

# ZENOTECH LABORATORIES LIMITED

in terms of Regulations 3(1), 4 and 5(1) read with Regulations 13(4) and 15(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

Registered Office: Survey No. 250-252, Turkapally Village, Shameerpet Mandal, Hyderabad - 500078, Telangana

Tel: +91 90 32044 584/585/586

Open Offer ("Offer") for acquisition of up to 9,693,332 (Nine Million Six Hundred Ninety Three Thousand Three Hundred Thirty Two) fully paid up equity shares ("Shares") representing 28.16% of the fully diluted voting share capital of Zenotech Laboratories Limited ("Target Company") as of the 10<sup>th</sup> (tenth) working day from the date of closure of the tendering period ("Voting Share Capital"), by Sun Pharmaceutical Industries Limited ("Acquirer"). This detailed public statement ("DPS") is being issued by Citigroup Global Markets India Private Limited, the Manager to the Offer ("Manager"), on behalf of the Acquirer, in compliance with Regulations 3(1), 4, 5(1) read with Regulations 13(4) and 15(2) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("SEBI (SAST) Regulations") pursuant to the Public Announcement dated April 11, 2014 ("PA") which was filed with BSE on April 11, 2014, sent to the Target Company on April 12, 2014, and filed with Securities and Exchange Board of India (SEBI) on April 15, 2014.

**1. Acquirer - Sun Pharmaceutical Industries Limited**

- The Acquirer is a public limited company, registered under the laws of India on March 01, 1993.
- The Acquirer is a pharmaceutical company engaged in the development, manufacturing, and commercialization of pharmaceutical products including a variety of pharmaceutical formulations and active pharmaceutical ingredients in the US, India and several other global markets.
- There has not been any change in the name of the Acquirer.
- The registered office of the Acquirer is situated at SPARC, Tandajia, Vadodara - 390202, Gujarat, India, Tel. No.: +91 265 6615500, Fax No.: +91 265 2354897.
- The Acquirer does not belong to any specific group.
- Details of compliance officer of the Acquirer are as follows:  
Name: Mr. Ashok Bhuta  
Contact: +91 22 66893500  
Email: ashok.bhuta@sunpharma.com
- The issued and paid up share capital of the Acquirer is ₹ 2,071,163,910 comprising of 2,071,163,910 equity shares as on December 31, 2014. The equity shares of the Acquirer are listed on the National Stock Exchange of India Limited ("NSE") and the BSE Limited ("BSE"). The closing price of the equity shares of the Acquirer, traded on BSE, as on March 27, 2015 was INR 1,010.65. The closing price of the equity shares of the Acquirer, traded on NSE, as on March 27, 2015 was INR 1,011.20.
- The Acquirer is not prohibited from dealing in securities by the SEBI, in terms of a direction issued under Section 11B of the Securities and Exchange Board of India Act, 1992 (as amended) or any other regulations made thereunder.
- Major contingent liabilities of the Acquirer on a standalone basis as on March 31, 2014 are ₹ 210.32 Crores for Letter of Credits for Imports and ₹ 492.78 Crores for Income Tax on account of Disallowances/Additions.
- Mr. Surinder Kumar Kohli, an employee of the Acquirer is on the board of the Target Company.
- The shareholding pattern of the Acquirer as on December 31, 2014 is as follows:

Sr. No.	Shareholder's Category	No. of Equity Shares Held	% of Shareholding
1.	Promoters	1,318,346,400	63.65
2.	FIs/Mutual Funds/FIs/Banks	549,841,012	26.55
3.	Public	202,976,498	9.80
	Total	2,071,163,910	100.0

Source: www.bseindia.com, as of December 31, 2014

**1.12 The promoters of the Acquirer who are persons in control of the Acquirer are the following:**

- Dilip Shantilal Shangvi
- Viditi Investment Pvt Ltd
- Tejasviran Pharmchem Industries Pvt Ltd
- Family Investment Pvt Ltd
- Quality Investment Pvt Ltd
- Virtuous Finance Pvt Ltd
- Virtuous Share Investments Pvt Ltd
- Aditya Medisales Ltd
- Raksha Sudhir Valia
- Sholapur Organics Pvt Ltd
- Sudhir Vrundavadas Valia
- Unimed Investments Ltd
- Jayant Shantilal Sanghvi
- Vibha Dilip Shangvi
- Kumud Shantilal Shanghvi
- Aalok Dilip Shanghvi
- Vidhi Dilip Shanghvi
- Jeevanrekha Investrade Pvt Ltd
- Kumud S Shanghvi Trustee of Shanghvi Family & Friends Benefit Trust
- Package Investrade Pvt Ltd
- Varsha Kiran Doshi
- Shanghvi Finance Pvt Ltd
- Dipil Nirmal Modi
- Asawari Investment & Finance Pvt Ltd
- Flamboyer Finance Pvt Ltd
- Sanghvi Properties Pvt Ltd
- Gujarat Sun Pharmaceutical Industries Pvt Ltd
- Nirmit Exports Pvt Ltd

**1.13 Key financial information of the Acquirer:**

The financial information set forth below has been extracted from the audited standalone financial statements of the Acquirer as at and for the financial years ended March 31, 2012, March 31, 2013 and March 31, 2014 and the interim unaudited standalone financial information, which has been subject to limited review by the Acquirer's auditors, as at and for the nine month period ending December 31, 2014 is as follows:

Particulars	Financial Year			Nine month period ending December 31, 2014
	2011-12	2012-13	2013-14	
	₹ (in millions)	₹ (in millions)	₹ (in millions)	
Total Revenue from operation (net)	40,155.6	24,321.4	28,287.9	17,380.6
Net profit	16,974.9	5,165.5	(28,285.2)	(3,611.6)
Earnings Per Share (EPS) <sup>*</sup> (Face value of share ₹ 1.00)	16.4 <sup>*</sup>	2.5	(13.7)	(1.7)
Net worth/Shareholder Fund	78,781.2	77,888.8	74,078.8	71,377.2 <sup>*</sup>

<sup>\*</sup>EPS in 2011-12 is unadjusted for bonus issues in 2013-14.<sup>\*</sup>Balance sheet data as at September 30, 2014

The key financial information of the Acquirer, as derived from its audited consolidated financial statements as at and for the twelve month period ended March 31, 2014, March 31, 2013 and March 31, 2012 and the interim unaudited consolidated financial information as at and for the nine month period ending December 31, 2014 is as follows:

Particulars	Financial Year			Nine month period ending December 31, 2014
	2011-12	2012-13	2013-14	
	₹ (in millions)	₹ (in millions)	₹ (in millions)	
Total Revenue from operation (net)	80,194.9	112,998.6	160,803.6	130,003.7
Net profit	26,566.9	29,830.6	31,414.7	43,880.4
Earnings Per Share (EPS) <sup>*</sup> (Face value of share ₹ 1.00)	25.7 <sup>*</sup>	14.4	15.2	21.2
Net worth/Shareholder Fund	122,357.8	149,897.3	185,249.5	220,086.0 <sup>*</sup>

<sup>\*</sup>EPS in 2011-12 is unadjusted for bonus issues in 2013-14.<sup>\*</sup>Balance sheet data as at September 30, 2014

Source: Acquirer filings

- As on the date of this DPS, the Acquirer owns 16,127,293 Shares, constituting 46.84% of the Voting Share Capital of the Target Company pursuant to the consummation of the Primary Acquisition (as detailed in Paragraph 5 of this DPS) below.

**2. DETAILS OF SELLING SHAREHOLDERS, IF APPLICABLE**

Not applicable as this Offer is being made on account of the Primary Acquisition (defined herein below) and not as a result of a direct acquisition of Shares, voting rights or control of the Target Company.

**3. BACKGROUND OF THE TARGET COMPANY**

- The Target Company, a public limited company, was incorporated on June 15, 1989. The Target Company was incorporated and registered in the name Maa Shakli Tube Mill Private Limited. The name of the Target Company was changed to Sunline Tubes Private Limited with effect from April 01, 1992. It was converted into a public company on August 25, 1993 and came to be known as Sunline Tubes Limited, and was subsequently renamed as Sunline Technologies Limited effective from December 6, 2000. Sunline Technologies Limited entered into a Scheme of Amalgamation with Zenotech Laboratories Private Limited, and pursuant to the said scheme changed its name to Zenotech Laboratories Limited on August 10, 2004.

- The Target Company has its registered office at Survey No. 250-252, Turkapally Village, Shameerpet Mandal, Hyderabad - 500078, Telangana.

- The Shares of the Target Company are listed on the BSE (Scrip Code: 532039). The corporate identification number (CIN) of the Target Company is L27100AP1989PLC010122.

- Based on the information available on the website of the stock exchange, the Shares are infrequently traded on the BSE (within the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations).

- The issued, subscribed and paid-up share capital of the Target Company as on the date of this DPS is ₹ 344,275,000 (Indian Rupees Three Hundred Forty Four Million Two Hundred and Seventy Five Thousand) consisting of 34,427,500 Shares of face value of ₹ 10.00 each. The Target Company has not issued and allotted any securities after the date of the PA.

- Trading in the Shares is not currently suspended on BSE.

- Under the Zenotech Stock Option Scheme 2005, the Target Company has employed 1,25,000 Shares to the then directors during the financial years 2007-08, 2008-09 and 2,500 Shares to some employees during the financial year 2010-11. These Shares have not been listed on the BSE due to missing statutory records and registers of the Target Company including the Minutes of the meetings of the Board of Directors. No return of allotment with respect to these Shares was filed with the Registrar of Companies, Hyderabad. As on the date of this DPS, there are no employee stock options outstanding towards the Target Company. (Source: BSE website. Target Company confirmations and Target Company Annual Report 2013-2014)

**4. Key financial information of the Target Company**

- The key financial information set forth below has been, extracted from the audited standalone financial statements of the Target Company as at and for the financial years ended March 31, 2012, March 31, 2013 and March 31, 2014 and the interim unaudited standalone financial information, which has been subject to limited review by the Target Company's auditors, as at and for the nine month period ending December 31, 2014.

Particulars	For the 12 month period ending March 31 (Audited, Standalone)			For the period ending December 31, 2014 (Unaudited, Standalone)
	2012	2013	2014	
Total Revenue	22	30	28	32
Net Income	(103)	(255)	(229)	(202)
Earnings Per Share (EPS) <sup>*</sup> (Face value of share ₹ 1.00)	(2.98)	(7.41)	(6.64)	(5.87)
Net worth/Shareholder Fund	516	261	32	(59) <sup>*</sup>

Note: All amounts are in ₹ in Million, except per share data.

<sup>\*</sup> as at September 30, 2014

- Due to the missing and non-availability of the books of account and other related records and documents of overseas subsidiaries of the Target Company, the consolidated accounts and the required statements have not been prepared by the Target Company. (Source: Target Company confirmations)

- The information stated in this Paragraph 3 (Background of the Target Company) has been, unless otherwise specified, sourced from publicly available sources or confirmed by the Target Company.

**4. DETAILS OF THE OFFER**

- This Offer is a mandatory offer made under Regulations 3(1), 4 and 5(1) read with Regulations 13(4) and 15(2) of the SEBI (SAST) Regulations, pursuant to an indirect acquisition of voting rights in and control by the Acquirer over the Target Company. Further details provided in Section 5 of this DPS below (Background to the Offer).

- This Offer for 9,693,332 (Nine Million Six Hundred and Ninety Three Thousand Three Hundred and Thirty Two) shares ("Offer Size"), is being made to all the public shareholders of the Target Company excluding the Acquirer, person acting in concert with the Acquirer, Ranbaxy Laboratories Limited ("Ranbaxy"), person acting in concert with Ranbaxy, persons who are signatories to the Transaction Documents or such other persons as are excluded by law ("Eligible Shareholders") in terms of Regulation 7(6) of SEBI (SAST) Regulations. At the time of the PA for the Offer, 9,693,332 Shares constituted 28.12% of the Voting Share Capital since we had assumed full conversion of 42,500 employee stock options granted by the Target Company as disclosed in the annual report of the Target Company for the financial year 2013. However, the Target Company has confirmed that as on the date hereof, there are no outstanding employee stock options accordingly, 9,693,332 Shares i.e. the Offer Size constitute 28.16% of the Voting Share Capital.

- As of the date of this DPS, there are no (i) partly paid-up equity shares; and (ii) outstanding convertible instruments (warrants/fully convertible debentures/partly convertible debentures) issued by the Target Company. (Source: BSE website, Target Company confirmations and Target Company Annual Report 2013-2014)

- All Shares validly tendered by the Eligible Shareholders of the Target Company in this Offer will be acquired by the Acquirer in accordance with the terms and conditions set forth in this DPS and as will be set out in the Letter of Offer that will be issued in relation to this Offer ("Letter of Offer"). The Eligible Shareholders who tender their Shares in this Offer shall ensure that the Shares are clear from all liens, charges and encumbrances. The Acquirer shall acquire the Shares of the Eligible Shareholders who validly tender their Shares in this Offer, together with all rights attached thereto, including all rights to dividends, bonuses and rights offers declared thereof.

- This Offer is being made at a price of ₹ 20.87 (Indian Rupees Twenty and Eighty Seven Paise Only) per Share ("Offer Price") which includes interest computed at the rate of 10% (ten per cent) per annum for the period between April 6, 2014 and the date of this DPS in terms of Regulation 8(12) of SEBI (SAST) Regulations.

- The Offer Price will be paid in cash in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations.

- As of the date of this DPS, subject to Paragraph 9 below, to the best of the knowledge of the Acquirer, there are no statutory approvals required by the Acquirer to complete this Offer. However, in case of any statutory approvals being required by the Acquirer at a later date before the closure of the tendering period, this Offer shall be subject to such approvals and the Acquirer shall make the necessary applications for such approvals.

- Non-resident Indian ("NRI") and overseas corporate body ("OCB") holders of the Shares, if any, must obtain all requisite approvals required to tender the Shares held by them, in this Offer and submit such approvals along with the documents required to accept this Offer. Further, if holders of the Shares who are not persons resident in India (including NRIs, OCBS, foreign portfolio investors and foreign institutional investors ("FII")) had required any approvals (including from the RBI or the Foreign Investment Promotion Board or any other regulatory body) in respect of the Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Shares, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Shares tendered in this Offer.

- This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of SEBI (SAST) Regulations. This Offer is a mandatory indirect offer in compliance with Regulations 3(1), 4 and 5(1) of the SEBI (SAST) Regulations.

- This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.

- In terms of Regulation 25(2) of the SEBI (SAST) Regulations, the Acquirer does not currently have any intention to alienate, restructure, dispose-off or otherwise encumber any assets of the Target Company or any of its subsidiaries in the succeeding 2 (two) years from the completion of this Offer, except in the ordinary course of business and other than as already agreed, disclosed and/or publicly announced by Target Company. The Acquirer undertakes that it will not restructure, sell, lease, dispose-off or otherwise encumber any substantial assets of the Target Company or any of its subsidiaries other than in the ordinary course of business and other than as already agreed, disclosed and/or publicly announced by the Target Company in the succeeding 2 (two) years from the completion of this Offer, except with the prior approval of the shareholders of the Target Company through a special resolution, passed by way of postal ballot.

- In the event that the Shares accepted in the Offer results in the shareholding in the Target Company exceeding the maximum permissible non-public shareholding, the Acquirer shall be required to bring down the non-public shareholding to the level specified and within the time permitted under Securities Contract (Regulation) Rules, 1957, as amended.

**5. BACKGROUND TO THE OFFER**

- On April 6, 2014, the Board of Directors of the Acquirer and Ranbaxy approved a scheme of arrangement under the provisions of sections 391 to 394 and other applicable provisions of the Companies Act, 1956 and corresponding provisions of the Companies Act, 2013 ("Scheme"), whereby subsequently, Ranbaxy has merged into the Acquirer ("Primary Acquisition"). Ranbaxy, Acquirer and their respective promoters have also executed certain documents to implement the Scheme ("Transaction Documents"). The Scheme was approved by the High Court of Gujarat on November 14, 2014 and by the High Court of Punjab and Haryana on March 09, 2015 and has become effective on March 24, 2015.

- Prior to the implementation of the Scheme, Ranbaxy held 16,127,293 Shares representing 46.84% of the Voting Share Capital of the Target Company. The merger of Ranbaxy into the Acquirer pursuant to the Scheme has resulted in the Acquirer owning 46.84% of the Voting Share Capital of the Target Company, and control over the Target Company, although the acquisition of voting rights in or control over the Target Company is not the objective of the Primary Acquisition.

- Accordingly, this Offer is being made pursuant to Regulation 3(1) and Regulation 4 read with Regulation 5(1) and Regulation 13(2)(e) of the SEBI (SAST) Regulations for and on behalf of the Acquirer to the Eligible Shareholders.

- In terms of Regulation 13(4) of the SEBI (SAST) Regulations, in the case of an indirect acquisition which is not a deemed direct acquisition, a detailed public statement is required to be issued by the acquirer no later than five working days of the completion of the primary acquisition of shares or voting rights in, or control over the company or entity holding shares or voting rights in, or control over the target company. Since the Primary Acquisition concluded on March 24, 2015 i.e. the effective date of the Scheme, this DPS is being issued in terms of Regulation 13(4) of the SEBI (SAST) Regulations.

- Some key features of the Scheme and the Transaction Documents are as follows:  
The Scheme inter-alia provides for the amalgamation of Ranbaxy with the Acquirer which will combine the business, activities and operations of Ranbaxy and the Acquirer into a single company with effect from the Appointed Date i.e. April 01, 2014 based on a share exchange ratio of 0.80 equity shares of the face value of INR 1 each of the Acquirer for every 1 equity share of INR 5 each of Ranbaxy.

- In addition to the above, the Transaction Documents set out certain inter-se rights and obligations between Dalchi Sankyo Company Ltd ("Dalchi"), one of the promoters of the Target Company and the Acquirer in relation to Dalchi's shareholding in the Acquirer. These rights and obligations include certain share transfer restrictions on Dalchi in relation to its shareholding in the Acquirer and its right to nominate one director on the board of the Acquirer.

**6. SHAREHOLDING AND ACQUISITION DETAILS**

- The table below sets out the current and proposed shareholding of the Acquirer in the Target Company and the details of the acquisition:

Details	Acquirer	
	No.	%
Shareholding as on the date of the PA	Nil	Nil
Shares acquired between the date of the PA and the date of the DPS	16,127,293 Shares acquired pursuant to the Scheme on the Effective date	46.84%
Post Offer shareholding (On a diluted basis, as on the 10 <sup>th</sup> working day after the closure of the tendering period and assuming full acceptance under the Offer)	25,820,625 Shares	75.00%

- The directors of the Acquirer do not hold any Shares in the Target Company. Upon consummation of the Primary Acquisition, the Acquirer holds 16,127,293 Shares representing 46.84% of the Voting Share Capital.

**7. OFFER PRICE**

- The Shares of the Target Company are listed on the BSE.

- The annualized trading turnover in the Shares on BSE based on trading volume during the 12 (twelve) calendar months prior to the month in which the PA is made as given below:

Stock Exchange	Number of Shares Traded (A)	Weighted Average Number of Shares (B)	(A) as % of (B)
BSE	190,252	34,427,500	0.6%

Source for BSE trading information: www.bseindia.com

- Therefore, in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations, the Shares are infrequently traded on BSE.

- The Offer Price of ₹ 20.87 (Indian Rupees Twenty and Eighty Seven Paise Only) per Share is justified in terms of Regulations 8(3) and 8(4) of SEBI (SAST) Regulations, in view of the following:

(a) Highest negotiated price per Share, if any, of the Target Company for any acquisition under the Primary Acquisition attracting the obligation to make the PA of the Offer	Nil
(b) Volume-weighted average price paid or payable for any acquisition, whether by the Acquirer or by any person acting in concert with the Acquirer, during the fifty-two weeks immediately preceding April 6, 2014 (being the earlier of the date on which the Primary Acquisition is contracted, and the date on which the intention or the decision to enter into the Primary Acquisition is announced in the public domain)	Nil
(c) Highest price paid or payable for any acquisition, whether by the Acquirer or by any person acting in concert with the Acquirer, during the twenty-six weeks immediately preceding April 6, 2014 (being the earlier of the date on which the Primary Acquisition is contracted, and the date on which the intention or the decision to enter into the Primary Acquisition is announced in the public domain)	Nil
(d) Highest price paid or payable for any acquisition, whether by the Acquirer or by any person acting in concert with the Acquirer, between April 6, 2014 (being the earlier of the date on which the Primary Acquisition is contracted, and the date on which the intention or the decision to enter into the Primary Acquisition is announced in the public domain) and the date of the PA (being April 11, 2014)	Nil
(e) Volume-weighted average market price of the Shares for a period of 60 (sixty) trading days immediately preceding April 6, 2014 (being the earlier of the date on which the Primary Acquisition is contracted, and the date on which the intention or the decision to enter into the Primary Acquisition is announced in the public domain) as traded on the BSE where the maximum volume of trading in the Shares of the Target Company are recorded during such period, provided that such Shares are frequently traded.	₹ 19 (Rupees Nineteen) per Share
(f) Other financial parameters including Book Value, Comparable Trading Multiple, and other customary parameters. (Please see Note 2 below)	₹ 20.87 (Rupees Twenty and Eighty Seven Paise Only) per Share
(g) Price at (f) above including interest in terms of Regulation 8(12) of the SEBI (SAST) Regulations. (Please see Note 3 below)	₹ 20.87 (Rupees Twenty and Eighty Seven Paise Only) per Share
(h) Per Share value, as required under Regulation 8(5) of SEBI (SAST) Regulations. (Please see Note 1 below)	NA

Note 1: In terms of Regulation 8(5) of the SEBI (SAST) Regulations, the (i) proportionate net asset value of the Target Company as a percentage of the consolidated net asset value of Ranbaxy; (ii) proportionate sales turnover of the Target Company as a percentage of the consolidated sales turnover of Ranbaxy; or (iii) proportionate market capitalization of the Target Company as a percentage of the enterprise value of Ranbaxy, is less than fifteen percent. Accordingly, the per Share value under Regulation 8(5) of SEBI (SAST) Regulations is not required to be computed.

Note 2: M/s Bansil S. Mehta & Co., Chartered Accountants, (Address: Merchant Chamber, 3<sup>rd</sup> Floor, 41, New Marine Lines, Mumbai-400 020; Telephone: +91 22 2201 4922/2200 4002; firm registration number: 1009919W) in its report dated April 10, 2014, has provided a report on the fair value of the Shares based on Regulation 8(4) of the SEBI (SAST) Regulations, as referred to at point (f) of para 7.4 above.

Note 3: In terms of Regulation 8(12) of the SEBI (SAST) Regulations, in case of an indirect acquisition other than direct acquisition referred in Regulation 5(2) of SEBI (SAST) Regulations, the offer price is enhanced by an amount equal to a sum determined at the rate of 10% (ten per cent) per annum for the period between the earlier of the date on which the primary acquisition is contracted or the date on which the intention or the decision to make the primary acquisition is announced in the public domain, and the date of the detailed public statement, provided that such period is more than five working days.

The Scheme was approved by the board of directors of the Acquirer and Ranbaxy on April 6, 2014. The Offer Price has been enhanced by an interest component, which has been calculated from April 6, 2014 and March 30, 2015, being the date of this DPS. The interest works out to ₹ 1.87 (Indian Rupee One and Eighty Seven Paise Only) per Share. Accordingly, the Offer Price including interest works out to ₹ 20.87 (Indian Rupees Twenty and Eighty seven Paise Only). Therefore, in terms of Regulation 8(3) and 8(4) of the SEBI (SAST) Regulations, the Offer Price of ₹ 20.87 (Indian Rupees Twenty and Eighty Seven Paise Only) per Share is justified.

- There have been no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations. (Source: Target Company confirmations and www.bseindia.com)

- The Acquirer is permitted to make upward revisions in the Offer Price at any time prior to 3 (three) working days before the commencement of the tendering period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. The Acquirer has decided not to increase the Offer Price. Further, in the event of further acquisition of Shares by the Acquirer during the Offer period, whether by way of market purchases or otherwise, at a price higher than the Offer Price, the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations. However, the Acquirer shall not acquire any Shares after three working days prior to the commencement of the tendering period and until the expiry of the tendering period.

- In the event of an upward revision in price, the Acquirer is required to: (a) make corresponding increases to the amounts kept in the escrow account under Regulation 17 of the SEBI (SAST) Regulations; (b) make a public announcement in the newspapers where the DPS was published; and (c) simultaneously with the issue of such announcement inform SEBI, the BSE and the Target Company at its registered office of such revision.

**8. FINANCIAL ARRANGEMENTS**

- The total funding requirement for this Offer assuming full acceptance of this Offer is ₹ 2,02,299,839 (Rupees Two Hundred and Two Million Two Hundred Ninety Nine Thousand Eight Hundred and Thirty Nine Only) ("Maximum Consideration").

- The Acquirer has made firm financial arrangements for fulfilling the payment obligations under this Offer.

- Further, the Acquirer has furnished an unconditional, irrevocable on demand bank guarantee dated March 24, 2015 and amendment dated March 26, 2015 in favour of the Manager from Citibank N.A. having guarantee number 5521605946 (68571), (the "Bank Guarantee") for INR 50,700,000 (Rupees fifty million seven hundred thousand only), which is equal to 25.06% of the Maximum Consideration. The Manager has been duly authorized to realize the value of the Bank Guarantee in terms of the SEBI (SAST) Regulations. Otherwise than in case of the Offer being withdrawn, the Bank Guarantee is valid until (i) December 31, 2015; or (ii) expiry of period specified under Regulation 17(6) of SEBI (SAST) Regulations, whichever occurs earlier.

- In accordance with Regulation 17 of the SEBI (SAST) Regulations, the Acquirer and Citibank N.A., a national banking association organized under the laws of the United States of America, carrying on the business of banking in India as a scheduled commercial bank and having its principal office in India at 11<sup>th</sup> floor, First International Financial Centre, C - 54 and 55, G - Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 ("Escrow Bank") and the Manager have entered into an Escrow Agreement on March 23, 2015 ("Offer Escrow Agreement"). Pursuant to the Offer Escrow Agreement, the Acquirer has established an escrow account under the name and title of "SUN PHARM IND LTD ESC ZEN OP OFF" ("Offer Escrow Account") with the Escrow Bank and have made a cash deposit of ₹ 2,100,000 (Rupees Two Million One Hundred Thousand Only) i.e. 1.04% of the Maximum Consideration, in the Offer Escrow Account. The cash deposit has been confirmed by way of a confirmation letter dated March 25, 2015 issued by the Esc