Corporate	06	9495174	37.98
	Sub Total	**22**	**11484934**	**45.94**
(2)	Foreign	—	—	—
	Total Shareholding of Promoter and Promoter Group (A)	22	11484934	45.94
(B)	**Public Shareholding**			
(1)	Institutions			
	Mutual Funds / UTI	51	7693558	30.77
	Financial Institutions / Banks	01	200	—
	Foreign Institutional Investors	10	1002607	4.01
	Sub Total	**62**	**8696365**	**34.79**
(2)	Non-Institutions			
	Bodies Corporate Individuals	428	1888547	7.56
	Individual shareholders holding nominal share capital up to Rs.1 Lakh	13817	2411041	9.64
	Individual shareholders holding nominal share capital in excess of Rs.1 Lakh	14	230704	0.92

Category of Shareholder		No. of Shareholders	Total No. of Shares	Total Share holding as a % of total No. of Shares
	Any Others (Specify)			
	Clearing Members	48	3114	0.01
	Market Makers	32	3550	0.01
	Hindu Undivided Families	181	200105	0.80
	Non Resident Indians	142	81640	0.33
	Sub Total	**14662**	**4818701**	**19.27**
	Total Public Shareholding (B)	**14724**	**13515066**	**54.06**
	Total (A) + (B)	**14746**	**25000000**	**100.00**
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**	—	—	—
	Total (A) + (B) + (C)	**14746**	**25000000**	**100.00**

4.1.2 Kaygee Investments Pvt. Ltd.

4.1.2.1 Kaygee Investments Pvt. Ltd. was originally incorporated on 20.04.1981 under the Companies Act, 1956, in the name of Godha Family Investments Private Limited, subsequently the name was changed to Kaygee Investments Pvt. Ltd. on 17.11.1985 and fresh certificate was obtained from the Registrar of Companies, Mumbai and KIPL is having its registered office at 1701/1702, Oberoi Sky Heights, Lokhandwala Complex, Andheri (W), Mumbai 400 053 Tel: + 91-22 -26398634, Fax: +91-22 -28682875.

KIPL has been incorporated with an objective of:

- To acquire and hold shares, stocks, debentures or other securities and to invest in partnership firms.
- To carry on the activities of an Investment Company.
- To invest the capital and other moneys in the purchase or upon the security of shares, stocks, debentures, bonds, mortgages, obligations and securities or any kind issued or guaranteed by any company constituted or carrying on business, in shares, stocks, debentures, bonds, mortgages, obligations and other securities issued or guaranteed by any Government Trust, Municipal, Local or other Authority or Body.

4.1.2.2 KIPL was promoted by Shri Premchand Godha and his family and they together with companies promoted by them hold 100% of the paid up equity share capital of KIPL.

4.1.2.3 The company is primarily engaged in investment in Shares and other Securities and operates from its registered office.

4.1.2.4 The applicable provisions of Chapter II of the SEBI Takeover Code, vis-à-vis the Target Company, have been complied by KIPL.

4.1.2.5 The issued and paid up equity share capital of KIPL consists of 1,72,020 equity shares of Rs.10 each. The share holding pattern as on November 1, 2007 is as follows:

Sr. No.	Shareholder's Category	No. of Shares held	Percentage of Shares held
1	Premchand Godha	91,020	52.91%
2	Usha Godha	2,500	1.45%
3	Gudakesh Investment Pvt. Ltd.	40,000	23.25%
4	Paranthapa Investment Pvt. Ltd.	35,000	20.35%
5	Premchand Godha (HUF)	3,500	2.04%
	Total	**1,72,020**	**100.00%**

4.1.2.6 The board of directors of KIPL as on the date of the Public Announcement, was as follows:

Name	Age	Residential Address	Experience	Qualification	Date of Appointment
Mr. Premchand Godha	61 yrs	1701/02, Oberoi Sky Heights, Lokhandwala Complex, Andheri(W), Mumbai-400 053	38 years in Pharma Industry	B.Com, A.C.A	20.04.1981
Mrs Usha Godha	56 yrs	1701/02, Oberoi Sky Heights, Lokhandwala Complex, Andheri(W), Mumbai-400 053	Housewife	B.A.	16.12.1982
Mr Prashant Godha	33 yrs	1701/02, Oberoi Sky Heights, Lokhandwala Complex, Andheri(W), Mumbai-400 053	10 years in Pharma Industry	B.Com	24.06.1994

4.1.2.7 None of the above directors are on the board of directors of the Target Company.

None of the above directors have acquired any equity shares of Target Company.

4.1.2.8 Key financials of KIPL:

INCOME STATEMENT	**Year Ended**			
(Rs. in Lakhs)	**December 31, 2007 Unaudited***	**March 31, 2007 Audited**	**March 31, 2006 Audited**	**March 31, 2005 Audited**
Dividend Income	424.17	293.11	246.58	258.32
Other Income	20.87	38.09	70.10	548.92
Total Income	**445.04**	**331.20**	**316.68**	**807.25**
Total Expenses	1.08	4.39	2.79	535.39
PBIDT	**443.96**	**326.81**	**313.89**	**271.86**
Depreciation	0.55	0.91	1.21	1.19
Interest	199.62	0.04	0.02	9.08
PBT	**243.79**	**325.86**	**312.66**	**261.59**
Provision for tax	5.50	3.75	3.70	-
Profit after tax	**238.29**	**322.11**	**308.96**	**261.59**
Less: Excess/Short Provision of earlier years written off	-	1.84	-	2.27
Net Profit	**238.29**	**320.27**	**308.96**	**259.32**

BALANCE SHEET	**Year Ended**			
(Rs. in Lakhs)	**December 31, 2007 Unaudited**	**March 31, 2007 Audited**	**March 31, 2006 Audited**	**March 31, 2005 Audited**
SOURCES OF FUNDS				
Equity Share Capital	17.20	17.20	17.20	17.20
Reserves and Surplus (excluding revaluation reserves)	2015.67	1777.38	1457.11	1148.15
Less:Miscellaneous expenditure	-	-	-	-
Net worth	2032.87	1794.58	1474.31	1165.35
Secured / Unsecured loans	6443.72	0.00	0.00	0.00
Share Application Money	**773.00**	**-**	**-**	**-**
Total	**9249.59**	**1794.58**	**1474.31**	**1165.35**
APPLICATIONS OF FUNDS				
Net block	3.00	3.55	4.02	6.64
Investments	9025.58	1695.18	1424.04	1108.33
Net current assets	221.01	95.85	46.25	50.38
Total	**9249.59**	**1794.58**	**1474.31**	**1165.35**

(Rs. in Lakhs)	December 31, 2007 Unaudited	March 31, 2007 Audited	March 31, 2006 Audited	March 31, 2005 Audited
OTHER FINANCIAL DATA Year Ended				
Dividend (% of face value)	—	—	—	300
Earnings per share of Rs. 10/- each ("EPS") (Rs.)	139.00	187.25	179.61	152.08
Return on Net Worth (%)	11.72	17.94	20.96	22.45
Book Value per share (Rs.)	1181.90	1043.23	857.06	677.45

* Certified by Statutory Auditor.

Note:

(1) Dividend (%) = Dividend paid / No. of equity shares outstanding / Par value per equity share

(2) EPS = Profit After Tax / No. of equity shares outstanding

(3) Return on Net Worth = Profit after Tax / Net Worth at year-end

(4) Book Value per equity share = Net Worth / No. of equity shares outstanding

(Source: Annual Report & Company Data)

4.1.2.11 The significant accounting policies of KIPL, as per the audited financial statements for the year ended March 31, 2007, are as follows:

A. Basis of Preparation of Financial Statements

Prudential Norms: The Company is following the Reserve Bank of India Guidelines on prudential norms applicable to non-banking financial companies.

B. System of Accounting: The company follows accrual system of accounting for all items of revenue and cost.

C. Fixed Assets: Fixed Assets are recorded at cost of acquisition or construction.

E. Depreciation: Has been provided on WDV method at the rate and in manner prescribed under schedule XIV of the Companies Act, 1956.

F. Investments: Investments are stated at the cost of acquisition plus interest on borrowing to acquire investments.

G. Contingent Liabilities: These are disclosed by way of notes to the balance sheet. Provision is made in the accounts in respect of those liabilities which are likely to materialize after the year end, till the finalization of accounts and have material effect on the position stated in the balance sheet.

4.1.2.12 Comparison of results:

Financial year ended March 31,2007 compared to financial year ended March 31, 2006

KIPL's gross income for the financial year ended March 31, 2007 was Rs.331.20 Lakhs, compared to Rs.316.68 Lakhs in the previous year. As a result, operating profit (PBDIT) was higher at Rs.326.81 Lakhs compared to Rs.313.89 Lakhs in the previous year. Net profit (PAT) increased to Rs.322.11 Lakhs from Rs.308.96 Lakhs in the previous year.

Financial year ended March31, 2006 compared to March 31, 2005

KIPL's gross income for the financial year ended March 31, 2006 was Rs.316.68 Lakhs compared to Rs.807.25 Lakhs in the previous year. Inspite of lower gross income in financial year ended on March 31,2006 the operating profit (PBDIT) was higher at Rs.313.89 Lakhs as compared to Rs.271.86 Lakhs in the previous financial year ended on March 31, 2005. Net profit (PAT) increased to Rs.308.96 Lakhs from Rs.261.59 Lakhs in the previous year. During Financial Year 2004-05, company has written off Bad Debts of Rs.545.66 Lakhs.

4.1.2.13 As per the financial statements for the year ended March 31, 2007; there are no contingent liabilities of KIPL.

4.1.3 Information on other companies presently promoted / controlled by the Acquirers

a) Name: Makers Laboratories Limited

Date of incorporation : 09.07.1984

Nature of business : Manufacturing and Marketing of Generic Formulations and Active Pharmaceutical Ingredients / Drug Intermediaries

Registered Office:54-D, Kandivli Industrial Estate, Kandivli (West), Mumbai - 400 067

Key Financials (Audited) **(Rs. in Lakhs)**

Particulars	**December 31, 2007 (Unaudited)**	**March 31, 2007**	**March 31, 2006**	**March 31, 2005**
Equity Share Capital	434	434	434	434
Preference Share Capital	Nil	Nil	Nil	Nil
Reserves (excluding revaluation reserves)	*	533	456	435
Net Worth	*	967	890	869
Total Income	**3802**	**4428**	**3389**	**3629**
Profit After Tax	(46)	87	21	55
Earnings per share of Rs. 10/- each (in Rs.)	(1.06)	2.00	0.49	1.28
Net Asset Value (in Rs.)	*	**22.26**	**20.49**	**20.00**

* Not Applicable, since figures are taken from unaudited financial results.

b) **Name: Exon Laboratories Pvt. Ltd.**

Date of Incorporation: 05.01.1988

Nature of Business: Manufacturing of APIs and Drug Intermediates

Registered Office: 142-AB, Kandivli Industrial Estate, Kandivli (West), Mumbai - 400 067

Key Financials (Audited) **(Rs. in Lakhs)**

Particulars	**March 31, 2007**	**March 31, 2006**	**March 31, 2005**
Equity Share Capital	112	100	88
Preference Share Capital	Nil	Nil	Nil
Reserves (excluding revaluation reserves)	868	813	646
Net Worth	980	913	734
Total Income	**1050**	**1253**	**1348**
Profit After Tax	72	181	255
Earnings per share of Rs. 10/- each (in Rs.)	7.03	19.44	29.03
Net Asset Value (in Rs.)	**87.48**	**91.32**	**83.38**

c) Name: Paschim Chemicals Pvt. Ltd.

Date of Incorporation: 03.11.1988

Nature of Business: Manufacturing of APIs and Drug Intermediates

Registered Office: 142-AB, Kandivli Industrial Estate, Kandivli (West), Mumbai - 400 067

Key Financials (Audited) **(Rs. in Lakhs)**

Particulars	**March 31, 2007**	**March 31, 2006**	**March 31, 2005**
Equity Share Capital	141	86	50
Share Capital Suspense Account	Nil	11	Nil
Reserves (excluding revaluation reserves)	331	247	65
Net Worth	472	344	115
Total Income	**561**	**295**	**563**
Profit After Tax	(17)	(107)	01
Earnings per share of Rs. 100/- each (in Rs.)	(11.99)	(124.94)	1.39
Net Asset Value (in Rs.)	**335. 20**	**401.81**	**230.89**

d) Name: Mexin Medicaments Pvt. Ltd.

Date of Incorporation: 14.01.1980

Nature of Business: Marketing of Pharmaceutical formulations

Registered Office: 48, Kandivli Industrial Estate, Kandivli (West), Mumbai - 400 067

Key Financials (Audited) **(Rs. in Lakhs)**

Particulars	March 31, 2007	March 31, 2006	March 31, 2005
Equity Share Capital	108	72	36
Preference Share Capital	Nil	Nil	Nil
Reserves (excluding revaluation reserves)	490	497	496
Net Worth	598	569	532
Total Income	**105**	**113**	**102**
Profit After Tax	(01)	6	12
Earnings per share of Rs. 100/- each (in Rs.)	(1.67)	8.02	35.55
Net Asset Value (in Rs.)	**553.57**	**790.94**	**1477.22**

e) Name: Harleystreet Pharmaceuticals Ltd.

Date of Incorporation: 05.04.1983

Nature of Business: Manufacturing of injectables

Registered Office: 29/3, Phase III, GIDC Industrial Estate, Naroda, Ahmedabad 382 330

Key Financials (Audited) **(Rs. in Lakhs)**

Particulars	December 31, 2007 (Unaudited)	March 31, 2007	March 31, 2006	March 31, 2005
Equity Share Capital	95	95	95	95
Preference Share Capital	Nil	Nil	Nil	Nil
Reserves (excluding revaluation reserves)	*	140	88	31
Net Worth	*	235	183	126
Total Income	**290**	**396**	**377**	**300**
Profit After Tax	33	52	57	28
Earnings per share of Rs. 10/- each (in Rs.)	3.44	5.45	5.95	2.94
Net Asset Value (in Rs.)	*	**24.67**	**19.22**	**13.27**

* Not Applicable, since figures are taken from unaudited financial results.

f) Name: Halewood Laboratories Pvt. Ltd.

Date of Incorporation: 20.06.2000

Nature of Business: Manufacturing and marketing of pharmaceuticals.

Registered Office: 319, GIDC Estate, 2nd Phase, Vatva, Ahemdabad - 382 445

Key Financials (Audited) **(Rs. in Lakhs)**

Particulars	March 31, 2007	March 31, 2006	March 31, 2005
Equity Share Capital	30	30	30
Preference Share Capital	Nil	Nil	Nil
Reserves (excluding revaluation reserves)	(1)	13	35
Net Worth	29	43	65
Total Income	**834**	**577**	**634**
Profit After Tax	(14)	(22)	10
Earnings per share of Rs. 10/- each (in Rs.)	(4.65)	(7.49)	3.33
Net Asset Value (in Rs.)	**9.54**	**14.19**	**21.68**

g) Name: Paranthapa Investments & Traders Pvt. Ltd.

Date of Incorporation: 18.4.1990

Nature of Business: Investment Activity.

Registered Office: 1701/1702 Oberoi Sky Heights, Lokhandwala Complex, Andheri (West), Mumbai - 400 053

Key Financials (Audited) **(Rs. in Lakhs)**

Particulars	**March 31, 2007**	**March 31, 2006**	**March 31, 2005**
Equity Share Capital	5	5	5
Preference Share Capital	Nil	Nil	Nil
Reserves (excluding revaluation reserves)	32	31	29
Net Worth	37	36	34
Total Income	**2**	**2**	**11**
Profit After Tax	2	1	10
Earnings per share of Rs. 10/- each (in Rs.)	3.50	2.60	20.92
Net Asset Value (in Rs.)	**74.91**	**71.41**	**68.82**

h) Name: Gudakesh Investments Pvt. Ltd.

Date of Incorporation: 18.04.1990

Nature of Business: Investment Activity.

Registered Office: 1701/1702 Oberoi Sky Heights, Lokhandwala Complex, Andheri (West), Mumbai - 400 053

Key Financials (Audited) **(Rs. in Lakhs)**

Particulars	**March 31, 2007**	**March 31, 2006**	**March 31, 2005**
Equity Share Capital	5	5	5
Preference Share Capital	Nil	Nil	Nil
Reserves (excluding revaluation reserves)	42	40	40
Net Worth	47	45	45
Total Income	**3**	**1**	**12**
Profit After Tax	2	1	12
Earnings per share of Rs. 10/- each (in Rs.)	4.97	0.60	24.11
Net Asset Value (in Rs.)	**94.82**	**89.85**	**89.25**

i) Name: Kaygee Loparex India Pvt. Ltd.

Date of Incorporation: 15.1.1997

Nature of Business: Manufacturing and marketing of release liner papers.

Registered Office: 35J, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai - 400 053

Key Financials (Audited) **(Rs. in Lakhs)**

Particulars	**March 31, 2007**	**March 31, 2006**	**March 31, 2005**
Equity Share Capital	480	480	380
Preference Share Capital	Nil	Nil	Nil
Reserves (excluding revaluation reserves)	287	207	170
Net Worth	767	687	550
Total Income	**3043**	**1904**	**1469**
Profit After Tax	87	38	1
Earnings per share of Rs. 10/- each (in Rs.)	1.80	0.80	0.01
Net Asset Value (in Rs.)	**15.97**	**14.31**	**14.47**

None of the above companies are sick companies.

4.2 Relation, if any, between the Acquirers

Ipca Laboratories Ltd. (Ipca) is a listed public limited company. Kaygee Investments Pvt. Ltd. (KIPL) is a private limited company engaged in the investments activities and owned by Shri Premchand Godha family. Shri Premchand Godha is the Managing Director of Ipca Laboratories Limited. Shri Premchand Godha family and KIPL, as promoters of Ipca Laboratories Ltd., control 25.70% of the voting rights in the equity share capital of Ipca.

No agreement was entered into between Acquirer and PAC for acquisition of equity shares from the family members of promoter of Tonira and for this Open Offer.

4.3 Disclosures in terms of Regulation 16(ix) of the SEBI Takeover Code and Acquirers' Future Plans for Tonira

Please refer to paragraph 3.3 of this Letter of Offer for objects of the Offer.

4.3.1 The Acquirers reserve the right to seek reconstitution of the board of directors of the Target Company, in accordance with the provisions contained in the SEBI Takeover Code and the Companies Act, 1956.

4.3.2 The Acquirers do not have any plans to dispose off or otherwise encumber any assets of the Target Company in the next two years, except in the ordinary course of business and except to the extent required for the purpose of any arrangement / reconstruction, restructuring, merger / demerger, and/or for the purpose of rationalizing / streamlining of various operations, assets, liabilities, businesses or otherwise of the Target Company. Such decisions will be governed by the provisions of the relevant laws. The Acquirers will evaluate and consider such proposals and may, if appropriate, support the same. It will be the responsibility of the board of directors of the Target Company to make appropriate decisions in these matters in accordance with the business requirements and in line with opportunities or changes in the economic scenario, from time to time.

4.3.3 Other than in the ordinary course of business or except with the prior approval of Tonira's shareholders, the Acquirers undertake that they shall not sell, dispose off or otherwise encumber any substantial assets of Tonira other than in the normal course of Tonira's business.

5 DISCLOSURE IN TERMS OF REGULATION 21

Pursuant to the Offer (assuming full acceptance), the acquisition under the SPA and open market purchases, the maximum public shareholding in Tonira will not be reduced to a level below the limit specified for the purpose of listing on a continuous basis. There will be no violation of Clause 40 A of the Listing Agreement and the equity shares of the Tonira shall continue to be listed on BSE.

6 BACKGROUND OF TONIRA PHARMA LIMITED

6.1 Tonira Pharma Limited was incorporated on August 13, 1992 under the Companies Act, 1956 as a Private Limited Company and was converted into a Public Limited Company with effect from February 15, 1994. It has its registered office at, 23-24 GIDC Estate, Nandesari, Dist.: Vadodara 391 340(Gujarat) (Telephone: +91-265-2358266, 2343263, Fax: +91-265-234194). Tonira is primarily in the business of manufacturing and marketing of APIs and Drug Intermediaries.

Tonira came out with a public offering of Shares in February 1995 in which 45.74% of its post IPO equity capital was offered to public. Pursuant to this IPO, the Shares were listed on Vadodara Stock Exchange, Ahmedabad Stock Exchange and on BSE. Tonira was promoted by Mr.Bhailal B Shah, Mr. Mahesh N Shah and Mr. Virendra B Shah.

The company has voluntarily delisted its equity shares, from the Stock Exchanges at Ahmedabad and Vadodara with effect from March 18, 2004 and February 12, 2005 respectively. This has also been mentioned in the Director's Report to Shareholders forming part Annual Report for Financial Year 2004-05 of the target company. At present its shares are listed only on Bombay Stock Exchange (BSE).

6.2 Tonira is engaged in the manufacturing and marketing of Drug Intermediates and APIs with 2 manufacturing facilities and R&D centers in the state of Gujarat. Tonira manufactures several APIs and Intermediates.

6.3 The share capital structure of Tonira, as on the date of the PA, is as follows:

Particulars	No. of Equity Shares/ voting rights	% of Voting Shares/ rights
Authorised Equity Share Capital	1,02,50,000	
Issued & Subscribed Equity Share Capital	79,44,200	100
Total Voting Rights in Target Company	79,44,200	100

All equity shares have a face value of Rs.10/- each. There are no partly paid up equity shares.

6.4 Details of the changes in share capital of the Target Company since incorporation and status of compliance with applicable SEBI regulations / other statutory requirements, are as follows:

Date of Allotment	No. of Equity Shares issued	% of Shares Issued	Face Value (Rs.)	Cumulative Paid up Capital (Rs.)	Mode of Allotment	Identity of Allottees (Promoters/ ex-promoters / others)	Status of compliance
13.08.1992	50	0.00	500	500	Subscription of memorandum of association	Promoters	Complied
19.10.1992	131450	1.65	1314500	1315000	Allotment for consideration other than cash	Promoters	Complied
01.11.1992	118500	1.49	1185000	2500000	Allotment for Cash	Promoters	Complied
06.08.1994	200000	2.52	2000000	4500000	Bonus Allotment	Promoters	Complied
31.08.1994	1960000	24.67	19600000	24100000	Allotment for Cash	Promoters	Complied
05.09.1994	350000	4.41	3500000	27600000	Allotment for Cash	Promoters	Complied
12.04.1995	1550200	19.51	15502000	43102000	Allotment for Cash	Promoters	Complied
08.05.1995	3634000	45.74	36340000	79442000	Allotment for Cash (Public Issue)	Public	Complied
TOTAL	**7944200**	**100.00**	**79442000**				

6.5 There has been no penal action initiated against Tonira by stock exchange in respect of the compliance matters and Tonira has complied with relevant clauses of the stock exchange listing agreements from time to time. The Shares were never suspended for trading by any of the stock exchanges. Tonira has complied with the provisions of clause 49 of the stock exchange listing agreement in respect of corporate governance norms.

6.6 The Sellers and Tonira have complied with the applicable provisions of Chapter II of SEBI Takeover Code. Tonira has complied with the provisions of Takeover Code by filing the necessary report under Regulation 7(3) vide their letter dated 5.11.2007

6.7 The Promoters, the Sellers and Tonira have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act.

6.8 The board of directors of Tonira as on the date of the Public Announcement was as under:

Sr. No.	Name & Residential Address	Age	Original Date of Appointment	Designation	Qualifications	Experience
1	Mr. Bhailal B Shah F-6, Vasundhara Flats, Tilak Road, Ghatkopar (E), Mumbai - 400 077	62 years	13.08.1992	Executive Chairman	Matriculate	40 years
2	Mr. Mahesh N Shah C-12, Bansuri, Pashabhai Patel Park, Race Course, Vadodara 390 015	52 years	13.08.1992	Vice Chairman & Managing Director	M.Sc B.E., Chemical Diploma in Industrial Management	25 years
3	Mr. Janardhan P Sanyal D-6, Gokul Society, Nr. Ragini Cinema, Valia Road, Ankleshwar-1	75 years	06.08.1994	Executive Director	M.Sc.	50 years
4	Mr. Virendra B Shah F-6, Vaundhara Flats, Tilak Road, Ghatkopar (E), Mumbai 400 077	54 years	13.08.1992	Whole time Director	DME	30 years
5	Mr. Mahesh M Bhatt B-9902, Jyoti Tower, Opp. Anandvan Ashram, S.V. Road, Kandivli(W), Mumbai 400 067	50 years	24.03.2003	Independent Director	F.CA, A.CS	25 years

Sr. No.	Name & Residential Address	Age	Original Date of Appointment	Designation	Qualifications	Experience
6	Dr. Arvind A. Natu Purva Appts., 24/8 Shivajinagar, Pune 411 005.	60 years	31.10.2003	Independent Director	M.Sc, PHD	35 years
7	Mr. Pradeep B Gandhi C-23, Sambhav Tirth Flats, B/s Vasna Telephone Exchange, Vasna, Ahmedabad.	40 years	24.03.2003	Independent Director	F.CA	15 years
8	Mr. Prakash L Hirani 103/A, Aishwarya Complex, Ellora Park, Race Course, Vadodara 390 007.	54 years	24.03.2003	Independent Director	B.E. Chemical	30 years
9	Mr. Rajesh J Shah E-11, Murdhanay Appt., B/h., Bhoomi Party Plot, Opp. A.E.C. Ltd., Naranpura, Ahmedabad -13.	46 years	24.03.2003	Independent Director	F.CA A.CS	25 years

Note: There are no directors representing the Acquirers on the board of Tonira..

6.9 Since the SEBI (SAST) Regulations, 1997 came into effect, details of shares acquired / sold by promoter group is given below:

Period / Year	Mode of change in shareholding	Shares acquired / (Shares Sold)		Cumulative Shares		Status of Compliance (See Note 2)
		No.	%	No.	%	
31.3.1997	Initial Disclosure	-	-	16,62,600	20.93%	Complied
1997-98	Open Market / Off Market Sale	(54,700)	(0.69%)	16,07,900	20.24%	Complied
1998-99	Open Market / Off Market Purchase	61,900	0.78%	16,69,800	21.02%	Complied
1999-00	Open Market / Off Market Purchase	40,500	0.51%	17,10,300	21.53%	Complied
2000-01	Open Market / Off Market Purchase	2,87,440	3.62%	19,97,740	25.15%	Complied
2001-02	Open Market / Off Market Purchase	2,78,560	3.51%	22,76,300	28.65%	Complied
2002-03	Open Market / Off Market Sale	(62,900)	(0.79%)	22,13,400	27.86%	Complied
2003-04	Open Market / Off Market Sale	(5,335)	(0.07%)	22,08,065	27.79%	Complied
2004-05	Open Market / Off Market Purchase	2,12,614	2.68%	24,20,679	30.47%	Complied
2005-06	Open Market / Off Market Purchase	83,819	1.06%	25,04,498	31.53%	Complied
2006-07	Open Market / Off Market Sale	(3,49,797)	(4.40%)	21,54,701	27.12%	Complied
2007-08 (till 30.9.2007)	Open Market / Off Market Sale	(1,52,992)	(1.93%)	20,01,709	25.20%	Complied

Notes :

1. Figures in brackets indicate disposals of Shares. The above table shows the changes in the shareholding of the persons constituting the Original Promoter Group.
2. Target Company has certified vide its certificate dated November 15, 2007 that it has complied with all the disclosure requirement under Chapter II of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.
3. Target Company has also certified vide its certificate dated December 05, 2007 that it was not required to comply with Regulation 7 of Chapter II of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, in view of its non applicability.
4. However, in respect of some financial years changes in promoter shareholding may attract Compliance under Chapter II of SEBI (SAST) Regulations, 1997 as promoters of Target Company have not complied with provisions of said Chapter II.

5. Suitable action may be initiated by SEBI against the Promoters of Target Company in the event any non compliance with the Provisions of Chapter II of the Regulations is determined at a later stage in accordance with Regulations.

6.10 Tonira has complied with the applicable requirements of the listing agreement. The details of the corporate governance for Tonira, as per the Annual Report for the period ended March 31, 2007, are as follows:

Composition of the Board of Directors

The composition of board of directors is in conformity with the Code of Corporate Governance. The board of directors of Tonira consists of 9 directors with Executive Chairman and 5 Independent Non Executive Directors as on 31.03.2007. The Managing Director who is also a whole time director is the Vice Chairman of the company. The five independent non-executive directors are eminent professionals from the field of Finance, Company secretarial, Doctorate and Chemical Engineering.

Audit Committee

The Audit Committee comprises of five non-executive independent directors. The chairman of the committee is Mr. Rajesh Shah, Chartered Accountant. Other members of the committee are Mr. Mahesh Bhatt, Dr. Arvind A. Nattu, Mr. Pradip Gandhi and Mr. Prakash Hirani.The constitution of Audit Committee also meets with the requirements of Section 292A of the Companies Act,1956 and Clause 49(II) of the Listing Agreement.

Remuneration Committee

The Remuneration Committee comprises of five non-executive independent directors. The chairman of the committee is Mr. Rajesh Shah. Other members of the committee are Mr. Mahesh Bhatt, Dr. Arvind A. Nattu, Mr. Pradip Gandhi and Mr. Prakash Hirani.

Shareholders / Investors Grievance Committee

The committee functions under the Chairmanship of Mr. Mahesh Bhatt. The other members of the committee include Mr. Rajesh Shah, Dr. Arvind A. Nattu, Mr. Pradip Gandhi and Mr. Prakash Hirani, all Independent Directors. The committee, inter alia, oversees and reviews all matters connected with the securities and looks into shareholders' complaints like transfer of shares, demat of shares, non-receipt of annual report, non-receipt of declared dividend, issue of duplicate share certificates etc. the committee oversees the performance of the Secretarial Department and working of the registrar and Share Transfer Agent and recommends measures for overall improvement in the quality of investor services.

Compliance Certificate of the Auditors

The statutory auditors of Tonira, vide their letter dated July 28, 2007 have certified that Tonira has complied with the conditions of corporate governance as stipulated in the listing agreements.

6.11 Tonira did not have any merger / acquisition /de-merger/spin-off in the last 3 years.

6.12 There are no material legal cases against Tonira.

6.13 Key audited financials of Tonira are as follows (As certified by the auditors M/s Mitesh P. Vora & Co. Chartered Accountants):

The results are on a standalone legal entity basis. The results for the year ended March 31, 2007 are as certified by the statutory auditors and reported to BSE as per the requirements of listing agreements.

INCOME STATEMENT	**Year Ended**		
(Rs. in Lakhs)	**March 31, 2007 Audited**	**March 31, 2006 Audited**	**March 31, 2005 Audited**
Total Income	3998.48	3123.52	2428.82
Total Expenses	3290.77	2486.81	2001.00
PBDIT	**707.71**	**636.71**	**427.82**
Depreciation	256.88	243.80	142.94
Interest	180.92	124.75	46.70
PBT	**269.91**	**268.16**	**238.18**
Provision for TAX	105.88	96.00	71.85
PAT	**164.03**	**172.16**	**166.33**

BALANCE SHEET	Year Ended		
(Rs. in Crores)	March 31, 2007 Audited	March 31, 2006 Audited	March 31, 2005 Audited
SOURCES OF FUNDS			
Equity Share Capital	794.42	794.42	794.42
Reserves & Surplus (excluding revaluation reserves)	1213.57	1049.54	877.38
Net Worth	2007.99	1843.96	1671.80
Deferred tax liability (net)	206.38	114.82	22.86
Secured Loans	1968.34	2105.73	1529.53
Unsecured Loans	0.00	34.63	0.00
Total	**4182.71**	**4099.14**	**3224.19**
APPLICATION OF FUNDS			
Net Block	2778.67	2730.30	2421.64
Capital work in progress	0.00	0.00	0.00
Investments	3.57	11.85	0.07
Net Current Assets	1354.07	1343.52	782.91
Miscellaneous Expenses	46.40	13.47	19.57
Total	**4182.71**	**4099.14**	**3224.19**
Dividend (% of face value)	0.00	0.00	0.00
Earnings per share ("EPS") (Rs.)	3.34	3.32	2.99
Return on Net Worth (%)	8.17	9.33	9.93
Book Value per share (Rs.)	24.69	23.04	20.80

Note:

(1) Dividend (%) = Dividend paid / No. of equity shares outstanding / Par value per equity share

(2) EPS = Profit After Tax but before deferred tax / No. of equity shares outstanding

(3) Return on Net Worth = Profit after Tax / Net Worth at year-end

(4) Book Value per equity share = Net Worth / No. of equity shares outstanding

(Source: Annual Report & Company Data)

Unaudited Financial Results of Target Company for the period ended on December 31, 2007, as taken on record by the Board of Directors in their meeting held on January 29, 2008 with a limited review carried out by the Audit Committee and as certified true by the Auditors of the Company are as under:

(Rs. in Lakhs)

Particulars	3 Months Ended	Corresponding 3 months ended in previous year	Year to Date figures for current period ended	Year to date figures for the previous year ended	Previous accounting year ended
	31-12-2007 (UNAUDITED)	31-12-2006 (UNAUDITED)	31-12-2007 (UNAUDITED)	31-12-2006 (UNAUDITED)	31-03-2007 (AUDITED)
TOTAL INCOME					
Net Sales / Income from operations	490.30	932.34	2388.17	2709.86	3655.12
Other Income	15.55	4.60	17.17	15.69	20.83
TOTAL	**505.85**	**936.95**	**2405.34**	**2725.55**	**3675.95**
TOTAL EXPENDITURE					
a) (Increase)/Decrease in Stock in trade	(260.81)	(85.66)	(262.68)	(6.90)	(322.52)
b) Consumption of Raw Material	530.60	438.11	1439.00	1264.87	1931.09
c) Staff Cost	153.59	135.15	387.39	324.18	454.73
d) Depreciation	64.22	60.95	192.66	182.85	256.88
e) Other Expenditure	259.71	255.75	731.63	633.74	985.08
TOTAL	**747.30**	**804.29**	**2488.01**	**2398.74**	**`3305.26**

(Rs. in Lakhs)

Particulars	**3 Months Ended**	**Corresponding 3 months ended in previous year**	**Year to Date figures for current period ended**	**Year to date figures for the previous year ended**	**Previous accounting year ended**
	31-12-2007 (UNAUDITED)	**31-12-2006 (UNAUDITED)**	**31-12-2007 (UNAUDITED)**	**31-12-2006 (UNAUDITED)**	**31-03-2007 (AUDITED)**
PROFIT BEFORE INTEREST	(241.46)	132.66	(82.67)	326.80	370.69
Interest	22.29	33.88	64.03	116.60	100.78
Exceptional Items	0.00	0.00	0.00	0.00	0.00
PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX	(263.74)	98.78	(146.69)	210.21	269.91
Provision for Taxation written back	(13.47)	0.00	0.00	0.00	0.00
Provision for FBT	1.02	1.23	2.86	3.01	4.45
NET PROFIT FOR THE PERIOD	(251.30)	97.55	(149.5)	207.20	265.46
Paid up Equity Share Capital	794.42	794.42	794.42	794.42	794.42
Reserves & Surplus (Excluding Revaluation Reserves)	-	-	-	-	1213.57
Basic Earning Per Share (EPS)	(3.16)	1.23	(1.88)	2.61	3.34
Diluted Earning Per Share (DEPS)	(3.16)	1.23	(1.88)	2.05	2.64
Cash Earning Per Share	(2.35)	2.00	0.54	4.91	6.58

Figures for the previous period are regrouped, wherever necessary.

6.14 Tonira has the following contingent liabilities for the year ended March 31, 2007:

(Source: Annual Report for FY2007)

Sr. No.	**Particulars**	**March 31, 2007 Amount in (Rs. Lakhs)**	**December 31, 2007 Amount in (Rs. Lakhs)**
1	Unexpired Letter of Credit	204	396
2	Income Tax Liabilities	(35)	313
3	Excise Liabilities	481 + 10% penalty	481 + penalty + interest*

* Target Company has paid Rs.380.23 Lakhs

6.15 Comparison of Results

Results for financial year ended March31, 2007 compared to financial year ended March31, 2006:

Tonira's total income for the financial year ended March 31, 2007 was Rs.3998.48 Lakhs, compared to Rs.3123.52 Lakhs in the previous year. As a result, operating profit (PBDIT) was higher at Rs.707.71 Lakhs compared to Rs.636.72 Lakhs in the previous year. Interest expenses for the year ended March 31, 2007 increased to Rs.180.92 Lakhs compared to Rs.124.75 Lakhs in the previous year. Depreciation during the year was higher at Rs.256.88 Lakhs compared to Rs243.80 Lakhs in the previous year. Net profit decreased to Rs.164.03 Lakhs from Rs.172.16 Lakhs in the previous year.

Results for financial year ended March 31, 2006 compared to financial year ended March 31, 2005:

Tonira's total income for financial year ended March 31, 2006 was Rs.3123.52 Lakhs compared to Rs.2428.82 Lakhs in the previous year. Operating profit (PBDIT) increased to Rs.636.72 Lakhs as compared to Rs.427.82 Lakhs. Interest expense for the year ended March 31, 2006 increased to Rs.124.75 Lakhs from Rs.46.70 Lakhs in the previous year. Depreciation during the year was higher at Rs.243.80 Lakhs against Rs.142.94 Lakhs in the previous year. Net profit increased to Rs.172.16 Lakhs as compared to Rs.166.33 Lakhs in the previous year

6.16 The shareholding and voting pattern of Tonira prior to and following the proposed acquisition under the SPA and the Offer, is as under:

	Shareholders' category	Share holding & voting rights prior to the agreement / acquisition and Offer (as on November 1 2007) (A)	Shares / Voting rights agreed to be acquired / acquired which triggered off SEBI Takeover Code (B)	Shares / Voting rights to be acquired in the Open Offer (Assuming full acceptance) (C)	Shareholding / Voting rights after the Share Purchase agreement / acquisition and offer (A)+(B)+(C)= (D)
1)	Original Promoter				
a)	Parties to SPA	7,24,223 9.12%	(7,24,223) (9.12%)	Nil	Nil
b)	Promoters other than (a) above	12,77,486 16.08%	Nil	Nil**	2,21,599 2.79% (Refer Note 3 below)
	Total (a)+(b)	**20,01,709** **25.20%**	**(7,24,223)** **(9.12%)**	**Nil**	**2,21,599** **2.79%**
2)	Acquirers				
a)	Ipca Laboratories Ltd	Nil	Shares under SPA 7,24,223 9.12% Under Open Market Purchase 8,59,531 10.82% Total Shares 15,83,754 19.94%	23,83,260 30.00%	39,67,014 49.94%*
b)	Kaygee Investments P Ltd	3,95,000 4.97%	Nil	Nil	3,95,000 4.97%
	Total (a) + (b)	**3,95,000** 4.97%	15,83,745 19.94%	23,83,260 30%	43,62,014 54.91%
3)	Parties to the agreement other than 1(a) and 2	Nil	Nil	Nil	Nil
4)	Public (other than parties to agreement and the Acquirers)				
a)	Mutual Funds and UTI, Banks, Financial Institutions, Insurance Companies (Central/ State Institutions/ Non-government Institutions)/ FIIs	Nil	Nil	Nil (23,83,260)	Nil 33,60,587
b)	Private Corporate Bodies	6,96,209 8.76%	8,99,357 11.32%	(30.00%)	42.30%
c)	Indian Public (including NRIs/ OCBs)	48,51,282 61.07%	48,44,490 60.98%		
	Total 4 (a)+(b)+(c)	**55,47,491** **69.83%**	**57,43,847** **72.30%**	**23,83,260** **30.00%**	**33,60,587** **42.30%**
	Grand Total 1+2+3+4	**79,44,200** **100.00%**	**73,27,601** **92.24%**	**23,83,260** **30.00%**	**79,44,200** **100.00%**

Total Number of Shareholders in Public Category of Target Company as on February 29, 2008 are 9,235.

* Assumed 100% response to Open Offer.

**the promoters other than mentioned in SPA may participate in the Open Offer.

The Company has passed a shareholder resolution on 10th September 2007 for allotment of 21,63,300 convertible warrants on preferential basis. However, no such warrants are allotted. Target Company has intimated to BSE on 11th December 2007 that the said warrants issue proposal is cancelled and the Company has no further plans to obtain a fresh consent of its Shareholders to issue the warrants in near future. (Source BSE website)

Note 1: The percentages appearing below the number of Shares are calculated with reference to the voting rights of Tonira as on the date of the PA.

Note 2: The residual shareholding of the Original Promoter Group after the Offer would depend on the number of Shares tendered by them in the Offer. The Sellers are not eligible to participate in the Offer.

Note 3: Since Public Announcement and till 29-02-2008, the Promoters/PACs of Target Company have sold 10,55,887 equity shares representing 13.29% of the Voting Equity Share Capital of the Target Company in open market.

6.17 Mr. Jayesh Vyas is the compliance officer of Tonira Pharma Limited. His contact details are as follows: Tonira Pharma Limited, 301, Yogi Complex, 44, Sampatrao Colony, Alkapuri, Vadodara 390 005 (Tel: +91-265-2358266, 2343263 Fax: +91-265-2341594)

6.18 The Managing Director of the Target Company resigned on 16th November 2007. Target Company has informed about the same to BSE.

7 OFFER PRICE AND FINANCIAL ARRANGEMENTS

7.1 Justification of Offer Price

7.1.1 The equity shares of Tonira are listed on BSE. The annualized trading turnover during the preceding six months ended November 02, 2007 on BSE is as follows:

Name of Stock Exchange	Total Number of equity Shares Traded during preceding six calendar months ended October 31 2007	Total number of listed equity shares	Annualized trading turnover (in terms of % of total listed equity shares)
BSE	5971462	7944200	150%

(Source: BSE website)

7.1.2 Based on the above information, the shares of Tonira are frequently traded on the BSE within the meaning of explanation (i) to Regulation 20 (5) of the SEBI Takeover Code.

7.1.3 The Offer Price of Rs.29/- (Rupees Twenty Nine only) per Equity Share is justified in terms of Regulation 20 of the SEBI Takeover Code as it is higher than the following:

a. Price payable under the SPA: Rs.28/- per Equity Share

b. Highest price paid by the Acquirers for any acquisition (including by way of allotment in a public or rights or preferential issue) during the 26-weeks prior to the date of PA (November 02, 2007): Rs.28/- per equity Share

c. The average of the weekly high and low of the closing prices of the closing prices of equity shares of Tonira on BSE, where it is most frequently traded, during the 26 weeks preceding the date of the PA (November 02, 2007) was Rs.21.50. Please see the following table.

Week	End Date	Weekly High (Rs.)	Weekly Low (Rs.)	Average (Rs.)	Weekly Volume (Shares)
1	1-Nov-07	26.90	26.00	26.45	449018.00
2	25-Oct-07	26.45	19.60	23.03	440284.00
3	18-Oct-07	20.10	19.20	19.65	97878.00
4	11-Oct-07	21.10	19.80	20.45	125647.00
5	4-Oct-07	23.10	21.50	22.30	173711.00
6	27-Sep-07	23.95	21.65	22.80	182468.00
7	20-Sep-07	26.00	23.75	24.88	218480.00
8	13-Sep-07	27.50	24.95	26.23	507996.00
9	6-Sep-07	26.75	24.40	25.58	554623.00
10	30-Aug-07	26.30	18.30	22.30	1059455.00

Week	End Date	Weekly High (Rs.)	Weekly Low (Rs.)	Average (Rs.)	Weekly Volume (Shares)
11	23-Aug-07	19.05	17.65	18.35	79400.00
12	16-Aug-07	20.65	19.65	20.15	248294.00
13	9-Aug-07	19.95	17.15	18.55	156876.00
14	2-Aug-07	17.90	17.30	17.60	91269.00
15	26-Jul-07	19.10	18.00	18.55	108876.00
16	19-Jul-07	19.15	18.50	18.83	79826.00
17	12-Jul-07	19.40	17.85	18.63	115653.00
18	5-Jul-07	18.70	18.30	18.50	73902.00
19	28-Jun-07	19.00	18.15	18.58	127714.00
20	21-Jun-07	18.95	18.20	18.58	113916.00
21	14-Jun-07	19.25	18.75	19.00	85056.00
22	7-Jun-07	20.75	19.45	20.10	120431.00
23	31-May-07	22.25	20.70	21.48	112253.00
24	24-May-07	23.20	20.85	22.03	10973.00
25	17-May-07	23.25	21.20	22.23	203284.00
26	10-May-07	22.90	20.25	21.58	415626.00
		26 weeks average		21.01	
		Say		21.50	

(Source: BSE website)

d. The average of the daily high and low of equity shares of the Tonira on BSE, where it is most frequently traded, during the 2 weeks period preceding the date of the PA (November 02, 2007).

Day	Date	High (Rs.)	Low (Rs.)	Avg. (Rs.)	Volume (Shares)
1	1-Nov-07	27.40	26.85	27.13	91692.00
2	31-Oct-07	27.40	26.85	27.13	53269.00
3	30-Oct-07	27.25	24.95	26.10	118778.00
4	29-Oct-07	27.30	25.90	26.60	59370.00
7	26-Oct-07	27.75	25.15	26.45	125909.00
8	25-Oct-07	26.45	24.60	25.53	196548.00
9	24-Oct-07	24.05	21.65	22.85	146456.00
10	23-Oct-07	21.90	20.00	20.95	48614.00
11	22-Oct-07	20.05	19.25	19.65	22287.00
14	19-Oct-07	20.25	19.35	19.80	26379.00
		2 weeks average		24.21	
		Say		25.00	

(Source: BSE website)

7.1.4 No additional payments are being made by Acquirers to any one as non-compete or other fees.

7.1.5 In the opinion of the Manager to the Offer and Acquirers, the Offer Price is justified.

7.1.6 If the Acquirers acquire Shares after the date of the Public Announcement up to seven working days prior to the closure of the Offer at a price higher than the Offer Price, then the highest price paid for such acquisition shall be payable for all the valid acceptances received under the Offer.

7.2 Financial Arrangements

7.2.1 The total financial resources required for this Offer, assuming full acceptance will be Rs.6,91,14,540 (Rupees Six Crores Ninety One Lakhs Fourteen Thousand Five Hundred and Fourty only) ("Maximum Consideration"). In accordance with Regulation 28 of the SEBI Takeover Code, an escrow account has been created in the form of deposit of cash. The Acquirers have made a cash deposit of Rs. 1,85,00,000/- (Rupees One Crore Eighty Five Lakhs only) with HDFC Bank Limited, Manekji Wadia Building, Fort, Mumbai 400 001 being more than 25% of the total consideration payable under the Offer. The Acquirers have arranged a lien on the cash deposit in favor of the Manager to the Offer. The Manager to the Offer is authorised to realise the value of the escrow in terms of the SEBI Takeover Code.

7.2.2 The Acquirers have made firm financial arrangements for the Maximum Consideration by way of internal accruals. Net worth of Ipca and KIPL as on March 31, 2007 is Rs.48606 Lakhs and Rs.1794.58 Lakhs respectively. M/s Natvarlal Vepari & Co., Chartered Accountants (signing partner Mr. N Jayendran having membership no. 40441, contact Tel no.+91-22-6631 5851, address: Oricon House, 4th Floor, 12, K. Dubash Marg, Mumbai 400 023) have confirmed vide their letter dated November 01, 2007 that the Acquirers have adequate financial resources to finance the acquisition of 23,83,260 Equity Shares of Rs.10/- each of Tonira Pharma Ltd. at a price of up to Rs.29/- per Equity Share aggregating Rs.6,91,14,540/- (Rupees Six Crores Ninety One Lacs Fourteen Thousand five hundred and forty only) as per the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof.

Based on the certificate from M/s Natvarlal Vepari & Co., Chartered Accountants, the Manager to the Offer have satisfied itself that the acquirers have the ability to implement the offer in accordance with the Regulations as adequate funds are available with the Acquirers through verifiable means to implement this Offer in full.

8 TERMS AND CONDITIONS OF THE OFFER

8.1.1 It may be noted that in case of non-receipt of statutory approvals within time, SEBI, if satisfied that the non receipt of approvals was not due to willful default or negligence on part of the Acquirers, has a power to grant an extension of time to the Acquirers for payment of consideration to shareholders subject to the Acquirers agreeing to pay interest for the delay, to the shareholders, at such rates as may be specified by SEBI under Regulation 22 (12) of the SEBI Takeover Code. Further, if the delay occurs due to willful default of the Acquirers in obtaining the requisite approvals, Regulation 22(13) of the SEBI Takeover Code will also become applicable. The Acquirers shall complete all procedures relating to the Offer within a period of 15 days from the date of closure of the Offer.

8.1.2 As on date of this Letter of Offer there are no other statutory approvals required to acquire the Shares tendered pursuant to this Offer. If any other statutory approvals are required or become applicable, the Offer would be subject to the receipt of such other statutory approvals. The Acquirers will not proceed with the Offer in the event that such statutory approvals that are required are refused in terms of Regulation 27 of the SEBI Takeover Code. No approvals are required from Financial Institutions / Banks for the Offer.

8.1.3 The Offer is subject to receipt of approval from the Reserve Bank of India ("RBI") under the Foreign Exchange Management Act, 1999 ("FEMA") for the acquisition of equity shares by the Acquirers from non-resident persons under the Offer.

8.1.4 Other terms

8.1.4.1 The Offer is being made to the shareholders of Tonira and the Letter of Offer, together with the Form of Acceptance-cum-Acknowledgement (the "Form of Acceptance-cum-Acknowledgement"), will be mailed to the shareholders of Tonira (excluding the Acquirers and the Sellers), whose names appear on the Register of Members of Tonira, and to the beneficial owners of the shares of Tonira, whose names appear as beneficiaries on the records of the respective depositories, at the close of business on Thursday, November 08, 2007 ("Specified Date").

8.1.4.2 All owners of shares, registered or unregistered (except the Acquirers and the Sellers), are eligible to participate in the Offer, at any time before the closure of the Offer, as per the procedure set out in Part 9 below. Eligible persons can participate in the Offer by offering their shareholding in whole or in part. The acceptance must be unconditional and should be absolute and unqualified. No indemnity is required from the unregistered owners.

8.1.4.3 Accidental omission to dispatch this Letter of Offer or the non-receipt or delayed receipt of this Letter of Offer will not invalidate the Offer in any way.

8.1.4.4 Locked-in Shares: The following Equity Shares of Tonira which are presently subject to lock-in as per the provisions of SEBI (Disclosure and Investor Protection) Guidelines, 2000.

DPID and Client ID	Name of the Shareholders	Total number of Shares Held	Date of Lock in	
			From	To
IN300484 11628959	Mahesh Natvarlal Shah jointly with Nisha Mahesh Shah	6,47,451	10.08.07	11.02.08
IN301127 16562840	Bhailal Babulal Shah jointly with Deepak Bhailal Shah	20,900	10.08.07	11.02.08
IN301330 19301734	Virendra Babulal Shah jointly with Ranjan Virendra Shah	52,000	10.08.07	11.02.08
IN301330 17995681	Virendra B Shah jointly with Deepak Bhailal Shah	6,010	10.08.07	11.02.08
IN300126 10721265	Bhavini Prakash Hirani jointly with Prakash Lachchhamandas Hirani	1,07,695	10.08.07	11.02.08
IN300484 11628940	Monik Mahesh Shah jointly with Pooja Mahesh Shah	3,09,840	10.08.07	11.02.08
IN300476 40633945	Janardan P Sanyal	10,000	10.08.07	11.02.08
IN300476 40713498	Shakuntala J Sanyal jointly with Janardan P Sanyal	70,800	10.08.07	11.02.08
IN300476 40664259	Shakuntala J Sanyal	38,790	10.08.07	11.02.08
IN301549 18733395	Jyotsna Daxesh Sevak jointly with Daxesh Jayantilal Sevak	400	10.08.07	11.02.08
IN300484 11892174	Anil Hasmukhbhai Thakkar jointly with Hemangini Anil Thakkar	300	10.08.07	11.02.08
	TOTAL	**12,64,186**		

Note: As the Target Company has cancelled its convertible warrants issue proposal, the above locked-in shares are since freed from lock-in vide NSDL letter dated December 19, 2007 addressed to Target Company.

8.1.4.5 Any Shares of Tonira that are the subject matter of litigation or are held in abeyance due to the restriction from Court/ Forum/ ITO attachment etc., wherein the shareholder(s) may be precluded from transferring the equity shares during the pendency of the said litigation are liable to be rejected in case directions/orders of the court/ forum/ITO etc permitting transfer of these Shares are not received together with the equity shares tendered under the Offer.

8.1.4.6 The acceptance of the Offer made by the Acquirers is entirely at the discretion of the shareholders of the Target Company. The Acquirers will not be responsible in any manner for any loss of equity share certificate(s) and offer acceptance documents during transit and the shareholders of the Target Company are advised to adequately safeguard their interest in this regard.

8.1.4.7 Incomplete applications, including non-submissions of necessary enclosures, if any, are liable to be rejected.

8.1.4.8 The Acquirers will acquire the Shares, free from all liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights declared hereafter. Shares that are subject to any charge, lien or encumbrance are liable to be rejected.

8.1.4.9 The instructions and provisions contained in the Form of Acceptance-cum Acknowledgement and Form of Withdrawal constitute an integral part of the terms of this Offer.

9 PROCEDURE FOR ACCEPTANCE/WITHDRAWAL AND SETTLEMENT

9.1 All owners of equity shares of Tonira, registered or unregistered who wish to avail of and accept the Offer can also 'hand deliver' the Form of Acceptance-cum-Acknowledgement along with all the relevant documents at any of the collection centers mentioned below in accordance with the procedure as set out in this Letter of Offer. All centers mentioned herein below would be open during the Offer period on all working days (except Sundays and Bank Holidays) during business hours as shown below. Shareholders are advised to ensure that the Form of Acceptance-cum-Acknowledgement and other documents are complete in all respect; otherwise the same are liable to be rejected.

Name & Address of Collection Centres	**Contact Person & Contact Number**	**Mode of Delivery**
Sharex Dynamic (India) Pvt. Ltd. 17/B, Dena Bank Building, 2nd Floor, Horniman Circle, Fort, Mumbai- 400 001	Mr. B.S. Baliga Tel No.: 022-2270 2485 Fax No.: 022-2264 1349 e-mail: sd_india@rediffmail.com	Hand Delivery/ Registered Post
Skystock Financial Services Pvt. Ltd. 45, Taskent Society, Near Dave Deep shoping Complex, Nizampura, Vadodara- 390 002	Mr. Sanjay Suthar Mobile: 09825450718	Hand Delivery
Skystock Financial Services Pvt. Ltd. C/o S S Enterprises, Above Avoji Showroom, Opp. Tailor Point, Zaveri Verna Naka, Relief Road, Ahmedabad - 380 001	Mr. Hitesh Mehta Mobile: 09825465963 Mobile: 09227232513	Hand Delivery

Working Hours: Monday to Friday 10 AM to 1 PM & 2 PM to 4 PM. and on Saturday 10 AM to 1 PM

Holidays: Sundays and Bank Holidays

The equity shareholders who cannot hand deliver their documents at the collection centers referred to above may send the same by registered post, at their own risk, to the Registrar to the Offer at their office at Sharex Dynamic (India) Pvt. Ltd., 17/B, Dena bank Building, 2nd Floor, Horniman Circle, Fort, Mumbai 400 001 and not to any other collection center so as to reach their office before the close of the Offer i.e. 4 pm on Wednesday, April 16, 2008.

9.2 Shareholders who wish to tender their shares under this Offer should enclose the following documents duly completed:

9.2.1 For equity shares held in physical form:

Registered Shareholders should enclose:

- Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the share certificates.
- Original share certificate(s).
- Valid share transfer deed / form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Tonira and duly witnessed at the appropriate place.

In case of non-receipt of the aforesaid documents, but receipt of the original share certificate(s) and transfer deed(s) duly signed, the Offer shall be deemed to be accepted.

Unregistered owners should enclose:

- Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein.
- Original share certificate(s).
- Original broker contract note.
- Valid share transfer deed(s) as received from market. The details of buyer should be left blank failing which; the same will be invalid under the Offer. Unregistered shareholders should not sign the transfer deed. The transfer deed should be valid for transfer. No indemnity is required from unregistered shareholders.

All other requirements for valid transfer will be precondition for acceptance.

9.2.2 For Equity shares held in demat form:

Beneficial owners should enclose:

- Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all the beneficial owners whose names appear in the beneficiary account, as per the records of the respective depository.

- Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by DP in favor of the special depository account (please see below) before the close of business hours on April 16, 2008.

In case of non-receipt of the aforesaid documents, but receipt of the Shares in the special depository account, the Offer shall be deemed to be accepted. The Form of Acceptance-cum-Acknowledgement for which corresponding Shares have not been credited to the special depository account as on the date of closure of the Offer will be rejected.

The Registrar to the Offer has opened a special depository account with details as follows:

DP Name	Axis Bank Ltd.
DP ID	13027500
Client ID	00010336
Account Name	Sharex Dynamic India Pvt. Ltd. Escrow A/c. - Tonira Pharma Ltd. Open Offer
Depository	Central Depository Services (I) Ltd.

For each delivery instruction, the beneficial owner should submit a separate Form of Acceptance-cum-Acknowledgement. In the case of demat shares, the shareholders are advised to ensure that their Shares are credited in favor of the special depository account, before the closure of the Offer, i.e. no later than close of business hours (4 PM) on April 16, 2008. Beneficial owners having their beneficiary accounts with NSDL have to use inter-depository delivery instruction slip for the purposes of crediting their shares in favor of the special depository account with CDSL. The credit for the delivered shares should be received in the special depository account on or before close of the Offer, i.e. by 4 pm on April 16, 2008 failing which the Form of Acceptance-cum-Acknowledgement will be rejected.

9.2.3 Shareholders should also provide all relevant documents, which are necessary to ensure transferability of the Shares in respect of which the application is being sent failing which the tender would be considered invalid and would be liable to be rejected. Such documents may include (but not be limited to):

- Duly attested death certificate and succession certificate (in case of single shareholder) in case the original shareholder has expired.
- Duly attested power of attorney if any person apart from the shareholder has signed acceptance form or transfer deed(s).
- No objection certificate from any lender, if the Shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance.
- In case of companies, the necessary certified corporate authorizations (including board and/or general meeting resolutions).

9.3 The share certificate(s), share transfer form, Form of Acceptance-cum-Acknowledgement and other documents, if any should be sent only to the Registrar to the Offer, at the collection centres mentioned above. They should not be sent to the Manager to the Offer or the Acquirers or the Target Company. The above-mentioned documents can be sent to the collection centers (as mentioned in paragraph 9.1 above) by hand delivery on all days except Sundays and public holidays.

9.4 The minimum marketable lot for the purposes of acceptance, for both physical and demat shares would be one Share.

9.5 In case of non-receipt of the Letter of Offer / Form of Acceptance-cum-Acknowledgement / Form of Withdrawal, the eligible shareholders may obtain a copy of the same from any of the collection centers mentioned above on providing suitable documentary evidence of acquisition of shares of Tonira. The Letter of Offer and Form of Acceptance-cum-Acknowledgement will be available on SEBI's website: www.sebi.gov.in, from the Offer opening date. The eligible shareholders, desirous of participating in the Offer, can download these documents from the SEBI's website and apply on the same. Alternately, they may send their consent to participate in the Offer, to the Registrar to the Offer, on a plain paper stating their name, address, number of Shares held, folio number, distinctive numbers of the Shares held, number of Shares offered, along with documents as mentioned above including original share certificate(s), duly signed & witnessed transfer deed(s), so as to reach the Registrar to the Offer on or before the close of the Offer. Unregistered owners should not sign the transfer deed and the transfer deed should be valid. In case of beneficial owners, they may send their application in writing to the Registrar to the Offer, on a plain paper stating their name, address, number of Shares held, number of Shares offered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP in favor of the special depository account, so as to reach the Registrar to the Offer, on or before the close of the Offer. The application should be signed by all the shareholders as per the registration details available with Tonira and should be sent to the Registrar to the Offer in an envelope clearly marked "Tonira Pharma Limited - Open Offer".

9.6 Non-Resident shareholders should also enclose a copy of permission received from RBI, if any (specific or general) that they would have obtained for acquiring equity shares held by them in Tonira. Non Resident Indians, Overseas Corporate Bodies (OCBs) and Foreign shareholders are required to furnish Bankers Certificate certifying inward remittance of funds for acquisition of shares of Tonira. The tenders from non-resident shareholders, where the aforesaid permission is not submitted are liable to be rejected.

9.7 Foreign Institutional Investors are requested to enclose the SEBI Registration letter and RBI general permission letter. Non-Resident shareholders should also enclose a copy of 'no objection' certificate / tax clearance certificate from the income tax authorities under Income Tax Act, 1961, indicating the amount of tax to be deducted by the Acquirers before remitting the consideration. In case the aforesaid 'no-objection' certificate is not submitted, the Acquirers may deduct tax at the maximum marginal rate as may be applicable to the shareholder, on the entire consideration amount payable. The Acquirers also reserves the right to reject such tenders from non-resident shareholders, where the aforesaid 'no-objection' certificate is not submitted.

9.8 In case of delay in receipt of statutory approvals beyond April 30, 2008, SEBI has the power to grant extension of time to Acquirers for payment of consideration to shareholders, subject to the Acquirers agreeing to pay interest for the delayed period, as directed by SEBI in terms of Regulation 22(12) of the SEBI Takeover Code.

9.9 In terms of Regulation 22 (5A) of the SEBI Takeover Code, equity shareholders desirous of withdrawing the acceptance tendered by them in the Offer may do so up to 3 (three) working days prior to the date of closure of the Offer. The withdrawal option can be exercised by submitting the documents as per the instructions below, so as to reach the Registrar to the Offer at any of the collection centers mentioned above as per the mode of delivery indicated therein on or before Thursday, April 10, 2008.

a) The withdrawal option can be exercised by submitting the Form of Withdrawal, enclosed with the Letter of Offer, duly signed by all the registered holders as per their specimen signature recorded with Tonira for shareholders in case of physical holdings/ with the Depository in case of electronic holdings, so as to reach the Registrar to the Offer at any of the collection centers, mentioned under PROCEDURE FOR ACCEPTANCE AND SETTELEMENT, on or before April 10, 2008. The signature of the beneficial holders on the Form of Withdrawal should be attested by the Depository Participant.

b) The withdrawal option can be exercised by submitting the Form of Withdrawal attached to this Letter of Offer, duly completed together with Acknowledgement slip in original / copy of the submitted Form of Acceptance-cum-Acknowledgement in case delivered by Registered A.D.

c) In case of non-receipt of the Form of Withdrawal, the withdrawal option can be exercised by making an application on plain paper along with the following details:

   i. In case of physical shares: Name, address, distinctive numbers, folio number and number of Shares tendered / withdrawn.

   ii. In case of dematerialised shares: Name, address, number of shares tendered / withdrawn, DP name, DP ID, Beneficiary Account no., and a photocopy of delivery instructions in "Off market" mode or counterfoil of the delivery instruction in "Off market" mode, duly acknowledged by the DP in favor of the special depository account.

d) Shareholders who have tendered Shares in physical form and wish to partially withdraw their tenders, should also enclose valid share transfer form(s) for the remaining equity shares (i.e. Shares not withdrawn) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Tonira and duly witnessed at the appropriate place.

e) The withdrawal of Shares will be available only for the share certificates/ Shares that have been received by the Registrar to the Offer/ Special Depository Account.

f) The intimation of returned Shares to the shareholders will be at the address as per the records of Tonira or the Depositories as the case may be.

g) The Form of Withdrawal should be sent only to the Registrar to the Offer, at the collection centers mentioned above.

h) In case of partial withdrawal of Shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from Tonira.

i) Partial withdrawal of tendered Shares can be done only by the registered shareholders / beneficial owners. In case of partial withdrawal, the earlier Form of Acceptance-cum-Acknowledgement will stand revised to that effect.

j) Shareholders holding Shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.

9.10 Payment of consideration will be made by crossed account payee cheque/demand draft / pay order and sent by Registered Post, to those shareholders/unregistered owners and at their risk, whose shares/ share certificates and other documents are found in order and accepted by Acquirers in part or in full. In case of joint holders cheques/demand drafts will be drawn in the name of the first holder/ unregistered owner. It is advised that shareholders provide bank details in the Form of Acceptance-cum-Acknowledgement, so that the same can be incorporated in the cheque/demand draft/pay order.

9.11 Unaccepted share certificates, transfer forms and other documents, if any, will be returned by registered post at the shareholders'/unregistered owners' sole risk to the sole/first shareholder. Shares held in demat form, to the extent not accepted, will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance-cum-Acknowledgement. It will be the responsibility of the equity shareholders to ensure that the unaccepted equity shares are accepted by their respective Depository Participants when transferred by the Registrar to the Offer. Shareholders holding Shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit, if any, in their DP account. Shareholders should ensure that their depository account is maintained till the offer formalities are completed.

9.12 The Registrar to the Offer will hold in trust the shares/share certificates, shares lying in credit of the special depository account, Form of Acceptance-cum-Acknowledgement, and the transfer form(s), if any, on behalf of the shareholders of Tonira who have accepted the Offer, till the cheques/ drafts for the consideration and/or the unaccepted shares/ share certificates are dispatched or credited back to the beneficial owners' DP accounts.

9.13 In case any person has lodged shares of Tonira for transfer and such transfer has not yet been effected, the concerned person may apply as per instruction contained in paragraph 9.5 above together with the acknowledgement of the lodgment of shares for transfer. Such persons should also instruct Tonira and its registrar & transfer agents to send the transferred share certificate(s) directly to the collection center located at Mumbai. The applicant should ensure that the certificate(s) reach the designated collection center on or before the Offer closing date.

9.14 In case any person has tendered his physical shares in Tonira for dematerialisation and such dematerialisation has not yet been effected the concerned shareholder may apply in the Offer as per instructions mentioned above together with a photocopy of the completed dematerialisation request form acknowledged by shareholder's DP. Such shareholders should ensure the credit of the shares to the special depository account on or before the Offer closing date. A copy of delivery instructions acknowledged by the DP in favor of the special depository account should be forwarded to the collection center where the Form of Acceptance-cum-Acknowledgement and other documents were tendered, before the close of the Offer.

9.15 If the number of equity shares offered by the shareholders are more than the Offer Size of 23,83,260 Shares, then the acquisition from each shareholder will be, in consultation with the Manager to the Offer, as per Regulation 21(6) of the SEBI Takeover Code, on a proportional basis. The equity shares of Tonira are compulsorily traded in dematerialised form and the minimum marketable lot for the purposes of acceptance, for both physical and demat will be one equity Share.

10 DOCUMENTS FOR INSPECTION

The following material documents are available for inspection by shareholders of Tonira at the office of the Manager to the Offer, Imperial Corporate Finance & Services Pvt. Ltd., 102, Mittal Chambers, Nariman Point, Mumbai 400 021, from 10.30 a.m. to 1.00 p.m. on any day, except Saturdays, Sundays and public holidays, from the date of opening of the Offer until the Offer closes:

1. Copy of SPA dated November 01, 2007 between IPCA and the Sellers;
2. Certified copy of the Certificate(s) of Incorporation and the Memorandum and Articles of Association of the IPCA and KIPL;
3. Certified copy of the Certificate of Incorporation and the Memorandum and Articles of Association of the Target Company;
4. Copy of published Public Announcement dated November 02, 2007;
5. The annual reports of the Acquirers - IPCA and KIPL for the financial years ended March 31, 2007, 2006 and 2005;

6. The annual reports of the Target Company for the financial period ended March 31, 2007, March 31, 2006 and March 31, 2005;

7. Copy of the certificate dated November 01, 2007 issued by M/s Natvarlal Vepari & Co., Chartered Accountants confirming that the Acquirers have adequate financial resources to finance the acquisition of 23,83,260 Equity Shares of Rs.10/- each of Tonira Pharma Ltd. at a price of up to Rs.29/- per Equity Share aggregating Rs.6, 91,14,540/- (Rupees Six Crores Ninety One Lacs Fourteen Thousand five hundred and forty only) as per the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof;

8. Letter from HDFC Bank Limited, confirming the amount kept in an escrow account and empowering the Manager to the Offer in accordance with the SEBI Takeover Code;

9. SEBI observation letter number CFD/DCR/SS/TO/119560/08 dated March 05, 2008;

10. A copy of the agreement entered into by the Registrar to the Offer with depository participant for opening a special depository account for the purposes of the Offer;

11 DECLARATION BY THE ACQUIRERS

The Directors and Acquirers represented by their respective board of directors accept responsibility for the information contained in this Letter of Offer and for their obligations under the SEBI Takeover Code and subsequent amendments made thereof. The Directors and Acquirers are severally and jointly responsible for fulfillment of their obligations in terms of the SEBI Takeover Code.

For and on behalf of Ipca Laboratories Limited

Sd/-
A K Jain
Executive Director

For and on behalf of Kaygee Investments Pvt. Ltd.

Sd/-
Premchand Godha
Director

Place: Mumbai
Date: 15th March, 2008

Encl. :

1. Form of Acceptance-cum-Acknowledgement
2. Form of Withdrawal

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

TEAR HERE

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form of Acceptance-cum-Acknowledgement with enclosures to Sharex Dynamic (India) Pvt. Ltd. at any of the collection centers as mentioned in the Letter of Offer)

(All terms and expression used herein shall have the same meaning as described thereto in letter of offer and please read the instructions mentioned below before filling in this form of acceptance.)

From: Folio No./DP I No./Client ID No.: ____________________

Name: ____________________

Address: ____________________

____

____

OPEN OFFER TO THE SHAREHOLDERS OF TONIRA PHARMA LIMITED	
Opens on:	**Friday, March 28, 2008**
Closes on:	**Wednesday, April 16, 2008**

Tel No: (______) __________ Fax No.: (______) __________ E-mail: ____________________

To,

Ipca Laboratories Limited,
C/o. Sharex Dynamic (India) Pvt. Ltd.,
17/B, Dena Bank Building,
2nd Floor, Horniman Circle, Fort, Mumbai 400 001.

Dear Sir/Madam,

Sub: OPEN OFFER TO ACQUIRE UP TO 23,83,260 EQUITY SHARES REPRESENTING 30% OF THE PAID UP VOTING EQUITY SHARE CAPITAL (as defined in letter of offer) OF TONIRA PHARMA LIMITED (TARGET COMPANY (T.C)) BY IPCA LABORATORIES LIMITED (ACQUIRER) ALONGWITH PERSONS ACTING IN CONCERT (PAC) KAYGEE INVESTMENTS PVT. LTD., COLLECTIVELY REFERRED TO AS "ACQUIRERS" AT A PRICE OF RS.29/-(RUPEES TWENTY NINE ONLY) PER FULLY PAID UP EQUITY SHARES IN TERMS OF SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENTS THERETO.

I/We refer to the Letter of Offer dated April 15, 2008 constituting an offer for acquiring the equity shares held by me/us in **TONIRA PHARMA LIMITED.**

I/We, the undersigned have read the Letter of Offer and understood its contents and unconditionally accepted the terms and conditions as mentioned therein.

SHARES HELD IN PHYSICAL FORM

I/We accept the Offer and enclose the original Share certificate(s) and duly signed transfer deed(s) in respect of my/our shares as detailed below:

S. No.	Folio No.	Certificate No.	Distinctive No.(s)		No. of Shares
			From	To	
				Total Number of Shares	

(In case of insufficient space, please use additional sheet and authenticate the same)

SHARES HELD IN DEMAT FORM

I/We, holding shares in demat form, accept the Offer and enclose a photocopy of the delivery instructions by my/our DP in respect of my/our Shares as detailed below:

DP Name	DP ID	Client ID	Depository	Name of Beneficiary	No. of Shares

I/We have done an off-market transaction for crediting the Shares to the depository account with "**Sharex Dynamic India Pvt. Ltd. Escrow A/c - Tonira Pharma Ltd Open Offer**" whose particulars are:

DP Name: Axis Bank Ltd.	**DP ID: 13027500**	**Client ID: 00010336**	**Depository: Central Depository Services (I) Ltd.**

Shareholders having their beneficiary account with NSDL will have to use inter-depository slip for the purpose of crediting their Shares in favor of the Special Depository Account with CDSL.

Enclosures (Please tick as appropriate, if applicable)

- ☐ Power of Attorney
- ☐ Corporate authorization in Case of companies along With Board Resolution and specimen signatures of authorized signatories
- ☐ Death Certificate / Succession Certificate
- ☐ Others (Please specify) ____________________
- ☐ No objection Certificate & Tax Clearance Certificate under Income-Tax Act, 1961, for NRIs /OCBs /Foreign Shareholders as applicable

I/We confirm that the equity shares of Tonira Pharma Limited which are being tendered herewith by me/us under this offer, are free from liens, charges and encumbrances of any kind whatsoever.

I/We note and understand that the original share certificate(s) and valid share transfer deed will be held in trust for me / us by the Registrar to the Offer until the time the Acquirers makes payment of the purchase consideration as mentioned in the Letter of Offer.

I/We also note and understand that the Acquirers will pay the purchase consideration only after verification of the documents and signatures.

I/We authorize the Acquirers to send by registered post/ speed post/ UCP the draft/ cheque, in settlement of the amount to the sole/first holder at the address mentioned above.

I/We note and understand that the shares would lie in the Special Depository Account until the Acquirers make payment of the purchase consideration as mentioned in the Letter of Offer.

I/We authorize the Acquirers to accept the Shares so offered or such lesser number of equity shares which it may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/We further authorize the Acquirers to return to me/us, equity share certificate(s) which is not found valid.

My/Our execution of this Form Of Acceptance shall constitute my/our warranty that the Equity shares comprised in this application are owned by me/us and are transferred by me/us free from all liens, charges, claims of third parties and encumbrances. If any claim is made by any third party in respect of the said equity shares, I/We will hold the Acquirers, harmless and indemnified against any loss they or either of them may suffer in the event of the Acquirers acquiring these equity shares. I/We agree that the Acquirers may pay the offer price only after due verification of the documents and signatures and on obtaining the necessary approvals as mentioned in the said letter of offer.

I/We undertake to execute such further documents and give further assurance as may be required or expedient to give effect to my/our agreeing to sell the said Equity shares.

So as to avoid fraudulent encashment in transit, Shareholder(s) should provide details of bank account of the first/sole shareholder and the cheque or demand draft will be drawn accordingly.

Name of the Bank	**Branch**	**City**	**Type of Account**	**Account Number**

The permanent Account No. (PAN/GIR No.) Allotted under the Income Tax Act 1961 is as under: -

	1st Shareholder	**2nd Shareholder**	**3rd Shareholder**
PAN/GIR No.			

Yours faithfully,

Signed and delivered

	FULL NAME(S) IF THE HOLDER	**SIGNATURE(S)**
1st Shareholder		
2nd Shareholder		
3rd Shareholder		

Note: In case of joint holdings, all shareholders must sign. In case of body corporate, the company seal should be affixed

Place: ____________________ Date ____________________

I/We irrevocably authorize the Acquirers or the Manager to the Offer to send by registered post the draft / cheque, in settlement of purchase at my own risk and any excess share certificate, if any, to the Sole/first holder at the address mentioned below:

NAME AND COMPLETE ADDRESS OF THE SOLE/FIRST HOLDER (IN CASE OF MEMBER(S), ADDRESS as Registered with the Company.)

Name: ____________________ **Address:** ____________________

____

____

Place:____________ **Date:** ____________ **Tele No:** ____________

INSTRUCTIONS

1. In the case of dematerialized shares, the shareholders are advised to ensure that their Shares are credited in favour of the Special Depository Account, before the Date of Closure of the Offer i.e. April 16, 2008 (Wednesday). The Form of Acceptance-cum-Acknowledgement of such demat shares not credited in favour of the Special Depository Account, before the Date of Closure of the offer will be rejected.

2. **Share holders should enclose the following:**

   I. For shares held in demat form:-

   Beneficial owners should enclose

   i. Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, as per the records of the Depository Participant (DP).

   ii. Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP as per the instructions in the Letter of offer.

   II. For Shares held in physical form:-

   Registered Shareholders should enclose

   i) **Form of Acceptance-cum-Acknowledgement** duly completed and signed in accordance with the instructions contained therein, by all Shareholders whose names appear on the Share certificates.

   ii) **Original Share certificate(s).**

   iii) **Valid transfer deed(s)** duly signed as transferors by all registered Shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Tonira Pharma Limited and duly witnessed at the appropriate place. A blank Share Transfer form is enclosed along with the Letter of Offer. Attestation, where required, (thumb impressions, signature difference, etc.) should be done.

   The details of buyer should be left blank failing which the same will be invalid under the offer. The details of the Acquirers as buyer will be filled by Acquirers upon verification of the Form Of Acceptance and the same being found valid. All other requirements for valid transfer will be preconditions for valid acceptance.

   III. Unregistered owners should enclose

   i. **Form of Acceptance-cum-Acknowledgement** duly completed and signed in accordance with the instructions contained therein.

   ii) **Original Share certificate(s).**

   iii) **Original broker contract note.**

   iv) **Valid Share transfer deed(s)** as received from the market, leaving details of buyer blank. If the same is filled in then the Share(s) are liable to be rejected.

3. **The Share certificate(s), share transfer form(s) and the Form of Acceptance-cum-Acknowledgement should be sent only to the Registrar to the Offer and not to the Manager to the Offer or Acquirers or Tonira Pharma Limited.**

4. **The Form of Acceptance-cum-Acknowledgement and other related documents should be submitted at any of the collection centers of Sharex Dynamic (India) Pvt. Ltd. as stated in the Letter of Offer.**

5. Shareholders having their beneficiary account in NSDL have to use "INTER DEPOSITORY DELIVERY INSTRUCTION SLIP" for the purpose of crediting their Shares in favour of the Special Depository Account with CDSL.

6. **It is mandatory for Shareholders to indicate the bank account details at the appropriate place in the Form of Acceptance-cum-Acknowledgement and the consideration would be made to the bank account of the sole/first shareholder. The payment would be made at par to all the shareholders.**

--- TEAR ALONG THIS LINE ---

Acknowledgement Slip: TONIRA Limited – Open Offer (to be filled in by the shareholders) **Sr. No.**

Received from Mr./Ms./M/s ____________________

Form of Acceptance cum Acknowledgement for TONIRA Offer as per details below: -

Physical Shares Folio No. ____________

No. of Certificate Enclosed ________ Certificate No. ____________________ Total No. of Shares Enclosed: ________

Demat Shares: Client ID ____________________ Copy of Delivery Instruction to DP ____________________

Total No. of Shares Enclosed ____________________ (Delete whichever is not applicable)

Date of Receipt:		Stamp of Collection Centre:		Signature of Official:	

7. Rejection of Shares

   If the shares are rejected for any of the following reasons, the shares will be returned to the holder(s) along with all the documents received from them at the time of submission. Please note that the following list is not exhaustive.

   a. The signature(s) of the holder(s) do not match with the specimen signature(s) as per the records of Tonira Pharma Limtied,

   b. The Transfer deed is not complete or that the signatures do not match with the specimen recorded with Tonira Pharma Limited,

   c. The number of Shares mentioned in the Form of Acceptance-cum-Acknowledgement does not tally with the actual physical share certificate(s) submitted or in case of dematerialized shares; the shares in the Form of acceptance-cum-Acknowledgement do not tally with the instruction to the Depository Participant.

8. All documents/ remittances sent by or to shareholders will be at their own risk. Shareholders of Tonira Pharma Limited are advised to adequately safeguard their interests in this regard. Shares held in demat form to the extent not accepted will be credited back to the beneficial owners' depository account with the respective Depository Participant as per the details furnished by the beneficial owner in the Form of Acceptance-cum-Acknowledgement.

9. Neither the Acquirers, the Manager to the Offer, the Registrar to the Offer or Tonira Pharma Limited will be liable for any delay/loss in transit resulting in delayed receipt/non-receipt by the Registrar of your Form of Acceptance-cum-Acknowledgement or for the failure to deposit your shares to the Special Depository Account or submission of original physical Share certificate(s) due to inaccurate /incomplete particulars/instructions on your part, or for any other reason.

10. Applicants who cannot hand deliver their documents at the collection Centers, may send their documents only by Registered post, at their own risk, to the Registrar to the Offer at Sharex Dynamic (India) Pvt. Ltd., 17/B, Dena Bank Building, 2nd Floor, Horniman Circle, Fort, Mumbai 400 001 so as to reach the Registrars to the offer on or before the last date of acceptance i.e. April 16, 2008 (Wednesday).

11. Please read the enclosed letter of offer before filling up the form of Acceptance.

12. The Form of Acceptance should be filled up in English only.

13. Signature(s) other than in English, Hindi and thumb impression must be attested by notary public under his official seal.

PLEASE REFER TO THE DETAILED INSTRUCTIONS UNDER PARA 9 TITLED PROCEDURE FOR ACCEPTANCE/WITHDRAWAL AND SETTLEMENT ON PAGE 30 OF THIS LETTER OF OFFER.

All queries in this regard to be addressed to the Registrar to the offer at the following address quoting your Reference Folio No./DP ID/Client ID:

Sharex Dynamic (India) Pvt. Ltd.,
17/B, Dena Bank Building,
2nd Floor, Horniman Circle,
Fort, Mumbai 400 001.
Tel: +91-22-2270 2485
Fax: +91-22-2264 1349
Email: sd_India@rediffmail.com
Contact person: Mr. B.S. Baliga

— — — — — — — — — — — — — — — — TEAR ALONG THIS LINE — — — — — — — — — — — — — — — —

Note: All future correspondence, if any, should be addressed to Registrar to the Offer at the following address quoting your reference Folio No./ DP ID/ Client ID

Sharex Dynamic (India) Pvt. Ltd.,
17/B, Dena Bank Building, 2nd Floor,
Horniman Circle, Fort, Mumbai 400 001.
Tel: +91-22-2270 2485
Fax: +91-22-2264 1349
Email: sd_India@rediffmail.com
Contact person: Mr. B.S. Baliga

TEAR HERE

FORM OF WITHDRAWAL

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form of Withdrawal with enclosures to Sharex Dynamic (India) Pvt. Ltd .at any of the collection centers as mentioned in the Letter of Offer)

From: Folio No./DP I No./Client ID No.: ____________________

Name: ____________________

Address: ____________________

____

____

Tel No: (______) ____________ Fax No.: (______) ____________

E-mail: ____________________

OPEN OFFER TO THE SHAREHOLDERS OF TONIRA PHARMA LIMITED	
Opens on:	**Friday, March 28, 2008**
Last date of withdrawal:	**Thursday, April 10, 2008**
Closes on:	**Wednesday, April 16, 2008**

THIS FORM SHOULD BE USED BY THE SHAREHOLDERS ONLY FOR EXERCISING THE WITHDRAWL OPTION AS PROVIDED IN THE LETTER OF OFFER

To,

Ipca Laboratories Limited,
C/o. Sharex Dynamic (India) Pvt. Ltd.,
17/B, Dena Bank Building,
2nd Floor, Horniman Circle,
Fort, Mumbai 400 001.

Dear Sir/Madam,

Sub: OPEN OFFER TO ACQUIRE UP TO 23,83,260 EQUITY SHARES REPRESENTING 30% OF THE PAID UP VOTING EQUITY SHARE CAPITAL (as defined in letter of offer) OF TONIRA PHARMA LIMITED (TARGET COMPANY (T.C)) BY IPCA LABORATORIES LIMITED (ACQUIRER) ALONGWITH PERSONS ACTING IN CONCERT (PAC) KAYGEE INVESTMENTS PVT. LTD., COLLECTIVELY REFERRED TO AS "ACQUIRERS" AT A PRICE OF RS.29/-(RUPEES TWENTY NINE ONLY) PER FULLY PAID UP EQUITY SHARES IN TERMS OF SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENTS THERETO.

I/We refer to the Letter of Offer dated April 15, 2008 for acquiring the Shares held by me/us in **TONIRA PHARMA LIMITED.**

I/we, the undersigned, have read the Letter of Offer, understood its contents and unconditionally accept the terms and conditions and procedures as mentioned therein.

I/we have read the procedure for withdrawal of shares tendered by me/us in the Offer as mentioned in the Letter of offer and unconditionally agree to the terms and conditions mentioned therein.

I/we hereby consent unconditionally and irrecoverably to withdraw my/our Shares from the offer and I/we further authorize the Acquirers to return to me/us, tendered Share certificate(s)/ Share(s) at my /our sole risk.

I/We note that upon withdrawal of my/our shares from the offer, no claim or liability shall lie against the Acquirers /Manager to the Offer /Registrar to the offer.

I/We note that this Form of withdrawal should reach the Registrar to the offer at any of the collection centers mentioned in the Letter of offer as per the mode of delivery indicated therein on or before the last date of withdrawal.

I/we note that the Acquirers/Manager to the Offer shall not be liable for any postal delay / loss in transit of the shares held in physical form and also for non-receipt of shares held in the dematerialized form in the DP account due to inaccurate/incomplete particulars/instructions.

I/We also note and understand that the Acquirers shall return original Share certificate(s), share transfer deed(s) and Shares only on completion of verification of the documents, signatures and beneficiary position data as available from the Depository from time to time, respectively. The particulars of the tendered Share(s) that I/We wish to withdraw are detailed below:

Folio No.	Certificate Nos.	Distinctive Nos.		No of Shares
		From	To	
Tendered				
Withdrawn				
Total No. of equity shares				

(In case of insufficient space, please use additional sheet and authenticate the same)

I/We hold the following shares in dematerialized form, have tendered the Shares in the offer and had done an off-market transaction for crediting the Shares to the Special Depository Account with "**Sharex Dynamic India Pvt. Ltd. Escrow A/c - Tonira Pharma Ltd Open Offer**" as per the following particulars:

DP Name: Axis Bank Ltd.	**DP ID: 13027500**	**Client ID: 00010336**	**Depository: Central Depository Services (I) Ltd.**

Please find enclosed a photocopy of the depository delivery instruction(s) duly acknowledged by the Depository Participant.
The particulars of the account form which my/our shares have been tendered are as detailed below:

DP Name	DP ID	CLIENT ID	Name of Beneficiary	No. of shares

I/We note that the Shares will be credited back only to the depository account, from which the Shares have been tendered and necessary standing instructions have been issued in this regard. I/We confirm that the particulars given above are true and correct.

In case of dematerialized Shares, I/We confirm that the signatures of the beneficiary holders have been verified by the DP as per the records maintained at their end and the same have also been duly attested by them under their seal.

Yours faithfully,

Signed & Delivered

	Full Name(s) of the holders	Address	Signature
First /Sole Holder			
Joint Holder 1			
Joint Holder 2			

Note: In case of joint holdings all must sign. A corporation must affix its common seal, necessary Board Resolution should be attached.

Address of First/Sole Shareholder:

Place:

Date:

INSTRUCTIONS

1. Shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at any of the collection centers mentioned In the Letter of Offer as per the mode of delivery indicated therein on or before the last date of withdrawal i.e. April 10, 2008 (Thursday)
2. Shareholders should enclose the following:
   I. For Shares held in demat form:

      Beneficial owners should enclose

      a. Duly signed and completed Form of Withdrawal.
      b. Acknowledgement slip in original Copy of the submitted Form of Acceptance -cum- Acknowledgement in case delivered by Registered A.D
      c. Photocopy of the delivery instruction in "Off-market" mode or Counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP.

   II For Shares held in physical form:-

      Registered Shareholders should enclose.

      a. Duly signed and completed Form of Withdrawal
      b. Acknowledgement slip in original /copy of the submitted Form of acceptance- cum- Acknowledgement in case delivered by Registered A.D.
      c. In case of partial withdrawal, valid share transfer form(s) for the remaining Shares (i.e. Shares not withdrawn) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Tonira Pharma Limited and duly witnessed at the appropriate place.

   III Unregistered owners should enclose.

      a. Duly signed and completed Form of Withdrawal.
      b. Acknowledgement slip in original Copy of the submitted Form of Acceptance-cum-Acknowledgement in case delivered by Registered A.D.
3. The withdrawal of Shares will be available only for the Share certificates/the Shares that have been received by the Registrar to the Offer/ Special Depository Account.
4. The intimation of returned Shares to the shareholders will be at the address as per the records of the Target Company/ Depository as the case may be.
5. The Form of Withdrawal should be sent only to the Registrar to the Offer.
6. In case of partial withdrawal of Shares tendered in physical form, if the original Share certificates are required to be split, the same will be returned on receipt of Share certificates from the Target Company. The facility of partial withdrawal is available only to registered shareholders.
7. Shareholders holding Shares in dematerialized form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.

TEAR ALONG THIS LINE

Acknowledgement Slip: TONIRA Limited – Open Offer (to be filled in by the shareholders) **Sr. No.**

Received from Mr./Ms./M/s ______________________

Form of Withdrawal cum Acknowledgement for TONIRA Offer as per details below: -

Physical Shares Folio No. ______________

No. of Certificate Enclosed ________ Certificate No. ______________ Total No. of Shares Enclosed: ________

Demat Shares: Client ID ______________ Copy of Delivery Instruction to DP ______________

Total No. of Shares Enclosed ______________ (Delete whichever is not applicable)

Date of Receipt:		Stamp of Collection Centre:		Signature of Official:	

8. The Form of Withdrawal and other related documents should be submitted at any of the Collection Centers of Sharex Dynamic (India) Pvt. Ltd. as stated in the Letter of Otter.

9. Applicants who cannot hand deliver their documents at the Collection Centers, may send their documents only by Registered Post, at their own risk, to the Registrar to the Offer at Sharex Dynamic (India) Pvt. Ltd., 17/B, Dena Bank Building, 2nd Floor, Horniman Circle, Fort, Mumbai 400 001 on or before the last date of withdrawal i.e. April 10, 2008 (Thursday).

PLEASE REFER TO THE DETAILED INSTRUCTIONS UNDER PARA 9 TITLED PROCEDURE FOR ACCEPTANCE/WITHDRAWAL AND SETTLEMENT ON PAGE 30 OF THIS LETTER OF OFFER.

— — — — — — — — — — — — — — — — TEAR ALONG THIS LINE — — — — — — — — — — — — — — — —

Note: All future correspondence, if any, should be addressed to Registrar to the Offer at the following address quoting your reference Folio No./ DP ID/ Client ID

Sharex Dynamic (India) Pvt. Ltd.,

17/B, Dena Bank Building, 2nd Floor,

Horniman Circle, Fort, Mumbai 400 001.

Tel: +91-22-2270 2485

Fax: +91-22-2264 1349

Email: sd_India@rediffmail.com

Contact person: Mr. B.S. Baliga