LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a Shareholder of **KDL Biotech Limited**. If you require any clarifications about the action to be taken, you may consult your stock-broker or investment consultant or the Manager/ Registrar to the Offer. In case you have sold your Shares in KDL Biotech Limited, please hand over this Letter of Offer, the accompanying Form of Acceptance-cum-Acknowledgement, Form of Withdrawal and Transfer Deed to the member of the Stock Exchange through whom the said sale was effected.

CASH OFFER
by
The Acquirer:
Unimark Remedies Limited, ("Unimark" or "Acquirer")
Registered/Corporate Office: 19, Crystal, 1st Floor, Juhu Road, Santacruz (West), Mumbai – 400 054.
Tel: +91 22 6730 4000; Fax: +91 22 2600 7917

TO ACQUIRE UPTO 4,807,030 FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF RS. 10 EACH REPRESENTING 20% OF THE EXPANDED VOTING CAPITAL
OF
KDL Biotech Limited ("KDL" or "Target Company")
Registered Office: Village Savroli, Taluka Khalapur, District Raigad, Maharashtra - 410 202.
Tel: +91-2192-274025-274030; Fax: +91-2192-274031.
Corporate Office: Parijat House, 1076, Dr. E. Moses Road, Worli, Mumbai – 400 018.
Tel: + 91 22 6662 7000; Fax: + 91 22 6666 1265

AT Rs. 12 (RUPEES TWELVE ONLY) (THE "OFFER PRICE") PER FULLY PAID-UP EQUITY SHARE ("SHARES") OF FACE VALUE OF Rs.10 (RUPESS TEN) EACH

Pursuant to Regulations 10 and 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto

Attention:
1. This Offer is being made pursuant to and in accordance with Regulations 10 and 12 of the SEBI (SAST) Regulations, 1997.
2. This Offer is not conditional upon any minimum level of acceptance by the Shareholders.
3. This Offer is subject to approvals from the Reserve Bank of India, in respect of Shares tendered by non-resident Shareholders. The Acquirer has filed an application with the Reserve Bank of India on September 2, 2008 to obtain the said approval. Please refer to paragraph 8 of this Letter of Offer for further details.
4. In case of delay in the receipt of any statutory approval(s), SEBI has the power to grant extension of time to the Acquirer for payment of consideration to Shareholders who have validly tendered their Shares, subject to the Acquirer agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of the SEBI (SAST) Regulations. Further, if the delay occurs on account of willful default by the Acquirer in obtaining the requisite approvals, Regulation 22(13) of the SEBI (SAST) Regulations will also become applicable.
5. Shareholders who have accepted the Offer by tendering the requisite documents in terms of Public Announcement/Letter of Offer shall have the option to withdraw their acceptance upto Friday, 3rd October, 2008 i.e. 3 (three) working days prior to the date of closure of the Offer viz. Wednesday, 8th October, 2008. Such requests for withdrawal should reach to the Registrar to the Offer at the designated collection center before 5:00 p.m. on Friday, 3rd October, 2008.
6. The Acquirer can revise the Offer Price upwards up to 7 (Seven) working days prior to the date of the closure of the Offer. If there is an upward revision in the Offer Price or withdrawal of the Offer by the Acquirer prior to or on the last date for revising the Offer Price viz. Friday, 26th September, 2008, Shareholders will be informed by way of another public announcement in the newspapers in which the first Public Announcement was published. The Acquirer shall pay such revised price for all Shares validly tendered any time during the Offer and accepted under the Offer.
7. If the aggregate of the valid responses to the Offer exceeds the Offer size of 4,807,030 Shares (representing 20% of the Expanded Voting Capital), then the Acquirer shall, in consultation with the Manager to the Offer, accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the SEBI (SAST) Regulations.
8. **There has been no competitive bid to the Offer.**
9. The procedure for acceptance is set out in Paragraph 9 of this Letter of Offer. A Form of Acceptance-cum-Acknowledgement and Form of Withdrawal are enclosed with this Letter of Offer.

   The Public Announcement and this Letter of Offer, Form of Acceptance and Form of Withdrawal are also available on SEBI's Website (www.sebi.gov.in) from the Offer Opening Date viz. Friday, 19th September, 2008. A copy of the Form of Acceptance may also be obtained from the Registrar to the Offer commencing on the date of the dispatch of the Letter of Offer viz. Wednesday, 10th September, 2008. All future correspondence, if any should be addressed to the Registrar to the Offer at the address mentioned below:

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
Edelweiss Ideas create, values protect **Edelweiss Capital Limited** Express Tower, 14th Floor, Nariman Point, Mumbai – 400 021. Tel : + 91 22 4086 3535; Fax: + 91 22 4086 3610 Email: kbl.openoffer@edelcap.com Contact Person : Mr. Pallav Shah / Mr. Viral Shah	B S S **Bigshare Services Private Limited** E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai (Maharashtra) - 400 072. Tel no.: +91 22 4043 0200; Fax no.: +91 22 2847 5207 Email: openoffer@bigshareonline.com Contact Person: Mr. Ashok Shetty
Offer Opens On: Friday, 19th September, 2008	**Offer Closes On: Wednesday, 8th October, 2008**

(For Schedule of Major Activities of the Offer please refer to the next page)

SCHEDULE OF THE MAJOR ACTIVITES OF THE OFFER:

Activity	Day & Date
Public Announcement Date	Monday, 28th July, 2008
Specified Date *	Monday, 11th August, 2008
Last date for a competitive bid	Monday, 18th August, 2008
Date by which Letter of Offer to be dispatched to Shareholders	Wednesday, 10th September, 2008
Date of Opening of the Offer	Friday, 19th September, 2008
Last date for Revising the Offer price/ number of Shares	Friday, 26th September, 2008
Last date for Withdrawing of acceptance from the Offer	Friday, 03rd October, 2008
Date for Closing of the Offer	Wednesday, 08th October, 2008
Last date of communicating rejection / acceptance and for dispatch of consideration for acceptance and of Share certificate(s) for the rejected Shares / credit of unaccepted dematerialized Shares	Thursday, 23rd October, 2008

** Specified date is only for the purpose of determining the names of the Shareholders as on such date to whom the Letter of Offer will be sent. All owners (registered or unregistered) of the Shares of* KDL *(except Acquirer and other parties to the SPAs) are eligible to participate in the Offer anytime before the closure of the Offer.*

RISK FACTORS

Risks related to the Offer

1. This Offer is subject to the receipt of approvals from the Reserve Bank of India in respect of Shares tendered by non-residents. In the event of such approval not being received in a timely manner or litigation leading to stay in the Offer, or SEBI instructing that the Offer should not be proceeded with, the Offer process may be delayed beyond the schedule of the major activities of the Offer indicated in this Letter of Offer.

2. Shareholders should note that after the last date for withdrawal of acceptances under the Offer i.e. Friday, 03rd October, 2008, Shareholders who have lodged their Shares will not be able to withdraw them even if the acceptance of Shares under the Offer and dispatch of consideration gets delayed. The tendered Shares and documents will be held in trust by the Registrar to the Offer, till such time as the process of acceptance of tenders and the payment of consideration is completed, and the Shareholders will not be able to trade such Shares. During such period there may be a fluctuation in the market price of the Shares.

3. In case the number of valid acceptances is higher than 4,807,030 Shares, then the valid tenders would be accepted on a proportionate basis upto a maximum of 4,807,030 Shares. Hence, there is no certainty that all Shares tendered by the Shareholders in the Offer will be accepted, in case there is oversubscription of the Offer.

4. The Acquirer and the Manager to the Offer, accepts no responsibility for statements made otherwise than in the Public Announcement or the Letter of Offer or in the advertisement or any materials issued by or at the instance of the Acquirer and the Manager to the Offer, and anyone placing reliance on any other source of information would be doing so at his/her/their own risk.

Risks related to associating with the Acquirer

5. The Acquirer makes no assurance with respect to the market price of the Shares of KDL, both during the Offer period and upon the completion of the Offer, and disclaims any responsibility with respect to any decision by the Shareholders on whether to participate or not to participate in the Offer.

6. The Acquirer makes no assurance with respect to the financial performance of KDL. The Acquirer also makes no assurance with respect to investment / disinvestment decisions relating to its proposed shareholding in the Target Company.

Risks associated with the transaction

7. By virtue of the transactions contemplated under the SPAs and the Subscription Agreement and the consequent post Offer shareholding of the Acquirer, the Acquirer may have the ability to influence the outcome of certain board and shareholder resolutions.

The risk factors set forth above pertain to the Offer and do not relate to the present or future business or operations of KDL or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by a Shareholder in the Offer. The Shareholders are advised to consult their stockbroker or investment consultant, if any, for further risks with respect to their participation in the Offer.

TABLE OF CONTENTS

1. DEFINITIONS

Acquirer / Unimark	Unimark Remedies Limited
BSE	Bombay Stock Exchange Limited
Bank / Escrow bank	Standard Chartered Bank
CDSL	Central Depository Services (India) Limited
Close of business hours	Monday to Friday; 10:30 a.m. to 5:00 p.m. & Saturday 10:00 a.m. to 1:00 p.m.
KDL / Target Company	KDL Biotech Limited
DP	Depository Participant
Depositories	Collectively NSDL and CDSL
Eligible shareholders	All owners of Shares, registered or unregistered, (who own Shares at any time prior to the closure of the Offer) except parties to the SPAs
Expanded Voting Capital	The fully paid up Share capital of the Target Company after the Preferential Issue which will be Rs. 240,351,510 (Rupees Twenty-Four Crores Three Lacs Fifty-One Thousand Five Hundred and Ten Only) divided into 24,035,151 Shares as on October 23, 2008, which is the date that is fifteen days from the date of closure of the Offer
FIIs	Foreign Institutional Investor
Form of Acceptance	Form of Acceptance cum –Acknowledgement
FY	Financial Year
Guidelines	Guidelines for preferential issues contained in Chapter XIII of Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 and subsequent amendments thereto.
Letter of Offer	This Letter of Offer
Manager / Manager to the Offer/ Edelweiss / Merchant Banker	Edelweiss Capital Limited
Morganite	Morganite Trading Company Limited, a company incorporated under the provision of Companies Act, 1956 having its registered office at United India Building, 2nd Floor, Sir P. M. Road, Fort, Mumbai – 400 001.
Morganite SPA	The Share Purchase Agreement, dated 26th July, 2008, between Unimark and Morganite to acquire 240,000 Shares at a price of Rs. 8.50 (Rupees Eight and Fifty Paisa Only) per Share.
NRI	Non Resident Indians
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCBs	Overseas Corporate Bodies
OCCPS	Optionally Convertible Cumulative Preference Shares
Offer	This open offer for acquisition of 4,807,030 Shares representing 20% of the Expanded Voting Capital at the Offer Price of Rs 12 per Share
Offer Closing Date	Wednesday, 8th October, 2008
Offer Opening Date	Friday, 19th September, 2008
Offer Price	Rs. 12 (Rupees Twelve) per Share, payable in cash.
Preferential Issue	Issue of 7,272,727 Shares by KDL to the Acquirer at a price of Rs. 12 each for cash on a preferential allotment basis
Public Announcement / PA	Public announcement of the Offer made by the Acquirer on 28th July, 2008
RBI	Reserve Bank of India
Registrar / Registrar to Offer	Bigshare Services Private Limited
Rs. / INR	Lawful Currency of the Republic of India
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI DIP Guidelines	SEBI (Disclosure and Investor Protection Guidelines) 2000 and subsequent amendments thereto

SEBI (SAST) Regulations / Regulation / Takeover Code / Takeover Regulation	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto
Sellers	Synpac and Morganite
Share(s)	Fully paid-up equity Shares of face value of Rs. 10/- each of KDL
Shareholders	All owners (registered and unregistered) of Shares
Specified Date	Monday, 11th August, 2008, being the date for determining the names of the Shareholders to whom the Letter of Offer will be sent
Share Subscription Agreement / SSA	Share Subscription Agreement dated 26th July, 2008, signed between the Acquirer and KDL for the allotment of the Subscription Shares by KDL to the Acquirer on a preferential allotment basis
SPAs	The Morganite SPA and the Synpac SPA collectively
SPA Shares	5,880,025 Shares to be acquired under the SPA's
Stock Exchanges	BSE and NSE, collectively being the stock exchanges where the Shares are listed
Subscription Shares	7,272,727 Shares to be issued by KDL to the Acquirer under the Preferential Issue
Synpac	Synpac Pharmaceuticals Limited, a company incorporated under the laws of Mauritius having its office at Newgate House, 431 London Road, Croydon Surrey CRO 3PP, United Kingdom.
Synpac SPA	The Share Purchase Agreement, dated 26th July, 2008, between Unimark and Synpac to acquire 5,640,025 Shares at a price of Rs. 8.50 (Rupees Eight and Fifty Paisa Only) per Share.

2. DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF KDL BIOTECH LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. THE SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR OF THE COMPANY WHOSE SHARES ARE PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER TO THE OFFER IS EXPECTED TO EXERCISE DUE-DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER– EDELWEISS CAPITAL LIMITED HAS SUBMITTED A DUE-DILIGENCE CERTIFICATE DATED AUGUST 11, 2008 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS, 1997. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER".

3 DETAILS OF THE OFFER

3.1 BACKGROUND OF THE OFFER

a) This Offer is being made in compliance with Regulations 10 and 12 of the SEBI (SAST) Regulations for substantial acquisition of Shares/voting rights alongwith change in control of the Target Company pursuant to the following:

I. Unimark Remedies Limited, (**"Unimark"** or **"Acquirer"**) having its registered office address at Registered/ Corporate Office: 19, Crystal, 1st Floor, Juhu Road, Santacruz (West), Mumbai – 400 054, Tel: +91 22 6730 4000 Fax: +91 22 2600 7917 has entered into the Synpac SPA with Synpac Pharmaceuticals Limited (Registered Office: Newgate House, 431 London Road, Croydon Surrey CRO 3PP, United Kingdom. Tel No.:- 0208-665-7708; Fax No.:-0181-665-7709) to acquire 5,640,025 Shares at a price of Rs. 8.50 per Share.

II. The Acquirer has also entered into the Morganite SPA with Morganite Trading Company Limited (Registered Office: United India building, 2nd Floor, Sir P. M. Road, Fort, Mumbai – 400 001. Tel No:- + 91 22 2266 1162; Fax No.:-+ 91 22 2490 3022) to acquire 240,000 Shares at a price of Rs. 8.50 per Share.

The aggregate consideration payable by the Acquirer for the SPA Shares is Rs. 49,980,213 (Rupees Four Crores Ninety-Nine Lacs Eighty Thousand Two Hundred and Thirteen Only). The SPA Shares constitute 24.47% of the Expanded Voting Capital).

III. The Acquirer has also entered into the Share Subscription Agreement with the Target Company to subscribe to 7,272,727 Shares on a preferential basis constituting 30.26% of the Expanded Voting Capital at the price of Rs. 12/- per Share aggregating to Rs. 87,272,724 (Rupees Eight Crores Seventy-Two Lacs Seventy-Two Thousand Seven Hundred and Twenty-Four Only).

The total consideration payable in cash for the above transaction in terms of the SPAs and the Preferential Issue is Rs. 137,252,937 (Rupees Thirteen Crores Seventy-Two Lacs Fifty-Two Thousand Nine Hundred and Thirty Seven Rupees Only).

b) On 26th July, 2008, the board of directors of the Target Company, has approved the Preferential Issue and has also approved the execution of the Share Subscription Agreement subject to the consent of the Shareholders. The Preferential Issue is being made in accordance with the Chapter XIII of the SEBI DIP Guidelines. The Preferential Issue is also subject to certain conditions precedent set out in the Subscription Agreement including approval of the Preferential Issue by the Shareholders by way of a postal ballot under Section 81(1A) and Section 192A of the Companies Act, 1956, and other applicable provisions. At its meeting held on 26th July, 2008, the board of directors of the Target Company appointed Mr. S. N. Ananthasubramanian, practising Company Secretary as scrutinizer, for conducting the postal ballot voting process. These postal ballot notices have been dispatched to the Shareholders by 28th July, 2008. As per the report of the said scrutinizer, the shareholders have approved the Preferential Issue and the said result of voting by postal ballot was announced on Wednesday, 27th August 2008 at the registered office of the Target Company and has also been communicated to the Stock Exchanges.

c) The salient features of the Share Subscription Agreement are as under:

(i) The Share Subscription Agreement entails allotment of the Subscription Shares inter alia subject to satisfaction of various conditions precedent such as the approval of Shareholders under Section 81(1A) of the Companies Act, 1956 and in-principle approval of the Stock Exchanges.

(ii) The Subscription Agreement contains customary representations and warranties provided by the Acquirer and the Target Company.

(iii) Upon all conditions precedent having being met, the Acquirer shall remit the subscription amount for the Subscription Shares to the Target Company and the Target Company shall allot the Subscription Shares to the Acquirer.

d) The salient features of the SPAs are as under:

(i) The consideration payable to Synpac in cash for the Shares under the Synpac SPA is Rs. 47,940,213 and the consideration payable in cash under the Morganite SPA is Rs. 2,040,000.

(ii) Upon the Manager to the Offer certifying compliance by the Acquirer of its obligations under SEBI (SAST) Regulations in respect of this Offer, the SPA Shares shall be transferred to the Acquirer and the consideration payable for the SPA Shares shall be paid to the Sellers in accordance with the terms of the SPAs.

(iii) The SPAs further provide that in the event that the provisions of the SEBI (SAST) Regulations are not complied with or there is any default in complying with the provisions thereof, the SPAs shall not be acted upon by the Acquirer and the Sellers.

(iv) The completion of the acquisition of the SPA Shares by the Acquirer is subject to fulfillment of certain condition precedent, as specified in the SPAs, including the fulfillment by the Acquirer of its obligations under the SEBI (SAST) Regulations.

(v) Under the Synpac SPA the directors nominated by Synpac would resign from the Board of Directors as part of the closing process.

e) As on the date of the Public Announcement, the Acquirer held 2,481,614 Shares constituting 14.81% of the present Share capital of the Target Company ("**Present Holding**") in addition to the SPA Shares and the Subscription Shares which the Acquirer has agreed to acquire under the SPAs and Subscription Agreement respectively. The Present Holding, the SPA Shares and the Subscription Shares aggregate to 15,634,366 Shares constituting 65.05% of the Expanded Voting Capital.

f) Neither the Acquirer, its directors, nor the Target, its directors and Sellers have been prohibited by SEBI from dealing in securities in terms of directions issued u/s 11B of the SEBI Act or under any of the regulations made under the SEBI Act.

g) Save and except the Present Holding the SPA Shares and the Subscription Shares which the Acquirer has agreed to acquire, the Acquirer does not hold any Shares of the Target Company, nor has the Acquirer acquired any Shares of the Target Company since the date of the Public Announcement or during the 12 (twelve) months period prior to the date of the Public Announcement.

h) The Acquirer does not have any representatives on the Board of the Target Company as on date of the Public Announcement.

i) As on date of this Letter of Offer, the Manager to the Offer does not hold any Shares in the Target Company.

3.2 DETAILS OF THE OFFER

3.2.1 The Public Announcement was published in the following newspapers on 28th July, 2008, in accordance with Regulation 15 of the SEBI (SAST) Regulations:

Publication	Language	Editions
Financial Express	English	All
Jansatta	Hindi	All
Nav Shakti	Marathi	All

(The Public Announcement is also available at the SEBI website: www.sebi.gov.in)

3.2.2 Subject to the terms and conditions of this Letter of Offer, the Acquirer is hereby making an Offer to the Shareholders (except the parties to the SPAs) to acquire from them 4,807,030 Shares, representing 20% of the Expanded Voting Capital of the Target Company, at a price of Rs 12 (Rupees Twelve Only) per Share, payable in cash in accordance with the SEBI (SAST) Regulations.

3.2.3 There are no partly paid up Shares in the Target Company or convertible instruments which can be converted into Shares at a later date.

3.2.4 The Offer is not conditional on any minimum level of acceptance by the Shareholders. Accordingly, the Acquirer will accept all Shares tendered by the Shareholders pursuant to the Offer at the Offer Price subject to the Offer Size not being exceeded. In case the number of Shares received in the Offer exceeds the Offer Size, the acceptance will be made on a proportionate basis.

3.2.5 The Acquirer and its directors have not acquired any Shares of the Target Company since the date of the Public Announcement till the date of this Letter of Offer.

3.2.6 This is not a competitive bid and there has been no competitive bid to the Offer.

3.2.7 Shares that are subject to any charge, lien or encumbrance are liable to be rejected in the Offer. Applications in respect of Shares that are the subject matter of litigation wherein the Shareholders may be prohibited from transferring the Shares during the pendency of such litigation are liable to be rejected if the directions / orders permitting transfer of these Shares are not received together with the Shares tendered under the Offer.

3.3 OBJECTS OF THE OFFER

3.3.1 This Offer is being made for substantial acquisition of shares / voting rights alongwith change in control of the Target Company. The objects of this acquisition by the Acquirer are as follows:

(i) The Acquirer presently manufactures cephalosporin category of antibiotics. However, with the Target Company manufacturing semi synthetic penicillin based products, the Acquirer will be able to expand its business in the segment of antibiotics.

(ii) Further with the manufacturing of varied antibiotics, the Acquirer will be able to have a sizeable presence in the entire segment of antibiotics, which will enable it to utilize its manufacturing capacities in an optimum manner.

4 BACKGROUND OF UNIMARK REMEDIES LIMITED

4.1 Unimark Remedies Limited

4.1.1 Unimark is an unlisted public company under the Companies Act, 1956 having its registered/ corporate office at 19, Crystal, 1st Floor, Juhu Road, Santacruz (West), Mumbai – 400 054, India. Tel no. +91 22 6730 4000; Fax no: +91 22 2600 7917.

4.1.2 The Acquirer was incorporated under the Companies Act, 1956 as a private limited company as Unimark Remedies Private Limited on 1st December, 1993 and thereafter was converted into a public limited company on 29th March, 1995. Mr. Mehul J. Parekh and Mr. Sandip J. Parekh are promoters of and in control of Unimark. Unimark Remedies Limited does not belong to any group.

4.1.3 The paid up capital of Unimark is Rs 129,934,210 divided into 12,993,421 equity shares of the face value of Rs 10/- (Rupees Ten Only) each.

4.1.4 The Acquirer is engaged in the pharmaceutical business, mainly in the manufacturing of bulk drugs in segments such as cardio vascular and antibiotics, formulations in antibiotics, oncology etc. The Acquirer is engaged in the abovementioned business since the last 15 years.

4.1.5 The Acquirer currently holds 2,481,614 Shares constituting 14.81% of the present Share capital of the Target Company and has complied with all applicable provisions of Chapter II of SEBI (SAST) Regulations with regard to the acquisition of the above mentioned Shares.

4.1.6 There are no persons acting in concert within the meaning of Regulation 2 (1) (e) of the Regulations in relation to the Offer.

4.1.7 The Acquirer has complied with all applicable provisions of Chapter II of the SEBI (SAST) Regulations till date.

4.1.8 The composition of Board of Directors of Unimark, as on date of the Public Announcement is as under:

Name and Designation	Appointment Date	Experience	Qualification	Residential Address
Mehul J. Parekh Executive Director	06-Mar-1995	25 years in marketing bulk drugs	• B.Com from Mumbai University	Concord Apartments, 12th Floor, Bullock Road, Band Stand, Bandra (W), Mumbai – 400 050.
Sandip J. Parekh Director – Technical	01-Dec-1993	15 years experience in bulk drugs manufacturing	• M.Sc. (Organic Chemistry) from Mumbai University	Concord Apartments, 12th Floor, Bullock Road, Band Stand, Bandra (W), Mumbai – 400 050.
Yogesh N. Parikh Director – Finance	17-Jul-1995	25 years experience in finance, audit & taxation	• B.Com from Mumbai University • A Fellow member of the Institute of Chartered Accountants of India	C-36, Gujrati Society, Nehru Road, Vile Parle (E), Mumbai – 400 057.
Harminder Chawla Director – R & D	04-Mar-2005	Held positions as professor / director in various research institutes and universities in India and abroad, he has an experience of 30 years.	• M. Tech from IIT Kharagpur • Ph. D, CRDI from Lucknow, (Organic Chemistry)	1022, Sector 44B, Chandigarh – 160 047.
Dr. John Scott Director	25-May-2007	Expertise in small molecule drug process R & D and facility design for making drug substances under GMP condition	• B.S. from Massachusetts Institute of Technology (Chemistry)· • Ph.D. from Stanford University (Organic Chemistry) • National Institutes of Health Postdoctoral Fellow, Columbia University	81, Edgemont Road, Upper Montclair, NJ 07043.
P. R. Srinivasan Director	31-Jul-2007	Experience of 20 years	• Graduate, Mechanical Engineering, Anna University, Chennai • Post Graduate From IIM, Bangalore	7A Belvedere Court, Sane Guruji Marg, Mahalaxmi, Mumbai – 400 011.
Vinayak Shenvi (Alternate Director to Mr. P. R. Srinivasan)	31-Jul-2007	Experience of 14 years	• B.Com from Mumbai University • Chartered Accountant	3, Ganesh Krupa, Near Mary Immaculate School, Laxman Mhatre Road, Borivali (West), Mumbai 400 103.

4.1.9 None of the above directors of Unimark are directors on the Board of Directors of KDL.

4.1.10 None of the directors of Unimark have acquired any Shares in KDL during the preceding 12 months.

4.1.11 Key financials of the Acquirer for the three financial years preceding the Public Announcement are as under. The audited financial results for the year ended March 31, 2005, March 31, 2006 and March 31, 2007 have been certified by M/s Rege & Thakker (Mr. J. R. Parekh, Partner, Membership no: 44066, having its office at 5b, Fairy Manor, 13, Rustom Sidhwa Marg, Fort, Mumbai – 400 001. Tel: +91 22 2265 8613, Fax: + 91 22 2263 2884), the then auditors of Unimark and the unaudited financial results for the year ended March 31, 2008 have been certified (limited review) by the present statutory auditors of Unimark viz. Walker, Chandiok and Co. (Mr. Khushroo B. Panthaky, Partner, Membership no.: F-42423, having its office at Engineering Centre, 6th floor, 9 Mathew Road, Opera House, Mumbai – 400004. Tel: +91 22 2367 1623, Fax: +91 22 2367 1624).

Rs. In lacs

Profit & Loss Statement	**For the year ended March 31, 2008(certified and unaudited)**	**For the year ended March 31, 2007 (audited)**	**For the year ended March 31, 2006 (audited)**	**For the year ended March 31, 2005 (audited)**
Income from operations	**50,714.13**	**42,097.95**	**30,633.36**	**20,542.72**
Other Income	0.48	1.49	14.25	0.35
Total Income	**50,714.61**	**42,099.44**	**30,647.61**	**20,543.07**
Total Expenditure	44,285.19	35,820.78	25,171.54	16,944.51
Profit Before Depreciation, Interest and Tax	**6,429.42**	**6,275.60**	**5,485.49**	**3,607.96**
Depreciation	913.56	844.60	706.77	545.63
Interest	1,562.17	1,470.97	1,186.88	1,080.67
Profit Before Tax	3,953.69	3,960.03	3,591.84	1,981.66
Provision for Tax	1,028.42	1,142.96	1,069.99	550.24
Profit After Tax	2,925.27	2,817.07	2,521.85	1,431.42

Rs. In lacs

Balance Sheet Statement	**For the year ended March 31, 2008(certified and unaudited)**	**For the year ended March 31, 2007 (audited)**	**For the year ended March 31, 2006 (audited)**	**For the year ended March 31, 2005 (audited)**
Sources of funds				
Paid up share capital	1,299.34	1,000.00	1,000.00	797.06
Reserves and Surplus (excluding revaluation reserves)*	24,444.94	10,444.01	7,623.86	5,111.44
Networth*	**25,744.28**	**11,382.74**	**8,583.44**	**5,848.06**
Secured loans	16,201.91	14,402.02	10,801.88	10,764.14
Unsecured loans	1,232.18	253.68	251.68	249.68
Deferred tax adjustment	3,237.90	2,667.97	2,102.01	1,625.01
Total	**46,416.27**	**28,767.68**	**21,779.43**	**18,547.33**
Uses of funds				
Net fixed assets	22,914.03	17,215.64	14,480.22	11,623.57
Investments	3.85	3.65	3.52	3.46
Net current assets	23,498.40	11,487.12	7,255.27	6,859.86
Misc expenditure not w/o	-	61.27	40.42	60.44
Total	**46,416.27**	**28,767.68**	**21,779.43**	**18,547.33**

Other Financial Data	**For the year ended March 31, 2008 (certified and unaudited)**	**For the year ended March 31, 2007 (audited)**	**For the year ended March 31, 2006 (audited)**	**For the year ended March 31, 2005 (audited)**
Dividend (%)	0	0	0	0
Earning Per Share (Rs.)	22.51	28.17	25.22	17.96
Return on Networth (%)	11.36	24.74	29.38	24.47
Book Value Per Share (Rs.)	198.13	113.82	85.83	73.37

Note

(1) Dividend (%) = Dividend paid per equity share / No. of equity shares outstanding at year-end/ Par value per equity share

(2) Earnings per share = Profit after tax (prior to any adjustments) / Weighted Average No. of equity shares outstanding at the end of the year

(3) Return on Net worth (%) = Profit after tax (prior to any adjustments) / Net worth at year-end

(4) Book Value per equity share = Net worth / No. of equity shares outstanding at year end

* Net Worth and Reserves & Surplus calculated after adjusting the Debit balance in Profit & Loss Account

Source: Annual Reports of Unimark Remedies Ltd for (i) the FY ended March 31, 2007, (ii) the FY ended March 31, 2006 and (iii) the FY ended March 31, 2005; Note: Unaudited results have been certified by the management of Unimark Remedies Ltd and limited reviews for FY 08, has been done by the statutory auditor of Unimark Remedies Ltd viz. Walker, Chandiok and Co.

The key financials of the Acquirer mentioned in the Public Announcement varies from the key financials mentioned above for the FY ended March 31, 2006 and March 31, 2007 on account of the following:

The key financials mentioned in the Public Announcement for the FY ended March 31, 2006 and March 31, 2007 are based on the audited accounts of the Acquirer for these respective periods whereas, the key financials mentioned in this Letter of Offer for the said period are disclosed after making requisite adjustments as required under the standard letter of offer prescribed by SEBI.

4.1.12 The significant accounting policies of Unimark are as follows:

- **System of Accounting**

  The Company follows accrual system of accounting for all items of revenue and cost appearing for the year.

- **Inflation**

  Assets and liabilities are shown at historical cost. No adjustments are made for changes in purchasing power of money.

- **Fixed Assets**

  Fixed assets are recorded at cost of acquisition.

- **Depreciation**

  Depreciation is charged on Straight Line Method at the rates specified in schedule XIV of the Companies Act, 1956.

- **Inventories**

  Items of Inventories are valued on the basis given below:

a)	Raw Materials and Packing materials:	At cost computed on first-In-first-out Method.
b)	Work-In-process:	At cost including cost of material, Labour cost and production overheads incurred till the stage of completion of production or net realisable value. Whichever is lower.
c)	Finished Goods:	At cost or net realisable value whichever is lower. Cost comprising of related manufacturing costs, overheads and excise duty payable on such goods.

- **Sales**

  Sales and Operating Income includes indirect taxes like excise duty & sales tax. Operating Income is inclusive of sales made on consignment basis and commission income thereon.

- **Creditors**

  The liability of creditors which are not likely to materialise within 12 months period are classified deferred credit in the nature of long term loans.

- **Debtors**

  No provision for debtors beyond six months is considered necessary as the directors are hopeful of its gradual recovery and pending finalization of the suits fled against some of the debtors.

- **Foreign Currency Transaction**

  Foreign Currency transactions are recorded at the rates of exchange prevailing on the date of the transaction. Foreign Currency assets and liabilities are translated into rupees at the exchange rates prevailing on the balance sheet date or forward cover rates, as applicable. Exchange differences in translation of foreign currency assets and liabilities and realized gains and losses on foreign exchange transaction, including those relating to fixed assets, are recognized in the profit and loss account. Any profit or loss arising on cancellation or renewal of forward exchange contracts is recognized as Income or expense for the year.

- **Export Benefit**

  Export Benefits are accounted to the extent considered receivable. Accordingly, estimated benefits in import duty against exports effected during the year have been taken into account.

- **Custom Duty & Excise Duty**

  Custom Duty & Excise Duty is accounted on clearance/debonding of materials.

- **Investments**

  Long term Investments are stated at cost of acquisition unless there is permanent fall in its realizable value.

- **Research & Development Expenditure**

  Research & Development costs incurred for development of products are charged to revenue as incurred, except for development costs relating to the design and testing of new or improved materials, products or processes which will be recognized as intangible assets, when the relevant process is commercialized after considering and to the extent that it is expected that such assets will generate future economic benefits.

- **Retirement Benefits**

  Company's contribution to provident funds is charged to the profit & loss account. Gratuity and Leave encashment are charged to the profit & loss account on the basis of actuarial valuation.

- **Deferred Revenue Expenditure**

  The expenses in the nature deferred revenue expenditure are amortized over a period of five years.

- **Pre – Operative/Pre - Product Launching Expenses:**

  Pre - Product Launching Expenses and the product launching expenses will be amortized over a period of 10 years from the year of launching the product.

- **Borrowing Costs**

  Borrowing costs attributable to the acquisition/construction of a qualifying asset are capitalized as part of the cost of such assets up to the date of the asset is ready for its intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

- **Leases**

  Assets taken on Leases under which all risks and reward of ownership are effectively retained by the Lessor are classified as operating lease. Lease payments under operating leases are recognized as expenses on accrual basis in accordance with the respective lease agreement.

- **Taxation**

  Provision for tax is made for both current and deferred taxes. Current Tax is provided on the taxable income using the applicable tax rates and tax laws. Deferred tax assets and liabilities arising on account of timing difference and which are capable of reversal in subsequent periods, are recognized using the rates and tax Laws that have been enacted or substantively enacted. Fringe Benefit Tax is recognized in accordance with the relevant provision of Income Tax Act, 1981 and the Guidance Note of Fringe Benefit Tax issued by ICAI.

- **Impairment of Assets**

  The Company has examined carrying cost of identified Cash Generating Units (CGU) by comparing the present value of estimated future cash flow from such CGU's in terms of Accounting Standard 28 on Impairment of Assets, according to which no provision for impairment is required, as the assets of none of CGU's during the financial year 2006-07 are being impaired.

4.1.13 The major contingent liabilities of Unimark as on 31st March, 2008 are as follows:

a. Contingent Liabilities not provided for:

Sr. No.	Name of the Statute	Nature of Dues	Amount (Rs in lacs)	Period of which the amount relates	Forum where dispute is pending
1	Central Excise Act, 1944	Excise Duty & Penalty	3.90	1996-1997	Commissioner of Central Excise & Custom – Vapi
2	Central Excise Act, 1944	Excise Duty & Penalty	2.21	1998-1999	Commissioner of Central Excise & Custom – Surat
3	Central Excise Act, 1944	Excise Duty & Penalty	10.35	2003-2004	Commissioner of Central Excise & Custom – Ahemedabad
4	Central Excise Act, 1944	Excise Duty & Penalty	16.35	2005-2006	Asst. Commissioner of Central Excise & Custom - Ahemedabad
5	Central Excise Act, 1944	Excise Duty & Penalty	13.29	2005-2006	Asst. Commissioner of Service Tax - Ahemedabad
6	Central Excise Act, 1944	Excise Duty & Penalty	172.51	2006-2007	Asst.Commissioner of Central Excise & Custom - Ahemedabad
7	-	Leased line charges	1.62	2006-2007	BSNL, Ahmedabad
Total			220.23		
Less: Amount Deposited			2.50		
Net Amount			217.73		

b. Bills not backed by letter of credit, accepted by buyer and discounted with bank Rs. 2,122.70 lacs.

c. Bank Guarantees given by the Acquirer to the tune of Rs. 153. 94 lacs.

d. Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances amount to Rs. 320.20 lacs.

4.1.14 Reasons for the fall/ rise in total income and Profit After Tax in the past 3 years:

2007-08 vis-à-vis 2006-07

The acquirer earned income of Rs. 50,714.61 lacs during Financial Year 2007-2008 as against an income of Rs. 42,099.44 lacs in Financial Year 2006-2007. The increase in income of 21% came mainly from increase in volume of cephalosporins, cardio vascular drugs and trading activity. The acquirer registered profit after tax of 5.6% in Financial Year 2007-2008 as against 6.7% during Financial Year 2006-2007. The decrease in profit after tax was mainly on account of increase in cost of raw material on account of volatile global commodities market conditions.

2006-07 vis-à-vis 2005-06

The acquirer earned income of Rs. 42,099.44 lacs during Financial Year 2006-2007 as against an income of Rs. 30,647.61 lacs in Financial Year 2005-2006. The increase in income of 37% came mainly from increase in volume of cephalosporins, addition of new products and substantial growth in semi synthetic penicillin. The acquirer registered profit after tax of 6.7% in Financial Year 2006-2007 as against 8.2% during Financial Year 2005-2006. The decrease in profit after tax was mainly on account of increase in cost of raw material, stabilization cost of new products.

2005-06 vis-à-vis 2004-05

The acquirer earned income of Rs. 30,647.61 lacs during Financial Year 2005-2006 as against an income of Rs. 20,543.07 lacs in Financial Year 2004-2005. The increase in income of 49% came mainly from increase in volume of cephalosporins and trading activity. The acquirer registered profit after tax of 8.2% in Financial Year 2005-2006 as against 7% during Financial Year 2004-2005. The increase in profit after tax was mainly on account of huge growth achieved in sales.

4.1.15 There has not been any merger/ demerger, spin off involving Unimark during the last 3 years. Further, there has been no change of name of Unimark since incorporation save as set out in paragraph 4.1.2 above.

4.1.16 The pending litigation proceedings involving Unimark are as follows:

A. **Proceedings initiated by Unimark**

Type of Proceedings	**Number of Proceedings**	**Quantum involved (Rs. in lacs approximately)**
Civil	3	408.94
Criminal under section 138 Negotiable Instruments Act	1	4.50
Central Excise	6	210.89
Service Tax	2	13.29
Income Tax	1	42.00

B. Proceedings initiated against Unimark

Type of Proceedings	**Number of Proceedings**	**Quantum involved (Rs. in lacs approximately)**
Civil	1	4.20
Arbitration	1	20.00
Criminal	1	Not quantifiable
Labour and Industrial	6	Not quantifiable

4.1.17 The equity shares of Unimark are not listed on any stock exchange. Accordingly, Clause 49 of the listing agreement is not applicable to Unimark.

4.1.18 There are no companies promoted by Unimark during the three Financial Year ended 31st March, 2008. Unimark has promoted Unimark Remedies Hong Kong Limited. The following are the details regarding Unimark Remedies Hong Kong Limited:

Name of Company	Unimark Remedies Hong Kong Limited
Date of incorporation	March 10, 2004
Registered Office details	Room 615, 6/FI, Hollywood Plaza, 610, Nathan Road, Kowloon.
Line of Business	Trading of pharmaceutical products

Key financial details for Unimark Remedies Hong Kong Limited for financial years ended March 31, 2005, 2006 and 2007 based on the audited results are as follows:

Rs. in lacs

Particulars	FY 07	FY 06	FY05
Paid up Equity Capital	0.06	0.06	0.06
No. of shares	1,000.00	1,000.00	1,000.00
Reserves	0.35	0.40	0.01
Total Income	133.37	1,557.37	707.13
Profit After Tax (PAT)	(0.04)	0.38	0.01
Earnings Per Share (EPS) Rs.	(3.62)	38.36	1.18
Net Asset Value (NAV) Rs.	0.41	0.46	0.07

The above company is not a sick company.

4.1.19 The shareholding pattern of Unimark as on the date of the Public Announcement is as follows:

	Shareholder's Name	*No. of shares*	*Paid up Value (Rs.)*	*% of Total Subscribed Capital*
A)	**RESIDENT SHAREHOLDERS**			
1	Mehul J. Parekh (Promoter)	4,779,550	47,795,500	36.79
2	Sandip J. Parekh (Promoter)	817,200	8,172,000	6.29
3	Parekh Family, Friends & Relatives	3,527,662	35,276,620	27.14
4	CVCIGP II P.R.SRINIVASAN TRUST & 3 Others CVCIGP II Trusts	2,104	21,040	0.02
	TOTAL "A"	9,126,516	91,265,160	70.24
B)	**NON-RESIDENT SHAREHOLDERS**			
a)	NRIs	-	-	-
b)	OCBs	-	-	-
c)	Foreign Nationals	-	-	-
d)	FIIs	-	-	-
C)	**INCORPORATED NON-RESIDENT ENTITIES**			
5	CVCIGP II CLIENT ROSEHILL LIMITED.	2,177,034	21,770,340	16.75
6	CVCIGP II EMPLOYEE ROSEHILL LIMITED.	1,219,283	12,192,830	9.39
7	Swiss Tech VCF Private Limited	470,588	4,705,880	3.62
	TOTAL "B"	3,866,905	38,669,050	29.76
	TOTAL "A" + "B"	**12,993,421**	**129,934,210**	**100.00**

4.2 Disclosure in terms of Regulation 16 (ix) of the SEBI (SAST) Regulations and Acquirer's Future Plans for the Target Company

Please refer to paragraph 3.3 of this Letter of Offer for objects of the Offer.

The Acquirer will continue the existing business of the Target Company and support the Target Company's Board of Directors in their endeavour to develop the business. The Acquirer may also consider streamlining of various operations, assets, liabilities and businesses of the Target Company at a later date. As on the date of this Letter of Offer, the Acquirer does not have any plans to dispose off or otherwise encumber any assets of the Target Company in the next two years except in the ordinary course of business of the Target Company and except to the extent required for the purpose of restructuring and / or rationalization of operations, assets, investments, liabilities and otherwise of the Target Company. Notwithstanding the above, it will be the responsibility of the board of directors of the Target Company to make appropriate decisions in these matters, in accordance with the requirements of the business of the Target Company.

The Acquirer undertakes that it shall not sell, dispose off or otherwise encumber any substantial assets of the Target Company except with the prior approval of the Shareholders as required under applicable law.

5 DISCLOSURE UNDER REGULATION 21(2)

As per the listing agreement with the Stock Exchanges and in terms of Clause 40A of the listing agreement, the Target Company is required to maintain at least 25% public shareholding for listing on a continuous basis.

In the event the public shareholding falls below the minimum level required as per Clause 40A of the listing agreement as a result of the acquisition of Shares tendered in this Offer (such acquisition being a supervening extraordinary event), the Acquirer will take the necessary steps to facilitate compliance of the Target Company with the relevant provisions of the listing agreement and other applicable laws. The same would constitute a supervening extraordinary event and would therefore result in sub-clause (vii) of Clause 40A becoming applicable. In such case, the Acquirer will undertake the methods prescribed in sub-clause (viii) of Clause 40A to raise the public shareholding to the minimum level.

As of the date of this Letter of Offer, the Acquirer has confirmed that presently it does not have any intention to delist the Target Company from the Stock Exchanges in the next three years from the date of this Letter of Offer.

6 BACKGROUND OF KDL BIOTECH LIMITED

6.1 KDL is a listed public company incorporated under the Companies Act, 1956 having its registered office at Village: Savroli, Taluka Khalapur, District Raigad, Maharashtra - 410 202. Tel. No: + 91-2192-274025-274030, Fax No. + 91-2192-274031, and its corporate office at Parijat House, 1076, Dr. E. Moses Road, Worli, Mumbai – 400 018. Tel: + 91 22 6662 7000; Fax: + 91 22 6666 1265.

6.2 KDL was incorporated under the name of Kopran Drugs Private Limited, on 12th August 1986 as a private limited company under the Companies Act, 1956 with Registrar of Companies, Maharashtra. The Target Company was converted into a public limited company on 2nd July 1998, pursuant to which the name was changed to Kopran Drugs Limited. The name of the Target Company was again changed from Kopran Drugs Limited to KDL Biotech Limited on 18th July 2000. KDL is promoted by Synpac and the Somani group.

6.3 The Target Company is currently engaged in the production of semi synthetic penicillin based products and bio technology products. The Target Company has manufacturing facilities situated in Village Savroli, Taluka Khalapur, District Raigad.

6.4 The Share capital structure of the Target Company as on date of Public Announcement, was as follows

Paid up Equity Shares	***No. of Shares / voting rights***	***% of Shares / voting rights***
Authorised Equity Shares	45,000,000	100.00
Fully paid up Equity Shares	16,762,424	100.00
Partly paid up Equity Shares	-	-
Total paid up Equity Shares	16,762,424	100.00
Total voting rights in Target company	16,762,424	100.00

The total subscribed and paid up capital of the Target Company as on the date of the Public Announcement is Rs. 167,624,240 (Rupees Sixteen Crores Seventy-Six Lacs Twenty-Four Thousand Two Hundred and Forty Only) divided into 16,762,424 Shares.

After the proposed Preferential Issue, the fully paid up Share capital of the Target Company will be Rs. 240,351,510 (Rupees Twenty-Four Crores Three Lacs Fifty-One Thousand Five Hundred and Ten Only) divided into 24,035,151 Shares.

6.5 Details of the changes in Share capital of KDL since incorporation and status of compliance with applicable SEBI Regulations/ other statutory regulations, are as follows :

Date of allotment	**No of Shares issued**	**Face Value (in Rs.)**	**Cumulative paid up capital (Rs.)**	**Mode of allotment**	**% of paid up capital**	**Identity of allottees (promoters/ ex-promoters/ others)**	**Status of compliance**
24-Jul-1986	40	10	400	Subscribed to Memorandum	100.00	Promoters	Complied
01-Jun-1999	7,150,110	10	71,501,500	Allotment pursuant to De-merger	100.00	Others	Complied
29-Oct-1999	4,336,000	10	114,861,500	Preferential Allotment	37.75	Promoters	Complied
31-Jul-2000	4,416,303 **	10	159,024,530	Conversion of OCCPS*	26.35	Others	Complied
31-Jul-2000	859,971**	10	167,624,240	Conversion of OCCPS*	5.13	Others	Complied

Note: * The OCCPS were allotted pursuant to scheme of arrangement of Kopran Limited with Kopran Drugs Limited duly sanctioned by the High Court of Mumbai.

**Of the 5,720,000 Optionally Convertible Cumulative Preference Shares (OCCPS) of Rs. 100 each, 3,113,030 OCCPS were converted into 5,276,274 Shares at a conversion price of Rs. 59 per Share.

The total number of Shareholders in the Target Company as on 26th July, 2008 is 14,086.

6.6 The trading in the Shares of KDL has never been suspended on BSE and NSE.

6.7 The total issued and paid up capital of 16,762,424 Shares of Rs. 10/- each of KDL are listed on BSE and NSE. Further, KDL has proposed a preferential issue of 7,272,727 Shares of Rs. 10/- each at a premium of Rs. 2/- per Share. The Target Company had despatched the postal ballot forms by Monday, 28th July, 2008. Subsequently, Shareholders of the Target Company approved the Preferential Issue through postal ballot, results of which were announced on Wednesday, 27th August 2008.

6.8 The Target Company does not have any partly paid-up Shares, outstanding convertible instruments, warrants or stock-options as of date of the Public Announcement. The Shares of KDL are listed on the BSE and the NSE.

6.9 KDL was listed on NSE and BSE on 12th April, 2000 and 3rd February, 2000 respectively. The closing price of the Shares on July 28, 2008 was Rs.13.60 and Rs.14.20 on BSE and NSE respectively. (Source : www.bseindia.com; www.nseindia.com)

6.10 KDL has complied with applicable provisions of Chapter II requirements of the Regulations except as set out below:

1. KDL was listed in the year 2000, hence compliance with Regulation 6 of SEBI (SAST) is not applicable.
2. Details of non compliance with Regulation 7(1A) and Regulation 7(3) by Svaraj Trading & Agencies Limited, one of the promoters of KDL and KDL respectively are set out in paragraph 6.21 below.
3. Details as regards non compliance with Regulation 8 are given below:

Regulation	Due date for Compliance under the Regulations	Actual date of Compliance	Delay
8 (3)	30-Apr-2000	Not available	
8 (3)	30-Apr-2001	31-Jul-2001	92 days
8 (3)	30-Apr-2006	28-Nov-2006	181 days
8 (3)	30-Apr-2007	15-Nov-2007	168 days

Notes:

(i) No record is available with KDL in respect of the filing made with BSE under Regulation 8 (3) for the year ended 31st March 2001. As mentioned above, the filing with NSE was delayed by 92 days.

(ii) No record is available with KDL in respect of filings made with NSE for the year ended 31st March 2002. Disclosure to BSE for year ended 31st March 2002 has been complied with.

No record is available with KDL in respect of the register to be maintained under Regulation 8 (4) of the SEBI (SAST) Regulations.

Non availability of records may be treated as non-compliance and SEBI may initiate suitable action for the same.

6.11 Relevant records with respect to compliance by the Promoters of KDL with Regulation 8 (1) and 8 (2) of the SEBI (SAST) Regulations are not available with KDL. Non availability of records may be treated as non –compliance and SEBI may initiate suitable action for the same.

6.12 KDL has not complied with Clause 28, Clause 32, Clause 34(a), Clause 41 and Clause 47(f) of the listing agreement entered into with the Stock Exchanges. Further, there have been delays in respect of submissions under Clause 35 and Clause 49 of the listing agreement entered into with the Stock Exchanges. No punitive action has been initiated against KDL by the Stock Exchanges.

6.13 KDL has not been prohibited by SEBI under Section 11B of the SEBI Act, prohibiting it from dealing in securities or any other regulations framed there under.

6.14 The composition of Board of Directors of KDL, as on date of the Public Announcement was as under:

Name & Designation	Appointment Date	Experience	Qualification	Residential Address
Nalin Bamzai, Managing Director	22-Jun-2002	31 years experience in Business development, product launch, Global product lines, Manufacturing, Logistics, Distribution, New Markets, strategic partnership and managing Joint Venture Companies.	• Bachelor of Technology • Bachelor of Science from IIT, Mumbai	15, Russell Road Alexandria,VA22301

Name & Designation	Appointment Date	Experience	Qualification	Residential Address
Dr. Rajesh Agrawal, Director - Technical	26-Jul-2007	More than 20 Years in the Bulk Drug -API manufacturing industry in the areas viz., R & D, Production, Project, Commercial activities & Quality control. Worked at various capacities in the industry, taken part in many techno commercial activities and visited many countries for the same. Under his leadership the company has implemented many process improvements, achieved excellence in the productivity & systems.	• M.Sc.(Micro Biology) • Ph.D.(Applied Biology)	B - 12 Surya Gayatri Sector 6 New Panval Dist- Raigad.
Sanjay Sinha, Additional Director	18-Jul-2008	18 Years experience in the field of Accounts, Finance & Banking, Indirect Taxation, Tax Audit, MIS and Investments. Worked in leading Companies like Beltex, Ceat Tyres and A Z B & Partners.	• B.Com.(Hons)	18G, Pocket A3, DDA Flats, Mayur Vihar-III Delhi-110096.
Harish Bhardwaj, Additional Director	18-Jul-2008	16 Years Experience in the field of Accounts, Taxation, Banking and Finance in A Z B & Partners.	• B.Com.	260 Vidya Vihar, West Enclave, Pitampura, Delhi-110034.
Dr. Tushar Kumar Srivastava, Additional Director	18-Jul-2008	About 12 years Research experience in Leading National Laboratory CDRL (Central Drug Research Laboratory, Lucknow), and leading Pharma Bulk Drug API manufacturing Companies like Ranbaxy Laboratories, Lupin Ltd & Matrix Laboratories Ltd. Worked in more than 11 Pharma patent applications, 4 publications in International reputed journals and submitted papers in Scientific Conference/symposia.	• M.Sc., • Ph.D. (Organic Chemistry)	109, Rishi Kalyan Residency, Brindavan Estate, Nizampet Road Kukatpally, Hyderabad-500072.
Yogendra Kumar Chauhan, Additional Director	18-Jul-2008	About 9 Years experience in the field of Synthetic Chemistry, Industrial Research experience in Technology Development of Bulk Drug-API, Patent understanding, analysis in respect of Research and Business Perspective of API.	• M Phill. (Organic Chemistry)	C-206, Bhavya's Anandam, Nizampet Road, Kukatpally, Hyderabad-500072.

6.15 None of the above directors of the KDL are directors on the Board of Directors of Unimark.

6.16 There has been no merger/demerger, spin off during the last 3 years involving KDL. Further, the name of the Target Company was again changed from Kopran Drugs Limited to KDL Biotech Limited on 18th July 2000.

6.17 Key audited financials of KDL for the 18 months period ended September 30, 2005, for 6 months period ended March 31, 2006, for 18 months period ended September 30, 2007 and for 6 months period ended March 31, 2008 as certified by the statutory auditors of KDL viz. M/s Khandelwal Jain & Co. (S. S. Shah, Partner, Membership No. 33632, having its office at 6-B, Pil Court, 6th Floor, 111, M. Karve Road, Churchgate, Mumbai – 400 020) are as follows:

Rs. in lacs

Profit & Loss Statement	**For 6 months period ended March 31, 2008 (certified and unaudited)**	**For 18 months period ended September 30, 2007 (audited)**	**For 6 months period ended March 31, 2006 (audited)**	**For 18 months period ended September 30, 2005 (audited)**
Income from operations	3,409.15	16,953.75	5,523.72	15,869.60
Other Income	734.29	2,045.84	93.68	121.31
Total Income	**4,143.44**	**18,999.59**	**5,617.40**	**15,990.91**
Total Expenditure	3,864.10	18,033.84	5,915.37	17,718.89
Profit Before Depreciation, Interest and Tax	**279.34**	**965.75**	**(297.97)**	**(1,727.98)**
Depreciation & Amortisation	344.47	1,019.78	362.88	1,282.91
Interest	546.55	1,294.39	463.77	1,316.80
Profit/(loss) Before Tax	(611.68)	(1,348.42)	(1,124.62)	(4,327.69)
Provision for Tax	2.41	6.41	3.40	1.82
Profit/(loss) After Tax	(614.09)	(1,354.83)	(1,128.02)	(4,329.51)

Rs. in lacs

Balance Sheet Statement	**For 6 months period ended March 31, 2008 (certified and unaudited)**	**For 18 months period ended September 30, 2007 (audited)**	**For 6 months period ended March 31, 2006 (audited)**	**For 18 months period ended September 30, 2005 (audited)**
Sources of funds				
Paid up share capital	1,676.24	1,676.24	4,283.21	4,283.21
Reserves and Surplus (excluding revaluation reserves)*	5,498.96	5,498.96	4,495.47	4,575.07
Networth*	**7,175.20**	**7,175.20**	**8,778.68**	**8,858.28**
Secured loans	4,067.18	3,395.59	7,508.93	7,117.44
Unsecured loans	5,537.30	4,890.89	488.09	488.09
Total	**16,779.69**	**15,461.68**	**16,775.70**	**16,463.81**
Uses of funds				
Net fixed assets	7,432.40	7,459.47	8,314.00	8,988.27
Investments	1.72	1.72	1.72	1.72
Deferred Tax Asset	769.27	769.27	769.27	769.27
Net current assets	1,529.44	798.45	2,312.77	2,195.77
Total miscellaneous expenditure not written off	-	-	-	179.27
Profit & Loss Account	7,046.86	6,432.77	5,377.94	4,329.51
Total	**16,779.69**	**15,461.68**	**16,775.70**	**16,463.81**

Other Financial Data	For 6 months period ended March 31, 2008 (certified and unaudited)	For 18 months period ended September 30, 2007 (audited)	For 6 months period ended March 31, 2006 (audited)	For 18 months period ended September 30, 2005 (audited)
Dividend (%)	Nil	Nil	Nil	Nil
Earning Per Share(Rs.)	(3.66)	(8.08)	(7.79)	(28.99)
Return on Networth (%)	(478.00)	(182.49)	(33.17)	(99.54)
Book Value Per Share (Rs.)	0.77	4.43	4.74	10.04

Note:

(1) Dividend (%) = Dividend paid per equity share / No. of equity shares outstanding at year-end/ Par value per equity share

(2) Earnings per share = Profit after tax (prior to any adjustments) / Weighted Average No. of equity shares outstanding at the end of the year

(3) Return on Net worth (%) = Profit after tax (prior to any adjustments) / Net worth at year-end

(4) Book Value per equity share = Net worth / No. of equity shares outstanding at year end

* Net Worth and Reserves & Surplus calculated before adjusting the Debit balance in Profit & Loss Account

Source: Annual Reports of KDL Biotech Ltd for (i) for the 18 months period ended September 30, 2005, (ii) for 6 months period ended March 31, 2006 and (iii) for 18 months period ended September 30, 2007; Note: Unaudited results have been certified by the management of KDL Biotech Ltd and limited reviews for 6 months period ended March 31, 2008 has been done by the statutory auditor of KDL Biotech Ltd viz. M/s Khandelwal Jain & Co.

Khandelwal Jain & Co. has vide its review report to the Board of Directors of KDL dated September 02, 2008 inter- alia stated that KDL has not made provision for interest on unsecured loan aggregating to Rs. 24.80 lacs for the 6 months period ended March 31, 2008. Consequently, the financial charges are understated by Rs. 24.80 lacs, loss before and after tax are understated by Rs.24.80 lacs and earnings per share i.e. loss per share is understated by Re. 0.15.

6.18 The major contingent liabilities of KDL as per the last audited Balance sheet drawn i.e. 30th September 2007 are as follows :

Sr. No.	Particulars	Amount (Rs. in lacs)
1	Excise Duty demands disputed in appeal	2.14
2	Custom Duty demands disputed in appeal	30.28
3	Income Tax demands disputed in appeal	55.51
4	Show cause / Demand notice from Excise Department	174.03
	Total	**261.96**

6.19 The reasons for fall/rise in total income and PAT in the relevant periods are not possible as the accounting periods are inconsistent.

6.20 The Shareholding and voting pattern of KDL prior to and following the proposed Preferential Issue and the acquisition by the Acquirer of Shares validly tendered pursuant to the Offer (assuming full acceptance) as on date of the Letter of Offer are as under:

Shareholders' category	Shares/voting rights prior to the agreement/ acquisition and Offer		Shares / voting rights agreed to be acquired which triggered off the Regulations		Shares/voting rights to be acquired in Open Offer (assuming full acceptances)		Shares/voting rights after the acquisition, Preferential Allotment and Offer	
	(A)		(B)		(C)		(A)+(B)+(C)=(D)	
	No.	%	No.	%	No.	%	No.	%
(1) Promoter Group								
a. Parties to agreement, if any	5,880,025	35.08	(5,880,025)	(35.08)				
b. Promoters other than (a) above	4,590	0.03						
Total 1 (a+b)	5,884,615	35.11	(5,880,025)	(35.08)	-	-	-	-
(2) Acquirers								
a. Through Market purchase and Off Market transactions	2,481,614	14.81					2,481,614	10.33
b. Through SPAs			5,880,025	24.46			5,880,025	24.46
c. Through Preferential Allotment			7,272,727	30.26			7,272,727	30.26
d. Through Open Offer					4,807,030	20.00	4,807,030	20.00
Total 2(a+b+c+d)	2,481,614	14.81	13,152,752	54.72	4,807,030	20.00	20,441,396	85.05
(3) Parties to agreement other than(1) (a) & (2)	-	-	-	-	-	-	-	-
(4) Public (other than parties to agreement, acquirer)			-	-	(48,07,030)	(20.00)	3,593,755*	14.95
a. Institutions (Mutual Funds, FIs/Banks, FIIs etc) [1]	1,382,183	8.24						
b. Bodies Corporate [2]	875,652	5.22						
c. Individuals (Indian Public/ NRIs etc) [3]	6,138,360	36.62						
Total (4) (a+b+c)	8,396,195	50.08			(48,07,030)	(20.00)	3,593,755	14.95
GRAND TOTAL (1+2+3+4)	16,762,424	100	7,272,727	30.26	-	-	24,035,151	100.00

Note:

[1] In this category, one Shareholder holds more than 1% of the paid up equity capital: Industrial Development Bank of India holds 1,096,458 Shares

[2] No Shareholders in this category individually hold more than 1% of the Shares

[3] In this category, one Shareholder holds more than 1% of the paid up equity capital: Mr. Rajesh Ramu Deora holds 200,000 Shares

* includes 4,590 Shares sold by Promoters to individuals categorized under "Public".

Please note: All percentages in Column B, C and D have been computed on the Expanded Voting Capital of the Target Company.

6.21 The details of the changes in Shareholding of the promoter and promoter group as and when it took place in KDL from the date of its listing on stock exchanges upto the date of Public Announcement, as confirmed by KDL, are as under:

Date of Transaction	No. of Shares Purchase	% shares Purchase	No. of Shares sold	% for shares sold	Cumulative No. of shares held	Cumulative promoter shareholding %	Status of Compliance
03 February 2000			180000	1.57%	7152853	62.27%	Complied
02 March 2000			120000	1.04%	7032853	61.23%	Complied
18 July 2000	52050	0.45%			7084903	61.68%	Complied
24 July 2000	200	0.00%			7085103	61.68%	Complied
02 August 2000			350000	2.09%	6735103	40.18%	Please refer note ## below
02 August 2000			50000	0.30%	6685103	39.88%	Complied
31 August 2000	273550	1.63%			6958653	41.51%	Complied
31 August 2000	130575	0.78%			7089228	42.29%	Complied
31 August 2000	25500	0.15%			7114728	42.44%	Complied
31 August 2000	47625	0.28%			7162353	42.73%	Complied
31 August 2000	1830	0.01%			7164183	42.74%	Complied
02 September 2000			5200	0.03%	7158983	42.71%	Complied
11 September 2000			100000	0.60%	7058983	42.11%	Complied
02 October 2000			50000	0.30%	7008983	41.81%	Complied
23 December 2000	5000	0.03%			7013983	41.84%	Complied
06 January 2001	2126	0.01%			7016109	41.86%	Complied
31 March 2001	3887233	23.19%#			10903342	65.05%	Complied
31 March 2001	23550	0.14%			10926892	65.19%	Complied
31 March 2001			1300	0.01%	10925592	65.18%	Complied
01 April 2001	2300	0.01%			10927892	65.19%	Complied
31 March 2002			3000	0.02%	10924892	65.17%	Complied
07 May 2002	5800	0.03%			10930692	65.21%	Complied
19 July 2002	50000	0.30%			10980692	65.51%	Complied
19 July 2002	25000	0.15%			11005692	65.66%	Complied
15 August 2002	20000	0.12%			11025692	65.78%	Complied
16 September 2002			2200	0.01%	11023492	65.76%	Complied
18 October 2002	20000	0.12%			11043492	65.88%	Complied
01 November 2002	4500	0.03%			11047992	65.91%	Complied
01 November 2002	2200	0.01%			11050192	65.92%	Complied
01 November 2002	292500	1.74%			11342692	67.67%	Complied
01 November 2002	176	0.00%			11342868	67.67%	Complied
10 November 2002	30000	0.18%			11372868	67.85%	Complied
07 February 2003			5000	0.03%	11367868	67.82%	Complied
09 February 2003			3500	0.02%	11364368	67.80%	Complied
07 March 2003			20000	0.12%	11344368	67.68%	Complied
09 March 2003			8500	0.05%	11335868	67.63%	Complied
07 April 2003			9000	0.05%	11326868	67.57%	Complied
07 May 2003			7475	0.04%	11319393	67.53%	Complied
07 July 2003			4300	0.03%	11315093	67.50%	Complied
07 August 2003			10000	0.06%	11305093	67.44%	Complied
07 September 2003			12000	0.07%	11293093	67.37%	Complied
09 September 2003			14000	0.08%	11279093	67.29%	Complied
09 October 2003			6500	0.04%	11272593	67.25%	Complied
19 December 2003			45000	0.27%	11227593	66.98%	Complied
19 December 2003			55000	0.33%	11172593	66.65%	Complied
20 December 2003			5000	0.03%	11167593	66.62%	Complied

Date of Transaction	No. of Shares Purchase	% shares Purchase	No. of Shares sold	% for shares sold	Cumulative No. of shares held	Cumulative promoter shareholding %	Status of Compliance
23 December 2003			42897	0.26%	11124696	66.37%	Complied
23 December 2003			24725	0.15%	11099971	66.22%	Complied
29 December 2003			25000	0.15%	11074971	66.07%	Complied
29 December 2003			9610	0.06%	11065361	66.01%	Complied
31 December 2003			22843	0.14%	11042518	65.88%	Complied
01 January 2004			31601	0.19%	11010917	65.69%	Complied
09 January 2004			29550	0.18%	10981367	65.51%	Complied
12 January 2004			14000	0.08%	10967367	65.43%	Complied
12 January 2004			3000	0.02%	10964367	65.41%	Complied
22 January 2004			9713	0.06%	10954654	65.35%	Complied
23 January 2004			9975	0.06%	10944679	65.29%	Complied
01 February 2004			12202	0.07%	10932477	65.22%	Complied
08 February 2004			59515	0.36%	10872962	64.87%	Complied
09 February 2004			444014	2.65%	10428948	62.22%	Please refer note ## below
12 February 2004			350	0.00%	10428598	62.21%	Complied
19 February 2004			60000	0.36%	10368598	61.86%	Complied
01 March 2004			1750	0.01%	10366848	61.85%	Complied
01 March 2004			25000	0.15%	10341848	61.70%	Complied
09 March 2004			244000	1.46%	10097848	60.24%	Complied
09 March 2004			398000	2.37%	9699848	57.87%	Please refer note ## below
11 March 2004			4709	0.03%	9695139	57.84%	Complied
08 April 2004			9000	0.05%	9686139	57.78%	Complied
09 April 2004			4000	0.02%	9682139	57.76%	Complied
11 April 2004			10165	0.06%	9671974	57.70%	Complied
01 May 2004			18679	0.11%	9653295	57.59%	Complied
08 May 2004			2301	0.01%	9650994	57.58%	Complied
08 June 2004			4800	0.03%	9646194	57.55%	Complied
09 June 2004			38875	0.23%	9607319	57.31%	Complied
11 June 2004			4000	0.02%	9603319	57.29%	Complied
12 June 2004			7288	0.04%	9596031	57.25%	Complied
08 July 2004			40167	0.24%	9555864	57.01%	Complied
14 July 2004			50	0.00%	9555814	57.01%	Complied
19 July 2004			60000	0.36%	9495814	56.65%	Complied
21 July 2004			51000	0.30%	9444814	56.35%	Complied
22 July 2004			4645	0.03%	9440169	56.32%	Complied
23 July 2004			10475	0.06%	9429694	56.25%	Complied
24 July 2004			31278	0.19%	9398416	56.07%	Complied
26 July 2004			22945	0.14%	9375471	55.93%	Complied
28 July 2004			132312	0.79%	9243159	55.14%	Complied
29 July 2004			24450	0.15%	9218709	55.00%	Complied
30 July 2004			500	0.00%	9218209	54.99%	Complied
31 July 2004			75598	0.45%	9142611	54.54%	Complied
01 August 2004			3946	0.02%	9138665	54.52%	Complied
11 August 2004			4900	0.03%	9133765	54.49%	Complied
11 August 2004			16137	0.10%	9117628	54.39%	Complied
12 August 2004			19017	0.11%	9098611	54.28%	Complied
14 August 2004			25950	0.15%	9072661	54.12%	Complied

Date of Transaction	No. of Shares Purchase	% shares Purchase	No. of Shares sold	% for shares sold	Cumulative No. of shares held	Cumulative promoter shareholding %	Status of Compliance
14 August 2004			13896	0.08%	9058765	54.04%	Complied
16 August 2004			50621	0.30%	9008144	53.74%	Complied
18 August 2004			28855	0.17%	8979289	53.57%	Complied
19 August 2004			13500	0.08%	8965789	53.49%	Complied
20 August 2004			27694	0.17%	8938095	53.32%	Complied
20 August 2004			19650	0.12%	8918445	53.20%	Complied
07 September 2004			43500	0.26%	8874945	52.95%	Complied
12 September 2004			4712	0.03%	8870233	52.92%	Complied
21 September 2004			3496	0.02%	8866737	52.90%	Complied
22 September 2004			50000	0.30%	8816737	52.60%	Complied
27 September 2004			26000	0.16%	8790737	52.44%	Complied
29 September 2004			180000	1.07%	8610737	51.37%	Complied
06 October 2004			25113	0.15%	8585624	51.22%	Complied
07 October 2004			20000	0.12%	8565624	51.10%	Complied
07 October 2004			19512	0.12%	8546112	50.98%	Complied
09 October 2004			56500	0.34%	8489612	50.65%	Complied
11 October 2004			1850	0.01%	8487762	50.64%	Complied
12 October 2004			8000	0.05%	8479762	50.59%	Complied
21 October 2004			399	0.00%	8479363	50.59%	Complied
28 October 2004			1000	0.01%	8478363	50.58%	Complied
29 October 2004			4300	0.03%	8474063	50.55%	Complied
29 October 2004	399	0.00%			8474462	50.56%	Complied
30 October 2004			9826	0.06%	8464636	50.50%	Complied
08 November 2004			2052	0.01%	8462584	50.49%	Complied
09 November 2004			1125	0.01%	8461459	50.48%	Complied
20 November 2004			4250	0.03%	8457209	50.45%	Complied
08 December 2004			15000	0.09%	8442209	50.36%	Complied
13 December 2004			250	0.00%	8441959	50.36%	Complied
14 December 2004			4000	0.02%	8437959	50.34%	Complied
15 December 2004			16000	0.10%	8421959	50.24%	Complied
16 December 2004			39700	0.24%	8382259	50.01%	Complied
28 April 2005			10000	0.06%	8372259	49.95%	Complied
29 April 2005			10000	0.06%	8362259	49.89%	Complied
27 March 2006			30000	0.18%	8332259	49.71%	Complied
28 March 2006			31125	0.19%	8301134	49.52%	Complied
31 March 2006	61125	0.36%			8362259	49.89%	Complied
31 March 2006			125	0.00%	8362134	49.89%	Complied
31 March 2007	4095	0.02%			8366229	49.91%	Complied
24 July 2008			4590	0.03%	8361639	49.88%	Complied
25 July 2008 *			1743192	10.40%	6618447	39.48%	Complied
25 July 2008 **			738422	4.41%	5880025	35.08%	Complied

Note: # - Pursuant to conversion of OCCPS into Shares. The OCCPS were allotted pursuant to scheme of arrangement of Kopran Limited with Kopran Drugs Limited duly sanctioned by the High Court of Mumbai

* The Acquirer has acquired 1,743,192 Shares at the price of Rs. 9.40 /- per Share through a bulk deal on BSE on 25th July, 2008 from the Promoters.

** The Acquirer has acquired 738,422 Shares at the price of Rs. 8.50/- per Share through off - market transactions on 25th July, 2008 from the Promoters.

Relevant records with respect to compliance of Regulation 7 (1A) of the SEBI (SAST) Regulations by Svaraj Trading & Agencies Limited are not available. Due to non-availability of submissions under Regulation 7 (1A) of the SEBI (SAST) Regulations, KDL has not complied with Regulation 7 (3) of the SEBI (SAST) Regulations. Non availability of records may be treated as non-compliance and SEBI may initiate suitable action for the same.

Certain Promoters of KDL have not complied with Regulation 3 (3) of SEBI (SAST) Regulations in respect of the following transactions:

Transferee	Transferor	Date of transaction	No. of Shares	% of total paid up Equity Capital
S.V. Trading & Agencies Limited	Kopran Limited	17-Jun-2002	1,346,959	8.04
Svaraj Trading and Agencies Limited	Kopran Limited	02-Jul-2003	1,238,375	7.39
Synpac Pharmaceuticals Limited - #	Kopran Limited	15-Dec-2003	1,304,025	7.78
Sarvamangal Mercantile Co. Limited	S.V. Trading & Agencies Limited	08-Jul-2008	1,000,000	5.97

- Adjudication proceedings in respect of this transfer have been initiated by SEBI for alleged delay in making filings under Regulation 3 (4) read with Regulation 3 (5) of SEBI (SAST) Regulations.

Synpac Pharmaceuticals Limited has filed an application for consent terms in the above proceedings.

6.22 KDL has complied with Clause 49 of the listing agreement in respect of corporate governance.

The details of the various committees constituted in furtherance of compliance with Clause 49 are:

- Audit Committee: The audit committee comprises – Mr. Nalin Bamzai, Mr. Sanjay Sinha, Dr. Tushar K. Srivastava and Mr. Yogendra K. Chauhan
- Remuneration/Compensation committee: Mr. Nalin Bamzai, Dr. Tushar K. Srivastava, Mr. Sanjay Sinha and Mr. Yogendra K. Chauhan
- Investor Grievance Committee: Mr. Nalin Bamzai, Mr. Sanjay Sinha, Dr. Tushar K. Srivastava and Mr. Yogendra K. Chauhan
- Share Transfer Committee : Dr. Rajesh Agrawal, Dr. Tushar K. Srivastava, Mr. Sapan Chakravorty and Mr. Rakesh Naval

6.23 The pending litigation proceedings involving KDL are as follows

A. Proceedings initiated by KDL

Type of Proceedings	Number of Proceedings	Quantum involved (Rs. in lacs approximately)
Civil	1	49.1
Income Tax	4	Not quantifiable

B. Proceedings initiated against KDL

Type of Proceedings	Number of Proceedings	Quantum involved (Rs. in lacs approximately)
Central Excise	6	238.1
Customs	2	30.3

6.24 Name and other details of Compliance Officer: Sapan K. Chakravorty, Village Savroli, Taluka Khalapur, District Raigad, Maharashtra-410 202. Email Id: s_chakravorty@kdlbiotech.in; Tel no: 91-2192-274025-274030; Fax no: 91-2192-274031.

7 OFFER PRICE AND FINANCIAL ARRANGEMENTS

7.1 JUSTIFICATION OF OFFER PRICE

7.1.1 The Shares of KDL are listed on BSE and NSE.

7.1.2 The annualized trading turnover during the six months preceding the month in which the Public Announcement was made i.e for the six months ending 30th June, 2008 in each of the Stock Exchanges are listed as detailed below:

Name of Stock Exchange	Total no. of Shares traded during the 6 calendar months prior to the month in which PA is made	Total no. of Shares traded during the 6 calendar months prior to the month in which PA is made (annualized)	Total No. of listed Shares	Annualised trading turnover (as % of total listed Shares)	Trading Status in terms of SEBI (SAST) Regulations
BSE	1,968,078	3,936,156	16,762,424	23.48%	Frequently traded
NSE	500,211	1,000,422	16,762,424	5.97%	Frequently traded

(Source: www.bseindia.com; www.nseindia.com)

7.1.3 As the annualized trading turnover (by number of Shares) on BSE is more than NSE, the Shares of KDL are most frequently traded on BSE as per the explanation to Regulation 20(5) of the SEBI (SAST) Regulations.

7.1.4 The Offer Price of Rs. 12 (Rupees Twelve Only) per Share is justified in terms of Regulation 20(4) of SEBI (SAST) Regulations in view of the following:

Sr. No.	Particulars	Price
1	Negotiated Price under the SPAs	Rs. 8.50/- per Share
2	Proposed acquisition price under the Preferential Issue	Rs. 12.00/- per Share
3	Highest price paid by the Acquirer for acquisition, including by way of allotments in a public or rights issue or preferential issue, if any, during 26 weeks period prior to the date of Public Announcement	Rs. 9.40/- per Share*
4	The average of the weekly high and low of the closing prices of the Shares of the Target Company on the BSE, during the 26 weeks period preceding the date of Public Announcement and for the last 26 weeks preceding the date of the meeting of the Board of Directors where the Preferential Issue was proposed	Rs. 11.40/- per Share Rs. 11.40/- per Share
5	The average of the daily high and low of the prices of the Shares of the Target Company on the BSE, during the 2 weeks period preceding the date of the Public Announcement and for the last 2 weeks preceding the date of the meeting of the Board of Directors where the Preferential Issue was proposed	Rs. 9.06/- per Share Rs. 9.06/- per Share

* The Acquirer has acquired 1,743,192 Shares at the price of Rs. 9.40 per Share through a block deal on BSE on 25th July, 2008 and 738,422 Shares at a price of Rs. 8.50/- per Share of the Target Company, through an off-market transaction on 25th July, 2008.

7.1.5 The details of closing prices and volume of KDL on BSE for the 26 week period prior to the date of the Public Announcement are as under:

Week No.	Week Ended	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume (Number of Shares)
1	Friday, February 01, 2008	16.20	13.47	14.84	78,792
2	Friday, February 08, 2008	16.32	14.14	15.23	66,643
3	Friday, February 15, 2008	14.74	13.31	14.03	67,544
4	Friday, February 22, 2008	14.42	13.59	14.01	36,839
5	Friday, February 29, 2008	13.85	13.31	13.58	17,638
6	Friday, March 07, 2008	13.22	11.37	12.30	71,796
7	Friday, March 14, 2008	12.40	10.81	11.61	101,852
8	Wednesday, March 19, 2008	10.72	9.80	10.26	41,681
9	Friday, March 28, 2008	10.67	8.99	9.83	119,450
10	Friday, April 04, 2008	12.00	11.38	11.69	32,267
11	Friday, April 11, 2008	11.79	11.37	11.58	20,890
12	Thursday, April 17, 2008	12.37	11.93	12.15	15,790
13	Friday, April 25, 2008	12.73	12.30	12.52	33,334
14	Friday, May 02, 2008	12.25	12.09	12.17	25,361
15	Friday, May 09, 2008	12.22	11.75	11.99	20,386

Week No.	Week Ended	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume (Number of Shares)
16	Friday, May 16, 2008	11.00	10.79	10.90	70,765
17	Friday, May 23, 2008	11.44	10.86	11.15	28,231
18	Friday, May 30, 2008	11.05	10.58	10.82	20,231
19	Friday, June 06, 2008	10.11	9.77	9.94	36,251
20	Friday, June 13, 2008	10.50	9.30	9.90	19,499
21	Friday, June 20, 2008	10.53	10.03	10.28	15,332
22	Friday, June 27, 2008	9.90	9.39	9.65	26,784
23	Friday, July 04, 2008	8.98	8.06	8.52	35,599
24	Friday, July 11, 2008	8.84	8.51	8.68	11,521
25	Friday, July 18, 2008	8.99	8.26	8.63	16,330
26	Friday, July 25, 2008	11.34	8.90	10.12	1,771,499
26 Weeks Average				**Rs. 11.40**	

(Source:www.bseindia.com)

The average of daily high and low prices of the Shares of KDL on BSE during the 2 week Period prior to the date of Public Announcement are as under:

Day	Date	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume (Number of Shares)
1	Monday, July 14, 2008	8.89	8.55	8.72	4,552
2	Tuesday, July 15, 2008	8.88	8.03	8.46	1,983
3	Wednesday, July 16, 2008	9.00	8.40	8.70	7,485
4	Thursday, July 17, 2008	8.90	8.31	8.61	1,700
5	Friday, July 18, 2008	8.99	8.40	8.70	610
6	Monday, July 21, 2008	9.40	8.41	8.91	1,197
7	Tuesday, July 22, 2008	9.50	8.80	9.15	4,165
8	Wednesday, July 23, 2008	9.80	9.10	9.45	2,276
9	Thursday, July 24, 2008	9.70	9.45	9.58	700
10	Friday, July 25, 2008	11.34	9.40	10.37	1,763,161
2 Weeks Average				**Rs. 9.06**	

(Source:www.bseindia.com)

7.1.6 Based on the above and in the opinion of the Manager to the Offer and the Acquirer, the Offer Price of Rs. 12/- (Rupees Twelve only) is justified as per Regulation 20 (11) of the SEBI (SAST) Regulations.

7.1.7 No non-compete agreements have been entered into by the Acquirer with the Sellers and no additional payments are being made by the Acquirer towards non-compete fees.

7.1.8 During the Offer Period, the Acquirer may purchase additional Shares in accordance with SEBI (SAST) Regulations. If in the event that the Acquirer acquires additional Shares in accordance with Regulation 20(7) of SEBI (SAST) Regulations, such purchase shall be disclosed to the Stock Exchanges where the Shares are listed and to the Manager to the Offer in accordance with Regulation 22(17) of the SEBI (SAST) Regulations. The Acquirer undertakes to ensure that the Offer Price shall not be less than the highest price paid by the Acquirer for any acquisition of Shares of the Target Company from the date of the Public Announcement (i.e. 28th July, 2008) up to 26th September, 2008 (i.e. 7 working days prior to the closure of the Offer).

7.2 FINANCIAL ARRANGEMENT

7.2.1 The total fund requirement for the Offer (assuming full acceptance) aggregates to Rs. 57,684,360 (Rupees Five Crores Seventy-Six Lacs Eighty-Four Thousand Three Hundred and Sixty Only).

7.2.2 The Acquirer, the Manager to the Offer and Standard Chartered Bank ("**Escrow Bank**"), a banking company incorporated in England by Royal Charter in 1853 having its principal office at 1, Aldermanbury Square, London EC2V 7SB and one of its branch offices at 90, M. G. Road, Fort, Mumbai – 400 001, have entered into an escrow agreement dated 17th July, 2008 (the "**Escrow Agreement**") in accordance with Regulation 28 of the SEBI (SAST) Regulations whereby the Acquirer has deposited in an escrow account opened with the Escrow Bank a sum of Rs. 14,500,000 (Rupees One Crore Forty-Five Lacs only) ("**Cash Deposit**"). The Cash Deposit is more than the minimum amount required to be deposited by the Acquirer in escrow in terms of Regulation 28 the SEBI (SAST) Regulations. The Manager to the Offer has been duly authorized by the Acquirer to operate and realize the value of escrow account in terms of the Regulation 28 of the SEBI (SAST) Regulations.

7.2.3 M/s Rege & Thakkar, Chartered Accountants, (Mr. J. R. Parekh, Partner, Membership no: 44066) 5b, Fairy Manor, 13, Rustom Sidhwa Marg, Fort, Mumbai – 400 001. Tel: +91 22 2265 8613, Fax: + 91 22 2263 2884 has provided a funds sufficiency certificate vide their letter dated 26th July, 2008 that the Acquirer has sufficient means and capability for meeting its obligations under the SEBI (SAST) Regulations, further the owned funds (tangible networth) of Unimark as on March 31, 2008 are Rs.255.52 crores, which are adequate to fulfill all the obligations under the Offer.

7.2.4 The Acquirer has confirmed vide their letter dated 26th July, 2008 that firm financial arrangements has been made for the implementation of the Offer. The Acquirer has adequate resources to meet the financial requirements of this Offer which will be financed by internal sources/owned funds.

7.2.5 Based on the above confirmation from the Acquirer and the certificate from the Chartered Accountant, the Manager to the Offer has satisfied itself about the Acquirer ability to implement the Offer in accordance with the SEBI (SAST) Regulations.

7.2.6 The Acquirer, has vide its letter dated 1st September, 2008 confirmed the following (a) acquisition of 2,481,614 Shares (1,743,192 acquired through block deal and 738,422 acquired through off-market) are financed through internally accrued owned funds and (b) acquisition of SPA Shares and Subscription Shares would also be financed through internally accrued owned funds.

8 TERMS AND CONDITIONS OF THE OFFER

8.1 The Offer is not conditional on any minimum level of acceptances.

8.2 The Offer is subject to the receipt of approval from the RBI for acquiring Shares from non-residents who validly tender their Shares under this Offer. The Acquirer has filed an application with the Reserve Bank of India on September 2, 2008 to obtain the said approval and the approval from the RBI is awaited.

8.3 Save and except for the above, to the best knowledge and belief of the Acquirer, as on the date of this Letter of Offer, no other statutory approval are required to the Offer. If any other statutory approvals are required or become applicable, the Offer would be subject to the receipt of such other statutory approvals. The Acquirer will not proceed with the Offer in the event any statutory approval is not obtained in terms of Regulation 27 of the SEBI (SAST) Regulations.

8.4 In case of non receipt or delay in receipt of any statutory approvals, SEBI has power to grant extension of time to Acquirer for payment of consideration to the tendering Shareholders subject to Acquirer agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of the SEBI (SAST) Regulations. Further, if the delay occurs on account of willful default or neglect or inaction or non-action by Acquirer in obtaining the requisite approvals, the amount held in the escrow account shall be subject to forfeiture and be dealt within the manner provided in Regulation 28(12) of the SEBI (SAST) Regulations will also be applicable.

8.5 The Acquirer does not require any approvals from any banks and/or financial institutions, for the purpose of making this Offer.

8.6 The Offer is being made to all persons who are Shareholders or beneficial owners (registered or otherwise) of Shares (except the parties to the SPAs) at any time prior to the closure of the Offer. The Letter of Offer together with the Form of Acceptance cum Acknowledgement will be mailed to all Shareholders (except the parties to the SPAs) whose names appear on the Register of members of the Target Company and to the beneficial owners of the Shares of the Target Company, whose names appear as beneficiaries on the records of the respective depositories, at the close of business on the Specified Date i.e. 11th August, 2008.

8.7 Accidental omission to dispatch this Letter of Offer or the non-receipt or delayed receipt of this Letter of Offer will not invalidate the Offer in any way.

8.8 Any Shares that are subject matter of litigation or are held in abeyance due to pending court cases/ attachment order(s) / restriction from other statutory authorities, wherein the Shareholder(s) may be precluded from transferring the Shares during pendency of the said litigation are liable to be rejected in case directions/orders of the Court/relevant statutory authority permitting transfer of these Shares are not received together with the Shares tendered under the Offer. The Letter of Offer in some of these cases, wherever possible, would be forwarded to the concerned statutory authorities for further action at their end.

8.9 The acceptance of the Offer made by the Acquirer is entirely at the discretion of the Shareholders of the Target Company. The Acquirer does not accept any responsibility for the decision of any Shareholder to either participate or to not participate in the Offer. The Acquirer will not be responsible in any manner for any loss of Share certificate(s) and Offer acceptance documents during transit and the Shareholders of the Target Company are advised to adequately safeguard their interest in this regard. The acceptance must be unconditional and should be absolute and unqualified.

8.10 Incomplete acceptances, including non-submissions of necessary enclosures, if any, are liable to be rejected. Further, in case, the documents / forms submitted are incomplete and / or if they have any defect or modifications, the acceptance is liable to be rejected.

8.11 The Acquirer, will acquire the Shares, free from all liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights declared hereafter. Shares that are subject to any charge, lien or encumbrance are liable to be rejected.

8.12 The instructions and provisions contained in the Form of Acceptance and Form of Withdrawal constitute an integral part of the terms of this Offer.

8.13 The securities transaction tax will not be applicable to the Shares accepted in the offer.

9 PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

9.1 Shareholders who are holding Shares in physical form and who wish to tender their Shares will be required to send the Form of Acceptance cum Acknowledgement, original Share Certificate(s) and transfer deed(s) duly signed to the Registrar to the Offer – Bigshare Services Private Limited, E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai (Maharashtra) - 400 072, either by hand delivery on weekdays or by Registered Post, on or before the Close of the Offer, i.e. not later than 1700 hours on 8th October, 2008 in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance Cum Acknowledgement.

9.2 The Registrar to the Offer, has opened a special depository account ("**Special Depository Account**") with NSDL called, "BSPL Escrow A/C – KBL Open Offer". The name of the Depository Participant ("**DP**") is Standard Chartered Bank, the DP ID is IN301524 and the Client ID is 30020695. Shareholders having their beneficiary account in CDSL have to use the inter-depository delivery instruction slip for the purpose of crediting their Shares in favour of the Special Depository Account with NSDL.

9.3 Beneficial owners (holders of Shares in dematerialized form) who wish to tender their Shares will be required to send their Form of Acceptance Cum Acknowledgement along with the photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the DP, in favour of the special depository account to the Registrar to the Offer – Bigshare, either by hand delivery on weekdays or by Registered Post, on or before the Close of the Offer, i.e. not later than 8th October, 2008 in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance Cum Acknowledgement. The credit for the delivered Shares should be received in the special depository account on or before close of Offer, i.e. not later than 1700 hrs on 8th October, 2008.

9.4 For Shares held in physical form:

(i) Registered Shareholders should enclose:

a) Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by all Shareholders whose names appear on the Share certificate(s).

b) Original Share certificate(s).

c) Valid share transfer deed / form(s) duly signed as transferors by all registered Shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with KDL and duly witnessed at the appropriate place. Attestation, where required, (thumb impressions, signature difference, etc.) should be done by a Magistrate/ Notary Public/ Bank Manager under their official seal. The details of buyer should be left blank failing which, the tender will be invalid under the Offer

d) In case of non receipt of the aforesaid documents, but receipt of the original Share certificate(s) and transfer deed(s) duly signed, the Offer shall be deemed to have been accepted.

(ii) Unregistered owners should enclose:

a) Form of Acceptance duly completed and signed in accordance with the instructions contained therein.

b) Original Share certificate(s).

c) Original broker contract note.

d) Valid share transfer deed(s) as received from market. The details of buyer should be left blank failing which, the tender will be invalid under the Offer. Unregistered Shareholders should not sign the transfer deed. The transfer deed should be valid for transfer. No indemnity is required from unregistered Shareholders. The details of the buyer will be filled upon verification of the Form of Acceptance & other documents and the same being found valid. All other requirements for valid transfer will be preconditions for acceptance.

9.5 For Shares held in dematerialized form:

Beneficial owners should enclose:

a) Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by all the beneficial owners whose names appear in the beneficiary account, as per the records of the respective depository.

b) Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by DP in favour of the special depository account (please see below) before the close of business hours on Offer Closing Date i.e. 8th October, 2008. The Registrar to the Offer has opened a special depository account details of which are as follows:

DP Name	Standard Chartered Bank
DP ID	IN301524
Account Name	BSPL Escrow A/C – KBL Open Offer
Client ID	30020695
Depository	NSDL

For each delivery instruction, the beneficial owner should submit a separate Form of Acceptance. **Beneficial owners having their beneficiary accounts with CDSL have to use inter-depository delivery instruction slip for the purposes of crediting their Shares in favour of the special depository account with NSDL.** In case of non receipt of the aforesaid documents, but receipt of the Shares in the special depository account, the Offer shall be deemed to be accepted. The Forms of Acceptance of such demat Shares not credited in favour of the special depository account, before the Offer Closing Date will be rejected.

9.6 Shareholders should also provide all relevant documents, which are necessary to ensure transferability of the Shares in respect of which the Form of Acceptance is being sent, failing which the tender would be considered invalid and would be liable to be rejected. Such documents may include (but not be limited to):

- Duly attested death certificate and succession certificate (in case of single shareholder) in case the original shareholder has expired.
- Duly attested power of attorney if any person apart from the shareholder has signed acceptance form or transfer deed(s).
- No objection certificate from any lender, if the Shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance.
- In case of companies, the necessary certified corporate authorizations (including board and/or general meeting resolutions).

9.7 The Share certificate(s), share transfer form, Form of Acceptance and other documents, if any should be sent only to the Registrar to the Offer, at the collection center mentioned in paragraph 9.1. **They should not be sent to the Manager to the Offer or the Acquirer or the Target Company.**

9.8 The minimum marketable lot for the purposes of acceptance, for both physical and demat Shares, would be one Share.

9.9 In case of non-receipt of the Letter of Offer / Form of Acceptance / Form of Withdrawal eligible Shareholders and unregistered owners (including beneficial owners) may download the same from SEBI's website www.sebi.gov.in or obtain a copy of the same by writing to the Registrar to the Offer at the collection center set out above clearly marking the envelope "KDL Biotech Limited – Open Offer" by providing suitable documentary evidence of the acquisition of the Shares or make the acceptance on plain paper. Shareholders holding Shares in physical form may send an application to the Registrar to the Offer, stating on plain paper their name, address, folio number, number of Shares held, distinctive numbers, number of Shares offered, bank particulars along with original Share Certificate(s), duly signed & witnessed transfer form(s), on or before the close of the Offer, i.e. by no later than 1700 hrs on 8th October, 2008. Beneficial owners may send an application to the Registrar to the Offer, stating on plain paper their name, address, DP name, DP ID, beneficiary account number, number of Shares held, number of Shares offered, bank particulars, photocopy of the delivery instructions in "Off-market" mode or a counterfoil of the delivery instructions in "Off-market" mode duly acknowledged by the DP in favour of the special depository account mentioned above, as may be relevant, to the collection center on or before the close of business on the Offer Closing Date , i.e. by no later than 1700 hrs on 8th October, 2008. The acceptance should be signed by all the Shareholders as per the registration details available with KDL/ Depositories and should be sent to the Registrar to the Offer in an envelope clearly marked "KDL Biotech Limited – Open Offer". It may be noted that no indemnity is required from unregistered Shareholders.

9.10 In case any person has submitted Shares in physical form for dematerialisation and such dematerialisation has not yet been effected, the concerned shareholder may apply in the Offer as per instructions mentioned above together with a photocopy of the completed dematerialisation request form acknowledged by shareholder's DP. Such Shareholders should ensure that the process of getting the Shares dematerialised is completed well in time so that the credit of the Shares to the special depository account is completed on or before 1700 hrs on the Offer Closing Date i.e. 8th October, 2008, failing which such an acceptance would be rejected. A copy of delivery instructions acknowledged by the DP in favour of the special depository account should be forwarded to the collection center where the Form of Acceptance and other documents were tendered, before the close of business hours on the Offer Closing Date i.e. 8th October, 2008.

9.11 While tendering the Shares under the Offer, NRIs/ OCBs/ foreign Shareholders will be required to submit the previous RBI Approvals (specific or general) that they would have obtained for acquiring the Shares of KDL. In case the previous RBI approvals are not submitted, the Acquirer reserves the right to reject such Shares tendered. While tendering Shares under the Offer, NRIs/ OCBs/ foreign Shareholders will be required to submit a Tax Clearance Certificate from the Income Tax authorities, indicating the amount of tax to be deducted by the Acquirer under the Income Tax Act, 1961, before remitting the consideration. In case the aforesaid Tax Clearance certificate is not submitted, Acquirer will arrange to deduct tax at the rate as may be applicable to the category of the shareholder under the Income Tax Act, 1961, on the entire consideration amount payable to such Shareholder.

9.12 In terms of Regulation 22(5A) of the SEBI (SAST) Regulations, Shareholders desirous of withdrawing the acceptance tendered by them in the Offer, may do so up to 3 (three) working days prior to the date of closure of the Offer. The withdrawal option can be exercised by submitting the documents as per the instructions below, so as to reach the Registrar to the Offer at the collection center mentioned above as per the mode of delivery indicated therein on or before 3rd October, 2008.

(i) The withdrawal option can be exercised by submitting the Form of Withdrawal, enclosed with the Letter of Offer.

(ii) In case of non-receipt of Form of Withdrawal, the withdrawal option can be exercised by making an application on plain paper along with the following details:

- In case of physical Shares: Name, Address, Distinctive numbers, Folio number, number of Shares tendered/ withdrawn; and
- In case of dematerialized Shares: Name, Address, number of Shares offered/ withdrawn, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of the special depository account.

9.13 The Registrar to the Offer will hold in trust the Shares/ Share Certificates, Shares lying in credit of the special depository account, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s) on behalf of the Shareholders of KDL who have accepted the Offer, till the cheques/ drafts for the consideration and/or the unaccepted Shares/ Share Certificates are dispatched/ returned.

9.14 If the aggregate of the valid responses to the Offer exceeds the Offer size of 4,807,030 Shares of KDL (representing 20% of the Expanded Voting Capital of KDL), then the Acquirer shall accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the SEBI (SAST) Regulations. As the Shares of KDL are compulsorily traded in dematerialized form, therefore minimum acceptance / marketable lot will be one Share.

9.15 The unaccepted Share Certificates, transfer deeds and other documents, if any, will be returned by registered post at the Shareholders/ unregistered owners sole risk to the sole/ first Shareholder. Unaccepted Shares held in dematerialized form will be credited back to the beneficial owners depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance cum Acknowledgement. It will be the responsibility of the equity Shareholders to ensure that the unaccepted Shares are accepted by their respective depository participants when transferred by the Registrar to the Offer. Shareholders holding Shares in dematerialized form are requested to issue the necessary standing instruction for receipt of the credit, if any, in their DP account. Shareholders should ensure that their depository account is maintained till the Offer formalities are completed.

10 DOCUMENTS FOR INSPECTION

The following material documents are available for inspection at the office of the Manager to the Offer, Edelweiss Capital Limited, from 10.30 a.m. to 1.00 p.m. on any day, except Saturdays, Sundays and Holidays, until the Offer closure:

a) Certificate of Incorporation, Memorandum and Articles of Association of the KDL.

b) Certificate of Incorporation, Memorandum and Articles of Association of the Unimark.

c) A Certificate from Chartered Accountant, M/s Rege & Thakker certifying the adequacy of financial resources of Unimark to fulfill its obligations under the Offer.

d) Audited annual reports of Unimark for the year ending March 31, 2005, March 31, 2006 and March 31, 2007 certified by M/s Rege & Thakker and unaudited results (with limited review conducted by Walker, Chandiok and Co.) for the year ending March 31, 2008 of Unimark.

e) Audited annual reports of Unimark Remedies Hong Kong Limited for the year ending March 31, 2005, March 31, 2006 and March 31, 2007 certified by Public Accountants viz. Simon Chong & Company.

f) Audited annual reports of KDL for the 18 months period ended September 30, 2005, for 6 months period ended March 31, 2006 and for 18 months period ended September 30, 2007 as certified by M/s Khandelwal Jain & Co. Unaudited results (with limited review conducted by M/s Khandelwal Jain & Co.) of KDL for 6 months period ended March 31, 2008.

g) Copy of the SPAs dated July 26, 2008 executed between the Acquirer and the Sellers.

h) Copy of the Share Subscription Agreement dated July 26, 2008 executed between the Acquirer and KDL.

i) Copy of confirmation received from Standard Chartered Bank dated July 26, 2008, confirming that Rs. 145 lacs (Rupees One crore and forty five lakhs only) of Cash Deposit has been deposited in the Escrow Account.

j) Copy of Public Announcement published on July 28, 2008.

k) Copy of letter from SEBI in terms of proviso to Reg. 18(2) of SEBI (SAST) Regulations.

11 DECLARATION BY ACQUIRER

Information provided by the Target Company has been relied upon for the purpose of making disclosures pertaining to the Target Company. The board of directors of the Acquirer have not independently verified information provided by the Target Company and as such under Regulation 22(6) of the Takeover Regulations, the directors of the Acquirer exempt themselves from and do not accept responsibility for the information in relation to the Target Company which is disclosed in the Letter of Offer as also information provided by the Registrar to the Offer in the Letter of offer. Subject to the aforesaid, the board of directors accepts full responsibility for the information contained in this Letter of Offer. The Acquirer is responsible for the fulfilment of its obligations under the SEBI (SAST) Regulations and subsequent amendments made thereof in respect of this Offer.

Signed on behalf of Acquirer

For and on behalf of Board of Unimark Remedies Limited

Sd/-

O. P. Singh
(Vice President - Legal, Compliance & Company Secretary)

Date: 4th September, 2008

Place: Mumbai

Encl:

1. Form of Acceptance
2. Form of Withdrawal
3. Transfer deed for Shareholders holding Shares in physical form

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGMENT

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form of Acceptance cum Acknowledgement with enclosures to the Registrar of the Offer at their collection centre as per the mode of delivery mentioned in the Letter of Offer)

(To be filled in by the Shareholders)

From:

(Name & Complete Address)

OFFER OPENS ON	**: Friday, 19th September, 2008**
LAST DATE OF WITHDRAWAL	**: Friday, 03rd October, 2008**
OFFER CLOSES ON	**: Wednesday, 8th October, 2008**

Tel No.:_____________________ Fax No.:_____________________ E-mail:____

To,
The Acquirer- Unimark Remedies Limited
C/o. Bigshare Services Private Limited
E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai (Maharashtra) - 400 072.

Dear Sir,

Sub: Open Offer to acquire 4,807,030 fully paid up Equity Shares of Rs 10 each representing 20% of Expanded Voting Capital (as defined in the Letter of Offer) of KDL Biotech Limited ("KDL" or the "Target Company") by Unimark Remedies Limited ("Unimark" or the "Acquirer") at a price of Rs. 12 (Rupees Twelve Only) for each fully paid up Share, payable in cash.

I/We refer to the letter of offer dated 4th September 2008 for acquiring the Shares held by me/us in KDL.

I/We, the undersigned have read the Letter of Offer and understood its contents and unconditionally agree to the terms and conditions as mentioned therein.

SHARES HELD IN PHYSICAL FORM

I/We, accept the Offer and enclose the original Share certificate(s) and duly signed transfer deed(s) in respect of my/our Shares as detailed below:

Sr. No.	Folio No.	Certificate No.	Distinctive Nos.		No. of Equity Shares
			From	To	
Total number of Shares					

(In case of insufficient space, please use additional sheet and authenticate the same)

SHARES HELD IN DEMAT FORM

I/We holding Shares in demat form, accept the Offer and enclose photocopy of the Delivery Instruction duly acknowledged by my/our DP in respect of my/our Shares as detailed below:

DP Name	DP ID	Client ID	Name of Beneficiary	No. of Equity Shares

Shareholders whose Shares are held in beneficiary Account with CDSL have to use an inter-depository delivery instruction slip for the purpose of crediting their Shares in favour of the Special Depository Escrow Account with NSDL.

Enclosures (Please tick as appropriate, if applicable)

- ☐ Power of Attorney
- ☐ Corporate Authorisation in case of Companies along with Board Resolution and Specimen Signatures of Authorised Signatories.
- ☐ No Objection Certificate & Tax Clearance Certificate under Income Tax Act, 1961, for NRIs/OCBs/Foreign Shareholders as applicable.
- ☐ Death Certificate/ Succession Certificate
- ☐ Others (please specify): ____

I/We confirm that the Shares of KDL, which are being tendered herewith by me/us under the Offer, are free from liens, charges and encumbrances of any kind whatsoever.

I/We note and understand that the original Share certificate(s) and valid Share transfer deed will be held in trust for me/us by the Registrar to the Offer until the time the Acquirers pays the purchase consideration as mentioned in the Letter of Offer.

I/We also note and understand that the Acquirer will pay the purchase consideration only after verification of the documents and signatures.

I/We authorise the Acquirers to send by registered post/speed post/UCP the draft/cheque, in settlement of the amount to the sole/first holder at the address mentioned above.

I/We note and understand that the Shares would lie in the Special Depository Account until the time the Acquirers makes payment of purchase consideration as mentioned in the Letter of Offer.

I/We authorise the Acquirer to accept the Shares so offered which it may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and

I/we further authorize the Acquirers to return to me/us, Share certificate(s) in respect of which the Offer is not found valid/not accepted. The Permanent Account No. (PAN/GIR No.) allotted under the Income Tax Act, 1961 is as under:

	First/Sole Holder	Joint Holder 1	Joint Holder 2
PAN/GIR No. Ward No.			

-- TEAR ALONG THIS LINE --

Acknowledgement Slip **KDL – Open Offer** **Sr. No.** ______________

(To be filled in by the Shareholders) (Subject to verification)

Received from Mr./Mrs./M/s ____

Address ____

Physical shares: Folio No.________________ / Demat shares: DP ID ____________________ ; Client ID: ___________________

Form of Acceptance along with (Tick wherever is applicable):

- ☐ Physical shares: No. of shares ___________________________; No. of certificates enclosed _______________________
- ☐ Demat shares: Copy of delivery instruction for ______________________ number of Shares enclosed

Signature of Official __________________________ Date of Receipt _________________________________

STAMP OF COLLECTION CENTRE

So as to avoid fraudulent encashment in transit, the Shareholder(s), holding Shares in physical form should provide details of Bank Account of the first/sole Shareholder and the consideration cheque or demand draft will be drawn accordingly:

Name of the Bank____	Addrress of Branch____
Account Number ____________________________________	Saving/Current/NRE/NRO/ Others (Please tick) ______________________________________

For Shares that are tendered in electronic form, the bank account as contained from the beneficiary position provided by the depository will be considered and the draft/warrant/cheque will be issued with the said bank particulars.

For NRIs / OCBs / FIIs / Foreign Shareholders

I / We, have enclosed the following documents

- [ ] No objection certificate / Tax clearance certificate from the Income Tax Authorities
- [ ] RBI approvals for acquiring shares of KDL hereby tendered in the Offer
- [ ] Copy of Permanent Account Number / PAN Card

For FII Shareholders :

I / We, confirm that the Shares of KDL are held by me / us on Investment / Capital Account or Trade Account *(select whichever is applicable in your case)* In case the Shares are held on trade account, kindly enclose a certificate stating that you are a tax resident of your country of residence /incorporation and that you do not have a permanent establishment in India in terms of the Double Taxation Avoidance Agreement (DTAA) entered into between India and your country of residence. In order to avail the benefit of lower rate of tax deduction under the DTAA, if any, kindly enclose a certificate stating that you are a tax resident of your country of incorporation in terms of the DTAA entered into between India and your country of residence.

Yours faithfully,
Signed and Delivered,

	Full Names (s) & Address of the holders	Signature(s)
First/Sole Holder		
Joint Holder 1		
Joint Holder 2		

Note: In case of joint holdings all must sign. A Corporation must affix its common seal and necessary Board resolution should be attached.

Place: ______________________ Date: __________________

SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE ACCEPTANCE FORMS / SHARES THAT ARE RECEIVED BY THE REGISTRAR OF THE OFFER AFTER THE CLOSE OF THE OFFER i.e. AFTER 5.00 P.M. ON WEDNESDAY, 8TH OCTOBER, 2008 SHALL NOT BE ACCEPTED UNDER ANY CIRCUMSTANCES AND HENCE ARE LIABLE TO BE REJECTED.

INSTRUCTIONS

INSTRUCTIONS

1. In the case of demateralised Shares, the Shareholders are advised to ensure that their Shares are credited in favour of the Special Depository Account, before the closure of the Offer. The Form of Acceptance-cum-Acknowledgement of such demat Shares not credited in favour of the Special Depository Account, before the closure of the Offer will be rejected.
2. Shareholders should enclose the following:
   a. For Shares held in demat form:
      Beneficial owners should enclose-
      - Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, as per the records of the Depository Participant ('DP').
      - Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP as per the instruction in the Letter of Offer.

   b. For Shares held in physical form:
      Registered Shareholders should enclose-
      - Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all Shareholders whose names appear on the Share certificates.
      - Original Share Certificate(s)
      - Valid Share Transfer form(s) duly signed as transferors by all registered Shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with KDL and duly witnessed at the appropriate place. A blank Share Transfer form is enclosed along with the Letter of Offer. Attestation, where required, (thumb impressions, signature difference, etc.) should be done.
      - The details of buyer should be left blank failing which the same will be invalid under the Offer. The details of the Acquirer as buyer will be filled by the Acquirers upon verification of the Form of Acceptance and the same being found valid. All other requirements for valid transfer will be preconditions for valid acceptance.

      Unregistered owners should enclose-
      - Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein.
      - Original Share Certificate(s)
      - Original broker contract note
      - Valid Share Transfer form(s) as received from the market leaving details of buyer blank. If the same is filled in then the Share(s) are liable to be rejected.
3. The Share certificate(s), Share transfer form(s) and the Form of Acceptance should be sent only to Bigshare Services Private Limited, the Registrar to the Offer and **not to the Manager to the Offer or the Acquirer or Target Company.**
4. Shareholders having their beneficiary account in CDSL have to use "INTER DEPOSITORY DELIVERY INSTRUCTION SLIP" for the purpose of crediting their shares in favour of the special depository account with NSDL.
5. Non-resident Shareholders should enclose a copy of the permission received from RBI for the Shares held by them in KDL. If the Shares are held under General Permission of RBI, the non resident Shareholder should state that the Shares are held under General Permission and whether on repatriable basis or non repatriable basis.
6. Non-resident Shareholders should enclose No Objection Certificate/Tax Clearance Certificate from the Income Tax Authorities under Income Tax Act, 1961, indicating the tax to be deducted by the Acquirer before remittance of consideration otherwise tax will be deducted at the maximum marginal rate as may be applicable to the category of the Shareholder on the consideration payable by the Acquirer.
7. The Form of Acceptance-cum-Acknowledgement and other related documents should be submitted at the Collection Center of the Registrar as mentioned below.
8. The Form of Acceptance-cum-Acknowledgement along with enclosure should be sent only to the Registrar to the Offer so as to reach the Registrar of the Offer at the collection center below on all weekdays during the business hours i.e. (Mondays to Fridays between 10.00 a.m. and 5.00 p.m.and on Saturdays between 10.00 a.m. to 1.00 p.m.).

City	Address	Contact Person	Tel. No./Fax No./ Email	Mode of delivery
Mumbai	E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai (Maharashtra) - 400 072.	Mr. Ashok Shetty	Tel no.: +91 22 4043 0200 Fax no.: +91 22 2847 5207 Email: openoffer@bigshareonline.com	Hand delivery

Applicants who cannot hand deliver their documents at the Collection Center, may send their documents only by Registered Post, at their own risk, to the Registrar to the Offer at E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai (Maharashtra) - 400 072, India so as to reach the Registrar to the Offer on or before the last date of acceptance i.e. **Wednesday, 08th October, 2008.**

SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE ACCEPTANCE FORMS / SHARES THAT ARE RECEIVED BY THE REGISTRAR AFTER THE CLOSE OF THE OFFER i.e. AFTER 5.00 P.M. ON 08TH OCTOBER, 2008 SHALL NOT BE ACCEPTED UNDER ANY CIRCUMSTANCES AND HENCE ARE LIABLE TO BE REJECTED.

-- TEAR ALONG THIS LINE --

All future correspondence, if any, should be addressed to the Registrar at the following address:

Bigshare Services Private Limited
(Unit: KDL Biotech Limited)
E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai (Maharashtra) - 400 072.
Tel no.: +91 22 4043 0200; Fax no.: +91 - 22 - 2847 5207,
Email: openoffer@bigshareonline.com, Contact Person: Mr. Ashok Shetty

FORM OF WITHDRAWAL

From
(Name & Complete Address)

OFFER OPENS ON	**: Friday, 19th September, 2008**
LAST DATE OF WITHDRAWAL	**: Friday, 03rd October, 2008**
OFFER CLOSES ON	**: Wednesday, 8th October, 2008**

Tel No.:_____________________ Fax No.:_____________________ E-mail:____

To,
The Acquirer- Unimark Remedies Limited
C/o. Bigshare Services Private Limited
E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai (Maharashtra) - 400 072.

Dear Sir,

Sub: Open Offer to acquire 4,807,030 fully paid up Equity Shares of Rs 10 each representing 20% of Expanded Voting Capital (as defined in the Letter of Offer) of KDL Biotech Limited ("KDL" or the "Target Company") by Unimark Remedies Limited ("Unimark" or the "Acquirer") at a price of Rs. 12 (Rupees Twelve Only) for each fully paid up Share, payable in cash.

I/We refer to the Letter of Offer dated 4th September 2008 for acquiring the Shares held by me/us in KDL.
I/We, the undersigned have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein.
I/We hereby consent unconditionally and irrevocably to withdraw my/our Shares from the Offer and I/we further authorise the Acquirer to return to me/us, the tendered Share certificate(s)/ Share(s) at my/our sole risk.
I/We note that upon withdrawal of my/our Shares from the Offer, no claim or liability shall lie against the Acquirer/Manager to the Offer/Registrar to the Offer.
I/We note that this Form of Withdrawal should reach the Registrar to the Offer at the collection center mentioned in the Letter of Offer or mentioned overleaf as per the mode of delivery indicated therein on or before the last date of withdrawal i.e. 03rd October, 2008
I/We note that the Acquirer/Manager to the Offer/Registrar to the Offer shall not be liable for any postal delay/loss in transit of the Shares held in physical form and also for the non-receipt of Shares held in the dematerialised form in the DP account due to inaccurate/incomplete particulars/instructions.
I/We also note and understand that the Acquirer will return the original Share certificate(s), Share transfer deed(s) and Shares only on completion of verification of the documents, signatures and beneficiary position as available from the Depositories from time to time.

The particulars of tendered original Share certificate(s) and duly signed transfer deed(s) are detailed below:

Folio No.	Certificate No.	Distinctive Nos.		No. of Shares
	Tendered:	From	To	
Total number of Shares Tendered				
	Withdrawn:			
Total number of Shares Withdrawn				

(In case of insufficient space, please use additional sheet and authenticate the same)
I/We hold the following Shares in dematerialised form and had done an off-market transaction for crediting the shares to the **'BSPL Escrow A/c- KBL Open Offer'** as per the following particulars:

DP Name: Standard Chartered Bank	**DP ID :** IN301524	**Client ID:** 30020695

Please find enclosed a photocopy of the depository delivery instruction(s) duly acknowledged by DP. The particulars of the account from which my/our Shares have been tendered are as detailed below:

DP Name	DP ID	Client ID	Name of Beneficiary	No. of Equity Shares

I/We note that the Shares will be credited back only to that Depository Account, from which the Shares have been tendered and necessary standing instructions have been issued in this regard.
In case of dematerialised Shares, I/We confirm that the signatures of the beneficiary holders have been verified by the DP as per the records maintained at their end and the same have also been duly attested by them under their seal.
I/We confirm that the particulars given above are true and correct.

Yours faithfully,
Signed and Delivered:

Signed & Delivered by	Full Name(s) & Address	PAN Number(s)	Signature
First/Sole Holder			
Joint Holder 1			
Joint Holder 2			

Note: In case of joint holdings, all Shareholders must sign.

Place: _______________ Date:_________________

-- TEAR ALONG THIS LINE --

Acknowledgement Slip **KDL – Open Offer - Withdrawal Form** **Sr. No.** _______________
(To be filled in by the Shareholders) (Subject to verification)

Received from Mr./Mrs./M/s ____

Address ____

Physical shares: Folio No. _______________ / Demat shares: DP ID _________________ ; Client ID __________________

Signature of Official __________________________ Date of Receipt _________________________________

STAMP OF COLLECTION CENTRE

INSTRUCTIONS

INSTRUCTIONS

1. Shareholders desirous of withdrawing their acceptances tendered in the Offer can do so up to three working days prior to the close of the Offer, i.e. **Friday, 03rd October, 2008**.
2. The withdrawal option can be exercised by submitting the Form of Withdrawal, duly signed and completed, along with the copy of acknowledgement slip issued at the time of submission of the Form of Acceptance-cum-Acknowledgement.
3. The Form of Withdrawal along with enclosure should be sent only to the Registrar to the Offer so as to reach the Registrar of the Offer at the collection center below on all weekdays during the business hours i.e. (Mondays to Fridays between 10.00 a.m. and 5.00 p.m.and on Saturdays between 10.00 a.m. and 1.00 p.m.).

City	Address	Contact Person	Tel. No/Fax No./ Email	Mode of Delivery
Mumbai	E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai (Maharashtra) - 400 072.	Mr. Ashok Shetty	Tel no.: +91 22 4043 0200 Fax no.: +91 22 2847 5207 Email : openoffer@bigshareonline.com	Hand Delivery

Applicants who cannot hand deliver their documents at the Collection Center, may send their documents only by Registered Post, at their own risk, to the Registrar to the Offer at E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai (Maharashtra) - 400 072, India so as to reach the Registrar to the Offer on or before the last date of withdrawal i.e. **Friday, 03rd October, 2008.**

-- TEAR ALONG THIS LINE --

All future correspondence, if any, should be addressed to the Registrar at the following address:

Bigshare Services Private Limited
(Unit: KDL Biotech Limited)
E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai (Maharashtra) - 400 072.
Tel no.: +91 22 4043 0200; Fax no.: +91 - 22 - 2847 5207,
Email: openoffer@bigshareonline.com, Contact Person: Mr. Ashok Shetty

WESTERN PRESS Pvt. Ltd.
MUMBAI 400 013. 40317777