



**UNICHEM
LABORATORIES LTD.**

Fax No : 91 (22) 2678 4391 / 5198
Tel. No. : 91 (22) 6688 8333
Website : <http://www.unichemlabs.com>

Registered & Corporate Office : Unichem Bhavan, Prabhat Estate, S. V. Road, Jogeshwari (West), Mumbai-400102, INDIA.

October 10, 2011

The Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400001.

National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (E),
Mumbai - 400051.

Dear Sirs,

Ref: Clause 31(c) of the Listing Agreement

Sub: The Scheme of Arrangement between AVM Capital Services Private Limited ('the First Transferor Company' or 'ACSPL') and Chevy Capital Services Private Limited ('the Second Transferor Company' or 'CCSPL') and PM Capital Services Private Limited ('the Third Transferor Company' or 'PCSPL') and Pranit Trading Private Limited ('the Fourth Transferor Company' or 'PTPL') and Viramrut Trading Private Limited ('the Fifth Transferor Company' or 'VTPL') and Unichem Laboratories Limited ('the Transferee Company' or 'ULL') and their respective shareholders under Sections 391 to 394 read with sections 80 and 100 to 103 of the Companies Act, 1956.

In compliance with the provisions of Clause 31(c) of the Listing Agreement, please find enclosed three copies of the Notice & Explanatory Statement as forwarded to the equity shareholders of the Company ('Annexure A').



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Also, please find enclosed the public notices (in triplicate) in English and Marathi,
published in the newspapers ('Annexure B').

Please acknowledge the receipt of the same.

Thanking you,

Yours faithfully,

For Unichem Laboratories Limited

K. Subharaman

V.P. - Legal & Company Secretary

Encl: As Above



UNICHEM
LABORATORIES LTD.

**Court Convened Meeting of the
Equity Shareholders**

Thursday, 3rd November 2011

Registered Office: Unichem Bhavan, Prabhat Estate, Off S.V. Road,
Jogeshwari (West), Mumbai – 400 102
Tel. No. (022) – 66888333, Fax (022) 26784391/26788665

Court Convened Meeting of the Equity Shareholders

PARTICULARS	CONTENTS	PAGE NO.
Date: 3rd November 2011 Day: Thursday Time: 11.30 a.m. Venue: Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018.	Notice of the Court convened meeting of the Equity Shareholders of Unichem Laboratories Limited under the provisions of Sections 391 to 394 and Section 100 of the Companies Act, 1956.....	4
	Explanatory statement under Section 393 of the Companies Act, 1956.....	6
	Scheme of Arrangement under Sections 391 to 394 read with Sections 80, 100 to 103 of the Companies Act, 1956.....	13
	Form of Proxy.....	23
	Attendance Slip.....	24

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 603 OF 2011**

In the matter of the Companies Act, 1956 (1 of 1956);

AND

In the matter of Sections 391 to 394 read with Sections 80, 100 to 103 of the Companies Act, 1956;

AND

In the matter of the Scheme of Arrangement between AVM Capital Services Private Limited ("the First Transferor Company") and Chevy Capital Services Private Limited ("the Second Transferor Company") and PM Capital Services Private Limited ("the Third Transferor Company") and Pranit Trading Private Limited ("the Fourth Transferor Company") and Viramrut Trading Private Limited ("the Fifth Transferor Company") and Unichem Laboratories Limited ("the Transferee Company")

AND

their respective shareholders

UNICHEM LABORATORIES LIMITED, a company incorporated under the Companies Act, 1956 having its registered office at Unichem Bhavan, Prabhat Estate, Off S.V. Road, Jogeshwari (W), Mumbai - 400102

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)..... The Applicant Company

**NOTICE CONVENING THE MEETING OF EQUITY SHAREHOLDERS
OF UNICHEM LABORATORIES LIMITED**

To,
The Members of Unichem Laboratories Limited ("the Applicant Company")

TAKE NOTICE that by an Order made on the 30th day of September, 2011, in the above mentioned Company

Summons for Direction, the Hon'ble High Court of Judicature at Bombay has directed that a meeting of the Equity Shareholders of the Applicant Company, be convened and held at Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018 at 11.30 a.m. on Thursday, 3rd day of November, 2011.

1. To consider and if thought fit, to approve, with or without modification(s), the Scheme of Arrangement between AVM Capital Services Private Limited and Chevy Capital Services Private Limited and PM Capital Services Private Limited and Pranit Trading Private Limited and Viramrut Trading Private Limited (hereinafter, collectively referred to as "**the Transferor Companies**") and Unichem Laboratories Limited and their respective shareholders pursuant to the provisions of the Sections 391 to 394 read with Sections 80, 100 to 103 of the Companies Act, 1956, (**the Scheme**).

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 Sections 80, 100 to 103 and any other applicable provisions, of the Companies Act, 1956 (hereinafter referred to as "**the Act**") and the Article 66 of the Articles of Association of the Applicant Company and subject to approval of shareholders by special resolution and confirmation of the Hon'ble High Court of Judicature of Bombay or any other appropriate authority as required under the Act, the issued, subscribed and paid-up Equity Share Capital as on March 31, 2011, of ₹ 18,04,79,000 divided into 9,02,39,500 Equity Shares of ₹ 2 each shall stand cancelled and reduced by ₹ 5,65,87,982 divided into 2,82,93,991 Equity Shares of ₹ 2 each held by each of the Transferor Companies in the Applicant Company as an integral part of the Scheme. The application and consequential reduction of the Capital Redemption Reserve Account of the Applicant Company as stated in the Scheme, shall be effected as an integral part of the Scheme, upon which the share capital of the Applicant Company shall be deemed to be reduced to the extent as the case may be and the Order of the High Court of Bombay sanctioning the Scheme shall be deemed to be an order under Sections 100- 102 of the Act confirming the reduction. The maximum amount utilized from Capital Redemption Reserve Account would not exceed ₹ 5,65,87,982.

"FURTHER RESOLVED THAT the Board of Directors of the Company or a committee thereof, of Mr. Prafull Anubhai, Director and Mr. Ramdas Gandhi, Director of the Applicant Company, be and is hereby jointly or severally authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper and to settle any question or difficulty that may arise with regard to the above resolution or to make such modification as may be required by the said Bombay High Court and/or any other regulatory authority to implement the aforesaid Resolution."

TAKE FURTHER NOTICE that in pursuance of the said Order, a meeting of the Equity Shareholders of the Applicant Company will be held at Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018 at 11.30 a.m. on Thursday, 3rd day of November, 2011, where you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorized representative, is deposited at the Registered Office of Unichem Laboratories Limited, the Applicant Company at Unichem Bhavan, Prabhat Estate off S.V. Road, Jogeshwari (W), Mumbai - 400102 not later than 48 hours before the commencement of the meeting.

The Hon'ble Bombay High Court has appointed Mr. Prafull Anubhai, Director and failing him Mr. Ramdas Gandhi, Director, of the Applicant Company, to be the Chairman of the said Meeting.

A copy of the Scheme of Arrangement, the Statement under Section 393 of the Companies Act, 1956, Form of Proxy and Attendance Slip are enclosed.

Sd/-

Prafull Anubhai

Chairman appointed for the meeting

Dated this 3rd day of October, 2011

Place- Mumbai

Registered Office:

Unichem Bhavan,
Prabhat Estate, Off S.V. Road,
Jogeshwari (W), Mumbai - 400102

Notes:

1. All alterations made in the Form of Proxy should be initialed.
2. Only registered shareholders of the Applicant Company may attend and vote (either in person or by proxy) at the shareholders' meeting.
3. The representative of a body corporate which is a registered Equity Shareholder of the Applicant Company may attend and vote at the Equity Shareholders' meeting provided a Certified true copy of the resolution of the Board of Directors or other governing body of the body corporate is deposited at the registered office of the Applicant Company not later than 48 hours before the meeting authorizing such representative to attend and vote at the Equity Shareholders' meeting.

Enclosure: As above

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 603 OF 2011**

In the matter of the Companies Act, 1956 (1 of 1956);

AND

In the matter of Sections 391 to 394 read with Sections 80, 100 to 103 of the Companies Act, 1956;

AND

In the matter of the Scheme of Arrangement between AVM Capital Services Private Limited ("the First Transferor Company") and Chevy Capital Services Private Limited ("the Second Transferor Company") and FM Capital Services Private Limited ("the Third Transferor Company") and Pranit Trading Private Limited ("the Fourth Transferor Company") and Viramrut Trading Private Limited ("the Fifth Transferor Company") and Unichem Laboratories Limited ("the Transferee Company")

AND

their respective shareholders

UNICHEM LABORATORIES LIMITED, a)
company incorporated under the Companies)
Act, 1956 having its registered office at)
Unichem Bhavan, Prabhat Estate, Off S.V.)
Road, Jogeshwari (W), Mumbai - 400102) The Applicant Company

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956

1 Pursuant to an Order dated 30th day of September, 2011 passed by the Hon'ble High Court of Judicature at Bombay in the Company Summons for Direction referred to hereinabove, a meeting of the Equity Shareholders of Unichem Laboratories Limited, the Applicant Company is being convened at Hall of

Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018 on Thursday, 3rd day of November, 2011 at 11.30 a.m. for the purpose of considering and if thought fit, approving, with or without modification, the Scheme of Arrangement between AVM Capital Services Private Limited ("ACSPL" or

"the First Transferor Company") and Chevy Capital Services Private Limited ("CCSPL" or "the Second Transferor Company") and PM Capital Services Private Limited ("PCSPL" or "the Third Transferor Company") and Pranit Trading Private Limited ("PTPL" or "the Fourth Transferor Company") and Viramrut Trading Private Limited ("VTPL" or "the Fifth Transferor Company") and Unichem Laboratories Limited ("ULL" or "the Transferee Company" or "the Applicant Company") and their respective shareholders under Sections 391 to 394 read with Sections 80, 100 to 103 and other applicable provisions of the Companies Act, 1956 ("the Scheme").

2 ACSPL, CCSPL, PCSPL, PTPL and VTPL are hereinafter together referred to as "Transferor Companies".

3 A copy of the Scheme setting out in detail the terms and conditions of the arrangement, inter-alia, providing for the merger of the Transferor Companies with the Applicant Company which has been approved by the Board of Directors of the Applicant Company as its meeting held on May 14, 2011 is attached to this explanatory statement.

4 The background of Unichem Laboratories Limited is as under:

4.1 The Applicant Company was incorporated on August 22, 1962, under the provisions of the Companies Act, 1956 under the name and style of "Unichem Laboratories Limited".

4.2 The Registered Office of the Applicant Company is situated at Unichem Bhavan, Prabhat Estate, off S.V. Road, Jogeshwari (W), Mumbai-400102.

4.3 Some of the principal objects of ULL, the Applicant Company specified in the Memorandum of Association are listed below:

- 1) *To acquire and take over as a going concern the business now carried on at Bombay at Amrut Vithaldas Mody as manufacturing chemist and dealer in pharmaceuticals and medicinals in the name and style of UNICHEM LABORATORIES LIMITED as the Sole Proprietor thereof, with all or any of the assets and liabilities of the said business on such terms and conditions as may be agreed upon and with a view thereto to adopt, become parties to and to enter into such Agreements or other deeds, instruments and writings as may be deemed proper or advisable and to agree*

to make such modifications therein as may be thought fit by the Directors of the Company and to carry the same into effect with or without modifications.

- 2) *To manufacture any chemicals, heavy or fine, organic, inorganic, biological or any other from raw materials of vegetable, animal or mineral origin or from other chemicals or from by-products or waste products of other trades and industries and raw materials and chemicals available in India or imported.*

4.4 The Share Capital of the Applicant Company as on 31st March, 2011 is as under:

Particulars	Amount (₹)
Authorized Share Capital	
175,000,000 Equity Shares of ₹ 2/- each	350,000,000
50,000,000 Unclassified Shares of ₹ 2/- each	100,000,000
5,000,000 Preference Shares of ₹ 10/- each	50,000,000
Total	500,000,000
Issued, Subscribed and Paid-up Share Capital	
90,239,500 Equity Shares of ₹ 2/- each fully paid up	180,479,000
Total	180,479,000

Subsequent to the above balance sheet date, there has been a change in the Issued, Subscribed and Paid-up Capital of the Applicant Company. The revised Share Capital Structure of the Applicant Company as on date as under:

Particulars	Amount (₹)
Issued, Subscribed and Paid-up Share Capital	
90,299,126 Equity Shares of ₹ 2/- each fully paid up	180,598,252
Total	180,598,252

4.5 The Equity Shares of the Applicant Company are listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

5 The background of AVM Capital Services Private Limited is as under:

5.1 ACSPL was incorporated on 28th February, 1975.

5.2 The Registered Office of ACSPL is situated at 22, Bhulabhai Desai Road, Mumbai -400026.

5.3 The principal objects of ACSPL, the First Transferor Company specified in the Memorandum of Association is listed below:

To undertake various activities relating to capital & financial markets as underwriters, promoters, general brokers, sub brokers, remisers, financial & investment consultants, advisers, portfolio managers, registrars, underwriters and other intermediaries relating to various government, semi-government and private instruments such as shares, stocks, debentures, debenture stocks, bonds, units, debt market instruments, post office instruments, growth and investment schemes of mutual funds and other securities.

5.4 The Share Capital of ACSPL, the First Transferor Company as on 31st March, 2011 is as under:

Particulars	Amount (₹)
Authorized Share Capital	
1900 Equity Shares of ₹ 100/- each	190,000
100, 6% Cumulative Redeemable Preference Shares of ₹ 100/- each	10,000
Total	200,000
Issued, Subscribed and Paid-up Share Capital	
1000 Equity Shares of ₹ 100/- each fully paid up	100,000
Total	100,000

Subsequent to 31st March, 2011, there has been no change in the Authorized, Issued, Subscribed and Paid-up Capital of ACSPL.

5.5 As on date ACSPL holds 4,672,552 Equity Shares of ₹ 2 each of Unichem Laboratories Limited, the Applicant Company.

6 **The background of Chevy Capital Services Private Limited is as under:**

6.1 CCSPL was incorporated on 17th February, 1982.

6.2 The Registered Office of CCSPL is situated at 22, Bhulabhai Desai Road, Mumbai -400026.

6.3 The principal objects of CCSPL, the Second Transferor Company specified in the Memorandum of Association is listed below:

To undertake various activities relating to capital & financial markets as underwriters, promoters, general brokers, sub brokers, remisers, financial & investment consultants,

advisers, portfolio managers, registrars, underwriters and other intermediaries relating to various government, semi-government and private instruments such as shares, stocks, debentures, debenture stocks, bonds, units, debt market instruments, post office instruments, growth and investment schemes of mutual funds and other securities.

6.4 The Share Capital of CCSPL, the Second Transferor Company as on 31st March, 2011 is as under:

Particulars	Amount (₹)
Authorized Share Capital	
1,000 Equity Shares of ₹ 100/- each	100,000
1,00,000, 6% Redeemable Non Cumulative Preference Shares of ₹ 100/- each	10,000,000
Total	10,100,000
Issued, Subscribed and Paid-up Share Capital	
1,000 Equity Shares of ₹ 100/- each fully paid up	100,000
Total	100,000

Subsequent to 31st March, 2011, there has been no change in the Authorized, Issued, Subscribed and Paid-up Capital of CCSPL.

6.5 As on date CCSPL holds 5,246,074 Equity Shares of ₹ 2 each of Unichem Laboratories Limited, the Applicant Company.

7 **The background of PM Capital Services Private Limited is as under:**

7.1 PCSPL was incorporated on 28th February, 1975.

7.2 The Registered Office of PCSPL is situated at 22, Bhulabhai Desai Road, Mumbai -400026.

7.3 The principal objects of PCSPL, the Third Transferor Company specified in the Memorandum of Association is listed below:

To undertake various activities relating to capital & financial markets as underwriters, promoters, general brokers, sub brokers, remisers, financial & investment consultants, advisers, portfolio managers, registrars, underwriters and other intermediaries relating to various government, semi-government and private instruments such as shares, stocks, debentures, debenture stocks, bonds, units, debt market instruments, post office instruments, growth and investment schemes of mutual funds and other securities.

- 7.4 The Share Capital of PCSPL, the Third Transferor Company as on 31st March, 2011 is as under:

Particulars	Amount (₹)
Authorized Share Capital	
1,900 Equity Shares of ₹ 100/- each	190,000
100, 9% Cumulative Redeemable Preference Shares of ₹ 100/- each	10,000
Total	200,000
Issued, Subscribed and Paid-up Share Capital	
1,000 Equity Shares of ₹ 100/- each fully paid up	100,000
Total	100,000

Subsequent to 31st March, 2011, there has been no change in the Authorized, Issued, Subscribed and Paid-up Capital of PCSPL.

- 7.5 As on date PCSPL holds 4,670,186 Equity Shares of ₹ 2 each of Unichem Laboratories Limited, the Applicant Company.

8 **The background of Pranit Trading Private Limited is as under:**

- 8.1 PTPL was incorporated on 28th July, 1978.
8.2 The Registered Office of PTPL is situated at 22, Bhulabhai Desai Road, Mumbai -400026.
8.3 The principal objects of PTPL, the Fourth Transferor Company specified in the Memorandum of Association is listed below:

To carry on the business of a trading Company, and as merchants, importers, exporters, buyers, sellers, retailers and processors of and dealers and agents in all kinds of commodities, materials, articles and goods including cotton and other fabrics, textiles, clothes, fabrics of all kinds, oil seeds, minerals, chemicals, ornaments, and jewellery, bullion and coin, precious, and semi-precious stones, objects of art, fruit, packaged food, processed food, packaged water, industrial machinery, electronic items cosmetics, lifestyle items, objects of art and handicrafts, ornaments, jewellery, precious, and semi precious stones, glassware, home and office decorations, chemicals, minerals, precious, ferrous, non-ferrous metals, products of every description in natural state or processed, and products of every description, either raw or manufactured or in the natural state or proceed, no money circulation shall be carried out by the Company.

- 8.4 The Share Capital of PTPL, the Fourth

Transferor Company as on 31st March, 2011 is as under:

Particulars	Amount (₹)
Authorized Share Capital	
1,100 Equity Shares of ₹ 100/- each	110,000
100, 11% Cumulative Redeemable Preference Shares of ₹ 100/- each	10,000
4,500, 2% Redeemable Preference Shares of ₹ 100/- each	450,000
1,00,000, 6% Redeemable Non Cumulative Preference Shares of ₹ 100/- each	10,000,000
300 unclassified Shares of ₹ 100/- each	30,000
Total	10,600,000
Issued, Subscribed and Paid-up Share Capital	
1,000 Equity Shares of ₹ 100/- each fully paid up	100,000
Total	100,000

Subsequent to 31st March, 2011, there has been no change in the Authorized, Issued, Subscribed and Paid-up Capital of PTPL.

- 8.5 As on date PTPL holds 8,252,673 Equity Shares of ₹ 2 each of Unichem Laboratories Limited, the Applicant Company.

9 **The background of Viramrut Trading Private Limited is as under:**

- 9.1 VTPL was incorporated on 16th November, 1970.
9.2 The Registered Office of VTPL is situated at 22, Bhulabhai Desai Road, Mumbai -400026.
9.3 The principal objects of VTPL, the Fifth Transferor Company specified in the Memorandum of Association is listed below:

To carry on the business of a trading Company, and as merchants, importers, exporters, buyers, sellers, retailers and processors of and dealers and agents in all kinds of commodities, materials, articles and goods including cotton and other fabrics, textiles, clothes, fabrics of all kinds, oil seeds, minerals, chemicals, ornaments, and jewellery, bullion and coin, precious, and semi-precious stones, objects of art, fruit, packaged food, processed food, packaged water, industrial machinery, electronic items cosmetics, lifestyle items, objects of art and handicrafts, ornaments,

jewellery, precious, and semi precious stones, glassware, home and office decorations, chemicals, minerals, precious, ferrous, non-ferrous metals, products of every description in natural state or processed, and products of every description, either raw or manufactured or in the natural state or proceed, no money circulation shall be carried out by the Company.

9.4 The Share Capital of VTPL, the Fifth Transferor Company as on 31st March, 2011 is as under:

Particulars	Amount (₹)
Authorized Share Capital	
3,182 Equity Shares of ₹ 100/- each	318,200
1,818, 4% Cumulative Redeemable Preference Shares of ₹ 100/- each	181,800
1,00,000, 6% Redeemable Non Cumulative Preference Shares of ₹ 100/- each	10,000,000
Total	10,500,000
Issued, Subscribed and Paid-up Share Capital	
3,182 Equity Shares of ₹ 100/- each fully paid up	318,200
Total	318,200

Subsequent to 31st March, 2011, there has been no change in the Authorized, Issued, Subscribed and Paid-up Capital of VTPL.

As on date 1,516 equity shares of VTPL is beneficially owned and held by the Second Transferor Company and 1,566 held by the Fourth Transferor Company.

9.5 As on date VTPL holds 5,452,506 Equity Shares of ₹ 2 each of Unichem Laboratories Limited, the Applicant Company.

10 Rationale behind proposed restructuring:

The holding of the promoters in the Applicant Company as on March 31, 2011 was 48.65%. A part of this holding i.e. 28,293,991 equity shares i.e. 31.35% is held through the Transferor Companies. The Transferor Companies are companies through which promoters hold shares of Applicant Company. The primary assets of the Transferor Companies comprise of equity shares in the Applicant Company and cash balance to meet the expenses in relation to the Scheme. The merger of the Transferor Companies with the Applicant Company would help in consolidating and streamlining the promoter holding in the Applicant Company and thereby bring long term stability in holding structure of the Applicant

Company.

11 The salient features of the Scheme are as follows:

11.1 The Appointed Date of the Scheme will be 1st day of April, 2011.

11.2 With effect from the Appointed Date and upon the Scheme becoming effective, the entire business and undertakings of the Transferor Companies including all its assets like investments and other movable assets of whatsoever nature shall under the provisions of Sections 391 to 394 of the Act and pursuant to the orders of the Bombay High Court sanctioning this Scheme and without any further act or deed be transferred and/or deemed to be transferred to and vested in the Applicant Company so as to become the properties of the Applicant Company.

11.3 Pursuant to the Scheme coming into effect, the investments in equity share capital of the Applicant Company (i.e. 28,293,991 equity shares) held by the Transferor Companies, shall stand cancelled.

11.4 The Applicant Company shall issue and allot equivalent number of equity shares in its capital at par to the shareholders of the Transferor Companies. Accordingly, pursuant to the amalgamation there would be no change in the shareholding pattern and the capital structure of the Applicant Company.

11.5 On the Scheme becoming operative, all staff, workmen and employees of the Transferor Companies in service on the Effective Date shall be deemed to have become staff, workmen and employees of the Applicant Company with effect from the Appointed Date without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Applicant Company shall not be less favourable than those applicable to them with reference to the Transferor Companies on the Effective Date.

11.6 All charges and expenses incurred in carrying out and implementing the provisions of this Scheme and incidentals thereto shall be borne by the Applicant Company.

The members are requested to read the entire text of the Scheme to get better acquainted with the provisions thereof. As stated above, the aforesaid are only salient features thereof.

12 The share exchange ratio is based on independent valuation exercise carried out by M/s NA Shah Associates, Chartered Accountants. In terms of clause 24(h) of Listing Agreement, the Company has also

obtained a fairness opinion from Fedex Securities Limited, a category I Merchant Banker on the share exchange ratio.

- 13 Pursuant to merger of the Transferor Companies with the Applicant Company and the Scheme coming into effect, the issued, subscribed and paid-up Equity Share Capital as on March 31, 2011, of ₹ 18,04,79,000 divided into 9,02,39,500 Equity Shares of ₹ 2 each shall stand reduced to ₹ 12,38,91,018 divided into 6,19,45,509 Equity Shares of ₹ 2 each. The reduction of Equity Share Capital Account shall be effected as an integral part of the Scheme and the Order of the Court sanctioning the Scheme shall be deemed to be an Order under Section 102 of the Act confirming the reduction. Further, this adjustment is only by way of an accounting entry and no payment is being made to any shareholder of the Applicant Company. Hence the interest of creditors is not getting affected.
- 14 No investigation proceedings are pending under Sections 235 and 251 of the Companies Act, 1956 in respect of the Applicant Company.
- 15 The Applicant Company has obtained the approval of the Scheme in terms of the Clause 24(f) of the Listing Agreement from Bombay Stock Exchange Limited vide their letter dated 20th September 2011 and similar approval from National Stock Exchange of India Limited vide their letter dated 29th August, 2011.
- 16 The rights and interests of the members and creditors of the Applicant Company will not be prejudicially affected by the Scheme.
- 17 The Applicant Company is in a sound financial position. The last audited accounts of the Applicant Company and each of the Transferor Companies indicate that they are in a solvent position and would easily be able to meet their liabilities as and when they arise in the normal course of the business. Further, as per the audited financials as on March 31, 2011 all the Transferor Companies do not have any liabilities in their books of accounts. Hence, the arrangement in no way casts any burden on the shareholders and creditors of the Applicant Company.
- 18 The Scheme of Arrangement was approved by the Board of Directors of the Applicant Company on May 14, 2011 and the Transferor Companies on May 14, 2011.
- 19 The pre and post arrangement shareholding of the Applicant Company will be as under:

Category of Shareholders	Pre-Merger (31st March, 2011)		Post -Merger (1st April, 2011)	
	Face Value of Equity Shares of ₹ 2 each			
	No. of Shares	%	No. of Shares	%
Transferor Companies / Promoter Group	43,902,229	48.65	43,902,229	48.65
Institutional Investors (MF/FI/Banks)	15,040,520	16.67	15,040,520	16.67
Corporate Bodies	7,140,754	7.91	7,140,754	7.91
Individuals	21,452,426	23.77	21,452,426	23.77
Others	2,703,571	2.99	2,703,571	2.99
TOTAL	90,239,500	100.00	90,239,500	100.00

- 20 The Directors of the Applicant Company and the Transferor Companies may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in the respective companies, or to the extent the said directors are common directors in the companies. Particulars of interest of the directors of the Applicant Company and the Transferor Companies are available for inspection at the Registered Office of the Applicant Company.

- 21 The details of present Directors of the Applicant Company and their shareholding in the Applicant Company and the Transferor Companies, either singly or jointly as on date are as follows:

Name of the Director of the Applicant Company	No. of Equity Shares held in					
	Applicant Company	ACSPL	CCSPL	PCSPL	PTPL	VTPL
Dr. Prakash Amrut Mody	11,050,120	999	999	999	999	99
Mr. Prafull Anubhai	5,800	NIL	NIL	NIL	NIL	NIL
Mr. Ramdas M Gandhi	31,250	NIL	NIL	NIL	NIL	NIL
Mr. Nasser Munjee	NIL	NIL	NIL	NIL	NIL	NIL
Mr. Prafull D Sheth	8,750	NIL	NIL	NIL	NIL	NIL
Mr. Anand Mahajan	6,250	NIL	NIL	NIL	NIL	NIL

- 22 The details of present Directors of the ACSPL and their shareholding in the Applicant Company and the remaining Transferor Companies, either singly or jointly as on date are as follows:

Name of the Director of the ACSPL	No. of Equity Shares held in					
	Applicant Company	ACSPL	CCSPL	PCSPL	PTPL	VTPL
Dr. Prakash Amrut Mody	11,050,120	999	999	999	999	99
Mr. Jatin Ramanlal Mehta	12,500	NIL	NIL	NIL	NIL	NIL

- 23 The details of present Directors of the CCSPL and their shareholding in the Applicant Company and the remaining Transferor Companies, either singly or jointly as on date are as follows:

Name of the Director of the CCSPL	No. of Equity Shares held in					
	Applicant Company	ACSPL	CCSPL	PCSPL	PTPL	VTPL
Dr. Prakash Amrut Mody	11,050,120	999	999	999	999	99
Mr. Jatin Ramanlal Mehta	12,500	NIL	NIL	NIL	NIL	NIL

- 24 The details of present Directors of the PCSPL and their shareholding in the Applicant Company and the remaining Transferor Companies, either singly or jointly as on date are as follows:

Name of the Director of the PCSPL	No. of Equity Shares held in					
	Applicant Company	ACSPL	CCSPL	PCSPL	PTPL	VTPL
Dr. Prakash Amrut Mody	11,050,120	999	999	999	999	99
Mr. Jatin Ramanlal Mehta	12,500	NIL	NIL	NIL	NIL	NIL

- 25 The details of present Directors of the PTPL and their shareholding in the Applicant Company and the remaining Transferor Companies, either singly or jointly as on date are as follows:

Name of the Director of the PTPL	No. of Equity Shares held in					
	Applicant Company	ACSPL	CCSPL	PCSPL	PTPL	VTPL
Dr. Prakash Amrut Mody	11,050,120	999	999	999	999	99
Mr. Jatin Ramanlal Mehta	12,500	NIL	NIL	NIL	NIL	NIL

- 26 The details of present Directors of the VTPL and their shareholding in the Applicant Company and the remaining Transferor Companies, either singly or jointly as on date are as follows:

Name of the Director of the VTPL	No. of Equity Shares held in					
	Applicant Company	ACSPL	CCSPL	PCSPL	PTPL	VTPL
Dr. Prakash Amrut Mody	11,050,120	999	999	999	999	99
Mr. Jatin Ramanlal Mehta	12,500	NIL	NIL	NIL	NIL	NIL

- 27 On the Scheme of Arrangement being approved as per the requirements of Section 391 of the Act, the Applicant Company and the Transferor Companies will seek the sanction of the Hon'ble Bombay High Court to the Scheme.

- 28 Inspection of the following documents, in original or

certified true copy form, may be had at the Registered Office of the Applicant Company on any working day prior to the date of the meeting, between 9.30 a.m. and 12.30 p.m.

- A copy of Order dated 30th day of September, 2011 of the Hon'ble High Court of Judicature at Bombay passed in Company Summons for Direction No. 603 of 2011 directing the convening of the meeting of the Equity Shareholders of the Applicant Company;
- A copy of the Scheme of Arrangement;
- Up to date copy of the Memorandum and Articles of Association of the Applicant Company and each of the Transferor Companies;
- A copy of the Valuation Report dated 9th May, 2011 issued by M/s NA Shah Associates, Chartered Accountants;
- A copy of Fairness Opinion dated 9th May, 2011 issued by Fedex Securities Limited, a Category I Merchant Banker
- Copies of no objection letters dated 20th September, 2011 and 29th August, 2011 received from Bombay Stock Exchange Limited and National Stock Exchange of India Limited respectively; and
- The Audited Accounts of the Applicant Company and Audited Accounts of each of the Transferor Companies as on 31st March, 2011.

This statement may be treated as the Statement under Section 393 of the Act. A copy of the Scheme, Explanatory Statement and Form of Proxy may be obtained from the Registered Office of the Applicant Company and/or at the office of the advocates Hemant Sethi & Co., 302, Satnam Building, 3A, Sion West, Mumbai - 400 022.

SD/-

Prabhat Anubhai

Chairman appointed for the meeting

Dated this 3rd day of October, 2011

Registered Office:

Unichem Bhavan,
Prabhat Estate, Off S.V. Road,
Jogeshwari (W), Mumbai - 400102

Note: All alterations made in the form of proxy should be initialed.

**SCHEME OF ARRANGEMENT
BETWEEN
AVM CAPITAL SERVICES PRIVATE LIMITED
('The First Transferor Company')
AND
CHEVY CAPITAL SERVICES PRIVATE LIMITED
('The Second Transferor Company')
AND
PM CAPITAL SERVICES PRIVATE LIMITED
('The Third Transferor Company')
AND
PRANIT TRADING PRIVATE LIMITED
('The Fourth Transferor Company')
AND
VIRAMRUT TRADING PRIVATE LIMITED
('The Fifth Transferor Company')
AND
UNICHEM LABORATORIES LIMITED
('The Transferee Company')
AND
THEIR RESPECTIVE SHAREHOLDERS

UNDER SECTIONS 391 TO 394
READ WITH SECTIONS 80, 100 TO 103
AND OTHER APPLICABLE PROVISIONS
OF THE COMPANIES ACT, 1956**

1. PREAMBLE

1.1. This Scheme of Arrangement is presented for the amalgamation of AVM Capital Services Private Limited, Chevy Capital Services Private Limited, PM Capital Services Private Limited, Pranit Trading Private Limited and Viramrut Trading Private Limited with Unichem Laboratories Limited and consequent reduction of Equity Share Capital of Unichem Laboratories Limited, pursuant to Sections 391 to 394 read with Sections 80, 100 to 103 and other applicable provisions of the Companies Act, 1956.

2. DEFINITIONS

In this Scheme, unless repugnant to the subject or

context, the following expressions shall have the following meaning:

- 2.1 "Act" or "the Act" means the Companies Act, 1956 and shall include any statutory modifications or amendments or re-enactment thereof from time to time.
- 2.2 "Appointed Date" means 1st day of April, 2011 or such other date as may be directed by the Bombay High Court.
- 2.3 "ACSPL" or "the First Transferor Company" means AVM Capital Services Private Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at 22, Bhulabhai Desai Road, Mumbai - 400026.
- 2.4 "CCSPL" or "the Second Transferor Company" means Chevy Capital Services

Private Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at 22, Bhulabhai Desai Road, Mumbai - 400026.

- 2.5 **"Court"** or **"High Court"** or **"Bombay High Court"** means the Hon'ble Court of Judicature at Bombay and shall be deemed to include the National Company Law Tribunal, wherever and when applicable.
- 2.6 **"Effective Date"** means the date on which this Scheme becomes operative, being the date on which the certified copies of the orders of the Bombay High Court sanctioning this Scheme are filed with the Registrar of Companies, Mumbai, Maharashtra.
- 2.7 **"PC SPL"** or **"the Third Transferor Company"** means PM Capital Services Private Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at 22, Bhulabhai Desai Road, Mumbai - 400026.
- 2.8 **"PTPL"** or **"the Fourth Transferor Company"** means Pranit Trading Private Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at 22, Bhulabhai Desai Road, Mumbai - 400026.
- 2.9 **"Scheme"** or **"the Scheme"** or **"this Scheme"** means this Scheme of Arrangement in its present form submitted to the Bombay High Court or with any modification(s) made under Clause 21 of this Scheme or with such other modifications/amendments as the High Court may direct.
- 2.10 **"The Transferor Companies"** means collectively "the First Transferor Company", "the Second Transferor Company", "the Third Transferor Company", "the Fourth Transferor Company" and "the Fifth Transferor Company".
- 2.11 **"ULL"** or **"the Transferee Company"** means Unichem Laboratories Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at Unichem Bhavan, Prabhat Estate, Off S. V. Road, Jogeshwari (W), Mumbai - 400102.
- 2.12 **"VTPL"** or **"the Fifth Transferor Company"** means Viramrut Trading Private Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at 22, Bhulabhai Desai Road, Mumbai - 400026.
- 2.13 Any references in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" shall mean the Effective Date. The expressions which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or

meaning hereof, have the same meanings ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time and in particular, wherever reference is made to the Hon'ble High Court in this Scheme, the reference would include, if appropriate, reference to the National Company Law Tribunal ("NCLT") or such other forum or authority, as may be vested with any of the powers of a High Court under the Act. This Scheme has been drawn up to comply with the conditions relating to 'Amalgamation' as specified under Section 2(1B) of the Income tax Act, 1961. If any term(s) or provision(s) of the Scheme is/are inconsistent with the provisions of Section 2(1B) of the Income tax Act, 1961, the provisions of Section 2(1B) of the Income tax Act shall prevail and the Scheme shall stand modified to the extent necessary and such modification do not affect other parts of the Scheme.

3. OBJECTS & RATIONALE

- 3.1 The Transferor Companies are companies through which promoters hold shares of ULL. The primary assets of the Transferor Companies comprise of equity shares in ULL and cash balance sufficient to meet the expenses in relation to the Scheme.
- 3.2 The merger of the Transferor Companies with ULL would help in consolidating and streamlining the promoter holding in ULL and thereby bring long term stability in holding structure of ULL.

4. SHARE CAPITAL

- 4.1 The Share Capital of ACSPL, the First Transferor Company as per the latest Annual Report for the year ended on March 31, 2010 is as under:

Particulars	Amount (₹)
Authorized Share Capital	
1900 Equity Shares of ₹ 100/- each	190,000
100, 6% Cumulative Redeemable Preference Shares of ₹ 100/- each	10,000
Total	200,000
Issued, Subscribed and Paid-up Share Capital	
1000 Equity Shares of ₹ 100/- each fully paid up	100,000
Total	100,000

Subsequent to the above balance sheet date, there has been no change in the Authorized, Issued, Subscribed and Paid Up share capital of the First Transferor Company.

- 4.2 The Share Capital of CCSPL, the Second Transferor Company as per the latest Annual Report for the year ended on March 31, 2010 is as under:

Particulars	Amount (₹)
Authorized Share Capital	
1,000 Equity Shares of ₹ 100/- each	100,000
1,00,000, 6% Redeemable Non Cumulative Preference Shares of ₹ 100/- each	10,000,000
Total	10,100,000
Issued, Subscribed and Paid-up Share Capital	
1,000 Equity Shares of ₹ 100/- each fully paid up	100,000
Total	100,000

Subsequent to the above balance sheet date, there has been no change in the Authorized, Issued, Subscribed and Paid Up share capital of the Second Transferor Company.

- 4.3 The Share Capital of PCSPL, the Third Transferor Company as per the latest Annual Report for the year ended on March 31, 2010 is as under:

Particulars	Amount (₹)
Authorized Share Capital	
1,900 Equity Shares of ₹ 100/- each	190,000
100, 9% Cumulative Redeemable Preference Shares of ₹ 100/- each	10,000
Total	200,000
Issued, Subscribed and Paid-up Share Capital	
1,000 Equity Shares of ₹ 100/- each fully paid up	100,000
Total	100,000

Subsequent to the above balance sheet date, there has been no change in the Authorized, Issued, Subscribed and Paid Up share capital of the Third Transferor Company.

- 4.4 The Share Capital of PTPL, the Fourth Transferor Company as per the latest Annual Report for the year ended on March 31, 2010 is as under:

Particulars	Amount (₹)
Authorized Share Capital	
1,100 Equity Shares of ₹ 100/- each	110,000
100, 11% Cumulative Redeemable Preference Shares of ₹ 100/- each	10,000
4,500, 2% Redeemable Preference Shares of ₹ 100/- each	450,000
1,00,000, 6% Redeemable Non Cumulative Preference Shares of ₹ 100/- each	10,000,000
300 unclassified Shares of ₹ 100/- each	30,000
Total	10,600,000
Issued, Subscribed and Paid-up Share Capital	
1,000 Equity Shares of ₹ 100/- each fully paid up	100,000
Total	100,000

Subsequent to the above balance sheet date, there has been no change in the Authorized, Issued, Subscribed and Paid Up share capital of the Fourth Transferor Company.

- 4.5 The Share Capital of the Fifth Transferor Company as per the latest Annual Report for the year ended on March 31, 2010 is as under:

Particulars	Amount (₹)
Authorized Share Capital	
3,182 Equity Shares of ₹ 100/- each	318,200
1,818, 4% Cumulative Redeemable Preference Shares of ₹ 100/- each	181,800
1,00,000, 6% Redeemable Non Cumulative Preference Shares of ₹ 100/- each	10,000,000
Total	10,500,000
Issued, Subscribed and Paid-up Share Capital	
3,182 Equity Shares of ₹ 100/- each fully paid up	318,200
Total	318,200

Subsequent to the above balance sheet date, there has been no change in the Authorized, Issued, Subscribed and Paid Up share capital of the Fifth Transferor Company.

As on date, 1,516 Equity Shares of the Fifth Transferor Company are beneficially owned and held by the Second Transferor Company and 1,566 Equity Shares are held by the Fourth

- 4.6 The Share Capital of ULL, the Transferee Company as per the latest Annual Report for the year ended on March 31, 2010 is as under:

Particulars	Amount (₹)
Authorized Share Capital	
70,000,000 Equity Shares of ₹ 5/- each	350,000,000
20,000,000 Unclassified Shares of ₹ 5/- each	100,000,000
5,000,000 Preference Shares of ₹ 10/- each	50,000,000
Total	500,000,000
Issued, Subscribed and Paid-up Share Capital	
36,063,000 Equity Shares of ₹ 5/- each fully paid up	180,315,000
Total	180,315,000

Subsequent to the above balance sheet date, there has been a change in the capital structure of the Transferee Company. The revised Share Capital Structure of the Transferee Company as on date is as under:

Particulars	Amount (₹)
Authorized Share Capital	
175,000,000 Equity shares of ₹ 2/- each	350,000,000
50,000,000 Unclassified Shares of ₹ 2/- each	100,000,000
5,000,000 Preference Shares of ₹ 10/- each	50,000,000
Total	500,000,000
Issued, Subscribed and Paid-up Share Capital	
90,239,500 Equity Shares of ₹ 2/- each fully paid up	180,479,000
Total	180,479,000

As on date, 28,293,991 Equity Shares of the Transferee Company is beneficially owned and held by the Transferor Companies. The detail of shares held by each of the Transferor Company is as under:

Particulars	No. of Shares held
The First Transferor Company	4,672,552
The Second Transferor Company	5,246,074
The Third Transferor Company	4,670,186
The Fourth Transferor Company	8,252,673
The Fifth Transferor Company	5,452,506
Total	28,293,991

5. OPERATIVE DATE

- 5.1 The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Bombay High Court or by the Board of Directors of the respective companies shall be effective from the Appointed Date but shall be operative from the Effective Date. Further, amalgamation of the First Transferor Company with the Transferee Company would be first given effect to; thereafter amalgamation of the Second Transferor Company with the Transferee Company would be given effect to; thereafter amalgamation of the Third Transferor Company with the Transferee Company would be given effect to; thereafter amalgamation of the Fourth Transferor Company with the Transferee Company would be given effect to; and thereafter amalgamation of the Fifth Transferor Company with the Transferee Company would be given effect to.

6. TRANSFER OF UNDERTAKING

- 6.1 Upon the coming into effect of this scheme and with effect from the Appointed Date, the entire business and undertakings of the Transferor Companies including all its assets like investments, and other movable assets of whatsoever nature shall under the provisions of Sections 391 and 394 of the Act and pursuant to the orders of the Bombay High Court sanctioning this Scheme and without any further act or deed be transferred and/or deemed to be transferred to and vested in the Transferee Company so as to become the properties of the Transferee Company.
- 6.2 With effect from the Appointed Date, all debts, liabilities, duties and obligations of the Transferor Companies shall pursuant to the orders of the Bombay High Court under Section 394 and other applicable provisions of the Act and without any further act or deed be also transferred or be deemed to be transferred to and vest in and be assumed by the Transferee Company so as to become as from the Appointed Date the debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the respective Transferor Companies. Any securities, debentures or notes issued by the Transferor Companies and held by the Transferee Company, and vice versa shall, at any time prior to the Effective Date, stand cancelled as on the Effective Date, and shall be of no effect and the Transferor

Companies or the Transferee Company, as the case may be, shall have no further obligation outstanding in that behalf.

7. LEGAL PROCEEDINGS

7.1 If any suit, appeal or other proceeding of whatsoever nature by or against the Transferor Companies be pending, the same shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Companies into the Transferee Company or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the respective Transferor Companies as if this Scheme had not been made.

7.2 The Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Companies referred to in sub-clause 7.1 above transferred to its name and to have the same continued, prosecuted and enforced by or against the Transferee Company.

7.3 On and from the Effective Date, the Transferee Company shall and may, if required, initiate any legal proceedings in relation to any businesses of the Transferor Companies.

8. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

8.1 Subject to other provisions contained in this Scheme all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature, relating to which any of the Transferor Companies is party and subsisting or having effect immediately before amalgamation shall be in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the respective Transferor Companies, the Transferee Company had been party thereto.

8.2 The Transferee Company shall enter into and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor Companies will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. The Transferee Company shall be deemed to be authorized to

execute any such deeds, writings or confirmations on behalf of the Transferor Companies and to implement or carry out all formalities required on the part of the Transferor Companies to give effect to the provisions of this Scheme.

9. SAVING OF CONCLUDED TRANSACTION

9.1 The transfer and vesting of the assets, liabilities and obligations appertaining to each of the Transferor Companies as mentioned under Clause 6 above and the continuance of the proceedings by or against the Transferor Companies under Clause 7 above and the effectiveness of contracts and deeds under clause 8 above shall not affect any transactions or proceedings already completed by the Transferor Companies on and after the Appointed Date to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by and/or on behalf of the Transferor Companies as acts, deeds and things done and executed by and on behalf of the Transferee Company.

10. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

10.1 With effect from the Appointed Date and upto the Effective Date:

10.1.1 The Transferor Companies shall carry on and be deemed to have been carrying on its business and activities and shall stand possessed of and hold all of their properties and assets for and on account of and in trust for the Transferee Company. Each of the Transferor Companies hereby undertakes to hold the said assets with utmost prudence until the Effective Date.

10.1.2 Each of the Transferor Companies shall carry on its business and activities with reasonable diligence and business prudence and in the same manner as carried before and shall not venture into any new business and shall not (without the prior written consent of the Transferee Company), alienate, charge, mortgage, encumber or otherwise deal with or dispose of their respective undertakings or any part thereof except in the ordinary course of business nor shall they undertake any new business or a substantial expansion of their existing business.

10.1.3 All the profits or income accruing or

arising to the Transferor Companies or expenditure accruing to the Transferor Companies or losses incurred or suffered by the Transferor Companies, with effect from the said Appointed Date shall for all purposes and intents be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses of the Transferee Company, as the case may be.

- 10.1.4 All estates, assets, rights, title, interests and authorities accrued to and/or acquired by the Transferor Companies after the Appointed Date and prior to the Effective Date shall have been or deemed to have been accrued to and/or acquired for and on behalf of the Transferee Company and shall, upon the coming into effect of this Scheme, pursuant to the provisions of Section 394 (2) of the Act, without any further act, instrument or deed be and stand transferred to or vested in or be deemed to have been transferred to or vested in the Transferee Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Transferee Company.

11. DIVIDENDS, PROFITS, BONUS/RIGHT SHARES

- 11.1 The Transferor Companies shall not without the prior written consent of the Transferee Company utilize the profits if any, for the period from and after the Appointed Date, for declaring or paying any dividend except, in the event the Transferee Company declares dividend between the Appointed Date and the Effective Date in respect of the accounting period prior to the Appointed Date, in which case, the Transferor Companies shall be entitled, inter-alia, to declare such dividend received by it from the Transferee Company to its shareholders.
- 11.2 Further, the Transferor Companies shall not after the Appointed Date, issue or allot any further securities either rights or bonus or otherwise without the prior written consent of the Transferee Company.

12. CONSIDERATION

- 12.1 Consideration to Shareholders of the Transferor Companies:
- 12.1.1 Pursuant to the Scheme coming into effect and the transfer of the undertaking of the Transferor

Companies into the Transferee Company, the Transferee Company shall issue and allot equity shares in its capital at par (hereinafter referred to as 'New Equity Shares'), to the shareholders of the Transferor Companies whose names appear in the Register of Members of the Transferor Companies as on the Effective Date as under:-

To the Shareholders of the First Transferor Company:

4,672.542 (Four Thousand Six Hundred and Seventy Two and Five Hundred and Fifty Two Thousandths only) fully paid up Equity Shares of ₹ 2/- each of the Transferee Company credited as fully paid up, for every 1 (one) equity share of ₹ 100/- each held by him/her/it in ACSPL.

To the Shareholders of the Second Transferor Company:

7,843.811 (Seven Thousand Eight Hundred Forty Three and Eight Hundred and Eleven Thousandths only) fully paid up Equity Shares of ₹ 2/- each of the Transferee Company credited as fully paid up, for every 1 (one) equity share of ₹ 100/- each held by him/her/it in CCSPL.

To the Shareholders of the Third Transferor Company:

4,670.186 (Four Thousand Six Hundred Seventy and One Hundred Eighty Six Thousandths only) fully paid up Equity Shares of ₹ 2/- each of the Transferee Company credited as fully paid up, for every 1 (one) equity share of ₹ 100/- each held by him/her/it in PCSPL.

To the Shareholders of the Fourth Transferor Company:

10,936.087 (Ten Thousand Nine Hundred Thirty Six and Eighty Seven Thousandths only) fully paid up Equity Shares of ₹ 2/- each of the Transferee Company credited as fully paid up, for every 1 (one) equity share of ₹ 100/- each held by him/her/it in PTPL.

To the Shareholders of the Fifth Transferor Company:

- *As a consequence of giving effect to the earlier amalgamation of the Second and Fourth Transferor Company with the Transferee Company, the Equity Shares held by the Second and the Fourth Transferor Company in VTPL stands extinguished and accordingly the Equity Shares of the Transferee Company are issued only to the remaining shareholders.*
 - *1,713.547 (One Thousand Seven Hundred Thirteen and Five Hundred and Forty Seven Thousandths only) fully paid up Equity Shares of ₹ 2/- each of the Transferee Company credited as fully paid up, for every 1 (one) equity share of ₹ 100/- each held by remaining shareholder in VTPL.*
- 12.2 Any fractional entitlement arising out of issue and allotment of the New Equity Shares of the Transferee Company to the shareholders of the Transferor Companies pursuant to Clause 12.1 hereinabove shall be ignored.
- 12.3 The New Equity Shares to be issued to the members of the Transferor Companies by the Transferee Company shall be subject to the Memorandum and Articles of Association of the Transferee Company and shall rank pari passu with the existing equity shares of the Transferee Company.
- 12.4 Upon New Equity Shares being issued and allotted by the Transferee Company to the shareholders of the Transferor Companies, in accordance with Clause 12.1, the share certificates in relation to the shares held by the said shareholders in the Transferor Companies shall be deemed to have been cancelled and extinguished and be of no effect on and from such issue and allotment.
- 12.5 The New Equity Shares shall be issued in dematerialized form only.
- 12.6 The Transferee Company shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the purpose of issue and allotment of the New Equity Shares by the Transferee Company to the members of the Transferor Companies under the Scheme.
- 12.7 The New Equity Shares of the Transferee Company shall be listed on all the stock exchanges on which the shares of the Transferee Company are listed as on the Effective Date.
- 12.8 The issue and allotment of New Equity Shares to the members of the Transferor Companies, as provided in this Scheme, shall be deemed to be made in compliance with the procedure laid down under Section 81(1A) and any other provisions of the Act.
- 13 EMPLOYEES OF THE TRANSFEROR COMPANIES**
- 13.1 There are no employees employed with the Transferor Companies.
- 14 CANCELLATION OF EQUITY SHARES**
- 14.1 With effect from the Appointed Date, the investment held by each of the Transferor Companies in the Equity Share Capital of the Transferee Company shall stand cancelled and accordingly, the Equity Share Capital of the Transferee Company shall stand reduced to the extent of face value of Equity Shares held by each of the Transferor Companies in the Transferee Company as on the Appointed Date.
- 14.2 Such reduction of Equity Share Capital of the Transferee Company as provided in this Clause 14.1 above, shall be effected as an integral part of the Scheme itself as the same does not involve either diminution of liability in respect of unpaid up share capital or payment to any shareholder of any paid up share capital and the order of the Bombay High Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act confirming the reduction without the need on the part of the Transferee Company, to carry out any further act or deed. While approving the scheme as a whole, the Shareholders of the Transferee Company have also resolved and accorded the relevant consents as required under Sections 100 to 103 of the Act or any other provisions of the Act and therefore no separate resolution is required to be passed under the Act.
- 15 ACCOUNTING TREATMENT**
- 15.1 On the Scheme becoming effective, the Transferee Company shall account for the merger in its books of accounts as under:
- 15.1.1 All the assets and liabilities (including reserves) as appearing in the books of the Transferor Companies shall be transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at their respective book values as appearing in the books of the Transferor

Companies;

- 15.1.2 It is hereby clarified that the balance in Reserves account including Capital Redemption Reserve Account, General Reserve, Special Reserves, Capital Reserves and Profit and Loss Account of the Transferor Companies as on the Appointed Date shall be transferred to and aggregated with the corresponding Reserves in the books of the Transferee Company. It is clarified that identity of the reserves of the Transferor Companies shall be preserved upon transfer thereof to the transferee company.
- 15.1.3 The investments in the equity share capital of the Transferee Company as appearing in the books of accounts of the Transferor Companies, shall stand cancelled pursuant to the scheme;
- 15.1.4 The New Equity Shares issued by the Transferee Company pursuant to clause 14.1 shall be recorded at face value;
- 15.1.5 The difference between the net asset value of the Transferor Companies transferred to the Transferee Company, as reduced by the face value of New Equity Shares issued by the Transferee Company and adjusted for cancellation of the equity share capital as mentioned in sub clause 15.1.3 above and expenses incurred in relation to the Scheme, would be adjusted first against the Capital Redemption Reserve Account, followed by the Capital Reserve and balance to the extent necessary against the General Reserve of the Transferee Company.
- The application and consequential reduction of the Capital Redemption Reserve Account of the Transferee Company as stated above, shall be effected as an integral part of the Scheme, upon which the share capital of the Transferee Company shall be deemed to be reduced to the extent as the case may be and the Order of the High Court of Bombay sanctioning the Scheme shall be deemed to be an order under Sections 100-102 of the Act confirming the reduction.
- 15.1.6 In case of any difference in accounting policy between the Transferor Companies and the Transferee

Company, the impact of the same till the Appointed Date will be quantified and adjusted in the General Reserve Account of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

- 15.1.7 The Transferee Company (by its Board of Directors) may alter or modify the provisions of this Clause 15 in consultation with their auditors, as they may deem fit and consider necessary, to settle any question / difficulty arising out of the Scheme, to comply with the relevant laws, the Income Tax Act and applicable Accounting Standards.

16 COMBINATION OF AUTHORISED SHARE CAPITAL

- 16.1 Upon coming into effect of the Scheme, the Authorised Share Capital of the Transferor Companies as mentioned in Clause 4 above, or such amount as may be on the Effective Date, shall be added to the Authorised Share Capital of the Transferee Company, as on the Effective Date, without any further act or deed and without any further payment of stamp duty or the registration fees and Clause V of the Memorandum of Association of the Transferee Company shall be replaced accordingly.
- 16.2 Under the accepted principle of single window clearance, it is hereby provided that the aforesaid alteration in the Memorandum of Association of the Transferee Company viz. change in the capital clause, referred above of the Transferee Company shall become operative on the Scheme being effective by virtue of the fact that the shareholders of the Transferee Company, while approving the Scheme as a whole, have also resolved and accorded the relevant consents as required respectively under section 31, 94, and 97 of the Act or any other provisions of the Act and shall not be required to pass separate resolutions as required under the Act.
- 16.3 Consequent to the scheme, the Authorised Share Capital of the Transferee Company shall automatically stand increased to the following without any further act or deed on the part of the Transferee Company and without payment of stamp duty and registration fees to the concerned Registrar of Companies:

Particulars	Amount (₹)
Authorized Share Capital	
175,454,100 Equity Shares of ₹ 2/- each	350,908,200
50,000,000 Unclassified Shares of ₹ 2/- each	100,000,000
5,000,000 Preference Shares of ₹ 10/- each	50,000,000
100 6% Cumulative Redeemable Preference Shares of ₹ 100/- each	10,000
300,000 6% Redeemable Non Cumulative Preference Shares of ₹ 100/- each	30,000,000
100 9% Cumulative Redeemable Preference Shares of ₹ 100/- each	10,000
100 11% Cumulative Redeemable Preference Shares of ₹ 100/- each	10,000
4500 2% Redeemable Preference Shares of ₹ 100/- each	450,000
1818 4% Cumulative Redeemable Preference Shares of ₹ 100/- each	181,800
300 Unclassified Shares of ₹ 100/- each	30,000
Total	531,600,000

17. CONDITIONALITY OF THE SCHEME

17.1 The Scheme is and shall be conditional upon and subject to:

17.1.1 The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme as the case may be;

17.1.2 Approval of and agreement to the Scheme by the requisite majority in number and value of the respective members and / or Creditors of and such class of persons of the Transferor Companies and the Transferee Company as may be considered necessary to give effect to the Scheme;

17.1.3 Sanctions and Orders under the provisions of Sections 391 to 394 read with Sections 80, 100 to 103 of the Act being obtained by the Transferor Companies and the Transferee

Company from the High Court of Judicature at Bombay;

17.1.4 Certified copies of Orders of Bombay High Court, sanctioning this Scheme being filed with the Registrar of Companies, Maharashtra at Mumbai; and

17.1.5 All other sanctions and approvals as may be required by law in respect of this Scheme being obtained.

17.1.6 It is clarified that on the approval of the Scheme by the requisite majority of members as aforesaid, it shall be deemed that the said members have also resolved and accorded all relevant consents under any other provisions of the Act to the extent the same may be considered applicable, it is further clarified that there will be no need to pass a separate shareholders' resolution under such other provisions of the Act.

18. WINDING UP OF THE TRANSFEROR COMPANIES

18.1 On the Scheme becoming effective the Transferor Companies shall be dissolved without being wound up without any further act by the parties.

19. APPLICATION TO THE HIGH COURT

19.1 The Transferor Companies and the Transferee Company shall, with all reasonable dispatch, make applications/petitions to the High Court of Judicature at Bombay where the registered offices of all the companies are situated, for sanctioning this Scheme of Arrangement and consequent reduction of Equity Share Capital of the Transferee Company under Section 391 to 394 read with Sections 80, 100 to 103 of the Act, and for dissolution of the Transferor Companies without winding up.

20. MODIFICATION OR AMENDMENT TO THE SCHEME

20.1 On behalf of the Transferor Companies and the Transferee Company, their respective Board of Directors, or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, may make and/ or consent, on behalf of all persons concerned, to any modifications or amendments of the Scheme or to any conditions or limitations that the High Court or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate

by them (i.e. the Board of Directors). The Transferor Companies and the Transferee Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, shall be authorized to take all such steps as may be necessary, desirable or proper to give effect to the Scheme or to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

21. EFFECT OF NON-RECEIPT OF APPROVALS

21.1 In the event of any of the approvals or conditions enumerated in Clause 17 above not being obtained or complied, or for any other reason, this Scheme cannot be implemented, then the Board of Directors of Transferee Company and the Transferor Companies shall mutually waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement or in case this Scheme is not sanctioned by the High Court of Judicature at Bombay or does not otherwise become effective by March 31, 2012 or within such further period or periods as may be agreed upon between Transferee Company and the Transferor Companies through their respective Board of Directors, then the Scheme shall become null and void and be of no effect and in that event, no rights and liabilities whatsoever

shall accrue to or be incurred inter se the Transferor Companies and the Transferee Company or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each party shall bear and pay their respective costs, charges and expenses in connection with this Scheme.

22. COSTS, CHARGES AND EXPENSES

22.1 All past, present and future costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the Transferor Companies and the Transferee Company arising out of or incurred in carrying out and implementing this Scheme or implementation thereof and matters incidental thereto shall be borne by the Transferee Company.

IN THE HIGH COURT OF JUDICATURE AT BOMBAY ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 603 OF 2011

In the matter of the Companies Act, 1956 (1 of 1956);

AND

In the matter of Sections 391 to 394 read with Sections 80, 100 to 103
of the Companies Act, 1956;

AND

In the matter of the Scheme of Arrangement between AVM Capital
Services Private Limited ("the First Transferor Company") and Chevy
Capital Services Private Limited ("the Second Transferor Company") and
PM Capital Services Private Limited ("the Third Transferor Company")
and Pranit Trading Private Limited ("the Fourth Transferor Company")
and Viramrut Trading Private Limited ("the Fifth Transferor Company")
and Unichem Laboratories Limited ("the Transferee Company")

AND

their respective shareholders

UNICHEM LABORATORIES LIMITED, a)
company incorporated under the Companies)
Act, 1956 having its registered office at)
Unichem Bhavan, Prabhat Estate, Off S.V.)
Road, Jogeshwari (W), Mumbai - 400102) The Applicant Company

FORM OF PROXY

I/We the undersigned, being equity shareholder(s) of Unichem Laboratories Limited, the Applicant Company do hereby appoint _____ of _____ as my/our proxy, to act for me/us at the meeting of the equity shareholders to be held at Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018 on 3rd day of November, 2011 at 11.30 a.m. for the purpose of considering and, if thought fit, approving, with or without modification, the arrangement embodied in the Scheme of Arrangement between AVM Capital Services Private Limited and Chevy Capital Services Private Limited and PM Capital Services Private Limited and Pranit Trading Private Limited and Viramrut Trading Private Limited and Unichem Laboratories Limited and their respective shareholders pursuant to provisions of the Sections 391 to 394 read with Sections 80, 100 to 103 of the Companies Act, 1956., the Transferee Company and at such meeting, and any adjournment/adjournments thereof, to vote, for me/us and in my/our name(s) _____ (here if 'for' insert 'for', if 'against' insert 'against' and in the latter case strike out the words "either with or without modifications" after the word "Arrangement") the said arrangement embodied in the Scheme of Arrangement either with or without modifications as my/our proxy may approve.

Dated this _____ day of _____, 2011

Name :

Address :

Folio No. :

Client ID No. :

DP ID No. :

No. of Shares :

Signature

Affix ₹ 1
revenue
stamp

Notes:

- 1) Please affix revenue stamp before putting signatures.
- 2) The proxy need not be a member of the Applicant Company.
- 3) The Proxy must be deposited at the Registered Office of the Company at Unichem Bhavan, Prabhat Estate, Off S.V. Road, Jogeshwari (West), Mumbai -400 102 at least 48 hours before the time for holding the meeting.
- 4) In case of multiple proxies, the proxy later in time shall be accepted.
- 5) All alterations made in the form of Proxy should be initialed.



**UNICHEM
LABORATORIES LTD.**

Registered Office: Unichem Bhavan, Prabhat Estate, off S.V. Road, Jogeshwari (West), Mumbai - 400 102
Tel. No. (022) - 66888333, Fax (022) 26784391/26788665

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

I hereby record my presence at the Meeting of the Equity Shareholders of the Company, convened pursuant to the Order dated 30th day of September, 2011 of the High Court of Judicature at Bombay, at Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018 on 3rd day of November, 2011 at 11.30 a.m.

Name and Address of Equity Shareholder (IN BLOCK LETTERS)

Signature	:	
Folio No.	:	
Client ID No.	:	
DPID No.	:	
No. of Shares	:	

Name of the Proxy (IN BLOCK LETTERS)

Signature	:	
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NOTE:

Shareholders attending the Meeting in person or by Proxy are requested to complete the Attendance Slip and hand it over at the entrance of the meeting hall.