



UNICHEM
LABORATORIES LTD.

UNICHEM LABORATORIES LIMITED

CIN:L99999MH1962PLC012451

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

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

Website: www.unichemlabs.com • E-mail Id.: shares@unichemlabs.com

NOTICE OF POSTAL BALLOT TO THE MEMBERS

Notice pursuant to Section 110 of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014

Dear Member(s),

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

The explanatory statement pertaining to the said resolutions setting out the material facts concerning the items and the reasons thereof, as required under Section 102 of the Act, and applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 is annexed to the Notice alongwith a Postal Ballot Form (the “Form”) for your consideration.

The Board of Directors of the Company has appointed Mrs. Ragini Chokshi, Partner of Ragini Chokshi & Co, Practising Company Secretaries as scrutinizer (the “**Scrutinizer**”) for conducting the Postal Ballot and e-voting process in a fair and transparent manner and in compliance with the provisions of the Act and Rules made thereunder.

You are requested to carefully read the instructions printed on the Form and the notes and instructions annexed hereto for voting via physical ballot/electronic mode, record your assent (for) or dissent (against) therein and return the same in original, duly completed in all respects, in the attached self-addressed, postage prepaid envelope so as to reach the Scrutinizer on or before 5.00 p.m. IST on Tuesday, May 15, 2018.

On completion of the Postal Ballot process, the Scrutinizer shall within a period not exceeding two (2) working days from the conclusion of the Postal Ballot process, make and submit a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman or any Director or any other Person as authorised by the Chairman.

The result of the Postal Ballot would be announced by the Chairman or any other Director or any other person authorised by the Chairman in this regard. The result of the Postal Ballot would be announced on or before 5.00 p.m. on Thursday, May 17, 2018 at the Registered Office of the Company at Unichem Bhavan, Prabhat Estate, Off S.V. Road, Jogeshwari (West), Mumbai 400 102. The said results along with the Scrutinizer’s Report would be displayed at the Registered Office of the Company and shall be intimated to the Stock Exchanges where the Company’s equity shares are listed and on the Company’s website i.e. www.unichemlabs.com and that of the exchanges namely www.bseindia.com and www.nseindia.com and the website of the e-voting agency i.e. www.evotingindia.com.

1. Approval of Unichem Employee Stock Option Scheme 2018.

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

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013, and Rules framed thereunder, and in accordance with the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as **“SEBI SBEB Regulations”**), issued by the Securities and Exchange Board of India (**“SEBI”**) and subject to such other approvals, permissions and sanctions as may be necessary from time to time and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, approval and consent of members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the **“Board”** which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted/ delegated in order to exercise its powers, including the powers, conferred by this resolution) to, create, grant, offer, issue and allot from time to time Equity Shares of the Company having face value of Rs. 2/- per share (**“Equity Shares”**) either directly or through an Employee Welfare Trust (s) (**“EWT”**) created for the said purpose under the **‘Unichem Employee Stock Option Scheme 2018’** (hereinafter referred to as the **“Scheme”**) by way of issuance of Employee Stock Options, the salient features of which are furnished in the Explanatory Statement to this Notice for the benefit of such persons who are permanent employees of the Company including Directors (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company), whether whole-time or otherwise, whether working in India or outside India, and selected by the Board in its sole and absolute discretion (**“Eligible Employees”**), at such price or prices, in one or more tranches and on such terms and conditions, as may be fixed or determined by the Board in accordance with the Scheme and applicable laws;

RESOLVED FURTHER THAT, the maximum number of Employee Stock Options that can be granted under the Scheme which will be convertible into Equity Shares wherein one Employee Stock Option is equivalent to one Equity Share, shall not exceed 52,75,275 (Fifty two lac, seventy five thousand and two hundred and seventy five), i.e., 7.50% of the issued, subscribed and paid-up equity share capital of the Company as on the date of this Notice (as adjusted for any corporate action and/or change in the capital structure) at such price or prices as may be determined by the Board in its sole and absolute discretion;

RESOLVED FURTHER THAT the Board be and is hereby authorised, either directly or through EWT created for such purpose, to issue and allot Equity Shares to the Eligible Employees from time to time in accordance with the Scheme and other applicable laws in force and such Equity Shares shall rank *pari passu* in all respects with the then Equity Shares of the Company;

RESOLVED FURTHER THAT the Board is empowered to make fair and reasonable adjustment, in its sole and absolute discretion in accordance with applicable laws to the terms of grant made under the Scheme in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and sale of division/undertaking or other re-organisation, and others, or sub-division or consolidation of Equity Shares;

RESOLVED FURTHER THAT the Board be and is hereby authorized at any time to implement, formulate, evolve, decide upon and bring into effect the Scheme directly or through an EWT created for such purpose and to modify, change, vary, alter, amend, revise, suspend or terminate the Scheme subject to compliance with the applicable laws and regulations including but not limited to, amendment (s) with respect to price,

period, eligibility criteria or to suspend, withdraw, terminate or revise the Scheme in such manner as the Board may determine in its sole discretion and to do all such acts, deeds, matters and things as it may at its absolute discretion deem fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard and to the Equity Shares to be issued pursuant to the proposed Scheme without being required to seek any further consent or approval of the Members and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the Scheme and do all other things incidental and ancillary thereof;

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the Scheme;

RESOLVED FURTHER THAT any of the Directors of the Company and/ or Company Secretary of the Company be and is hereby authorized to take necessary steps for listing of the securities allotted under the Scheme on the Stock Exchanges, where the securities of the Company are listed as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable guidelines, rules and regulations;

RESOLVED FURTHER THAT the Board, be and is hereby authorized to do all such acts, deeds, and things, as it may, at its absolute discretion, deem necessary including authorizing or directing the Nomination and Remuneration Committee to appoint Merchant Bankers, Brokers, Solicitors, Registrars, Advertisement Agency, Compliance Officer, Investors Service Centre and other Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of the Scheme as also to prefer applications to the appropriate Authorities, Parties and the Institutions for their requisite approvals as also to initiate all necessary actions for and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard.”

2. Approval for setting up Unichem Employee Welfare Trust(s) to implement the Unichem Employee Stock Option Scheme 2018.

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

“**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (“the **Act**”) (including any statutory modification or re-enactment thereof for the time being in force), and in accordance with the Memorandum and Articles of Association of the Company, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as “**SEBI SBEB Regulations**”), and other rules and regulations, as applicable and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the **Board**”, which term shall be deemed to include any Committee(s), including the Nomination and Remuneration Committee, to set up one or more Employee Welfare Trust(s) (“**Trust/ Trust(s)**”) to implement the cashless exercise mechanism of employee stock options (“**Options**”) and/or manage, administer or otherwise operate, *inter-alia*, **Unichem Employee Stock Option Scheme 2018** (hereinafter referred to as the “**Scheme**”), and to create, offer, issue, allot at its sole discretion, Equity Shares of the Company, of face value of Rs. 2/- each fully paid-up (“**Equity Shares**”) for cash at par and/or at such price as permitted under law and as decided by the Board, to one or more Employee Welfare Trust(s), constituted/

to be constituted in future, which may be called **Unichem Employees Welfare Trust(s)** for the benefit of such persons who are permanent employees of the Company including Directors (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company), whether whole-time or otherwise, whether working in India or outside India, of any existing and future subsidiary company(ies) of the Company whether in or outside India and selected by the Board in its sole and absolute discretion ("**Eligible Employees**"), to be utilised against exercise of Options granted/ to be granted under the Scheme, as modified from time to time;

RESOLVED FURTHER THAT the Board is authorised to appoint Trustee(s) for such Trust(s) as per the SEBI (SBEB) Regulations including finalising their terms of appointment as well as approval and execution of Trust constituent documents like Trust Deed(s), Service Level Agreement(s) with the Trustee(s) for administering the Scheme under the Trust including but not limited to implementing the cashless exercise mechanism of Options;

RESOLVED FURTHER THAT for the purpose of managing, administering and/or otherwise operating the Scheme through the Trust(s), the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, necessary or desirable for such purpose including but not limited to setting up one or more additional employee welfare Trust(s) and to close/ wind-up all or any of them as deemed fit;

RESOLVED FURTHER THAT for the purpose of managing, administering and/or otherwise operating the Scheme through the Trust(s) and/or in any other permissible manner, financial assistance in the form of loan on such terms as may be approved by the Board, may be provided, *inter-alia*, to enable the Trust/such other mechanism so as to subscribe to the Equity Shares, subject to compliance with the applicable provisions of the Act, including any amendment(s) or modification(s) thereof and utilised against exercise of employee stock options granted/ to be granted under the Scheme as modified from time to time, to the Eligible Employees including but not limited to affording a cashless exercise of Options under the Scheme;

RESOLVED FURTHER THAT such Trust (s) will operate *inter-alia*, under the Act and applicable laws including but not limited to SEBI (SBEB) Regulations, provisions not specifically provided herein but set out in any such then Act and applicable laws will have the effect as set out in such applicable laws/Acts;

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may consider necessary, expedient, usual or proper to give full effect to the aforesaid resolution, including but not limited to settle any questions or difficulties that may arise in this regard, if any, as it may, in its absolute discretion, deem fit, without requiring the Board to secure any further consent or approval of the members of the Company to the intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution."

3. Grant of stock options to the employees of the subsidiary company(ies)of the Company under Unichem Employee Stock Option Scheme 2018.

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

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013, and Rules framed there under, and in accordance with the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as "**SEBI SBEB Regulations**"), issued by the Securities

and Exchange Board of India (“SEBI”) and subject to such other approvals, permissions and sanctions as may be necessary from time to time and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, approval and consent of members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted/delegated in order to exercise its powers, including the powers, conferred by this resolution) to create, grant, offer, issue and allot from time to time Equity Shares of the Company having face value of Rs. 2/- per share (“Equity Shares”) either directly or through an Employee Welfare Trust(s) (“EWT”) created for the said purpose under the ‘Unichem Employee Stock Option Scheme 2018’ (hereinafter referred to as the “Scheme”) by way of issuance of employee stock options, within the overall ceiling of 52,75,275 (Fifty two lac, seventy five thousand and two hundred and seventy five), i.e. 7.50% of the Company’s paid up equity capital as on the date of this Notice as mentioned in Special Resolution at Serial no. 1 of this Notice) for the benefit of such persons who are permanent employees of the Company’s existing and future subsidiary Company(ies) including Directors (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company), whether whole-time or otherwise, whether working in India or outside India, and selected by the Board in its sole and absolute discretion (“Eligible Employees”), at such price or prices, in one or more tranches and on such terms and conditions, as may be fixed or determined by the Board in accordance with the Scheme and applicable laws;

RESOLVED FURTHER THAT the Board be and is hereby authorised, either directly or through Employees Welfare Trust(s) created for such purpose, to issue and allot Equity Shares to the Eligible Employees from time to time in accordance with the Scheme and other applicable laws in force and such Equity Shares shall rank *pari passu* in all respects with the then Equity Shares of the Company;

RESOLVED FURTHER THAT the Board is empowered to make fair and reasonable adjustment, in its sole and absolute discretion in accordance with applicable laws to the terms of grant made under the Scheme in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and sale of division/undertaking or other re-organisation, and others, or sub-division or consolidation of Equity Shares;

RESOLVED FURTHER THAT the Board be and is hereby authorized at any time to implement, formulate, evolve, decide upon and bring into effect the Scheme and to modify, change, vary, alter, amend, revise, suspend or terminate the Scheme subject to compliance with the applicable laws and regulations including but not limited to, amendment(s) with respect to price, period, eligibility criteria or to suspend, withdraw, terminate or revise the Scheme in such manner as the Board may determine in its sole discretion and to do all such acts, deeds, matters and things as it may at its absolute discretion deem fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard and to the Equity Shares to be issued pursuant to the proposed Scheme without being required to seek any further consent or approval of the members and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the Scheme and do all other things incidental and ancillary thereof;

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI (SBEB) Regulations and any other applicable laws and regulations to the extent relevant and applicable to the Scheme;

RESOLVED FURTHER THAT any of the Directors of the Company and/ or Company Secretary of the Company be and is hereby authorized to take necessary steps for listing of the securities allotted under the Scheme on the Stock Exchanges, where the securities of the Company are listed as per the provisions of the SEBI

(Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable guidelines, rules and regulations;

RESOLVED FURTHER THAT the Board, be and is hereby authorized to do all such acts, deeds, and things, as it may, at its absolute discretion, deem necessary including authorizing or directing the Nomination and Remuneration Committee to appoint Merchant Bankers, Brokers, Solicitors, Registrars, Advertisement Agency, Compliance Officer, Investors Service Centre and other Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of the Scheme as also to prefer applications to the appropriate Authorities, Parties and the Institutions for their requisite approvals as also to initiate all necessary actions for and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard.”

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

Neema Thakore
Head – Legal & Company Secretary
Membership No.: F3966

March 31, 2018
Mumbai

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

NOTES AND INSTRUCTIONS:

1. An Explanatory statement pursuant to Section 102 of the Companies Act, 2013 (the “Act”) setting out the material facts and reasons for the proposed Special Resolutions, is annexed hereto.
2. The Board of Directors has appointed Mrs. Ragini Chokshi, Partner of Ragini Chokshi & Co, Practising Company Secretaries as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.
3. The Postal Ballot Notice is being sent to all the Members, whose names appear on the Register of Members/List of Beneficial Owners received from the National Securities Depository Limited (“NSDL”)/Central Depository Services (India) Limited (“CDSL”) as on the close of business hours on Friday, April 6, 2018.
4. The voting rights shall be reckoned in proportion to a Member’s share of voting rights on the paid-up equity share capital as on Friday, April 6, 2018.
5. In compliance with the provisions of Sections 108, 110 and other applicable provisions of the Act, and the Rules made thereunder, the Company is pleased to offer e-voting facility as an option to all the Members of the Company. The Company has entered into an agreement with CDSL to facilitate e-voting enabling Members to cast their votes electronically. E-voting is optional.
6. Kindly note that the Members can opt for only one mode of voting, i.e., either by physical Postal Ballot or e-voting. If you are opting for e-voting, then do not vote by physical Postal Ballot and *vice versa*. However, in case Members cast their vote by physical Postal Ballot and e-voting, then voting done by e-voting shall prevail and votes cast through physical Postal Ballot will be treated as invalid.
7. As per Section 110 of the Act and the Rules made thereunder, Notice of Postal Ballot may be served on the Members through electronic transmission. Members who have registered their e-mail IDs with the Depositories or with the Company for communication purposes are being sent Postal Ballot Notice by e-mail and Members who have not registered their e-mail IDs will receive Postal Ballot Notice along with Postal Ballot Form through Registered and Speed Post. Members who have received Postal Ballot Notice by e-mail and who wish to vote through physical Postal Ballot Form may download the Postal Ballot Form from the Company’s website www.unichemlabs.com.
8. In case a Member is desirous of obtaining a printed Postal Ballot Form or Duplicate, he or she may send an email to shares@unichemlabs.com, and the Company shall forward the same alongwith postage pre-paid, self-addressed Business Reply Envelope to the Member.
9. A Member cannot exercise his/her vote through proxy in Postal Ballot.
10. Members desiring to exercise vote by physical Postal Ballot are requested to carefully read the instructions printed on the Postal Ballot Form and return the Postal Ballot Form duly completed and signed in the enclosed self-addressed Business Reply Envelope to the Scrutinizer, so that it reaches the Scrutinizer not later than the close of business hours (i.e. 5.00 p.m. IST) on Tuesday, May 15, 2018, to be eligible for being considered, failing which, it will be strictly considered that no reply has been received from the Member.
11. The postage cost will be borne by the Company. However, envelopes containing Postal Ballots, if sent by courier or registered/speed post at the expense of the Members will also be accepted. The Postal Ballot Form may also be deposited personally at the address given on the self addressed Business Reply Envelope.
12. The Postal Ballot Notice shall be uploaded on the Company’s website i.e. www.unichemlabs.com and on the website of CDSL i.e. www.evotingindia.com and that of the exchanges namely www.bseindia.com and www.nseindia.com.
13. The postal ballot period commences on Monday, April 16, 2018 at 10 a.m. IST and ends at 5:00 p.m. on Tuesday, May 15, 2018.

14. Forms received after 5.00 p.m. IST on Tuesday, May 15, 2018 will not be valid and will be strictly treated as if the reply has not been received from the Members.
15. The Scrutinizer will submit her report to the Chairman of the Company or any other Director or any other person duly authorized by the Chairman after completion of scrutiny of the Postal Ballot (including e-voting). The result of voting by Postal Ballot/e-voting will be announced by the Chairman of the Company or any other Director or any person duly authorized by the Chairman as the case may be on or before Thursday, May 17, 2018 and will be communicated to the Stock Exchanges where the Company's securities are listed, and shall also be displayed along with the Scrutinizer's report on the Company's website i.e., www.unichemlabs.com and the website of the e-voting agency i.e., www.evotingindia.com and that of the exchanges namely www.bseindia.com and www.nseindia.com
16. The decision of the Scrutinizer on the validity of the Postal Ballot Form or any other related matter shall be final and binding.
17. The date of declaration of results of Postal Ballot (including e-voting) shall be the date on which the resolution shall be deemed to have been passed, if passed, by the requisite majority.
18. All the material documents referred to in the statement shall be available for inspection at the Registered Office of the Company during office hours on all workings days from the date of dispatch of the Notice until the last date for receipt of votes by Postal Ballot.
19. Voting through electronic means:
 - (i) The e-voting period begins on Monday, April 16, 2018 at 10.00 a.m. (IST) and ends on Tuesday, May 15, 2018 at 5.00 p.m. (IST). During this period Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, April 6, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The Shareholders should log on to the e-voting website www.evotingindia.com
 - (iii) Click on Shareholders / Members
 - (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID.
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID.
 - c. Members holding shares in Physical Form should enter Folio No. registered with the Company.
 - (v) Next enter the Image Verification as displayed and Click on Login.
 - (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - (vii) If you are a first time user follow the steps as given herein:

For Members holding shares in Demat and Physical Forms	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by the Income Tax Department (Applicable for both demat Shareholders as well as physical Shareholders)</p> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on the Postal Ballot Form indicated in the PAN field.</p>

Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. If both the details are not recorded with the depository or Company please enter the Member id/ Folio No. in the Dividend Bank details field as mentioned in instruction (iv).
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- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for UNICHEM LABORATORIES LIMITED on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com

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

Neema Thakore
Head – Legal & Company Secretary
Membership No.: F3966

March 31, 2018
Mumbai

Registered Office:

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

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

Item nos. 1, 2 and 3

In today's competitive world, the employees of a company are one of its most important resource and asset. Your Company fully recognizes the same and therefore wants its employees to participate and share the fruits of growth and prosperity along with the Company.

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives by participating in the ownership of the Company through a share based compensation scheme/plan. Your Company believes in rewarding its present and future permanent employees/Directors (In India or outside India) of the Company and those of its subsidiary company/(ies) ("**Eligible Employees**") for their continuous hard work, dedication and support, which has led the Company and the Subsidiary Company(ies) on the growth path. The Company intends to implement the **Unichem Employee Stock Option Scheme 2018 ("Scheme")**, with a view to attract and retain key talent working with the Company and its subsidiary company(ies) by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability.

Pursuant to provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, (hereinafter referred to as "**SEBI (SBEB) Regulations**"), the Company seeks members' approval in respect of the **Scheme** and grant stock options and thereby issue equity shares of the Company having face value of Rs. 2/- per share ("**Equity Shares**") to its "**Eligible Employees** as decided by the Board of Directors of the Company (hereinafter referred to as the Board which term shall include any committee including Nomination and Remuneration Committee) on such terms and conditions and at such price from time to time in due compliance of the SEBI (SBEB) Regulations.

The main features of the Scheme are as under:

1. **Brief Description of the Scheme:**

This proposed Scheme called the **Unichem Employee Stock Option Scheme 2018 ("the Scheme")** enables the Company to grant share incentive to Eligible Employees (as selected by the Board) through an Employee Stock Option Scheme ("**ESOP**"). Subject to applicable laws and terms and conditions of the Scheme, the Eligible Employees shall be entitled to subscribe to the Equity Shares within a certain time period ("**Exercise Period**") upon fulfilment of such conditions ("**Vesting**") and payment of an Exercise Price ("**Exercise Price**") as is determined by the Nomination and Remuneration Committee. Thus, the Scheme is intended to reward the Eligible Employees for their performance and to motivate them to contribute to the growth and profitability of the Company.

The Nomination and Remuneration Committee ("**Committee**") of the Company shall be the Compensation Committee for administration of the Scheme. All questions of interpretation of the Scheme shall be determined by the Committee and such determination shall be final and binding.

The objectives of the Scheme are to:

- a) create a sense of ownership and participation amongst the employees;
- b) motivate the employees with incentives and reward opportunities;
- c) drive entrepreneurship mindset of value creation for the organization;
- d) provide means to enable the Company to attract and retain appropriate human talent in the employment of the Company; and
- e) achieve sustained growth of the Company and the creation of shareholder value by aligning the interests of the employees with the long-term interests of the Company.

2. Total number of options to be granted and thereby Equity Shares to be issued and allotted:

The total number of Equity Shares to be allotted pursuant to exercise of Options under the Scheme to the Eligible Employees shall not cumulatively exceed 52,75,275 (Fifty two lac, seventy five thousand and two hundred and seventy five), i.e., 7.50% of the issued, subscribed and paid up equity share capital of the Company as on the date of this Notice.

The SEBI (SBEB) Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division, spilt, consolidation and others, a fair and reasonable adjustment be made to the benefits granted to the Eligible Employees under a stock option scheme. Accordingly, a fair and reasonable adjustment shall be made to the above ceiling and/or the Exercise Price and/or the Exercise Period by the Nomination and Remuneration Committee subject to compliance of the SEBI (SBEB) Regulations and other applicable laws.

3. Identification of classes of employees entitled to participate in the Scheme:

Following classes of employees, which are selected by the Nomination and Remuneration Committee, are entitled to participate in the Scheme:

- a) Permanent employees of the Company working in India or outside India;
- b) Directors of the Company; and
- c) Permanent employees and Directors of the subsidiary company(ies) working in India or outside India.

Following classes of employees are not eligible:

- a) an employee who is a Promoter or belongs to the Promoter Group;
- b) a Director who either by himself or through his relatives or through any Body corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares of the Company; and
- c) an Independent Director within the meaning of the Companies Act, 2013 and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4. Transferability of the options under the Scheme:

Any options granted under the Scheme cannot be assigned, alienated, pledged, attached, hypothecated, sold or otherwise transferred or encumbered by the Eligible Employees except upon death or permanent disability (as defined in the Scheme therein) of the Eligible Employees (in which case the Options will be exercisable by the nominee, as selected by the Eligible Employees). Any purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance not permitted herein shall be void and unenforceable against the Company.

5. Requirements of vesting and period of vesting:

The options granted shall vest in accordance with the terms of each grant under the Scheme, so long as an employee continues to be in the employment of the Company or the subsidiary company (ies), as the case may be. The Nomination and Remuneration Committee depending upon the performance of the Eligible Employees, expertise of the Eligible Employees, achievement or expected achievement of key performance indicators by the Eligible Employees, terms of employment of the Eligible Employees amongst other factors. Subject to the terms and conditions of the Scheme and SEBI (SBEB Regulations), 2014, the period of Vesting shall be minimum one year.

6. Maximum period within which the options shall be vested:

The Vesting Period will be determined by the Nomination and Remuneration Committee at the time of grant of options and will be detailed in the letter of grant.

7. Exercise price or pricing formula:

The Exercise Price, as the case may be, will be determined by the Nomination and Remuneration Committee in accordance with the Scheme, at the time of grant of options and will be detailed in the letter of grant. In any event, the Exercise Price will not be below the par value of the Equity Shares.

The Nomination and Remuneration Committee will in accordance with the Scheme and applicable laws lay down the procedure for making a fair and reasonable adjustment to the number of options, to the Exercise Price in case of corporate action in accordance with SEBI (SBEB) Regulations and shall provide necessary procedures and/or mechanism for exercising such options subject to applicable laws, rules and regulations.

8. Exercise Period and the process of Exercise:

The Exercise Period will be determined by the Nomination and Remuneration Committee at the time of grant of options and will be detailed in the letter of grant.

The option holder may exercise the vested options within the Exercise Period. In the event the option holder fails to exercise his vested options within the Exercise Period then such vested options shall lapse and revert to the plan pool. The Company and/or the Nomination and Remuneration Committee/ will not have any obligation towards such option holder with respect to such lapsed options.

To exercise the options, the option holder will be required to submit an Exercise Letter to the Nomination and Remuneration Committee in such manner and format as provided in the Scheme or otherwise as may be prescribed by the Nomination and Remuneration Committee from time to time, which shall be annexed with the letter of grant. The Nomination and Remuneration Committee at its sole and absolute discretion, may offer a cashless exercise mechanism of options for certain Eligible Employees. This mechanism may either be implemented through an employee welfare trust settled by the Company and/or empanelled broker, in accordance with the applicable laws.

9. Appraisal process for determining the eligibility of employees under the Scheme:

The appraisal process for determining the eligibility of the employees will be decided by the Nomination and Remuneration Committee from time to time which shall be based on factors such as performance of the employee for the past financial years (or for the period of his/her service), on boarding incentive for new employees, attracting talent, position and responsibilities of the concerned employee, the nature of employee's services to the Company and/or its subsidiaries, the period for which the employee has rendered his/her services to the Company or its subsidiary(ies), the employee's present and potential contribution to the success of the Company or its subsidiary(ies) and such other factors as the Nomination and Remuneration Committee deems relevant for accomplishing the purpose of the Scheme and as mentioned in the letter of grant provided to the Eligible Employee.

10. Maximum number of options to be granted per employee and in aggregate:

The maximum number of options that may be granted to an Eligible Employee will be determined by the Nomination and Remuneration Committee on a case to case basis;

SEBI (SBEB) Regulations require separate approval of members by way of Special Resolution to extend the benefits to the employees of subsidiary company (ies). Accordingly, a separate resolution under item no. 3 is proposed to extend the benefits of the Scheme to the employees of subsidiary company (ies) as may be decided by the Nomination and Remuneration Committee from time to time under applicable laws.

11. Maximum quantum of benefits to be provided per employee under the Scheme:

Same as 10 above.

12. Whether the Scheme is proposed to be implemented and administered directly by the Company or through a trust:

The Scheme shall be implemented and administered directly by the Company and at the Company's discretion through one or more Employee Welfare Trust(s). SEBI (SBEB) Regulations requires a separate approval from the shareholders by way of Special Resolution in case the Company is contemplating implementing, administering or operating through an Employee Welfare Trust. Accordingly, a separate resolution under item no. 2 is proposed for approval of the shareholders of the Company to implement the Scheme through an Employee Welfare Trust, settle the same in accordance with the applicable laws and provide financial assistance to the Employee Welfare Trust to that effect.

13. Whether the scheme involves new issue of shares by the Company or secondary acquisition by the trust or both:

The Scheme contemplates new issue of shares by the Company.

14. The amount of loan provided for implementation of the Scheme by the Company to the Trust, its tenure, utilisation, repayment terms etc.:

The Company may in future provide loan to the Trust in accordance with the applicable laws.

15. Maximum percentage of Secondary Acquisition (subject to limits specified under the Regulations) that can be made by the Trust for the purchase under the scheme:

Not Applicable.

16. Accounting and Disclosure Policies:

The Company shall follow the 'Guidance Note on Accounting for Employee Share-based Payments' and/or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein.

17. Method of Valuation:

The Company shall use the Intrinsic Value method to value the options being granted under ESOP under the Scheme. The difference between the employee compensation cost so computed and the employee compensation cost that shall be recognized as if it had used the fair value, shall be disclosed in the Directors' Report and the impact of this difference on profits and earnings per share of the Company shall also be disclosed in the Directors' Report.

18. Miscellaneous:

Some of the Eligible Employees under the Scheme may be resident in jurisdictions other than India. If the terms of the Scheme are to be modified to comply with the local laws of such jurisdictions, the Scheme empowers the Nomination and Remuneration Committee to do so.

Consent of the members is being sought by way of Special Resolutions pursuant to Section 62(1)(b) of the Companies Act, 2013 and as per Regulation 6 of the SEBI SBEB Regulations and all other applicable provisions, if any.

A draft copy of the Scheme is available for inspection at the Company's Registered Office during office hours on all working days from the date of dispatch of Notice until the last date for receipt of votes by Postal Ballot.

The Directors and Key Managerial Personnel of the Company may be deemed to be concerned or interested in these Resolutions only to the extent of any options that may be granted to them (along with the resultant Equity Shares issued) that may be offered to them in accordance with the Scheme.

The Board recommends passing of the resolutions as set out under Item Nos. 1, 2 and 3 of the Notice for approval of the members as Special Resolutions.

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

Neema Thakore
Head – Legal & Company Secretary
Membership No.: F3966

March 31, 2018
Mumbai

Registered Office:

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

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