

Investment Banking

February 12, 2018

The Secretary
BSE Limited

P J Towers Dalal Street Mumbai 400 001

The Secretary
The National Stock Exchange of India Limited

Exchange Plaza Plot no. C/1, G Block Bandra-Kurla Complex Bandra (E) Mumbai - 400 051

Dear Sir/Madam,

Sub: Buyback of 2,06,00,000 equity shares of INR 2/- each ("Share") of Unichem Laboratories Limited ("Company") at a price of INR 430/- per Share under tender offer route ("Buyback")

We are pleased to inform you that Unichem Laboratories Limited has issued a public announcement for the Buyback of its equity shares through tender offer route ("**Public Announcement**"). The Public Announcement has been released to appear on February 12, 2018 in the following newspapers:

- Financial Express (English) (all editions)
- Jansatta (Hindi) (all editions)
- Navshakti (Marathi) (Mumbai edition)

Kotak Mahindra Capital Company Limited has been appointed as the Manager to the Offer.

In this regard, please find enclosed copies of the Public Announcement that has been released to appear in Financial Express (English) on February 12, 2018.

Yours sincerely,

For Kotak Mahindra Capital Company Limited

Anup Poddar

Encl.: As stated above

Kotak Mahindra Capital Company Limited



UNICHEM LABORATORIES LIMITED

CIN: L999999MH1962PLC012451. Registered Office: Unichem Bhavan, Off S. V. Road, Prabhat Estate, Jogeshwari (West), Mumbai- 400 102, Tel.: (022) 6688 8333 Fax: (022) 2678 4391, E-mail: buyback@unichemlabs.com, Website: www.unichemlabs.com

PUBLIC ANNOUNCEMENT

FOR THE ATTENTION OF ELIGIBLE SHAREHOLDERS/BENEFICIAL OWNERS OF EQUITY SHARES OF UNICHEM LABORATORIES LIMITED UNDER SECURITIES AND EXCHANGE BOARD OF INDIA (BUY BACK OF SECURITIES) REGULATIONS, 1998, AS AMENDED This Public Announcement (the "Public Announcement") is being made pursuant to the provisions of Regulation 8(1) of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (the "Buyback Regulations") for the time being in force including any statutory modifications and amendments from time to time and contains the disclosures as specified in Part A of Schedule II to the Buyback Regulations.

OFFER FOR BUYBACK OF UP TO 2,06,00,000 (TWO CRORE SIX LAKHS ONLY) FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF RS. 2/- EACH ("EQUITY SHARES") AT A PRICE OF RS. 430/- (RUPEES FOUR HUNDRED AND THIRTY ONLY) PER FULLY PAID-UP EQUITY SHARE ON A PROPORTIONATE BASIS THROUGH THE TENDER OFFER ROUTE.

- The Board of Directors (hereinafter referred to as the "Board", which expression includes the Buyback Committee constituted by the Board to exercise its powers) of Unichem Laboratories Limited ("Unichem Laboratories" or the "Company"), at its meeting held on January 8, 2018 ("Board Meeting") approved the proposal to buyback up to 2,06,00,000 (Two Crores Six Lakhs Only) Equity Shares (representing up to 22.65% of the paid-up Equity Share Capital of the Company), at a price of Rs. 430/- (Rupees Four Hundred and Thirty than 100 to 100 Only) per Equity Share (the "Buyback Price") up to an aggregate amount not exceeding Rs. 885,80,00,000/-(Rupees Eight Hundred Eighty Five Crores Eighty Lakhs only) ("Maximum Buyback Size"), (being equal to 24.26% of the total paid-up equity capital and free reserves of the Company as per latest audited standalone balance sheet as on December 31, 2017) from the shareholders ("**Shareholders**") of the Company on a proportionate basis through a tender offer route in accordance with the provisions of the Companies Act, 2013 ("Companies Act") and, the Companies (Share Capital and Debentures) Rules, 2014 (the "Share Capital Rules"), the Companies (Management and Administration) Rules, 2014 (the "Management Rules") and in compliance with the Buyback Regulations ("Buyback" or "Buyback Offer"). The Company sought approval of its shareholders for the said Buyback by a special resolution through a postal ballot notice dated January 8 2018. The Shareholders approved the Buyback of the Company's fully paid-up Equity Shares from the existing shareholders / beneficial owners, on a proportionate basis, through the tender offer process pursuant to Article 61 of the Articles of Association of the Company and in accordance with provisions of the Companies Act, the Share Capital Rules, the Management Rules and the Buyback Regulations, by way of a special resolution, through the postal ballot ("Postal Ballot"), the results of which we are announcing on February 9, 2018 ("Shareholders' Approval")
- The Buyback Price per Equity Share and the Maximum Buyback Size do not include transaction costs including brokerage costs, advisors' fees, printing and dispatch expenses, securities transaction taxes, goods and service tax, and stamp duty. The Buyback is subject to receipt of approvals of statutory, regulatory or governmental authorities as may be required under applicable laws, including the Reserve Bank of India, the Securities and Exchange Board of India ("SEBI"), and the stock exchanges on which the Equity Shares are listed, namely, the National Stock Exchange of India Limited ("NSE"), the BSE Limited ("BSE") (together with NSE the "Stock Exchanges").
- The Buyback shall be undertaken on a proportionate basis from the Shareholders as of February 16, 2018 (the "Record Date") through the tender offer process prescribed under Regulation 4(1)(a) of the Buyback Regulations. Additionally, the Buyback shall be, subject to applicable laws, facilitated by tendering of Equity Shares by such Shareholders and settlement of the same, through the stock exchange mechanism as specified by SEBI in the circular bearing number CIR/ CFD/POLICYCELL/1/2015 dated April 13, 2015 as amended via SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, including any further amendments thereof (the "SEBI Circular"). Please refer to Paragraph 9 of this Public Announcement below for further details regarding the Record Date and share entitlement for tender in the Buyback.
- In terms of the Buyback Regulations, under tender offer route, the promoters of the Company have the option to participate in the Buyback. In this regard, Dr. Prakash Mody, one of the promoters, has informed the Comp vide his letter dated January 8, 2018 regarding his intention to participate in the Buyback. The extent of his participation in the Buyback has been detailed in Paragraph 6 of this Public Announce
- The Buyback Price of Rs. 430/- (Rupees Four Hundred and Thirty Only) per Equity Share represents: (i) a premium of 39.74% and 40.14% over the volume weighted average price of the Equity Shares on the BSE and on the NSE respectively for 3 months preceding the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback; and (ii) a premium of 33.43% and 33.49% over the volume weighted average price of the Equity Shares on the BSE and on the NSE respectively for two weeks preceding the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback.
- The aggregate paid-up share capital and free reserves as at December 31, 2017 (as per the audited standalone financial statements available as on the date of the Board Meeting recommending the proposal of the Buyback) is Rs. 3,650.57 Crores. Under the provisions of the Companies Act, the funds deployed for the Buyback cannot exceed 25% of the total paid-up share capital and free reserves of the Company i.e. Rs. 912.64 Crores. The maximum amount proposed to be utilized for the Buyback, is Rs. 885,80,00,000 (Rupees Eight Hundred Eighty Five Crores Eighty Lakhs Only) being 24.26% of the standalone fully paid-up share capital and free reserves of the Company and 24.86% of the consolidated fully paid-up share capital and free reserves of the Company as at $December \, 31, 2017 \, and \, is \, therefore \, within \, the \, limit \, of \, 25\% \, prescribed \, under \, the \, Companies \, Act.$
- Further, under the Companies Act, the number of equity shares that can be bought back in any financial year cannot exceed 25% of the total paid-up equity capital of the Company in that financial year. Accordingly, the maximum number of equity shares that can be bought back in the current financial year is 2,27,34,000 (Two Crores Twenty Seven Lakhs Thirty Four Thousand only) Equity Shares (calculated on the basis of the total paidup equity share capital of the Company as on December 31, 2017). Since the Company proposes to buy back up to 2,06,00,000 Equity Shares, the same is within the aforesaid 25% limit. The maximum number of shares proposed to be bought back by the Company represent 22.65% of the paid-up equity share capital of the Pursuant to the proposed Buyback and depending on the response to the Buyback, the voting rights of the
- promoters in the Company may increase or decrease from the existing shareholding of the total equity capital and voting rights of the Company. After the completion of the Buyback, the public shareholding of the Company shall not fall below the minimum level required as per Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Any change in voting rights of the promoters pursuant to completion of Buyback will not result in any change in control over the Company.
- A copy of this Public Announcement is available on the website of the Company at www.unichemlabs.com, and expected to be available on the SEBI website www.sebi.gov.in and that of the stock exchanges where the Company's shares are listed namely www.bseindia.com and www.nseindia.com during the period of the

NECESSITY AND BASIS FOR BUYBACK

The Board in its meeting held on January 8, 2018, considered all relevant factors, including the strategic and operational cash requirements in the medium term, present debt to equity ratio of the Company, the increase in accumulated free reserves, considered it appropriate to allocate a sum not exceeding Rs. 885,80,00,000 (Rupees Eight Hundred Eighty Five Crores Eighty Lakhs Only) for distributing to the Shareholders holding equity shares of the Company on the Record Date, through a Buyback.

In line with the above and with an objective of enhancing the shareholders returns, the Board decided to recommend Buyback at a price of Rs. 430/- (Rupees Four Hundred and Thirty Only) per equity share for an aggregate consideration of upto Rs. 885,80,00,000/- (Rupees Eight Hundred Eighty Five Crores Eighty Lakhs Only).

The Buyback is being undertaken to return to the equity shareholders, in an expedient, effective and costefficient manner, surplus cash which is in excess of the Company's ordinary capital requirements and current investment plans. The Buyback is being undertaken for the following reasons:

- The Buyback will help the Company to return surplus cash to its Shareholders holding equity shares broadly in proportion to their shareholding, thereby, enhancing the overall return to Shareholders
- The Buyback, which is being implemented through the Tender Offer route as prescribed under the Buyback Regulations, would involve allocating to the Small Shareholders the higher of a) number of shares entitled as per their holdings, or b) 15% of the number of shares to be bought back, reserved for the Small Shareholders. The Company believes that this reservation for Small Shareholders would benefit a large number of public shareholders, who would get classified as "Small Shareholder" as per Regulation 2(1)(la of the Buyback Regulations;
- iii. The Buyback is expected to improve return on equity and earnings per share by reduction in the equity base, thereby leading to long term increase in Shareholders' value;
- The Buyback gives an option to Shareholders holding equity shares of the Company, who can choose to participate and get cash in lieu of Equity Shares to be accepted under the Buyback offer or they may choose not to participate and enjoy a resultant increase in their percentage shareholding in the Company, post the Buyback offer, without additional investment.

MAXIMUM AMOUNT REQUIRED UNDER THE BUYBACK

The maximum amount required for Buyback will not exceed Rs. 885,80,00,000 (Rupees Eight Hundred Eighty Five Crores Eighty Lakhs Only) excluding transaction costs viz. brokerage, advisors' fees, printing and dispatci expenses, applicable taxes such as securities transaction tax, GST, stamp duty and other incidental and related $expenses \ being\ 24.26\% \ of the\ standalone\ fully\ paid\ up\ share\ capital\ and\ free\ reserves\ which\ is\ less\ than\ 25\% \ of\ share\ capital\ and\ free\ reserves\ which\ is\ less\ than\ 25\% \ of\ share\ capital\ and\ free\ reserves\ which\ is\ less\ than\ 25\% \ of\ share\ capital\ and\ free\ reserves\ which\ is\ less\ than\ 25\% \ of\ share\ capital\ and\ free\ reserves\ which\ is\ less\ than\ 25\% \ of\ share\ capital\ and\ free\ reserves\ which\ is\ less\ than\ 25\% \ of\ share\ capital\ and\ free\ reserves\ which\ is\ less\ than\ 25\% \ of\ share\ capital\ and\ free\ reserves\ which\ is\ less\ than\ 25\% \ of\ share\ capital\ and\ free\ reserves\ which\ is\ less\ than\ 25\% \ of\ share\ capital\ share\$ the aggregate of the fully paid share capital and free reserves of the Company as on December 31, 2017.

The funds for the implementation of the proposed Buyback will be sourced out of the free reserves of the Company (including Securities Premium Account) or such other source may be permitted by the Buyback

The Company shall transfer from its free reserves a sum equal to the nominal value of the equity shares bought back through the Buyback to the Capital Redemption Reserve Account and details of such transfer shall be disclosed in its subsequent audited standalone financial statements.

The funds borrowed, if any, from banks and financial institutions will not be used for the Buyback MAXIMUM PRICE FOR BUYBACK OF THE EQUITY SHARES

The Equity Shares of the Company are proposed to be bought back at a price of Rs. 430/- (Rupees Four Hundred and Thirty Only). The Buyback Price has been arrived at after considering many factors, including, but not limited to, the trends in the volume weighted average prices of the equity shares of the company on the BSE and NSE i.e. the stock exchanges where the equity shares of the Company are listed, the net worth of the company, price earnings ratio and impact on other financial parameters and the possible impact of buyback on

the earnings per share. The Buyback Price represents:

- i) Premium of 39.74% and 40.14% over the volume weighted average market price of the equity shares on BSE and NSE, respectively, during the three months preceding the date of intimation to the Stock Exchanges for the board meeting to consider the proposal of the Buyback.
- ii) Premium of 33.43% and 33.49% over the volume weighted average market price of the equity shares on BSE and NSE, respectively, during two weeks preceding the date of intimation to the Stock Exchanges for the board meeting to consider the proposal of the Buyback The Company confirms that as required under section 68(2)(d) of the Companies Act, the ratio of the aggregate

of secured and unsecured debts owed by the Company will be not more than twice the paid-up share cap free reserves as on December 31, 2017 after the Buyback. MAXIMUM NUMBER OF SHARES THAT THE COMPANY PROPOSES TO BUYBACK AND TIMELINES

The Company proposes to buy back up to 2,06,00,000 equity shares representing up to 22.65% of the paid up

equity capital of the Company.

The Buyback is proposed to be completed within one year of the date of special resolution approving the

DETAILS OF SHAREHOLDING AND INTENTION OF PROMOTERS TO PARTICIPATE IN THE BUYBACK The aggregate shareholding of the Promoters who are in control of the Company as on January 8, 2018, i.e. the date of the postal ballot notice is as follows:

	Sr. No.	Name of Shareholder	No. of Equity Shares held	Shareholding Percentage (%)		
	1	Dr. Prakash A. Mody	421,55,078	46.36		
		Dr. Prakash A. Mody*	132,200	0.15		
		Mrs. Anita Mody	13,23,400	1.46		
	4	Ms. Suparna Mody	9,49,936	1.04		
5 Ms		Ms. Supriya Mody	9,49,936	1.04		
		Total	4,55,10,550	50.05		
*Shares held in the capacity of Trustee of Virbala Amrut Mody Charitable Trust.						

As on January 8, 2018, i.e. the date of the postal ballot notice, none of the Directors or Key Managerial Personnel of the Company holds any Equity Shares in the Company except for the following

Sr. No.	Name	Designation	No. of Equity Shares held	Shareholding Percentage (%)
1	Mr. Prafull Anubhai	Independent Director	1,000	0.00
2	Mr. Ramdas Gandhi	Independent Director	27,500	0.03
3	Mr. Prafull Sheth	Independent Director	7,500	0.01
4	Mr. Anand Mahajan	Independent Director	25,000	0.03
5	Mr. Rakesh Parikh	Chief Finance & Compliance Officer	54,800	0.06
6	Mr. Rakesh Parikh*	Chief Finance & Compliance Officer	4,050	0.00

*Shares held in the capacity of Karta of Rakesh Biharilal Parikh HUF

No Equity Shares of the Company have been purchased/sold by any of the Promoters, directors of the Company's promoters, Directors and Key Managerial Personnel of the Company during the period from six months preceding the date of the Board Meeting at which the Buyback was proposed and from the date of the Board Meeting till the date of this Notice, other than

No. of Shares Allotted/ Transferred	Date of Allotment / Transfer	Nature of Transaction	Price (Rs.)	Maximum Price (Rs.)	Date of Maximum Price (Rs)	Minimum Price (Rs.)	Date of Minimum Price	Average Price (Rs.)
Mr. Rakesh Parikh								
11,050	3.11.2017	Allotment						
		Under ESOP	46	46	3.11.2017	46	3.11.2017	46
Mr. Prafull Anubhai								
(24,000)	4.9.2017	Gift	Nil	NA	NA	NA	NA	NA
NA = Not Applicable								

- In terms of the Buyback Regulations, under the Tender Offer route, the promoters of the Company have the option to participate in the Buyback. In this regard, Dr. Prakash Mody, one of the promoters of the Company, has expressed his intention vide his letter dated January 8, 2018, to participate in the Buyback and may tender upto a maximum of 2,82,92,277 Equity Shares or such lower number of Equity Shares depending on the response received from the public shareholders in compliance with the Buyback Regulations/terms of Buyback such that his shareholding together with that of other promoters and promoter group in the Company does not fall below
- Details of the date and price of acquisition of the Equity Shares that Dr. Prakash A. Mody intends to tender are

Date of Acquisition/ Allotment	Nature of Transaction	No. of Shares	Nominal Value (Rs.)	Issue Price / Acquisition Price (Rs.)	
September 13, 2012	Pursuant to the Scheme of Arrangement with (i) AVM Capital Services Private Limited, (ii) Viramrut Trading Private Limited, (iii) Pranit Trading Private Limited, (iv) Chevy Capital Services Private Limited, (v) PM Capital Services Private Limited	2,82,92,277	2	Not Applicable	Not Applicable

The Company confirms that there are no defaults subsisting in the repayment of deposits, interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend due to any Shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company

CONFIRMATIONS FROM THE BOARD

The Board of Directors of the Company has confirmed that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion:

- That immediately following the date of the Board Meeting held on Monday, January 8, 2018 and the date on which the Shareholders' resolution by Postal Ballot/e-voting (the "Postal Ballot Resolution") was passed, there were no grounds on which the Company can be found unable to pay its debts;
- That as regards the Company's prospects for the year immediately following the date of the Board meeting held on Monday, January 8, 2018 as well as the year immediately following the date on which the Postal Ballot Resolution will be passed, approving the Buyback and having regards to the Board's intention with respect to the management of the Company's business during that year and to the amount and character of the financial resources, which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board meeting approving the Buyback or within a period of one year from the date of passing of the Postal Ballot Resolution, as the case may be;
- iii. In forming its opinion aforesaid, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Act, and the Insolvency and Bankruptcy Code, 2016 (to the extent notified and in force).

REPORT ADDRESSED TO THE BOARD OF DIRECTORS BY THE COMPANY'S AUDITOR ON PERMISSIBLE CAPITAL PAYMENT AND OPINION FORMED BY DIRECTORS REGARDING INSOLVENCY. The text of the report dated January 8, 2018 of the statutory auditors of the company, addressed to the board is

The Board of Directors

Unichem Laboratories Limited

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

Statutory Auditor's Report relating to proposed buy-back of equity shares by Unichem Laboratories Limited (the "Company") as required by the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (as amended) ("SEBI Buyback Regulations").

 In connection with the proposed buy-back of Equity Shares by Unichem Laboratories Limited (the 'Company') as approved by the Board of Directors at its meeting held on January 8, 2018 in pursuance of the provisions of Sections 68, 69 and 70 of the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended (the "SEBI Buyback Regulations"); and based on the information and explanations given to us which were to the best of our knowledge and belief necessary for this purpose, we have prepared a report on the accompanying Statement ("Annexure A") of permissible capital payment (including premium) as at December 31, 2017 (hereinafter referred to as the "Statement"). This statement has been prepared by the Management, which ve have initialed for the purposes of identification only.

Management's Responsibility for the Statement

The preparation of the Statement in accordance with Section 68 (2)(c) of the Act and the compliance with the SEBI Buyback Regulations, is the responsibility of the Management of the Company, including the computation of the amount of the permissible capital payment, the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in

Auditor's Responsibility

- 3. Pursuant to the requirements of the SEBI Buyback Regulations, it is our responsibility to provide a
 - whether we have inquired into the state of affairs of the Company in relation to its latest audited interim $condensed\ standalone\ financial\ statements\ as\ at\ and\ for\ the\ period\ ended\ December\ 31,2017;$
- ii. if the amount of permissible capital payment as stated in Annexure A forming part of this report, for the proposed buy-back of equity shares is properly determined considering the audited interim condensed standalone financial statements as at and for the period ended December 31, 2017 in accordance with Section 68(2) of the Act; and
- iii. if the Board of Directors of the Company, in their Meeting held on January 8, 2018 have formed the opinion as specified in clause (x) of Part A of Schedule II to the SEBI Buyback Regulations, on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a neriod of one year from the date of the resolution by the Board of Directors of the Company and a period
- of one year from the date of passing of the Shareholders' resolution approving the Buyback; iv. If the opinion expressed by the Board of Directors in the declaration as to any of the matters mentioned in the declaration as approved by the Board of Directors in their meeting held on January 8, 2018 is unreasonable in all the circumstances in the present context.
- We are the statutory auditor of the Company with effect from financial year 2017-2018. We have relied on the opening balances as on April 1, 2017 which were audited by erstwhile auditor. The standalone interim condensed financial statements referred to in paragraph 3 above, have been audited by us, on which we have issued an unmodified audit opinion in our report dated January 8, 2018. We conducted our audit of the standalone interim condensed financial statements in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the interim condensed financial statements are free of material misstatement.
- 5. We conducted our examination of the Statement in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
- 6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements

7. Based on enquiries conducted and our examination as above, we report that:

- We have enquired into the state of affairs of the Company in relation to its standalone interim condensed audited financial statements as at and for the period ended December 31, 2017 which have been approved by the Board of Directors of the Company on January 8, 2018;
- ii. The amount of permissible capital payment (including premium) towards the proposed buy-back of equity shares as computed in the Statement attached herewith (i.e. Annexure A) is properly determined in our view in accordance with Section 68 (2)(c) of the Act. The amounts of share capital and free reserves have been extracted from the standalone interim condensed audited financial statements of the Company as at and for the period ended December 31, 2017;
- iii. The Board of Directors of the Company, in their meeting held on January 8, 2018 have formed their opinion as specified in clause (x) of Part A of Schedule 11 to the Buyback Regulations, on reasonable grounds and that the Company having regard to its state of affairs, will not be rendered insolvent within a period of one year from the date of passing the Board meeting resolution dated January 8, 2018 and a period of one year from the date of passing of the Shareholders' resolution approving the Buyback $iv. \ \ Based on the \ representations \ made \ by \ the \ Company \ and \ other \ information \ and \ explanations \ given to \ us$
- which to the best of our knowledge and belief were necessary for this purpose, we report that we are not aware of anything to indicate that the opinion expressed by the Board of Directors in the declaration as to any of the matters mentioned in the declaration as approved by the Board of Directors in their meeting held on January 8, 2018 is unreasonable in all the circumstances in the present context

Restriction on use

Place: Mumba

Date: January 8, 2018

This report has been issued at the request of the Company solely for use of the Company in relation to (i) filling information with the explanatory statement to the notice for special resolution and in connection with the proposed buy-back of equity shares of the Company in pursuance to the provisions of Sections 68 and other applicable provisions of the Act and the SEBI Buyback Regulations (ii) to enable the Board of Directors of the Company to include in the public announcement, letter of offer and other documents pertaining to buy-back to be sent to the shareholders of the Company or filed with (a) the Registrar of Companies, Securities and Exchange Board of India, stock exchanges, public shareholders and any other regulatory authority as per applicable law and (b) the Central Depository Services (India) Limited, National Securities Depository Limited and (iii) for the purpose of extinguishment of equity shares and may not be suitable for any other For N. A. Shah Associates LLP

Chartered Accountants Firm Registration number116560W/W100149

Milan Mody Membership number 103286

Annexure A - Statement of permissible capital payment (including premium) as at December 31, 2017

The amount of permissible capital payment (including premium) towards the proposed buy back of Equity Shares as computed in the table below is properly determined in our view in accordance with Section 68 (2)(c) of the Act. The amounts of share capital and free reserves have been extracted from the audited interin $condensed\ standalone\ financial\ statements\ of\ the\ Company\ as\ at\ and\ for\ the\ period\ ended\ December\ 31,2017.$

Particulars as at December 31, 2017		Amount (Rs. in crores)
Paid up equity capital 9,09,36,000 shares of		
Rs. 2/- each (fully paid up)	A	18.18
Free Reserves:		
- Retained earnings		3,364.13
- Securities Premium		82.31
- General reserve		185.95
Total Free Reserves	В	3,632.39
Total paid up Equity capital and free reserves	A+B	3,650.57
Maximum amount permissible for buy-back under Section 68 of the Act i.e. 25% of the total paid up equity capital and free reserves.		912.64

Place: Mumbai Date: January 8, 2018

RECORD DATE AND SHAREHOLDER ENTITLEMENT

- As required under the Buyback Regulations, the Company has fixed Friday, February 16, 2018 as the Record Date for the purpose of determining the entitlement and the names of the Shareholders, who will be eligible to
- The Equity Shares proposed to be bought back by the Company shall be divided into two categories:
- (a) reserved category for small shareholders (Reserved Category); and (b) general category for all other Shareholders (General Category)
- In due course, shareholders holding Equity Shares, either in physical or dematerialised form, as on the Record Date ("Eligible Shareholders") will receive a letter of offer in relation to the Buyback ("Letter of Offer") along with a tender offer form indicating the entitlement of the Eligible Shareholder for participating in the Buyback.

As defined in the Buyback Regulations, a "Small Shareholder" is a shareholder who holds Equity Shares

- having market value, on the basis of closing price on BSE or NSE (as applicable, contingent on highest trading volume in respect of Equity Shares as on Record Date), of not more than Rs. 200,000/- (Rupees Two Lakhs In accordance with Regulation 6 of the Buyback Regulations, 15% (fifteen percent) of the number of Equity
- Shares which the Company proposes to buyback or number of Equity Shares entitled as per the shareholding of Small Shareholders, whichever is higher, shall be reserved for the Small Shareholders as part of this Buyback.
- On the basis of the shareholding as on the Record Date, the Company will determine the entitlement of each shareholder to tender their Equity Shares in the Buyback. This entitlement for each shareholder will be calculated based on the number of Equity Shares held by the respective shareholder as on the Record Date and the ratio of Buyback applicable in the category to which such shareholder belongs After accepting the Equity Shares tendered on the basis of entitlement, the Equity Shares left to be bought back, if any in one category shall first be accepted, in proportion to the Equity Shares tendered over and above their
- entitlement in the offer by shareholders in that category, and thereafter from Shareholders who have tendered over and above their entitlement in other category. Shareholders' participation in Buyback will be voluntary. Shareholders can choose to participate, in part or in full and get cash in lieu of Equity Shares accepted under the Buyback or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post Buyback, without additional investment. Shareholders may also accept a part of their entitlement. Shareholders also have the option of tendering additional shares (over and above their entitlement) and participate in the shortfall created due to non-
- participation of some other Shareholders, if any. $The \ maximum \ tender \ under \ the \ Buyback \ by \ any \ Shareholder \ cannot \ exceed \ the \ number \ of \ Equity \ Shares \ held$ by the shareholder as on the Record Date. If the Buyback entitlement for any Eligible Shareholder is not a round number (i.e. not a multiple of one Equity Share), then the fractional entitlement shall be ignored for computation of entitlement to tender Equity Shares in the Buyback. The Small Shareholders whose entitlement would be less than 1 Equity Shares may tender additional Equity Shares as part of the Buyback offer and will be given preference in the acceptance of one Equity Share, if such Small Shareholders have tendered for additional
- Equity Shares. 9.10 The Equity Shares tendered as per the entitlement by Shareholders as well as additional Equity Shares tendered, if any, will be accepted as per the procedure laid down in Buyback Regulations. Each Eligible Shareholder will receive the letter of offer along with a tender/offer form indicating the entitlement of the Eligible Shareholder for participating in the Buyback.
- Detailed instructions for participation in the Buyback (tender of Equity Shares in the Buyback) as well as the relevant time table will be included in the Letter of Offer which will be sent in due course to the Shareholders as on the Record Date.

PROCESS AND METHODOLOGY FOR BUYBACK

- The Buyback is open to all Eligible Shareholders/beneficial owners for Eligible Shareholders holding Equity Shares either in physical and/or dematerialized form on the Record Date.
- The Buyback shall be implemented using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI Circular ("Stock Exchange Mechanism") and following the procedure prescribed in the Companies Act and the Buyback Regulations and as may be determined by the Board (including the Buyback Committee constituted by the Board authorized to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time.
- 10.3 For implementation of the Buyback, the Company has appointed Kotak Securities Limited as the registered broker to the Company (the "Company's Broker") to facilitate the process of tendering of Equity Shares through Stock Exchange Mechanism for the Buyback as described in paragraphs 10.7 and 10.8. In the tendering process, the Company's Broker may also process the orders received from the Eligible Shareholders. The contact details of the Company's Broker are as follows:



Kotak Securities Limited

27 BKC, C 27, G Block, Bandra-Kurla Complex, Bandra (E), Kotak Securities Mumbai 400051

Contact Person: Ms. Naaz Khan, Tel: +91 22 3030 5757 Email: Naaz.Khan@kotak.com. Website: www.kotaksecurities.com SEBI Registration No. NSE Capital Market: INB230808130; BSE Equity: INB010808153 CIN: U99999MH1994PLC134051

- 10.4 The Company will request BSE to provide a separate acquisition window ("Acquisition Window") to facilitate placing of sell orders by Eligible Shareholders who wish to tender Equity Shares in the Buyback. BSE $the \ designated \ stock \ exchange \ for \ the \ Buyback \ (\textbf{``Designated Stock Exchange''}). \ The \ details \ of \ the \ Acquisition$ Window will be specified by BSE from time to time 10.5 During the tendering period, the order for selling the Equity Shares will be placed in the Acquisition Window by
- Eligible Shareholders through their respective stock brokers ("Stock Brokers") during normal trading hours of the secondary market. The Stock Brokers can enter orders for demat shares as well as physical shares. In the event the Stock Broker(s) are not registered with BSE or if the Eligible Shareholder does not have any stock broker then that Eligible Shareholder can approach any BSE registered stock broker and can make a bid by using quick unique client code (UCC) facility through such BSE registered stock broker after submitting the details as may be required by the stock broker to be in compliance with the Buyback Regulations.
- 10.6 Procedure to be followed by Eligible Shareholders holding Equity Shares in the dematerialized form:
- 10.6.1 Eligible Shareholders who desire to tender their Equity Shares in electronic form under Buyback would have to do so through their respective Stock Broker by indicating to their broker the details of Equity Shares they intend to tender under the Buyback.
- 10.6.2 The Stock Broker would be required to place an order/bid on behalf of the Eligible Shareholders who wish to tender Equity Shares in the Buyback using the Acquisition Window of the Stock Exchanges. Before placing the bid, the Eligible Shareholder would be required to transfer the tendered Equity Shares to the special account of the Indian Clearing Corporation Limited (the "Clearing Corporation"), by using the early-pay in mechanism as prescribed by the Stock Exchanges or the Clearing Corporation prior to placing the bid by the Stock Broker.
- 10.6.3 The details of the Special Account of Clearing Corporation shall be informed in the issue opening circular that will be issued by the Clearing Corporation
- $10.6.4\,For\ custodian\ participant\ orders\ for\ demat\ Equity\ Shares\ early\ pay-in\ is\ mandatory\ prior\ to\ confirmation\ of\ the$ order/bid by the custodian. The custodian shall either confirm or reject the orders not later than the closing of trading hours on the last day of the tendering period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.
- 10.6.5 Upon placing the bid, the Stock Broker shall provide a Transaction Registration Slip ("TRS") generated by the exchange bidding system to the Eligible Shareholder. The TRS will contain the details of the order submitted like bid ID number, application number. DP ID, client ID, number of Equity Shares tendered etc.

10.7 Procedure to be followed by Eligible Shareholders holding Equity Shares in the Physical form:

- 10.7.1 Eligible Shareholders who are holding physical Equity Shares and intend to participate in the Buyback will be required to approach the Stock Broker along with the complete set of documents for verification procedures to be carried out including the (i) original share certificate(s), (ii) valid share transfer form(s) duly filled and signed by the transferors (i.e., by all registered shareholders in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favour of the Company, (iii) self-attested copy of the shareholder's PAN Card, and (iv) any other relevant documents such as power of attorney, corporate authorization (including board resolution/specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased, etc., as applicable. In addition, if the address of an Eligible Shareholder has undergone a change from the address registered in the Register of Shareholders of the Company, the shareholder would be required to submit a selfattested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport. 10.7.2 Based on these documents, the Stock Broker shall place the bid on behalf of the Eligible Shareholder holding
- Equity Shares in physical form who wishes to tender Equity Shares in the Buyback using the TRS generated by the Stock Exchanges' bidding system to the Eligible Shareholder. The TRS will contain the details of the order submitted like folio number, certificate number, distinctive number of Equity Shares tendered, etc. 10.7.3 The Stock Broker/Eligible Shareholder has to deliver the original share certificate(s) and documents (as
- mentioned above) along with the TRS either by registered post or courier or hand delivery to the registrar to the Buyback i.e. Link Intime India Private Limited ("Registrar") (at the address mentioned at paragraph 14 below or the collection centers of the Registrar details of which will be included in the letter of offer) within 2 (two) days of bidding by the Stock Broker. The envelope should be superscribed as "Unichem Limited Buyback Offer 2018". One copy of the TRS will be retained by the Registrar and it will provide acknowledgement of the same to the Stock Broker / Eligible Shareholder.
- 10.7.4 Eligible Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares for the Buyback shall be subject to verification as per the Buyback Regulations and any further directions issued in this regard. The Registrar will verify such bids based on the documents submitted on a daily basis and till such time the Stock Exchanges shall display such bids as 'unconfirmed physical bids'. Once the Registrar confirms the bids, they will be treated as 'confirmed bids'.
- 10.8 Modification/cancellation of orders will be allowed during the tendering period of the Buyback The cumulative quantity of Equity Shares tendered under the Buyback shall be made available on the website of
 - the BSE throughout the trading session and will be updated at specific intervals during the tendering period. continued on next page..

11 METHOD OF SETTLEMENT

- 11.1 Upon finalization of the basis of acceptance as per Buyback Regulations:
- 11.1.1 The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary
- 11.1.2 The Company will pay the consideration to the Company's Broker who will transfer the funds pertaining to the Buyback to the Clearing Corporation's bank accounts as per the prescribed schedule. For Equity Shares accepted under the Buyback, the Clearing Corporation will make direct funds payout to respective Eligible Shareholders. If the Eligible Shareholders' bank account details are not available or if the funds transfer instruction is rejected by RBI/Bank, due to any reason, then such funds will be transferred to the concerned $Stock\,Brokers'\,settlement\,bank\,account\,for\,onward\,transfer\,to\,such\,Eligible\,Shareholders.$
- 11.1.3 The Equity Shares bought back in demat form would be transferred directly to the demat account of the Company opened for the Buyback ("Company Demat Account") provided it is indicated by the Company's Broker or it will be transferred by the Company's Broker to the Company Demat Account on receipt of the Equity Shares from the clearing and settlement mechanism of the Stock Exchanges.
- 11.1.4 The Eligible Shareholders will have to ensure that they keep the depository participant ("DP") account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non-acceptance of shares under the Buyback.
- 11.1.5 Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Eligible Shareholders would be returned to them by the Clearing Corporation. Any excess physical Equity Shares pursuant to proportionate acceptance/rejection will be returned back to the Eligible Shareholders directly by the Registrar. The Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Equity Shares, in case the Equity Shares accepted by the Company are less than the Equity Shares $tendered in the \ Buyback \ by \ Equity \ Shareholders \ holding \ Equity \ Shares \ in \ the \ physical form.$
- 11.1.6 The Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under $the \ Buyback. \ If the \ Eligible \ Shareholders \ bank \ account \ details \ are \ not \ available \ or \ if \ the \ fund \ transfer \ instruction$ is rejected by the Reserve Bank of India or any other bank, due to any reasons, the amount payable to the Eligible Shareholders will be transferred to the Stock Broker for onward transfer to the Eligible Shareholder
- 11.1.7 Eligible Shareholders who intend to participate in the Buyback should consult their respective Stock Broker for details of any cost, applicable taxes, charges and expenses (including brokerage) etc., that may be levied by the

Stock Broker upon the selling shareholders for tendering Equity Shares in the Buyback (secondary market transaction). The Buyback consideration received by the Eligible Shareholders in respect of accepted Equity Shares could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Eligible Shareholders.

11.1.8 The Equity Shares lying to the credit of the company demat escrow account and the equity shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the Buyback Regulations.

INVESTOR SERVICE CENTRE AND COMPLIANCE OFFICER 12

The Company has designated the following as the Compliance Officer for the Buyback:

· Ms Neema Thakore Name

Designation: Head - Legal & Company Secretary Address : Unichem Bhavan, Off S. V. Road, Prabhat Estate, Jogeshwari (West), Mumbai- 400 102 Tel : (022) 66888404; (022) 2678 4391

: buyback@unichemlabs.com

In case of any clarifications or to address investor grievance, the Shareholders may contact the Compliance Officer, from Monday to Friday between 10 am to 4 pm on all working days except public holidays, at the above mentioned address.

REGISTRAR TO THE BUYBACK

The Company has appointed the following as the Registrar to the Buyback:

Link Intime India Private Limited LINK Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083 Contact Person: Mr. Sumeet Deshpande Phone: +91 22 49186200

Fax: +91 22 49186195 Email: unichem.buyback2018@linkintime.co.in

In case of any query, the Shareholders may contact the Registrar, from Monday to Friday between 10 am to 4 pm on all working days except public holidays at the abovementioned address.

MANAGER TO THE BUYBACK

The Company has appointed the following as Manager to the Buyback:



Kotak Mahindra Capital Company Limited Address: 27 BKC, 1st Floor, Plot No. C-27, "G" Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051 Phone: +91-22-4336-0128 Fax: +91-22-6713-2447 Contact Person: Mr. Ganesh Rane Email: project.unichembuyback@kotak.com

15 DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Regulation 19(1)(a) of the Buyback Regulations, the Board of Directors of the Company accepts responsibility for all the information contained in this Public Announcement and confirms that such document contains true, factual and material information and does not contain any misleading information.

For and on behalf of the Board of Directors of **Unichem Laboratories Limited**

Sd/-Sd/-Sd/-

Dr. Prakash A. Mody Mr. Praful Sheth Ms. Neema Thakore DIN: 00184581 DIN: 00001285 **Head-Legal & Company Secretary** FCS 3966

Date: February 10, 2018 Place: Mumbai / Vadodara

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