



**UNICHEM  
LABORATORIES LTD.**

November 13, 2018  
Department of Corporate Services  
Bombay Stock Exchange,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001.

Mr. Hari K.  
Asst. Vice President - Operations  
National Stock Exchange of India Ltd.  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East), Mumbai - 400 051.

Dear Sir,

**Subject: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Notice is hereby given that pursuant to Section 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, Special Resolutions to Re-confirm (a) the remuneration payable to Dr. Prakash A. Mody, Chairman & Managing Director of the Company, for a period of five years wef July 1, 2018 to June 30, 2023, and (b) remuneration payable to Mr. Dilip Kunkolienkar, Whole Time Director of the Company designated as Director Technical for a period of five years wef April 1, 2018 to March 31, 2023 already approved by the Shareholders at the 55th Annual General Meeting of the Company held on July 28, 2018, as set out in the Notice of Postal Ballot dated October 30, 2018, pursuant to the amendments to Section 197 and Schedule V of the Companies Act, 2017 notified wef September 12, 2018, are proposed to be passed by Members of the Company by way of Postal Ballot.

In compliance with the requirements of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Postal Ballot Notice dated October 30, 2018. The Company has completed the physical dispatch/email of Postal Ballot Notice along with the Postal Ballot Form on November 12, 2018 and November 13, 2018 respectively, to Shareholders of the Company whose names appear in the Register of Members/ List of Beneficial Owners as on Friday, November 2, 2018.

The e-voting period begins on Wednesday, November 14, 2018 at 10.00 a.m. (IST) and ends on Thursday, December 13, 2018 at 5.00 p.m. (IST). During this period Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, November 2, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Postal Ballots received from members after 5.00 PM (IST) on Thursday, December 13, 2018 will not be considered as valid.

The Postal Ballot Notice and the Form shall be uploaded on the Company's website i.e. [www.unichemlabs.com](http://www.unichemlabs.com) and on the website of CDSL i.e. [www.evotingindia.com](http://www.evotingindia.com) and that of the exchanges namely [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).

Please take the above on record.

For **Unichem Laboratories Limited**

Neema Thakore  
Head - Legal & Company Secretary



**UNICHEM**  
LABORATORIES LTD.

CIN:L99999MH1962PLC012451

Unichem Bhavan, Prabhat Estate, Off S. V. Road, Jogeshwari (West), Mumbai - 400 102

Tel.: (022) 6688 8333 • Fax.: (022) 2678 4391

Website: [www.unichemlabs.com](http://www.unichemlabs.com) • E-mail Id.: [shares@unichemlabs.com](mailto:shares@unichemlabs.com)

## Notice of Postal Ballot

Dear Member(s),

Notice is hereby given pursuant to Section 110 and other applicable provisions of the Companies Act, 2013 (the “**Act**”), read with Rule 22 of the Companies (Management and Administration) Rules, 2014, (“**Rules**”) including any statutory modification or re-enactment thereof for the time being in force, that the resolutions appended below are proposed to be passed as Special Resolutions by the Members of Unichem Laboratories Limited (“**Company**”) by way of Postal Ballot including voting by electronic means (“**e-voting**”).

The explanatory statement pertaining to the said resolutions setting out the material facts concerning the items and the reasons thereof, as required under Section 102 of the Act is annexed to the Notice alongwith a Postal Ballot Form (the “**Postal Ballot Form**”) for your consideration.

Pursuant to Rule 22(5) of the Rules, the Board of Directors of the Company has appointed Mrs. Ragini Chokshi (Membership No 1436, partner of Ragini Chokshi & Co, Practising Company Secretaries) as scrutinizer (the “**Scrutinizer**”) for conducting the Postal Ballot and e-voting process in a fair and transparent manner in compliance with the provisions of the Act and Rules made thereunder.

In compliance with the provisions of Sections 108 and 110 of the Act, read with Rules 20 and 22 of the Rules and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**LODR Regulations**”), the Company is also offering facility of e-voting to all its Members to enable them to cast their votes electronically. Members are requested to follow the procedure as stated in the Notes and printed overleaf of the Postal Ballot Form for casting of votes by e-voting.

Members are requested to carefully read the instructions indicated in the Notice and printed on the Postal Ballot Form and record their assent (for) or dissent (against) in the Postal Ballot Form and return the same in original, duly completed and signed, in the enclosed self-addressed, postage prepaid envelope so as to reach the Scrutinizer

on or before 5.00 p.m. IST on Thursday, December 13, 2018.

On completion of the scrutiny of the Postal Ballot Forms and votes cast through e-voting in a fair and transparent manner, the Scrutinizer will submit her report to the Chairman or any person authorised by him.

The result of the Postal Ballot would be announced by the Chairman or any other Director or any other person authorised by the Chairman in this regard, not later than 48 hours of conclusion of the voting through Postal Ballot. The result of the Postal Ballot would be displayed at the registered office of the Company at Unichem Bhavan, Prabhat Estate, Off S.V. Road, Jogeshwari (West), Mumbai 400 102, and intimated to the National Stock Exchange of India Limited and BSE Limited where the shares of the Company are listed. The results will also be uploaded on the Company’s website [www.unichemlabs.com](http://www.unichemlabs.com) and on the website of the e-voting agency, Central Depository Services (India) Limited (CDSL) at [www.evotingindia.com](http://www.evotingindia.com).

1. **To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:**

“**RESOLVED THAT** pursuant to the provisions of Section 197 of the Companies Act, 2013 (the **Act**) as amended vide Companies (Amendment) Act, 2017 and made effective vide Notification No. S.O. 4823 (E) dated September 12, 2018 issued by the Ministry of Corporate Affairs, and amended provisions of Schedule V to the Act, notified by the Ministry of Corporate Affairs vide Notification No. S.O. 4822 (E) dated September 12, 2018 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactments thereof for the time being in force), and other applicable Laws, Rules, Regulations and pursuant to the recommendation of the Nomination and Remuneration Committee, and approval of the Board of Directors (“**Board**”), the remuneration payable to Dr. Prakash A. Mody (DIN 00001285), Chairman & Managing Director of the Company, for a period of five years with effect from July 1, 2018 upto June 30, 2023, as approved by the

Members of the Company vide a Special Resolution passed at the 55th Annual General Meeting of the Company held on July 28, 2018, as set out in the explanatory statement annexed hereto, be and is hereby re-confirmed and approved;

**RESOLVED FURTHER THAT** the Board (including any committee constituted by the Board) be and is hereby authorised to revise, amend, alter and vary the terms of said remuneration as it may deem fit and as may be agreed between the Company and Dr. Prakash A. Mody, subject to the provisions of the Act, Rules made thereunder and other statutory provisions, for the time being in force;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things as may be necessary, proper and expedient to give effect to this Resolution.”

2. **To consider, and if thought fit, to pass with or without modification(s) the following resolution as a SPECIAL RESOLUTION:**

“**RESOLVED THAT** pursuant to the provisions of Section 197 of the Companies Act, 2013 (the **Act**) as amended vide Companies (Amendment) Act, 2017 and made effective vide Notification No S.O. 4823 (E) dated September 12, 2018 issued by the Ministry of Corporate Affairs, and amended provisions of Schedule V to the Act notified by the Ministry of Corporate Affairs vide Notification No. S.O. 4822 (E) dated September 12, 2018 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactments thereof for the time being in force), and other applicable Laws, Rules, Regulations and pursuant to the recommendation of the Nomination and Remuneration Committee, and approval of the Board of Directors (“**Board**”), the remuneration payable to Mr. Dilip Kunkolienkar (DIN 02666678), Whole-Time Director, Designated as Director Technical of the Company, for a period of five years with effect from April 1, 2018 upto March 31, 2023, as approved by the Members of the Company vide a Special Resolution passed at the 55th Annual General Meeting of the Company held on July 28, 2018, as set out in the explanatory statement annexed hereto, be and is hereby re-confirmed and approved;

**RESOLVED FURTHER THAT** the Board (including any committee constituted by the Board) be and is hereby authorised to revise, amend, alter and vary

the terms of said remuneration as it may deem fit and as may be agreed between the Company and Mr. Dilip Kunkolienkar subject to the provisions of the Act, Rules made thereunder and other statutory provisions, for the time being in force;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things as may be necessary, proper and expedient to give effect to this Resolution.”

By order of the Board of Directors,  
For **Unichem Laboratories Limited**

**Neema Thakore**

Mumbai Head – Legal & Company Secretary  
October 30, 2018 Membership No.: F3966

**Registered Office:**

Unichem Bhavan, Prabhat Estate, Off S. V. Road  
Jogeshwari (West), Mumbai – 400 102

**NOTES & INSTRUCTIONS:**

1. An Explanatory statement pursuant to Section 102 of the Companies Act, 2013 (the “**Act**”) setting out the material facts and reasons for the proposed Special Resolutions, is annexed hereto.
2. This Notice along with the Postal Ballot Form is being sent to all the Members, whose names appear in the Register of Members of the Company or in the Register of Beneficial Owners maintained by National Securities Depository Limited (“**NSDL**”)/Central Depository Services (India) Limited (“**CDSL**”) (NSDL and CDSL collectively referred to as “**Depositories**”) as on the close of business hours on Friday, November 2, 2018.
3. Voting rights will be reckoned on the paid-up value of shares registered in the names of the Members on Friday, November 2, 2018 (“**Cut-off Date**”). Only those Members whose names are recorded in the

Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off Date will be entitled to cast their votes by Postal Ballot or e-voting.

4. This Notice along with the Postal Ballot Form is being sent by electronic mode to those Members, whose e-mail addresses are registered with the Company/ Depositories, unless any Member has registered for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent to them by the permitted mode. The Postal Ballot Notice shall be uploaded on the Company's website i.e. [www.unichemlabs.com](http://www.unichemlabs.com) and on the website of CDSL i.e. [www.evotingindia.com](http://www.evotingindia.com) and that of the exchanges namely [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).
5. In compliance with the provisions of Sections 108 and 110 of the Act and Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 ("Rules"), Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company is pleased to provide voting by electronic means ("E-Voting") facility to its Members, to enable them to cast their votes electronically. E-Voting is optional. The Company has engaged the services of CDSL to provide e-voting facility to its Members.
6. Members can opt for only one mode of voting, i.e., either by physical Postal Ballot Form or E-Voting. However, in case Members cast their vote both by way of physical Postal Ballot Form and E-Voting, then votes cast through E-Voting shall prevail and votes cast through physical Postal Ballot Form shall be considered invalid.
7. A Member cannot exercise his/her vote through proxy in Postal Ballot.
8. Members desiring to exercise their vote by physical Postal Ballot Form are requested to carefully read the instructions printed on the Postal Ballot Form and return the Postal Ballot Form duly completed and signed in the enclosed self-addressed business reply envelope to the Scrutinizer, so that it reaches the Scrutinizer not later than the close of business hours (i.e. 5.00 p.m. IST) on Thursday, December 13, 2018. If any Postal Ballot Form is received after close of business hours (i.e. 5.00 p.m. IST) on Thursday, December 13, 2018, it will be considered that no reply from the Member has been received. Please also note that the Postal Ballot Forms shall be considered invalid if (i) it is not possible to determine without any doubt the assent or dissent of the Member, and/ or (ii) a competent authority has given directions in writing to the Company to freeze the voting rights of the Member, and/ or (iii) it is defaced or mutilated in such a way that its identity as a genuine form cannot be established; and/ or (iv) the Member has made any amendment to the resolution set out herein or imposed any condition while exercising his vote.
9. The postage will be borne by the Company. However, envelopes containing Postal Ballot Forms, if sent by courier or registered / speed post or deposited personally at the address given on the self-addressed business reply envelope, at the expense of the Members will also be accepted.
10. Members who have received the Postal Ballot Notice by e-mail and who wish to vote through Physical Form may download the Postal Ballot Form attached in the e-mail or from the link [www.evotingindia.com](http://www.evotingindia.com) or from the Company's website [www.unichemlabs.com](http://www.unichemlabs.com) and send the duly completed and signed Postal Ballot Form to the Scrutinizer so as to reach on or before close of business hours (i.e. 5.00 p.m. IST) on Thursday, December 13, 2018.
11. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password" or "Physical User Reset Password" option available on [www.evotingindia.com](http://www.evotingindia.com) to reset the password.
12. The Scrutinizer shall, immediately after the conclusion of voting through Postal Ballot, count the votes cast, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of voting through Postal Ballot, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or any person authorised by him, who shall countersign the same. The Scrutinizer's decision on the validity of a Postal Ballot Form will be final and binding.
13. The results declared along with the Scrutinizer's Report shall be displayed at the registered office of

the Company at Unichem Bhavan, Prabhat Estate, Off S.V. Road, Jogeshwari (West), Mumbai 400 102, placed on the Company's website [www.unichemlabs.com](http://www.unichemlabs.com) (under investor relations section) and on the website of CDSL, [www.evotingindia.com](http://www.evotingindia.com). The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

14. The date of declaration of results of Postal Ballot (including e-voting) shall be the date on which the resolution shall be deemed to have been passed, if passed, by the requisite majority.
15. All the material documents referred to in the statement shall be available for inspection at the Registered Office of the Company during office hours on all working days from the date of dispatch of the Notice until the last date for receipt of votes by Postal Ballot.
16. Voting through electronic means:
  - (i) The e-voting period begins on Wednesday, November 14, 2018 at 10.00 a.m. (IST) and ends on Thursday, December 13, 2018 at 5.00 p.m. (IST). During this period Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, November 2, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) The Shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
  - (iii) Click on Shareholders / Members
  - (iv) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID.
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID.
    - c. Members holding shares in Physical Form should enter Folio No. registered with the Company.
  - (v) Next enter the Image Verification as displayed and Click on Login.
  - (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - (vii) If you are a first time user follow the steps as given herein:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by the Income-Tax Department (Applicable for both demat Shareholders as well as physical Shareholders)  Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on the Attendance Slip indicated in the PAN field.
Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.  If both the details are not recorded with the depository or company please enter the Member id / Folio No. in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for UNICHEM LABORATORIES LIMITED on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your

vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

(xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

(xvii) If a demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

By order of the Board of Directors,  
For **Unichem Laboratories Limited**

**Neema Thakore**

Mumbai

Head – Legal & Company Secretary

October 30, 2018

Membership No.: F3966

**Registered Office:**

Unichem Bhavan, Prabhat Estate, Off S. V. Road  
Jogeshwari (West), Mumbai – 400 102

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

### Item Nos. 1 and 2

Members of the Company at the 55th Annual General Meeting of the Company held on July 28, 2018, accorded their consent by way of Special Resolutions to the:

- (a) Re-appointment of Dr. Prakash A. Mody as the Chairman & Managing Director of the Company for a period of five years with effect from July 1, 2018 upto June 30, 2023 and remuneration payable to Dr. Mody; and
- (b) Appointment of Mr. Dilip Kunkolienkar as Whole time Director, designated as Director Technical, for a period of five years with effect from April 1, 2018 upto March 31, 2023 and remuneration payable to Mr. Kunkolienkar.

The remuneration of Dr. Mody and Mr. Kunkolienkar as approved by the Members was payable as minimum remuneration in the event of the Company not earning profit or inadequacy of profit in any financial year, subject to the approval of the Central Government as per the then applicable provisions of Section 197 and Schedule V of the Companies Act, 2013 ("the Act")

The Companies (Amendment) Act 2017 ("CA Amendment Act") amended sub-sections (1), (3), (9), (10) and (11) of Section 197 of the Act, which were made effective vide Notification No S.O. 4823 (E) dated September 12, 2018 issued by the Ministry of Corporate Affairs. The Ministry of Corporate Affairs also amended corresponding provisions of Schedule V to the Act vide Notification No. S.O. 4822 (E) dated September 12, 2018. The amended provisions have done away with the requirement of obtaining approval of the Central Government for payment of remuneration to directors and given power in the hands of the shareholders of the companies. In terms of the amended provisions of Section 197(3) of the Act read with Schedule V to the Act, if in any financial year, a company has no profits or its profits are inadequate, the company may pay to its directors, including any managing or wholetime director or manager, by way of remuneration any sum in excess of the limits specified in Part A of Section II of Part II of Schedule V, provided approval of the Shareholders is obtained by way of Special Resolutions.

The Shareholders of the Company have already approved the remuneration payable to Dr. Mody and Mr. Kunkolienkar by way of Special Resolutions in the last Annual General Meeting held on July 28, 2018. However, since the applicable legal provisions have been amended vide the CA Amendment Act and notified thereafter, the Shareholders of the Company are hereby requested to reconfirm and approve the remuneration payable to Dr. Mody and Mr. Kunkolienkar in terms of the amended provisions of Section 197 and Schedule V to the Act.

Details of remuneration payable to Dr. Mody and Mr. Kunkolienkar are set out below for ease of reference:

### (I). REMUNERATION PAYABLE TO DR. PRAKASH A. MODY, CHAIRMAN & MANAGING DIRECTOR

#### (A) SALARY, COMMISSION AND RETIREMENT BENEFITS

##### 1. Salary

₹ 20,00,000/- (Rupees twenty lakhs only) per month with such increments as the Board may decide from time to time, subject however to a ceiling of ₹ 25,00,000 (Rupees twenty-five lakhs only) per month over the tenure.

##### 2. Commission

Dr. Mody shall be entitled for a commission @ 1% on the net profits of the Company in a financial year, computed in terms of Section 198 of the Act.

##### 3. Contribution to Provident Fund

Contribution by the Company to Provident Fund at a rate not exceeding 12% of the Salary.

##### 4. Contribution to Pension Fund / Superannuation Fund / National Pension Scheme

Contribution to a pension fund and/or superannuation fund and/or National Pension Scheme at a rate not exceeding 15% of the Salary.

##### 5. Gratuity

Gratuity payable in accordance with the Gratuity Scheme of the Company provided that it does not exceed one half month's salary for every completed year of continuous service, since the date on which Dr. Mody was first appointed as Joint Managing Director.

### (B) PERQUISITES

In addition to Salary, the Chairman & Managing Director will be entitled to the following perquisites:

#### 1. Housing

The Company shall provide a fully furnished rent-free residential accommodation. If he is not provided accommodation by the Company, he shall be paid house rent allowance @ 60% of salary on a monthly basis.

The Company shall bear expenses which may be incurred on such a house in accordance with Dr. Mody's status, on insurance, security charges, maintenance and repair of the house and the furniture and fixtures therein, gas, electricity and water.

#### 2. Medical reimbursement

Reimbursement of actual medical expenses

incurred in India and/or abroad for himself and his family members. Such reimbursement shall be subject to approval of the Board if the same exceeds five months average salary over a period of five years. In addition, the Chairman & Managing Director and his family members shall be covered under the Company's Group Medclaim Policy.

**3. Leave Travel Concession**

Leave Travel Concession shall be made available to the Chairman & Managing Director for himself and his family once in a year in accordance with the rules of the Company. The total in a year, shall not exceed one month's salary.

**4. Club fees**

Fees of Corporate/ Health Clubs (not exceeding two clubs) shall be borne by the Company.

**5. Conveyance**

Free use of Company's cars, not exceeding two in number, for the work of the Company as well as for personal use along with driver, insurance, fuel, cost of repairs, overhauling, maintenance and garage rent.

**6. Communication Facilities**

The Company shall bear all expenses of communication facilities installed at the residence allotted to the Chairman & Managing Director, including but not limited to telephones (land lines/mobiles), faxes, computers/laptops and internet connection.

**7. Personal Accident Insurance**

Personal Accident Insurance as per the Company's policy.

**8. Leave**

Dr. Mody shall be eligible for leave as per the Rules of the Company.

**9. Entertainment, Travelling and other incidental Expenses**

The Company shall reimburse to Dr. Mody entertainment, travelling and other incidental expenses actually and properly incurred for the business of the Company.

**10. Other benefits**

Dr. Mody shall be entitled to the other benefits, schemes, privileges and amenities such as housing loans and other loans at concessional rate of interest, credit cards, products at a discount, as may be granted from time to time to the top management of the Company in accordance with the relevant schemes.

**11. Valuation of perquisites**

Perquisites mentioned above shall be evaluated

in accordance with the Income Tax Rules, 1962 wherever applicable, and in other cases at the actual cost to the Company.

**(C) OTHER TERMS RELATED TO REMUNERATION**

**Disentitlements**

The Chairman & Managing Director shall not be entitled:

- (a) To supplement his earnings under the Agreement with buying or selling commission involving the Company's transactions.
- (b) To sitting fees for attending Meetings of the Board of Directors of the Company or any Committee or Committees thereof.

Dr. Mody and his relatives are concerned or interested (financially or otherwise) in the remuneration payable to him. None of the other Directors, Key Managerial Personnel or their relatives are concerned or interested in the resolution at Item No. 1.

The Agreements between the Company and Dr. Mody are available for inspection at the Registered Office of the Company (Monday to Friday) from 11.00 a.m. to 1.00 p.m. until the last date for receipt of votes by Postal Ballot.

This may be treated as an abstract of the terms of remuneration of Dr. Prakash A. Mody as the Chairman & Managing Director and Memorandum of Interest pursuant to Section 190 of the Act.

**Brief Profile of Dr. Prakash A. Mody:**

Dr. Prakash A. Mody is the Chairman & Managing Director of Unichem Laboratories Limited. He is the son of founder promoter, the late Mr. Amrut Mody. After graduating, he completed his post-graduation at Mumbai University. He has done his PhD in organic chemistry. He is also a Graduate Alumni of the Harvard Business School.

He is the past president of the Indian Pharmaceutical Alliance; the industry body representing research based National Pharmaceutical Companies.

Dr. Mody is the Chairman of the Corporate Social Responsibility Committee and member of the Company's Stakeholders' Relationship Committee. He holds 3,24,19,392 equity shares of the Company. Dr. Mody is not related to any Director of the Company. He is also a Director of the Company's Wholly Owned Subsidiary, Unichem Pharmaceuticals (USA) Inc. Dr. Mody is an Independent Director of Kewal Kiran Clothing Limited and is a member of the Nomination and Remuneration Committee of the said Company.



The Board recommends the Resolution as set out at Item No. 1 of the Notice for the approval of the Members by way of Special Resolution.

**(II) REMUNERATION PAYABLE TO MR. DILIP KUNKOLIENKAR, DIRECTOR TECHNICAL**

**(A) SALARY, ALLOWANCES, RETIREMENT BENEFITS AND OTHERS**

**1. Salary**

₹ 3,10,000 (Rupees three lakhs ten thousand only) per month with such increments as the Board may decide from time to time, subject however to a ceiling of ₹ 6,20,000 (Rupees six lakhs twenty thousand only) per month, over the tenure.

**2. Other Allowances**

₹ 4,67,800/- (Rupees four lakhs sixty seven thousand eight hundred only) per month with such increments as the Board may decide from time to time, subject however to a ceiling of ₹ 9,35,600/- (Rupees nine lakhs thirty five thousand six hundred only) per month over the tenure. The allowance(s) however will not be taken into account for calculation of benefits such as provident fund, gratuity, superannuation fund, National Pension Scheme and leave encashment.

**3. Contribution to Provident Fund**

Contribution by the Company to Provident Fund at a rate not exceeding 12% of Salary.

**4. Contribution to Pension Fund / Superannuation Fund / National Pension Scheme**

Contribution to pension fund and/or superannuation fund and/or National Pension Scheme at a rate not exceeding 15% of Salary.

**5. Gratuity**

Gratuity payable in accordance with the Gratuity Scheme of the Company provided that it does not exceed one half month's salary for every completed year of continuous service, since the date of appointment of Mr. Kunkolienkar.

**6. Ex -gratia**

Ex-gratia shall be paid as per Company's policy.

**(B) PERQUISITES**

In addition to Salary, Mr. Kunkolienkar will be entitled to the following perquisites:

**1. Housing**

The Company shall provide a fully furnished rent free residential accommodation or HRA as per the rules of the Company.

The Company shall bear expenses which may be incurred on such house in accordance with Mr. Kunkolienkar's status, on insurance, security charges, maintenance and repair of the house and the furniture and fixtures therein, gas, electricity and water.

**2. Medical reimbursement**

Reimbursement of actual medical expenses as per the policy of the Company. Mr. Kunkolienkar shall be covered under the Company's Group Medclaim Policy.

**3. Leave Travel Concession**

Leave Travel Concession at the rate of one month's salary per annum in accordance with the rules of the Company.

**4. Club fees**

Fees of corporate/ health clubs (not exceeding 2 clubs) shall be borne by the Company.

**5. Conveyance**

Use of Company's car, for the work of the Company as well as for personal use along with driver, insurance, fuel, cost of repairs, overhauling, maintenance and garage rent.

**6. Communication Facilities**

The Company shall bear all expenses of Communication facilities installed at the residence allotted to the Director Technical including but not limited to Telephones (land lines/mobiles), Faxes, Computers/Laptops and Internet connection.

**7. Personal Accident Insurance**

Personal Accident Insurance as per the Company's policy.

**8. Leave**

Mr. Kunkolienkar shall be eligible for leave as per the Rules of the Company.

**9. Entertainment, Travelling and other incidental Expenses**

The Company shall reimburse to Mr. Kunkolienkar, entertainment, travelling and other incidental expenses actually and properly incurred for the business of the Company.

**10. Other benefits**

Mr. Kunkolienkar shall be entitled to the other benefits, schemes, privileges and amenities such as housing loans and other loans at concessional rate of interest, credit cards, products at a discount, as may be granted from time to time to the top management of the Company in accordance with the relevant schemes.

**11. Valuation of perquisites**

Perquisites mentioned above shall be

evaluated in accordance with the Income Tax Rules, 1962 wherever applicable, and in other cases at the actual cost to the Company.

## **(C) OTHER TERMS RELATED TO REMUNERATION**

### **Disentitlements**

Mr. Kunkolienkar shall not be entitled:

- (a) To supplement his earnings under the Agreement with buying or selling commission involving the Company's transactions.
- (b) To sitting fees for attending Meetings of the Board of Directors of the Company or any Committee or Committees thereof.

Mr. Dilip Kunkolienkar and his relatives are concerned or interested (financially or otherwise) in the remuneration payable to him as Director Technical. None of the other Directors, Key Managerial Personnel or their relatives are concerned or interested in the resolution at Item No. 2.

The Agreements between the Company and Mr. Dilip Kunkolienkar are available for inspection at the Registered Office of the Company (Monday to Friday) from 11.00 a.m. to 1.00 p.m. until the last date for receipt of votes by Postal Ballot.

This may be treated as an abstract of the terms of remuneration of Mr. Dilip Kunkolienkar, Whole time Director of the Company, designated as Director Technical and Memorandum of Interest pursuant to Section 190 of the Act.

### **Brief Profile of Mr. Dilip Kunkolienkar:**

Mr. Dilip Kunkolienkar is a Bachelor of Pharmacy from Bombay University. He has more than forty-four years of rich exposure at various positions in the Pharmaceutical industry in various leading Pharmaceutical houses like Richardson Hindustan Ltd., Geigy Ltd., Raptakos Brett Co. Ltd., and German Remedies Ltd.

Mr. Kunkolienkar has served as Vice President – Global Generics & Compliance at the Company with additional charge of rendering formulation operation and Technical services to Unit Heads and the Management.

He has diverse experience in the manufacture of tablets, capsules, parenterals, Oral Solid & Liquid Dosage forms, suppositories of various forms; with an additional exposure to Bio studies, Product Viabilities, Planning, General Administration, Documentation, Regulatory Audits, Capex / Revenue budgeting & R & D and API Marketing.

Mr. Kunkolienkar is a member of the Audit Committee of

the Company. He is not related to any Director of the Company. He currently holds 53,038 equity shares of the Company. He also serves as a Director in the Company's Wholly Owned Subsidiary namely Unichem Pharmaceuticals (USA) Inc. He also is a Director in Synchron Research Services Private Limited, a reputed contract research organization and an Associate Company.

The Board recommends passing of the resolution set out under Item No. 2 of the Notice for approval of the Members as a Special Resolution.

By order of the Board of Directors,  
For **Unichem Laboratories Limited**

**Neema Thakore**

Mumbai Head – Legal & Company Secretary  
October 30, 2018 Membership No.: F3966

### **Registered Office:**

Unichem Bhavan, Prabhat Estate, Off S. V. Road  
Jogeshwari (West), Mumbai – 400 102

## **STATEMENT PURSUANT TO THE PROVISIONS OF PART II SECTION II (B) (IV) OF SCHEDULE V OF THE COMPANIES ACT, 2013 IN RESPECT OF ITEM NOS. 1 AND 2 OF THE POSTAL BALLOT NOTICE**

### **I GENERAL INFORMATION**

#### **1. Nature of Industry**

Unichem is an international, integrated, specialty pharmaceutical company. It manufactures and markets a large basket of pharmaceutical formulations as branded generics as well as generics in several markets across the world. The Company has strong skills in product development, process chemistry and manufacturing of complex API as well as dosage forms. The Company has six plants situated at Roha and Kolhapur, Maharashtra; Goa; Baddi, Himachal Pradesh; Pithampur, Madhya Pradesh and Ghaziabad, Uttar Pradesh. The R&D Centre called the Center of Excellence (COE) is located at Goa. The Company has a global footprint including in US, Europe, Ireland, South Africa and Brazil.

**2. Date or expected date of commencement of commercial production**

The Company started commercial production in the year 1962.

**3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus**

Not Applicable

**4. Financial performance based on given indicators**

See Table 1.

**5. Earnings in Foreign Exchange (accrual basis):**

See Table 2.

**6. Foreign investments or collaborations, if any**

The Company does not have any foreign investment or collaborations except direct investments in five Wholly Owned Overseas Subsidiaries (WOS) and an Associate Company in India as given in Table 3.

graduating he completed his post graduation at University of Mumbai. He has done his PhD in organic chemistry. He is also a Graduate Alumni of Harvard Business School. He is the past president of the Indian Pharmaceutical Alliance; the industry body representing research based National Pharmaceutical Companies.

**2. Past Remuneration**

Remuneration paid to Dr. Mody for the past three financial years is given in Table 4.

**3. Recognition or awards**

He is the past president of the Indian Pharmaceutical Alliance, the industry body representing research based National Pharmaceutical Companies.

**4. Job Profile and his suitability**

Dr. Mody has been the Executive Director of the Company since the year 1974. He provides leadership, strategic vision and direction to the Company's business operations and has rich and varied experience in the health care sector. He has the experience to handle diverse nature of businesses of the Company and the vision to take the business forward.

He is the Chairman of the Corporate Social Responsibility Committee and member of the Company's Stakeholders' Relationship Committee. He is also a Director on the Board of the Company's Wholly Owned Subsidiary, Unichem Pharmaceuticals (USA) Inc.

**(II) INFORMATION ABOUT THE APPOINTEE**

**Dr. Prakash A. Mody**

**1. Background details**

Dr. Prakash A. Mody aged 65 years is the son of founder promoter, the late Mr. Amrut Mody. After

(₹ in lakhs)

Table 1	2015-2016		2016-2017		2017-2018	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Total Income	125,885.39	136,738.97	58,421.53	70,417.06	73,261.65	87,940.31
Profit / (Loss) before Depreciation, Interest & Tax	16,498.72	18,262.42	(5,082.57)	(3,570.20)	(7,334.23)	(7,123.95)
Profit / (Loss) After Tax	10,060.04	10,810.74	(7,553.13)	(7,072.34)	(12,140.95)	(13,309.72)

Note: a) Figures for the financial year 2015-2016 include continuing\* and discontinued\* business

b) Figures for the financial year 2016-2017 and 2017-2018 pertain to continuing\* business

c) \* Refer Other Information III, 1 & 2

(₹ in lakhs)

Table 2	2015-2016 Standalone	2016-2017 Standalone	2017-2018 Standalone
Foreign Exchange Earned (Accrual Basis)	43,564.01	52,984.04	59,711.07

Table 3. Name of the Wholly Owned Subsidiary (WOS) and Associate Company	(₹ in lakhs)
Niche Generics Limited, UK (WOS)	3,749.03
Unichem Farmaceutica Do Brasil Ltda, Brazil (WOS)	6,783.89
Unichem Laboratories Limited, Ireland (WOS)	886.95
Unichem Pharmaceuticals (USA) Inc (WOS)	3,098.82
Unichem SA (Pty) Limited, South Africa (WOS)	12.14
Synchron Research Services Pvt. Ltd (Associate)	569.31

**Table 4.**

(₹ in lakhs)

Financial Year	Commission	Consolidated Salary	Perquisites and Allowances	Total Amount
2015-2016	124.03	362.89	12.02	498.95
2016-2017	134.90	412.38	12.03	559.31
2017-2018	Nil*	131.28	12.03	143.31

\* Due to inadequate profits no commission was paid for the financial year 2017-2018.

Dr. Mody is an Independent Director of Kewal Kiran Clothing Limited and is a member of the Nomination and Remuneration Committee of the said Company.

Dr. Mody has attended all the eight Board meetings held during the financial year 2017-2018.

Considering his qualifications, vast experience and deep knowledge of the pharmaceutical business, the remuneration proposed is commensurate with his job profile and is justified.

#### 5. Remuneration proposed

The remuneration proposed to be paid to Dr. Prakash A. Mody is provided in the statement given herein above.

#### 6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of origin)

The remuneration payable has been recommended by the Nomination and Remuneration Committee and considered by the Board of Directors at the meetings held on May 29, 2018 and the same remuneration has been reconfirmed by the Nomination and Remuneration Committee and the Board of Directors at the meetings held on October 30, 2018 and has been benchmarked with the remuneration being drawn by peers in similar capacity in Pharmaceutical Companies of comparable size.

The profile of Dr. Mody as mentioned hereinabove, his responsibilities, complex business operations, industry benchmark and size of the Company justify the payment of the said remuneration

#### 7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.

Dr. Mody holds 3,24,19,392 equity shares of the Company. He has no other pecuniary relationship with the Company except to the extent of his remuneration and shareholding in the Company and that held by his relatives who are the members of the promoter group namely his spouse Ms. Anita Mody, and his daughters Ms. Supriya Mody and Ms. Suparna Mody. Ms. Supriya Mody, is holding office or place of profit in the Company under Section 188(1)(f) of the Act and is currently designated as Business Head – ACASIA.

He is not related to any other Director or Key Managerial Personnel of the Company.

#### Mr. Dilip Kunkolienkar

##### 1. Background details

Mr. Dilip Kunkolienkar aged 68 years is a Bachelor of Pharmacy from Bombay University. He has more than 44 years of rich exposure at various positions in the Pharmaceutical Industry in various leading Pharmaceutical houses like Richardson Hindustan Ltd., Geigy Ltd., Raptakos Brett Co. Ltd., and German Remedies Ltd.

Before the said appointment Mr. Kunkolienkar served as Vice President – Global Generics & Compliance at the Company with additional charge of rendering formulation Operation and Technical services to Unit Heads and the Management.

At the Board Meeting held on March 31, 2018 Mr. Kunkolienkar was also appointed as a Whole time Director of the Company designated as Director Technical with effect from April 1, 2018 upto March 31, 2023. He was also appointed as a Member of the Audit Committee of the Company with effect from May 29, 2018.

##### 2. Past Remuneration

Remuneration drawn by Mr. Dilip Kunkolienkar over the past three financial years as an employee of the Company is given in **Table 5**.

##### 3. Recognition or awards

Not Applicable

##### 4. Job Profile and his suitability

Mr. Kunkolienkar has diverse experience in the manufacture of tablets, capsules, parenterals, oral solid and liquid dosage forms, suppositories of various forms; with an additional exposure to Bio- studies, Product Viabilities, Planning, General Administration, Documentation, Regulatory Audits, Capex/Revenue budgeting and R&D and API Marketing.

He is a member of the Audit Committee of the Board. He also serves as a Director in the Company's Wholly Owned Subsidiary namely Unichem Pharmaceuticals (USA) Inc. He also is a Director in Synchron Research Services

Table 5.

(₹ in lakhs)

Financial Year	Consolidated Salary	Perquisites and Allowances	Total Amount
2015-2016	65.07	26.17	91.24
2016-2017	67.85	31.29	99.15
2017-2018	187.57	43.22	*230.79

\* Includes one-time incentive paid on sale of the Company's domestic business.

Private Limited, a reputed contract research organization. Mr. Kunkolienkar is not related to any Director of the Company. He currently holds 53,038 equity shares of the Company.

Considering his qualifications, vast experience and deep knowledge of pharmaceutical business the remuneration proposed is commensurate with his job profile and is justified.

**5. Remuneration proposed**

The remuneration proposed to be paid to Mr. Kunkolienkar is provided in the statement given herein above.

**6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of origin)**

The remuneration payable has been considered by the Nomination and Remuneration Committee at its meeting held on March 31, 2018, duly revised on May 29, 2018 and the same remuneration was reconfirmed by the Nomination and Remuneration Committee and the Board of Directors at their meetings held on October 30, 2018 and has been benchmarked with the remuneration being drawn by peers in similar capacity in Pharmaceutical Companies of comparable size.

**7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.**

Mr. Kunkolienkar has no other pecuniary relationship with the Company except to the extent of his remuneration and shareholding in the Company and that held by his relatives. He is not related to any Director or Key Managerial Personnel of the Company.

**(III) OTHER INFORMATION**

**1. Reasons of loss or inadequate profits**

On December 14, 2017, the Company sold and transferred its business of manufacture, sale, marketing and distribution of domestic formulations in India and Nepal, together with all specified tangible and intangible assets, contracts, rights, personnel and employees, data and records, inventory and other assets and liabilities by way of slump sale on a going concern basis, to Torrent Pharmaceuticals Limited, upon terms and conditions, as mutually agreed by the Parties.

The Company now focuses on the international market and Research & Development (R & D), with enhanced investment in R & D.

On account of the above, it is expected that there will be loss/inadequacy of profits as per Section 198 of the Companies Act, 2013 for payment of managerial remuneration.

**2. Steps taken or proposed to be taken for improvement**

The Company proposes to

- focus attention on all aspects of the international business including finished formulations, API, contract manufacturing and contract research;
- increase its investments in R&D in the New Chemical and Biological Entities (NCE & NBE), Bio-similars and complex generics;
- control operating expenses and overheads across the organization; and
- initiate various measures towards achieving organizational and operating efficiencies and strengthening core competencies.

**3. Expected increase in productivity and profits in measurable terms**

In addition to steps proposed to be taken for improvement as detailed hereinabove, key focus areas would be profit maximization, conservation of cash, operational efficiencies and cost and working capital containment. While it is difficult to give precise figures, the above initiatives are expected to improve further the productivity and profitability.

**IV. DISCLOSURES**

The disclosures on the remuneration package of each managerial person and details of all elements of the remuneration packages, details of fixed component etc., shall be appropriately disclosed in the Corporate Governance Report for 2018-2019.

By order of the Board of Directors,  
For **Unichem Laboratories Limited**

**Neema Thakore**

Mumbai  
October 30, 2018

Head – Legal & Company Secretary  
Membership No.: F3966

**Registered Office:**

Unichem Bhavan, Prabhat Estate, Off S. V. Road  
Jogeshwari (West), Mumbai – 400 102