

LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is being sent to you as an equity shareholder(s) of Piramal Healthcare Limited in accordance with the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998, as amended. If you require any clarification about the actions to be taken, you may consult your stockbroker or your investment consultant or the Manager/Registrar to the Buyback. In case you have recently sold all your equity shares in the Company, please hand over this Letter of Offer and the accompanying Form of Acceptance-cum-Acknowledgement and Transfer Deed to the member of the stock exchange through whom the sale was effected.

Piramal Healthcare Limited

Registered Office and Address for Correspondence: Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400 013.
Contact Person: Leonard D'Souza, Company Secretary, Phone: +91-22-30466666, Fax: +91-22-24902363
E-mail: complianceofficer.phl@piramal.com

MAKES A CASH OFFER AT Rs. 600/- PER SHARE TO BUY BACK UP TO 41,802,629 FULLY PAID-UP EQUITY SHARES OF RS. 2/- EACH

- Shares proposed to be bought back constitute 20% of the total number of issued, subscribed and paid up Shares of the Company as on September 30, 2010.
- The total amount to be used for the Buyback amounts to 17.76% of the networth of the Company excluding capital reserves, as at September 30, 2010.
- The Buyback is through a tender offer and the Specified Date is January 8, 2011.
- The payment of consideration shall be made through NECS (subject to availability of all information for crediting the funds), demand drafts / pay orders, or similar instruments payable at par at all the centers where the Company is accepting applications.
- The Offer is in accordance with the SEBI (Buy-Back of Securities) Regulations, 1998 and subsequent amendments as well as in accordance with provisions of Section 77A and all other applicable provisions, if any, of the Companies Act, 1956 and the relevant provisions of the Memorandum of Association and Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary.
- A copy of the public announcement issued on December 9, 2010 and this Letter of Offer (including the Form of Acceptance-cum-Acknowledgement, Withdrawal Form and NECS Mandate Form) is also available at SEBI's website (www.sebi.gov.in). The same is also available on the Company's website www.piramalhealthcare.com.
- Form of Acceptance-cum-Acknowledgement, NECS Mandate Form and Withdrawal Form is enclosed together with this document.
- Shareholders are advised to refer to Section XVIII on Statutory Approvals and Section XXIII on Taxation before tendering their Shares in the Buyback.

BUYBACK OPENS ON: March 3, 2011 (Thursday)

BUYBACK CLOSURES ON: March 24, 2011 (Thursday)

LAST DATE / TIME OF RECEIPT OF COMPLETED ACCEPTANCE FORMS: 5PM, March 24, 2011 (Thursday)

MANAGER TO THE BUYBACK



Kotak Mahindra Capital Company Limited
Bakhtawar 1st Floor, 229 Nariman Point
Mumbai – 400 021
Tel No: +91 22 6634 1110
Fax No: +91 22 2284 0492
Email: project.piramalbuyback@kotak.com
SEBI Registration Number: INM000008704
Validity Period: 01/02/2008 – 31/01/2011 (applied for renewal via application dated October 29, 2010)
Contact Person: Mr. Chandrakant Bhole

REGISTRAR TO THE BUYBACK

LINK INTIME
INDIA PVT LTD


Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W),
Mumbai 400078
Tel No.: +91 22 25960320
Fax: +91 22 25960329
Email : phl.buyback@linkintime.co.in
SEBI Registration Number : INR000004058
Validity Period : 06/05/2009 to 05/05/2012
Contact Person : Mr. Nilesh Chalke

The Offer is in accordance with SEBI (Buy-Back of Securities) Regulations, 1998 and subsequent amendments as well as in accordance with provisions of Section 77A and all other applicable provisions, if any, of the Companies Act, 1956

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I SCHEDULE OF ACTIVITIES

Activity	Date	Day
Initial Board Meeting approving Buyback	October 22, 2010	Friday
Special Resolution passed by shareholders by Postal Ballot approving Buyback	December 6, 2010	Monday
Public Announcement of Buyback	December 9, 2010	Thursday
Specified Date	January 8, 2011	Saturday
Buyback Opens on	March 3, 2011	Thursday
Last Date of Withdrawal	March 21, 2011	Monday
Buyback Closes on	March 24, 2011	Thursday
Last Date of Verification	April 4, 2011	Monday
Last Date of Intimation Regarding Acceptance/Non Acceptance and Dispatch of Consideration/Share Certificates/Demat Instruction	April 7, 2011	Thursday
Last Date of Extinguishment of Shares	April 13, 2011	Wednesday

II KEY DEFINITIONS

Act	The Companies Act, 1956, as amended
Articles	Articles of Association of the Company
Board	Board of Directors of the Company or Committee constituted for the purpose of the Buyback
BSE	Bombay Stock Exchange Limited
Buyback Committee	Buyback committee comprising of Mr. Ajay G. Piramal, Mr. R.A. Shah, Dr. Swati A. Piramal, Mr. N. Santhanam, Ms. Nandini Piramal, Directors of the Company, constituted on October 22, 2010
Buyback/Offer	Offer to buyback a maximum of 41,802,629 equity shares of Rs. 2/- each of the Company at a price of Rs. 600/- per Share in accordance with the Regulations and relevant provisions of the Act via the tender offer route
Buyback Price	Price at which shares will be bought back from the shareholders i.e. Rs. 600/- per Share
Buyback Size	Number of Shares proposed to be bought back multiplied by the Buyback Price i.e. Rs. 25,081,577,400/-
CDSL	Central Depository Services (India) Limited
Company	Piramal Healthcare Limited (PHL)
DP	Depository Participant
Eligible Person(s)	Person(s) eligible to participate in the Buyback and would mean all shareholders (registered and unregistered)/beneficial owners of Shares
ESOP	Employee Stock Option Plan
Form	Form of Acceptance-cum-Acknowledgement
IT Act	Income-tax Act, 1961, as amended
LOF	Letter of Offer
Manager to the Buyback/Offer	Kotak Mahindra Capital Company Limited
NSDL	National Securities Depository Limited

NSE	National Stock Exchange of India Limited
PA/ Public Announcement	Public announcement regarding the Buyback issued on December 9, 2010 in English language in Business Standard (English), Business Standard (Hindi) and Navshakti (Marathi)
Promoters	Mr. Ajay G. Piramal is the promoter of the Company. The companies / entities forming part of the Promoter Group include Mr. Ajay G. Piramal (as karta of a HUF), Smt. Lalita G. Piramal, BMK Laboratories Private Limited (“BMK”), The Ajay G. Piramal Foundation, Cavaal Fininvest Private Limited (“Cavaal”), Paramount Pharma Private Limited (“Paramount”) and Piramal Management Services Private Limited - Corporate Trustee of The Sri Krishna Trust (“PMSPL-Corporate Trustee of The SK Trust”) which are holding shares in the Company. In addition to the above, Piramal Enterprises Limited – Trustee of the Piramal Enterprises Executive Trust (“PEL ESOP Trust”) and Piramal Healthcare Ltd. Senior Employee Option Scheme (“PHL ESOP Trust”) also hold shares in the Company and have been categorized as Promoter Group in the shareholding pattern filed with the Stock Exchanges.
RBI	Reserve Bank of India
Registrar to the Buyback/Offer	Link Intime India Pvt. Ltd.
Regulations	The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998, as amended
SEBI	The Securities and Exchange Board of India
Shares	Fully paid-up equity shares of face value of Rs. 2/- each of the Company
Specified Date	Date for the purpose of determining the names of the shareholders of the Company to whom the Letter of Offer will be sent, as set out in the proposed timetable, being January 8, 2011
Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997

III DISCLAIMER CLAUSE

As required, a copy of this Letter of Offer has been submitted to SEBI.

It is to be distinctly understood that submission of the Letter of Offer to SEBI should not, in any way be deemed/construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of the Company to meet the Buyback commitments or for the correctness of the statements made or opinions expressed in the offer document. The Manager to the Buyback, Kotak Mahindra Capital Company Limited certifies that the disclosures made in the offer document are generally adequate and are in conformity with the provisions of the Companies Act, 1956 and the SEBI (Buy Back of Securities) Regulations, 1998, as amended. This requirement is to facilitate investors to take an informed decision for tendering their shares in the Buyback.

It should also be clearly understood that while the Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the offer document, the Manager to the Buyback is expected to exercise due diligence to ensure that the Company discharges its duty adequately in this behalf and towards this purpose, the Manager to the Buyback, Kotak Mahindra Capital Company Limited has furnished to SEBI a Due Diligence Certificate dated December 15, 2010 in accordance with SEBI (Buy-Back of Securities) Regulations, 1998, which reads as follows:

“We have examined various documents and materials contained in the Annexures to this Letter, as part of the due-diligence carried out by us in connection with the finalisation of the Public Announcement and the

Letter of Offer. On the basis of such examination and the discussions with the Company, we hereby state that:

- *The Public Announcement and the Letter of Offer are in conformity with the documents, materials and papers relevant to the Buyback.*
- *All legal requirements connected with the said offer including SEBI (Buy-Back of Securities) Regulations, 1998, have been duly complied with.*
- *The disclosures in the Public Announcement and Letter of Offer are, to the best of our knowledge, true, fair and adequate in all material respects for the shareholders of the Company to make a well-informed decision in respect of the Buyback.*
- *Funds used for Buyback shall be as per the provisions of the Companies Act.”*

The filing of offer document with SEBI, does not however, absolve the Company from any liabilities under the provisions of the Companies Act, 1956 or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Buyback.

Promoters/ Directors of the Company declare and confirm that no information/material likely to have a bearing on the decision of investors has been suppressed/withheld and/or incorporated in the manner that would amount to mis-statement/misrepresentation and in the event of it transpiring at any point of time that any information/material has been suppressed/ withheld and/or amounts to a mis-statement/misrepresentation, the promoters/directors and the Company shall be liable for penalty in terms of the provisions of the Companies Act, 1956 and the SEBI (Buy Back of Securities) Regulations, 1998.

Promoters/Directors of the Company also declare and confirm that funds borrowed from Banks and Financial Institutions will not be used for the Buyback.

IV TEXT OF THE RESOLUTION PASSED AT THE BOARD MEETING

The Buyback through a tender offer has been duly authorised by resolutions passed by the Board of Directors of the Company at their meeting held on October 22, 2010. The text of the relevant resolutions passed is given below.

Resolutions passed at the Board meeting held on October 22, 2010

“RESOLVED THAT pursuant to the provisions of Article 24(a) of the Articles of Association of the Company, and subject to the provisions of Sections 77A and other applicable provisions, if any, of the Companies Act, 1956 (the “Act”) and the Securities and Exchange Board of India (Buy-Back of Securities) Regulations 1998, including any statutory modifications or re-enactments thereof for the time being in force (the “Buy-back Regulations”) and subject to the approval of the members of the Company through postal ballot and such other approvals, permissions and sanctions, as may be necessary, and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the Board hereby approves the purchase by the Company of its equity shares of face value of Rs.2 each, not exceeding 4,18,02,629 equity shares (representing 20% of the total number of shares in the paid up share capital of the Company) at a price of Rs.600 per share aggregating to Rs. 2,508.16 crores (the “Buy-back”) from the shareholders of the Company on a proportionate basis through the “Tender offer” route as prescribed under the Buy-back Regulations;

RESOLVED FURTHER THAT a Committee of Directors (Buy-back of Shares) (“Buy-back Committee”) comprising :

- 1. Mr. Ajay G. Piramal*
- 2. Mr. R.A. Shah*
- 3. Dr. Swati A. Piramal*
- 4. Mr. N. Santhanam*
- 5. Ms. Nandini Piramal*

(with an authority to the Chairman, Mr. Ajay G. Piramal to appoint any director and/or executive as member(s) in addition to and/or in place of the existing members of the Committee)

be and is hereby constituted and authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper for giving effect to and implementing the Buy-back, including but not limited to:

- (i) entering into escrow arrangements as required in terms of the Buy-back Regulations;*
- (ii) opening, operation and closure of all necessary accounts including bank accounts, depository accounts (including escrow account) for the purpose of payment and authorising persons to operate the said accounts;*
- (iii) the appointment and finalization of the terms of merchant bankers, brokers, bankers, escrow agents, registrars, lawyers, depository participants and other advisors/ consultants/ intermediaries/ agencies;*
- (iv) filing of the public announcement, the letter of offer and also the certificates for declaration of solvency with the Securities and Exchange Board of India, the stock exchanges and other appropriate authorities;*
- (v) making all applications to the appropriate authorities for their requisite approvals including approvals as may be required from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules, regulations framed thereunder;*
- (vi) extinguishment of share certificates and filing of certificates of extinguishment required to be filed in connection with the Buy-back on behalf of the Company and/or the Board;*
- (vii) to settle all such questions, difficulties or doubts that may arise in relation to the implementation of the Buy-back;*
- (viii) sign, execute and deliver such documents as may be necessary or desirable in connection with or incidental to the Buy-back;*
- (ix) execution of documents under the Common Seal of the Company as may be required;*

with further power to the Buy-back Committee to delegate all or any of the authorities conferred on it to any Officer(s) / Authorised Persons of the Company;

RESOLVED FURTHER THAT the Board hereby confirms that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion:

- a) That immediately following the date of this Board Meeting and the date on which the results of the Postal Ballot will be declared, there will be no grounds on which the Company can be found unable to pay its debts.*
- b) That as regards the Company's prospects for the year immediately following the date of this Board Meeting as well as the year immediately following the date on which the results of the Postal Ballot will be declared approving the Buy-back, and having regard to the Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources, which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of this Board Meeting or as the case may be, within a period of one year from the date on which the results of the Postal Ballot will be declared.*
- c) In forming its opinion aforesaid, the Board has taken into account the liabilities as if the Company were being wound up under the provisions of the Act (including prospective and contingent liabilities).*

RESOLVED FURTHER THAT, the Board hereby confirms:

- 1. that the aggregate amount of the Buy-back i.e. Rs. 2508.16 crores, does not exceed 25% of the total paid-up capital and free reserves of the Company as on September 30, 2010;*
- 2. that the maximum number of shares proposed to be purchased under the Buy-back i.e. 4,18,02,629 equity shares, does not exceed 25% of the total number of shares in the paid-up equity capital as per the audited balance sheet as on September 30, 2010;*
- 3. that the debt equity ratio of the Company after the Buy-back will be within the limit of 2:1 as prescribed under the Act.”*

V DETAILS OF PUBLIC ANNOUNCEMENT

1. The Public Announcement regarding the Buyback was issued in English language in all India editions of Business Standard (English), Business Standard (Hindi) and Navshakti (Marathi) on December 9, 2010 (jointly, “Newspapers”). In addition, the Company has voluntarily published the Public Announcement in the Mumbai edition of Economic Times (English) on December 9, 2010.

VI DETAILS OF THE BUY BACK OFFER

2. Piramal Healthcare Limited (“Company”) hereby announces the buy back (“Buyback”) of 41,802,629 fully paid-up equity shares of the face value of Rs. 2/- each (“Shares”) from the shareholders of the Company through a tender offer, in accordance with Section 77A and other applicable provisions of the Companies Act, 1956 (“Act”), the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended (“Regulations”), the relevant provisions of the Memorandum of Association and Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary, at a price of Rs. 600/- per Share (“Buyback Price”) payable in cash, for an aggregate amount of Rs. 25,081,577,400/- (“Buyback Size”). The Buyback Size represents 17.76% of the aggregate of the Company’s total paid-up equity share capital and free reserves as on September 30, 2010. The aggregate number of Shares to be bought back by the Company under the Buyback is 41,802,629, which is not more than 25% of the Company’s total paid-up equity shares as on September 30, 2010, being the date of the last Audited Balance Sheet of the Company prior to the special resolution dated December 6, 2010 approving the Buyback.
3. In terms of the Regulations, under the tender offer route, the Promoters of the Company have the option to participate in the Buyback. In this regard, the Promoters of the Company have informed the Company vide their letters dated October 27, 2010 and February 23, 2011, regarding their intention to participate in the Buyback. The extent of their participation has been detailed in clause 20 of this document.
4. The Buyback is through a tender offer and the Specified Date is January 8, 2011.
5. The Buyback is made to all Eligible Persons. The procedure for the buyback is described in Section XXII.
6. The Shares proposed to be bought back will be bought back with all their benefits and must be free from all liens, charges and encumbrances.
7. The aggregate shareholding of the Promoters of the Company is 111,444,308 Shares, comprising 53.32% of the paid up equity share capital of the Company as on December 6, 2010.

8. The Promoters have informed the Company vide their letters dated October 27, 2010 and February 23, 2011, regarding their intention to participate in the proposed Buyback and offer up to maximum of 101,443,085 Shares such that their percentage shareholding post Buyback does not fall below the percentage shareholding as on the date of opening of the Buyback offer. Accordingly, the Promoters may offer a lower number of Shares in the Buyback than what is stated hereinabove so as to ensure that their percentage shareholding post Buyback does not fall below the percentage shareholding as on the date of opening of the Buyback offer. Notwithstanding the above, the Shares in the Buyback shall be accepted in a proportionate basis, based on the Shares tendered by all the shareholders of the Company in the Buyback offer.
9. The post-Buyback non-promoter shareholding in the Company shall not fall below the minimum level required as per the listing conditions/ agreement.

VII AUTHORITY FOR THE BUYBACK

10. Pursuant to Section 77A and other applicable provisions of the Act, the Regulations and in terms of Article 24(a) of the Articles of Association of the Company, the Buyback through a tender offer has been duly authorised by:
 - Resolutions passed by the Board of Directors of the Company at their meeting held on October 22, 2010: (a) authorizing the Buyback subject to passing of a special resolution by the members of the Company; and (b) constituting a committee of Board of Directors to implement the Buyback (“Buyback Committee”).
 - A special resolution passed by the shareholders of the Company in terms of the provisions of Section 192A of the Act read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001. The notice dated October 27, 2010 along with the explanatory statement for the special resolution in respect of the Buyback containing the disclosures as required under Schedule 1 of the Regulations was sent to all members of the Company. The results of the Postal Ballot were announced on December 6, 2010.
 - Various resolutions passed by the Buyback Committee.

VIII NECESSITY FOR BUY BACK

11. Subsequent to the sale of the Company’s Domestic Formulations Business (including its Mass Market Branded Formulations Business) together with its manufacturing facility at Baddi, Himachal Pradesh (the “Business”) and receipt of the first tranche of the consideration from Abbott Healthcare Private Limited and the sale of its shareholding in Piramal Diagnostic Services Pvt. Ltd. (“PDSPL Shareholding”) to Super Religare Laboratories Ltd. (“SRL”), the Board at its meeting held on 22nd October, 2010, considered various alternatives for rewarding shareholders. Taking into consideration the consequent increase in accumulated free reserves as well as favorable liquidity reflected in the audited accounts for the period from April 1, 2010 till September 30, 2010, the Board decided to allocate a sum of about Rs.2,500 crores for distributing to the shareholders. After taking into consideration several factors and advantages to the shareholders, the Board decided to recommend Buy-back of shares at a price of Rs.600/- per share aggregating to Rs. 25,081,577,400/-, it being a more efficient form of distributing such reward to the shareholders compared to other alternatives including interim dividend, inter alia for the following reasons:
 - a) Buyback would enable the Company to distribute the entire amount so allocated towards Shareholders’ reward, to be distributed to the shareholders, as compared to dividend

distribution which would involve payment of Dividend Distribution Tax, thereby resulting in a lower amount available for such distribution;

- b) Out of the total sum allocated for distribution as aforesaid, the net proceeds in the hands of the Shareholders would in the case of dividend be lower by 16.609% by virtue of Dividend Distribution Tax having to be paid on such distributable amount by the Company. However, in the case of Buy-back, the net proceeds in the hands of long-term shareholders would be lower at only 10.30% (without indexation), by way of long term capital gains tax;
 - c) Buyback helps in improving the return on equity by reduction in the equity base as well as future servicing to shareholders, thereby leading to long term increase in shareholder value;
 - d) Buyback price of Rs.600 per share represents a premium of 19% over the average share price of the Company for the 3 months preceding the date of the Board Meeting.
12. The Buyback is expected to contribute to the overall enhancement of shareholder value and result in an increase in the return on equity of the Company.
13. The Buyback is not expected to impact growth opportunities for the Company.
14. The Buyback Price of Rs.600/- has been arrived at after considering various factors such as average price of the Shares on the BSE and the NSE prior to the Board Meeting proposing such Buyback, net worth of the Company and impact of the Buyback on the earnings per share of the Company.
15. The Buyback Price is at a premium of 11.3% over the closing price of the Company's Shares on the BSE and 11.2% over the closing price of the Company's Shares on the NSE respectively as at October 19, 2010, the day before the notice convening the board meeting to consider the proposal of the Buyback was given to the BSE and the NSE.

IX MANAGEMENT DISCUSSION AND ANALYSIS ON LIKELY IMPACT OF THE BUYBACK ON THE COMPANY

16. The Buyback is not likely to cause any material impact on the profitability of the Company, except the loss of other income, if any, on the amount of cash to be utilized for the Buyback.
17. The Buyback is not expected to impact growth opportunities for the Company.
18. The Buyback is expected to contribute to the overall enhancement of shareholder value, and is expected to result in an increase in the return on equity of the Company.
19. The aggregate shareholding of the Promoters of the Company as on December 6, 2010, is 53.32% of the paid-up capital of the Company.
20. Following promoter group companies have informed the Company *vide* their letters dated October 27, 2010 and February 23, 2011, regarding their intention to participate in the proposed Buyback. Details of date and price of acquisition of Shares are given below:

Sr. No.	Name of the Promoter	Maximum No. of Shares intended to be offered in the Buyback	Date of Acquisition	No. of Shares Acquired	Cost of Acquisition (Rs.)	Average Cost of Acquisition (Rs.)
1	Paramount Pharma Pvt. Ltd. ("Paramount")	40,000,000	25th August, 2010	10,000,000	5,257,666,339	525.77
			26th August, 2010	10,000,000	5,017,315,903	501.73
			27th August, 2010	10,000,000	4,997,286,700	499.73
			30th August, 2010	10,000,000	4,917,169,888	491.72
2	BMK Laboratories Pvt. Ltd. ("BMK")	33,840,177	31st August, 2010	9,000,000	4,398,253,485	488.69
			1st September, 2010	9,000,000	4,515,417,870	501.71
			2nd September, 2010	12,000,000	6,128,681,325	510.72
			3rd September, 2010	38,40,177	1,942,096,812	505.72
3	Cavaal Fininvest Pvt. Ltd. ("Cavaal")	13,579,264	7th September, 2010	7,221,124	3,695,282,212	511.73
			8th September, 2010	6,308,533	3,228,276,585	511.73
			8th September, 2010	49,607	25,360,638	511.23
4	Piramal Management Services Pvt. Ltd., - Corporate Trustee of The Sri Krishna Trust ("PMSPL Corporate Trustee of the SK Trust")	7,305,731	3rd September, 2010	57,760	29,459,673	510.04
			3rd September, 2010	446,686	225,899,524	505.72
			3rd September, 2010	208,875	105,632,957	505.72
			6th September, 2010	3,856,277	1,984,964,434	514.74
			6th September, 2010	2,736,133	1,408,386,040	514.74
5	The Ajay G. Piramal Foundation	1,250,000	3rd August, 2005	1,250,000	Nil (see note a)	Nil (see note a)
6	Piramal Enterprises Limited – Trustees of the Piramal Enterprises Executive Trust	3,573,875	(see note b)	1,148,000	4,710,388 (see note b)	4.10 (see note b)
			13th August, 2007	2,425,000	424,302,250	174.97
7	Piramal Healthcare Limited Senior Employees Option Scheme	1,894,038	13th April, 2000	576,098	62,218,584	108.00
			23rd March, 2002	1,317,940	6,853,288 (see note c)	5.20 (see note c)
Total		101,443,085				

Note:

- These shares were acquired by the Ajay G. Piramal Foundation by way of gift;
- These shares were acquired by the Piramal Enterprises Limited – Trustee of the Piramal Enterprises Executive Trust, between the years 1993 to 2000. Individual transaction details are not available. The cost of acquisition and the average cost of acquisition mentioned above, represent the book value of these shares with the Trust;
- These shares were acquired by the Piramal Healthcare Limited Senior Employee Option Scheme, by way of gift.

21. The Promoters intend to participate in the Buyback and offer up to maximum of 101,443,085 Shares such that their percentage shareholding post Buyback does not fall below the percentage shareholding as on the date of opening of the Buyback offer. Accordingly, the Promoters may offer a lower number of Shares in the Buyback than what is stated hereinabove so as to ensure that their percentage shareholding post Buyback does not fall below the percentage shareholding as on the date of opening of the Buyback offer. Notwithstanding the above, the Shares in the Buyback shall be accepted on a proportionate basis, based on the Shares tendered by all the shareholders of the Company in the Buyback offer.

22. Assuming that: (i) the entire amount of Rs.25,081,577,400/- is utilized for the Buyback; (ii) all public shareholders tender their entire shareholding; and (iii) the promoter group shareholding remains as on December 6, 2010 and the promoter group tenders 101,443,085 Shares in the buyback, the holding of the Promoters in the Company would become 53.91% and the public holding would become 46.09% as more fully set out in clause 42 of this LOF. Thus, the public shareholding in the Company would be above the minimum level required as per listing conditions/agreement.

The number of shares to be tendered by the Promoters and the shareholding pattern of the Company as on December 6, 2010 as well as post Buyback shareholding for varied public responses has been shown below:

	Category of Shareholder	Shareholding as on December 6, 2010		Buyback Offer Participation		Post Buyback Shareholding [#]	
		No. of Shares	% shareholding	Shares tendered	Shares accepted*	No. of Shares [@]	% shareholding
Scenario - 1	Promoter	111,444,308	53.32	101,443,085	21,308,209	90,136,099	53.91
Public Response - 100%	Public	97,568,836	46.68	97,568,836	20,494,420	77,074,416	46.09
	Total	209,013,144	100.00	199,011,921	41,802,629	167,210,515	100.00
Scenario - 2	Promoter	111,444,308	53.32	83,583,231	22,288,861	89,155,447	53.32
Public Response - 75%	Public	97,568,836	46.68	73,176,627	19,513,768	78,055,068	46.68
	Total	209,013,144	100.00	156,759,858	41,802,629	167,210,515	100.00
Scenario - 3	Promoter	111,444,308	53.32	55,722,154	22,288,861	89,155,447	53.32
Public Response - 50%	Public	97,568,836	46.68	48,784,418	19,513,768	78,055,068	46.68
	Total	209,013,144	100.00	104,506,572	41,802,629	167,210,515	100.00
Scenario - 4	Promoter	111,444,308	53.32	27,861,077	22,288,861	89,155,447	53.32
Public Response - 25%	Public	97,568,836	46.68	24,392,209	19,513,768	78,055,068	46.68
	Total	209,013,144	100.00	52,253,286	41,802,629	167,210,515	100.00
Scenario - 5	Promoter	111,444,308	53.32	0	0	111,444,308	53.32
Public Response - 0%	Public	97,568,836	46.68	0	0	97,568,836	46.68
	Total	209,013,144	100.00	0	0	209,013,144	100.00

* The Buyback is being implemented through the tender offer route on a proportionate basis. If tendered shares are more than the maximum number of shares to be bought back, the acceptance per shareholder shall be equal to the shares validly tendered by such shareholder divided by the total shares validly tendered and multiplied by the maximum number of shares to be bought back.

@ Post buyback shareholding is calculated as shareholding as of December 6, 2010 less shares accepted under the buyback offer

Shares tendered by the promoter would be based on the tentative details available at the time of tendering. Such details shall be available on the Company's website www.piramalhealthcare.com and on the merchant banker's website www.investmentbank.kotak.com. The promoter's exact shareholding post the buyback would depend on (i) the number of shares validly tendered as determined by the registrar (which determination happens post closure of the buyback), and (ii) exact valid public participation in the Buyback including after the promoter's tendering and upto the closure of the Buyback.

Whilst it is expected that the shareholding of the Promoters would not increase pursuant to the Buyback, an increase in the Promoters' shareholding may occur in case all public shareholders tender their entire shareholding and the Promoters tender 101,443,085 Shares in the Buyback (please see Scenario 1 in the above table). The shareholding of the Promoters in this case will increase from 53.32% to 53.91%, implying an increase of 0.59% vis-à-vis their pre-Buyback shareholding. In this case, the increase in the Promoters' shareholding in the current financial year will be 4.96% (being total of 4.37% and 0.59%). Therefore, the increase in shareholding by the Promoters pursuant to the Buyback and the earlier acquisitions during the current financial year would not, in any scenario, exceed the creeping acquisition limit of 5% under the applicable provisions of the Takeover Regulations.

23. The Buyback will not result in a change in control or otherwise affect the existing management structure of the Company.

24. Consequent to the Buyback and based on the number of Shares bought back in each category, the shareholding pattern of the Company may undergo a change.
25. Consequent to the Buyback and based on the number of Shares tendered by FIIs, mutual funds, Indian financial institutions, Banks, Central/State Government institutions/ non-resident Indians, and Public (including Bodies Corporate), their shareholding may undergo a change.
26. Post the Buyback, the debt-equity ratio of the Company shall be within the limit of 2:1 as prescribed under Section 77A of the Companies Act.
27. Salient financial parameters consequent to the Buyback based on the latest audited results (i.e., for the period ended September 30, 2010) is as under:

Parameters	Pre-Buyback*	Post Buyback*
a. Networth/Equity (Rs in lacs)	1,413,752	1,162,936
b. Return on Networth/Equity (%)	89.39	108.12
c. Earnings Per Share – Basic (Rs) (Face Value of Rs 2 per share)	604.6	752.0
d. Basic value per Share/NAV per Share (Rs)	676.4	695.5
e. P/E based on PAT as per the latest audited financial results (Rs)	0.8	0.8
f. Debt-Equity Ratio	0.02	0.03

*Pre and Post Buyback Date is as on September 30, 2010

- a. *Net Worth consists of Equity Share Capital and Reserves and Surplus as per the audited Balance Sheet as on September 30, 2010. The Post Buyback amount is computed assuming full acceptance of the offer.*
- b. *Computed as PAT as per the audited Profit and Loss Account for the year ended September 30, 2010 divided by the closing Net Worth as defined in (a) above. The Post Buyback return on Net Worth has been computed after adjusting PAT for loss of income on account of amount deployed for Buyback (assumed at 5% per annum post tax on Buyback Size) and for computing the closing Net Worth has been adjusted for Buyback Size.*
- c. *Pre Buyback Basic Earnings per share has been computed by dividing PAT as per the audited Profit and Loss Account for the year ended September 30, 2010 by the weighted average number of equity shares outstanding as at September 30, 2010. Post Buyback Earnings per Share has been computed by dividing adjusted PAT as in (b) above by the Post Buyback share capital.*
- d. *Book value per Share/ NAV per Share has been computed as Net Worth as computed in (a) above divided by number of shares - pre and post Buyback*
- e. *Pre Buyback P/E has been computed by dividing the market price as on September 30, 2010 with the Basic Earning per share as computed above. The post Buyback P/E is considered to be the same. The actual P/E post Buyback would depend on the prevailing market price of the Company's Shares post the Buyback*
- f. *Pre Buyback Debt-Equity Ratio is calculated as per audited Balance Sheet as on September 30, 2010. Post Buy Back Debt-Equity Ratio is calculated based on revised Networth as computed in (a) above.*

X BASIS OF CALCULATING BUYBACK PRICE

28. The Buyback Price of Rs.600/- has been arrived at after considering various factors such as average price of the Shares on the BSE and the NSE prior to the Board Meeting proposing such Buyback (i.e., October 22, 2010), the net worth of the Company and impact of the Buyback on the earnings per share of the Company.

29. The Buyback Price is at a premium of 11.3% over the closing price of the Company's Shares on the BSE and 11.2% over the closing price of the Company's Shares on the NSE respectively as at October 19, 2010, the day before the notice convening the board meeting to consider the proposal of the Buyback was given to the BSE and the NSE.

XI SOURCES OF FUNDS

30. Assuming full acceptance, the funds that would be deployed by the Company for the purposes of the Buyback, would be Rs. 25,081,577,400/-.
31. The funds for Buyback will be available from cash balances available with the Company and/or liquidation of financial instruments held by the Company that have been generated through internal accruals. The Company does not intend to raise additional debt for the explicit purposes of the Buyback. Thus, borrowed funds will not be used for the Buyback. The cost of financing the Buyback would be notional loss in other income, if any.

XII DETAILS OF ESCROW ACCOUNT AND AMOUNT TO BE DEPOSITED THEREIN

32. The Company has opened an escrow account in accordance with Regulation 10 of the Regulations in the form of:

- (a) Acceptable securities (units of debt mutual funds) with appropriate margin pledged in favour of the Manager to the Offer in accordance with Regulation 10(3)(c) of the Regulations for an approximate value of Rs. 287 crores as per the table given in clause 32(b) below, being in excess of the escrow amount computed in accordance with the Regulations. Such securities have been pledged to the Manager to the Buyback with powers delegated to the Manager to the Buyback to realize the value of the securities in accordance with the Regulations. In terms of Regulation 10(6) of the Regulations, in the event there is any deficit on realization of the value of the securities, the Manager to the Buyback shall be liable to make good any such deficit. The pledge of securities has been confirmed *vide* a pledge confirmation letter dated December 3, 2010 and December 3, 2010 issued by Kotak Mahindra Asset Management Company Limited and HDFC Asset Management Company Limited respectively in favour of the Manager to the Buyback.

- (b) Details of deposit of securities:

Name of Security / MF	Number of Securities / MF Units (with margin)	Face Value (Rs. per unit)	Net Asset Value per Unit* (Rs.)	Amount (Rs. Lacs)
Kotak Quarterly Interval Plan – Series 9 – Dividend Payout	14,99,88,371.702	10.00	10.0992	15,147.63
Kotak Quarterly Interval Plan – Series 5 – Dividend Payout	6,00,00,000.0	10.00	10.0621	6,037.26
HDFC FMP 100D September 2010 (1) – Dividend Payout	750,00,000.0	10.00	10.1505	7,612.88
Grand Total				28,797.77

*Net Asset Value as at November 29, 2010

- (c) Cash deposit of an amount of Rs.270,000,000/- (Rupees Twenty Seven Crores Only) in an escrow account No. 09582600009424 with Kotak Mahindra Bank Limited, Mittal Court, Nariman Point, Mumbai – 400 021, with directions to the Bank to act on the instructions of the Manager to the Buyback, as required under the Regulations. This has been confirmed *vide* a confirmation letter dated December 1, 2010 issued by Kotak Mahindra Bank Limited. The Manager to the Buyback is empowered to realize the value of the cash deposit in terms of the Regulations.
- (d) In case of redemption of securities under (a) above, the cash redemption proceeds shall be directly deposited in the escrow account opened with Kotak Mahindra Bank Limited.

Pursuant to redemption of all securities pledged towards escrow arrangement under (a) above, whereby the escrow amount shall become solely in cash in accordance with Regulation 10(3)(a) of the Regulations, the amount to be held in escrow for the Buyback shall be recomputed appropriately in accordance with the Regulations as applicable for a cash deposit only and the excess cash amount, if any, may be returned to the Company prior to the closure of the Buyback. Pursuant to the redemption of the securities under (a) above between the date of the Public Announcement and the date of the LoF, as of the date of the LoF, the escrow account now solely consists of a cash deposit of Rs.293,00,02,674 (Two Hundred Ninety Three Crores Two Thousand Six Hundred And Seventy Four Only).

XIII FIRM FINANCING ARRANGEMENTS

33. The Company, duly authorized by its Buyback Committee on December 6, 2010, has set aside investments, distinct from those provided as escrow arrangement for the purpose of fulfillment of the obligations of the Company under the Buyback. Details of such investments at cost are as below:

Investment Description	Amount (Rs. Lacs)
Commercial Papers	87,705
Fixed Deposits	1,15,000
Debt Mutual Fund Units	47,500
Grand Total	2,50,205

34. Based on the resolution of the Buyback Committee dated December 6, 2010 in this regard, and other facts/documents M/s. D. B. Ketkar & Co., Chartered Accountants, 202, Rajnigandha Apartment, 2nd Floor, Prof. V. S. Agashe Path, Dadar (West), Mumbai - 400 028 Tel. No. +91 22 6571 7596, Fax No. +91 22 4004 8262, Partner- N. S. Ketkar (Membership number 40521) have certified, vide their letter dated December 6, 2010, that the Company has made firm financing arrangements for fulfilling the obligations under the Buyback to the extent of the Buyback Size. Based on the aforesaid resolution and aforementioned certificate, the Manager to the Buyback confirms that firm arrangements for fulfilling the obligations under the Buyback are in place.

XIV CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

35. The capital structure of the Company as on December 6, 2010 is as follows:

(Rs. Lacs)

	Pre Buyback
Authorised Share Capital	
25,00,00,000 Equity Shares of Rs.2/- each	5,000.00
30,00,000 Preference Shares of Rs.100/- each	3,000.00
2,40,00,000 Preference Shares of Rs.10/- each	2,400.00
10,50,00,000 Unclassified Shares of Rs.2/- each	<u>2,100.00</u>
	<u>12,500.00</u>
Issued and Subscribed Share Capital	
20,90,13,144 Equity Shares of Rs.2/- each	<u>4,180.26</u>

36. Assuming full acceptance in the Buyback, the capital structure of the Company post Buyback would be as follows:

(Rs. Lacs)

	Post Buyback
Authorised Share Capital	
25,00,00,000 Equity Shares of Rs.2/- each	5,000.00
30,00,00,000 Preference Shares of Rs.100/- each	3,000.00
2,40,00,000 Preference Shares of Rs.10/- each	2,400.00
10,50,00,000 Unclassified Shares of Rs.2/- each	<u>2,100.00</u>
	<u>12,500.00</u>
Issued and Subscribed Share Capital	
167,210,515 Equity Shares of Rs.2/- each	<u>3,344.21</u>

37. There are no partly paid-up Shares as well as calls in arrears in the Company.
38. There are no outstanding instruments convertible into Shares in the Company.
39. The Company has an ESOP scheme, which is implemented by the ESOP Trust and the shares transferred by the ESOP Trust against exercise of stock options by employees are those that have been acquired by the ESOP Trust from existing shareholders and not fresh shares issued by the Company. Accordingly, there will be no increase in the share capital of the Company as a result of such exercise of stock options by employees.
40. In accordance with the resolution passed by the Buyback Committee on October 27, 2010, the Company shall not issue and allot any Shares including by way of bonus, from the date of Public Announcement till the date of closure of the Buyback.
41. There have been no other buyback programmes of the Company over the last 3 years preceding the date of the LOF.
42. The shareholding pattern of the Company as on December 6, 2010 as well as post Buyback shareholding, are as shown below:

Particulars	Number of Shares	% to existing share capital	No. of Shares post Buyback*	% holding post Buyback*
Promoter Group	11,14,44,308	53.32	9,01,36,099	53.91
Non-promoter directors of the Promoter group companies	93,651	0.04	7,70,74,416	46.09
Directors of the Company	5,03,493	0.24		
Foreign Investors (OCBs/FIIs/NRIs/Non-residents)	5,23,94,429	25.07		
Indian Financial Institutions/ Banks/Mutual Funds/Govt. Companies	1,02,65,896	4.91		
Public including other Bodies Corporate	3,43,11,367	16.42		
Total	20,90,13,144	100.00	16,72,10,515	100.00

* Assuming (i) full acceptance of the Buyback (ii) all public shareholders tender their entire shareholding and (iii) the promoter group shareholding remains as on December 6, 2010 and promoter group tenders 101,443,085 Shares in the buyback

43. The aggregate shareholding of the Promoter group and of the directors of the Promoters, where the promoter is a company and of persons who are in control of the Company.

The aggregate shareholding of the promoter group, directors of the promoter group companies and persons in control of the Company as on December 6, 2010, are as follows:

- (a) Shareholding of the individuals/companies/entities forming part of the Promoter Group

Names	Shares	% to paid up capital
Mr. Ajay G. Piramal (as karta of a HUF)	1,00,155	0.05
Smt. Lalita G. Piramal	34	-
BMK Laboratories Pvt. Ltd.	3,82,84,677	18.32
The Ajay G. Piramal Foundation	12,50,000	0.60
Cavaal Fininvest Private Limited	1,82,59,474	8.73
Paramount Pharma Private Limited	4,00,00,000	19.14
Piramal Enterprises Limited – Trustee of the Piramal Enterprises Executive Trust (“PEL ESOP Trust”)	35,73,875	1.71
PMSPL – Corporate Trustee of The SK Trust	73,05,731	3.49
Piramal Healthcare Ltd. Senior Employee Option Scheme (“PHL ESOP Trust”)	26,70,362	1.28
Any other constituent of Promoter Group	-	-
Total	11,14,44,308	53.32

- (b) Shareholding of the non-promoter Directors of the Promoter Group Companies

Names	Shares	% to paid up capital
Mr. Khushru B. Jijina (Director of BMK and Paramount.)	30,500	0.01%
Mr. V.C. Vadodaria (Director of BMK.)	21,176	0.01%
Mr. Sunil Adukia (Director of BMK and Paramount)	2,475	0.00%
Total	54,151	0.02%

- (c) Shareholding of the Trustees of the Trusts which are shown as Promoter Category in shareholding pattern filed with the Stock Exchanges

Names	Shares	% to paid up capital
Mr. N. Santhanam (Director of Piramal Enterprises Ltd, Corporate Trustee of PEL ESOP Trust)	1,56,250	0.07%
Mr. Vijay Shah (Director of Piramal Enterprises Ltd, Corporate Trustee of PEL ESOP Trust)	6,000	0.00%
Mr. Gautam Doshi (Trustee of PHL ESOP Trust)	33,500	0.02%
Mr. R.A. Shah (Trustee of PHL ESOP Trust)	3,43,393	0.16%
Total	5,39,143	0.25%

44. The aggregate number of Shares purchased or sold by persons mentioned in clause 43 above during a period of 12 months preceding the date of the Public Announcement; the maximum and minimum price at which purchases and sales referred to above were made along with the relevant dates:

- (a) During the period of last 12 months preceding the date of the Public Announcement, the Promoter Group of the Company referred to in 43(a) above had purchased Shares of the Company as detailed below by way of creeping acquisition in terms of Regulation 11(1) of the Takeover Regulations:

Name of Promoter	No. of Shares Purchased	Maximum Purchase Price (Rs.)	Date of Maximum Purchase Price	Minimum Purchase Price (Rs.)	Date of Minimum Purchase Price	Average Purchase Price (Rs.)	Date of Purchase
The Swastik Safe Deposit & Investments Ltd	16,33,413	517	2 nd June,2010	494	24 th May,2010	505	24 th May,2010 to 2 nd June,2010
PHL Holdings Pvt. Ltd.	44,44,500	518	3 rd June,2010	492	10 th June,2010	505	1 st June,2010 to 16 th June,2010
Cavaal Fininvest Private Limited	30,46,797	495	25 th October, 2010	420	26 th November, 2010	473	25 th October,2010 to 29 th November,2010
Total	91,24,710						

(b) During the period of the last 12 months preceding the date of the Public Announcement, except for the transfer by the ESOP Trusts (which are shown under Promoter Category in the shareholding pattern filed with the Stock Exchanges) referred to in the following paragraphs (A) and (B), there have been no sale of shares by the promoters of the Company referred to in 43 (a) above:

A. As on date of the Public Announcement, the PEL ESOP Trust, holds 35,73,875 equity shares representing 1.71% of the equity share capital of the Company. In the 12-month period prior to the date of the Public Announcement, this Trust has transferred 68,725 equity shares to the employees of Piramal Enterprises Limited in compliance with the terms of the relevant trust deed at a maximum price of Rs.125/- per share, a minimum price of Rs.70/- per share and an average price of Rs.108/- per share.

B. As on date of the Public Announcement, the PHL ESOP Trust, holds 26,70,362 equity shares representing 1.28% of the equity share capital of the Company. In the 12-month period prior to the date of the Public Announcement, this Trust has transferred 8,78,416 equity shares to the employees in compliance with the options granted in terms of the relevant trust deed at a maximum price of Rs.154/- per share, a minimum price of Rs.60/- per share and an average price of Rs.85/- per share.

(c) During the period of the last 12 months preceding the date of the Public Announcement, the non-promoter Directors of Promoter Companies (referred to in 43(b) above) and Trustees of the Trusts which are shown as Promoter Category in shareholding pattern filed with Stock Exchanges (referred to in 43(c) above) had purchased Shares of the Company as detailed below:

Names	No. of Shares Purchased	Maximum Purchase Price (Rs.)	Date of Maximum Purchase Price	Minimum Purchase Price (Rs.)	Date of Minimum Purchase Price	Average Purchase Price (Rs.)	Date of Purchase
Mr. N. Santhanam (Director of Piramal Enterprises Ltd, Corporate Trustee of PEL ESOP Trust)	80,000*	100	17 th Feb, 2010	60	17 th Feb, 2010	81	17 th Feb, 2010 & 13 th Oct, 2010
Mr. Vijay Shah (Director of Piramal Enterprises Ltd, Corporate Trustee of PEL ESOP Trust)	6,000	450	18 th November 2010	444	26 th November 2010	447	18 th Nov, 2010 & 26 th Nov, 2010
Mr. V.C. Vadodaria (Director of BMK.)	1,725*	100	8 th October 2010	100	8 th October 2010	100	8 th Oct, 2010
Mr. Sunil Adukia (Director of BMK and Paramount)	2,475*	125	1 st Dec, 2010	70	12 th Oct, 2010	105	12 th Oct,2010 & 3 rd Dec,2010

* represents purchases pursuant to exercise of Stock Options

- (d) During the period of the last 12 months preceding the date of the Public Announcement, the non-promoter Directors of Promoter Companies (referred to in 43(b) above) and Trustees of the Trust which are shown as Promoter Category in shareholding pattern filed with Stock Exchanges (referred to in 43(c) above) had sold Shares of the Company as detailed below:

Name of Director of the Promoter Company	No. of Shares sold	Maximum sale Price (Rs.)	Date of Maximum sale Price	Minimum sale Price (Rs.)	Date of Minimum sale Price	Average sale Price (Rs.)	Date of sale
Mr. Vijay Shah (Director of Piramal Enterprises Ltd, Corporate Trustee of PEL ESOP Trust)	5,000	515.76	27 th May 2010	515.76	27 th May 2010	515.76	27 th May, 2010
Mr. Sunil Adukia (Director of BMK and Paramount)	1,000	513.25	26 th May 2010	511	24 th May 2010	512.57	24 th May 2010 & 26 th May 2010

- (e) In addition to the above, during the period of last 12 months preceding the date of the Public Announcement, the Promoter Group of the Company referred to in 43(a) above, had made an inter-se transfer of Shares within the Group, as detailed below:

Transferor	Transferee	No. of Shares Transferred	Maximum Price (Rs.)	Date of Maximum Price	Minimum Price (Rs.)	Date of Minimum Price	Average Price (Rs.)	Date of Transfer
PHL Holdings Pvt. Ltd.	Paramount	4,00,00,000	525	25 th Aug,2010	491	30 th Aug,2010	504	25 th Aug 10, 26 th Aug 10, 27 th Aug 10 & 30 th Aug 10
PHL Holdings Pvt. Ltd.	BMK	3,82,84,677	514	6 th Sept,2010	488	31 st Aug,2010	502	31 st Aug 10, 1 st Sept 10, 2 nd Sept 10, 3 rd Sept 10 & 6 th Sept, 10
The Swastik Safe Deposit & Investments Ltd.	Cavaal	88,54,537	511	7 th Sept 10	511	8 th Sept 10	511	7 th Sept, 10 to 8 th Sept, 10
Savoy Finance & Investments Pvt. Ltd.	Cavaal	63,08,533	511	8 th Sept 10	511	8 th Sept 10	511	8 th Sept 10
Nandini Piramal Investments Pvt. Ltd.	Cavaal	49,607	511	8 th Sept 10	511	8 th Sept 10	511	8 th Sept 10
Ajay G Piramal	PMSPL Corporate Trustees of The SK Trust	57,760	509	3 rd Sept, 10	509	3 rd Sept, 10	509	3 rd Sept, 10
Dr. Swati A Piramal	PMSPL Corporate Trustees of The SK Trust	4,46,686	505	3 rd Sept, 10	505	3 rd Sept, 10	505	3 rd Sept, 10
Ajay G Piramal (HUF)	PMSPL Corporate Trustees of The SK Trust	2,08,875	505	3 rd Sept, 10	505	3 rd Sept, 10	505	3 rd Sept, 10
Nandini A Piramal	PMSPL Corporate Trustees of The SK Trust	38,56,277	514	6 th Sept, 10	514	6 th Sept, 10	514	6 th Sept, 10
Anand A Piramal	PMSPL Corporate Trustees of The SK Trust	27,36,133	514	6 th Sept, 10	514	6 th Sept, 10	514	6 th Sept, 10
	Total	10,08,03,085						

45. Other than above, none of the promoters and directors of the promoter group companies and persons in control of the Company have purchased or sold any Shares during the period of 12 months preceding the date of the Public Announcement.

46. From the date of issue of the Public Announcement to the date of the LOF (i.e., from December 9, 2010 to February 25, 2011), neither the Promoters nor the directors of the promoter group companies have purchased / sold any Shares of the Company.
47. Assuming full acceptance of the Buyback, the issued, subscribed and paid up equity share capital of the Company would be Rs. 3,344.21 Lacs comprising of 167,210,515 Shares of Rs. 2/- each as more fully set out in clause 36 of this LOF.
48. There is no pending scheme of amalgamation or compromise or arrangement pursuant to any provisions of the Act.

XV BRIEF INFORMATION ABOUT THE COMPANY

49. The Company was originally incorporated on April 26, 1947 under the Companies Act, 1913 as Indian Schering Limited. Its name was subsequently changed to Nicholas Laboratories India Limited on September 27, 1979. The name was further changed to Nicholas Piramal India Limited on December 2, 1992 and to Piramal Healthcare Limited on May 13, 2008. The registered office of the Company is located at Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400 013.
50. The paid up equity share capital of the Company as at September 30, 2010 was Rs.418,026,288 and the total reserves and surplus as at September 30, 2010 were Rs. 140,957,218,711.
51. The Company, part of the Ajay Piramal Group, is a healthcare company primarily into manufacturing and sale of traded bulk drugs and over the counter consumer products and is headquartered in Mumbai.
52. The Company's main businesses are:
 - (a) Pharma Solutions Business: The Company partners with multinational pharmaceutical companies to service their development and manufacturing needs. The Company is an end-to-end solution provider with presence across the life cycle of the drug and has capabilities in both Active Pharmaceutical Ingredients and Finished Dosages. The Company has a global footprint with manufacturing facilities in Asia, Europe and North America.
 - (b) Piramal Critical Care: The Company's critical care portfolio comprises anesthetic products - injectable and inhalation, and Haemaccel - a blood plasma volume expander.
 - (c) OTC Business: The Company is one of the leading OTC players in India with a strong distribution network
53. The Company has completed the sale of its Business (as defined in clause 11 above) to Abbott Healthcare Private Limited and the sale of the PDSPL Shareholding (as defined in clause 11 above) to SRL.
54. The shares of the Company are listed on the BSE and the NSE.
55. Following is the buildup of equity share capital history of the Company from 1947-48 till the date of this LOF:

Year	No. of Equity Shares Allotted	Face Value (Rs.)	Cumulative Paid-Up Capital (Rs.)	Corporate Action
April 26, 1947	1,000	100	100,000	Initial subscribers to the Memorandum of Association
June 30, 1967	5,000	100	600,000	Bonus Equity Shares allotted
August 28, 1979	60,000	10	600,000	Subdivision of the face value of each Equity Share from Rs. 100 into Rs. 10
October 4, 1979	600,000	10	6,600,000	Bonus Equity Shares allotted
November 1979	803,600	10	14,636,000	Issue of Rights Shares
May 3, 1991	1,650,000	10	31,136,000	Allotment to shareholders of erstwhile Gujarat Glass Limited pursuant to a Scheme u/s 391-394 of the Act
September 30, 1991	3,113,600	10	62,272,000	Bonus Equity Shares allotted
October 20, 1992	1,879,836	10	81,070,360	Shares allotted pursuant to conversion of partly convertible debentures at a premium of Rs. 40 per Equity Share
July 29, 1993	4,053,518	10	121,605,540	Bonus Equity Shares allotted
February 8, 1994	3,030,000	10	151,905,540	Allotment to FII's
August 4, 1994	2,200,000	10	173,905,540	Issued against warrants attached to non convertible debentures of Rs. 100 each
September 16, 1996	1,039,410	10	184,299,640	Issued to shareholders of erstwhile Sumitra Pharmaceuticals and Chemicals Limited pursuant to a Scheme u/s 391-394 of the Act
October 10, 1997	7,505,004	10	259,349,680	Issued to shareholders of erstwhile Piramal Healthcare Limited (formerly known as Roche Products Limited) pursuant to a Scheme u/s 391-394 of the Act
October 10, 1997	1,773,402	10	277,083,700	Issued to shareholders of erstwhile Boehringer Mannheim India Limited pursuant to a Scheme u/s 391-394 of the Act
February 15, 2000	7,137,781	10	348,461,510	Issued against the conversion of warrants held by shareholders of erstwhile Piramal Holdings Limited
March 29, 2000	6,900	10	348,530,510	Issued against the conversion of warrants held by shareholders of erstwhile Piramal Holdings Limited
August 9, 2000	150	10	348,532,010	Issued against the conversion of warrants held by shareholders of erstwhile Piramal Holdings Limited
February 15, 2002	3,150,000	10	380,032,010	Allotted to shareholders of Rhone-Poulenc India Limited pursuant to a Scheme u/s 391-394 of the Act
January 3, 2005	190,016,005	2	380,032,010	Subdivision of the face value of each Equity Share from Rs. 10 into Rs. 2
September 25, 2005	18,997,128	2	418,026,266	Allotted pursuant to Rights Issue
July 16, 2007	11	2	418,026,288	Allotted out of rights shares held in abeyance during the Rights Issue

56. The Board of Directors of the Company comprises the following:

Name and Age	Designation	Qualifications	Date of Appointment / Re-appointment	Other Directorships in Indian companies as on the date of issue of the Public Announcement
Mr. Ajay G. Piramal 55 years	Chairman	<ul style="list-style-type: none"> ▪ B.Sc. (Hons.), ▪ Masters in Management Studies – Jamnalal Bajaj Inst, ▪ Advanced Management Programme, Harvard Business School, U.S.A. 	<p>Appointment- 07.03.1988</p> <p>Reappointment- 01.04.2007</p>	<ol style="list-style-type: none"> 1) Piramal Glass Limited 2) Piramal Life Sciences Limited 3) Piramal Enterprises Limited 4) Allergan India Private Limited 5) PHL Fininvest Private Limited 6) Piramal Realty Limited 7) D B Corp Limited 8) Piramal Texturising Private Limited 9) Glass Engineers Private Limited 10) Nicholas Piramal Pharma Private Limited 11) Vulcan Investment Private Limited 12) PEL Management Services Private Limited 13) Akshar Fincom Private Limited 14) Adelwise Investments Private Limited 15) Gopikishan Piramal Private Limited 16) Piramal Management Services Private Limited 17) INDIAREIT Fund Advisors Private Limited 18) Piramal Capital Private Limited 19) Alpex Holdings Private Limited 20) Cavaal Fininvest Private Limited 21) Piramal Sunteck Realty Private Limited 22) Propiedades Realities Private Limited
Mr. Keki Dadiseth 65 Years	Director	C.A. – England & Wales	<p>Appointment- 01.12.2005</p> <p>Reappointment- 18-06-2009</p>	<ol style="list-style-type: none"> 1. Britannia Industries Limited 2. ICICI Prudential Life Insurance Co. Limited 3. Omnicom India Marketing Advisory Services Private Limited 4. ICICI Prudential Trust Limited 5. Siemens Limited 6. The Indian Hotels Company Limited 7. Godrej Properties Limited 8. Sony India Private Limited

Name and Age	Designation	Qualifications	Date of Appointment / Re-appointment	Other Directorships in Indian companies as on the date of issue of the Public Announcement
Mr. Y. H. Malegam 77 years	Director	<ul style="list-style-type: none"> ▪ B.Com, ▪ F.C.A. 	<p>Appointment- 29.08.1997</p> <p>Reappointment- 26-06-2008</p>	<ol style="list-style-type: none"> 1. ABC Bearings Limited 2. Bharatiya Reserve Bank – Note Mudran (P) Limited 3. The Clearing Corporation of India Limited 4. Firstsource Solutions Limited 5. Hindustan Construction Co Limited 6. National Securities Clearing Corp. Limited 7. National Stock Exchange of India Limited 8. Siemens Limited
Dr. (Mrs.) Swati A. Piramal 54 years	Executive Director	<ul style="list-style-type: none"> ▪ M.B.B.S., ▪ Masters Degree from Harvard School of Public Health 	<p>Appointment- 20.11.1997</p> <p>Reappointment- 20.11.2007</p>	<ol style="list-style-type: none"> 1) Piramal Life Sciences Limited 2) Piramal Glass Limited 3) Piramal Enterprises Limited 4) Allergan India Private Limited 5) ICICI Prudential Asset Management Company Limited 6) PHL Fininvest Private Limited 7) SBI Capital Markets Limited 8) Piramal Realty Limited 9) Nestle India Limited 10) Glass Engineers Private Limited 11) Nicholas Piramal Pharma Private Limited 12) Vulcan Investment Private Limited 13) Piramal Texturising Private Limited 14) PEL Management Services Private Limited 15) Piramal Management Services Private Limited 16) Gopikishan Piramal Private Limited 17) Akshar Fincom Private Limited 18) Adelwise Investments Private Limited 19) Piramal Capital Private Limited 20) India Venture Advisors Private limited 21) Alpex Holdings Private Limited 22) Cavaal Fininvest Private Limited 23) Propiedades Realities Private Limited
Ms. Nandini Piramal 30 years	Executive Director	<ul style="list-style-type: none"> ▪ B.A.(Hons), Hertford College,,Oxford University, 	<p>Appointment- 01.04.2009</p>	<ol style="list-style-type: none"> 1) Piramal Realty Limited 2) The Swastik Safe Deposit & Investments Limited 3) Savoy Finance & Investments Private Limited

Name and Age	Designation	Qualifications	Date of Appointment / Re-appointment	Other Directorships in Indian companies as on the date of issue of the Public Announcement
		<ul style="list-style-type: none"> ▪ MBA-Stanford Graduate School of Business 		4) Nandini Piramal Investments Private Limited 5) Piramal Enterprises Limited 6) Gopikishan Piramal Private Limited 7) Adelwise Investments Private Limited 8) Alpex Holdings Private Limited 9) Cavaal Fininvest Private Limited 10) Piramal Water Private Limited 11) Propiedades Realities Private Limited
Mr. S. Ramadorai 66 Years	Director	<ul style="list-style-type: none"> ▪ B.Sc.(Physics), ▪ B.E.-Electronics & Telecommunication ▪ Masters Degree in Computer Science 	Appointment- 24.10.2002 Reappointment- 18-06-2009	1.Tata Industries Limited 2. Tata Consultancy Services Limited 3. Tata Elxsi Limited 4. Tata Technologies Limited 5. CMC Limited 6. Hindustan Unilever Limited 7. Tata Teleservices (Maharashtra) Limited 8. Tata Communications Limited 9.Computational Research Laboratories Limited 10. Tata Advanced Systems Limited 11. Asian Paints Limited 12. Bombay Stock Exchange Limited 13. IKP Investment Management Company Private Limited
Mr. R. A. Shah 79 Years	Director	<ul style="list-style-type: none"> ▪ B.A., L.L.B., ▪ Solicitor 	Appointment- 12.04.1978 Reappointment- 09-07-2010	1.Godfrey Philips India Limited 2.Clariant Chemicals (India) Limited 3. Pfizer Limited 4 Procter & Gamble Hygiene and Healthcare Limited 5. Colgate-Palmolive India Limited 6. Roche Scientific Co. (I) Private Limited 7. Abbott India Limited 8. Asian Paints Limited 9. ACC Limited 10.The Bombay Dyeing & Mfg. Co. Limited 11. BASF India Limited 12. Century Enka Limited 13.Deepak Fertilizers & Petrochemicals Corporation Limited 14. Lupin Limited 15. Wockhardt Limited 16. Atul Limited 17.BASF Polyurethanes India Limited 18. Modicare Limited 19. RPG Life Sciences Limited 20. Scharder Duncan Limited 21. Uhde India Limited

Name and Age	Designation	Qualifications	Date of Appointment / Re-appointment	Other Directorships in Indian companies as on the date of issue of the Public Announcement
Mr. Deepak Satwalekar 62 years	Director	<ul style="list-style-type: none"> ▪ B.Tech-Mechanical, ▪ M.B.A. 	Appointment- 19.07.2002 Reappointment- 26-06-2008	1.Asian Paints Limited 2.Entertainment Network (India) Limited 3. IL&FS Transportation Network Limited 4.National Stock Exchange of India Limited 5. Infosys Technologies Limited 6.The Tata Power Company Limited 7. Franklin Templeton Asset Management (I) Private Limited 8. Germinait Solutions Private Limited 9. Indian Institute for Human Settlements
Mr. N. Vaghul 74 years	Director	<ul style="list-style-type: none"> ▪ B.Com, ▪ C.A.I.I.B 	Appointment- 29.08.1997 Reappointment- 09-07-2010	1. Mahindra & Mahindra Limited 2. Mahindra World City Developers Limited 3. Wipro Limited 4. Apollo Hospitals Enterprise Limited 5. Hemogenomics Private Limited.
Mr. N. Santhanam 62 Years	Executive Director & Chief Operating Officer	Chartered Accountant	Appointment- 25.10.2007 Reappointment- 25.10.2010	1) Piramal Enterprises Limited 2) Piramal Life Sciences Limited 3) Piramal Water Private Limited

57. The details of change in Board of Directors during the last 3 years from the date of this LOF is as under:

Name	Appointment/ Resignation	Effective Date	Reasons
Ms. Nandini Piramal	Appointment	01.04.2009	Appointed as Executive Director

None of the directors are concerned or interested either directly or indirectly in the Buyback save and except to the extent that in like manner as far as all other remaining shareholders, their percentage holding in the post buy-back equity share capital will proportionately stand affected as a result of the Buyback.

58. Total Income of the Company has grown from Rs. 14,49,44,00,000 as on March 2006 to Rs. 26,77,86,00,000 as on March 2010 at a CAGR of 16.6%. During the same time period, the Profit after tax (PAT) has grown from Rs. 170,35,00,000 to Rs. 443,22,00,000 at a CAGR of 27.0%.

XVI FINANCIAL INFORMATION

59. The brief audited standalone financial information of the Company for the last 3 financial years and for the half-year ended September 30, 2010 is provided below. The audited results of the half-year ended September 30, 2010 were adopted by the Board of Directors of the Company at its meeting on October 22, 2010.

(Rs. in Lakh)

Period Ending	March 31, 2008	March 31, 2009	March 31, 2010	September 30, 2010
Period	12 months	12 months	12 months	6 months
Income from operations	191,213	231,626	265,094	110,507
Other Income	2,594	2,844	2,692	2,564
Total Income	193,807	234,470	267,786	113,071
Total Expenses excluding Interest, Depreciation, Tax and Exceptional Items	151,753	190,841	207,252	102,564
Earnings before Interest, Depreciation, Tax and Exceptional Items	42,054	43,629	60,534	10,507
Interest Expense / (Income)	1,730	3,790	3,550	(1,195)
Depreciation	7,048	8,381	9,222	4,840
Add: Exceptional Items	-	-	(36)	1,620,990
Profit before Tax	33,276	31,458	47,726	1,627,852
Provision for tax (including deferred tax, fringe benefit tax and prior years adjustments)	3,128	3,926	3,404	364,163
Profit after Tax	30,148	27,532	44,322	1,263,689
As on	March 31, 2008	March 31, 2009	March 31, 2010	September 30, 2010
Equity Share Capital	4,180	4,180	4,180	4,180
Reserves & Surplus *	97,467	114,722	145,883	1,409,572
Net Worth*	101,647	118,902	150,063	1,413,752
Total Debt	50,429	97,686	66,096	31,260
Total Capital Employed	152,076	216,588	216,159	1,445,012
Key Ratios	March 31, 2008	March 31, 2009	March 31, 2010	September 30, 2010
Earnings per Share (Rs)	14.3	13.2	21.2	604.6 ^{***}
Book value per Share (Rs)	48.6	56.9	71.8	676.4
Debt-Equity Ratio (Debt/Networth)	0.5	0.8	0.4	0.02
Return on Networth (%)**	29.7%	23.2%	29.5%	89.4%

* Computation of Net Worth, Reserves & Surplus wherever applicable, has been arrived at after deducting miscellaneous expenses not written off

** Computed as PAT divided by the closing Networth for the year

*** Not annualized

Notes:

1. Earnings per Share = Profit After Tax / Weighted average number of equity shares outstanding during the year

2. Book value per Share = Net Worth / Weighted average number of equity shares outstanding during the year

60. The Company shall abide by the Takeover Regulations, if applicable. The Company has complied with Sections 77A(2)(c), (d), 77B(1) and 77B(2) of the Companies Act, 1956 and will comply with Regulation 23 of the Regulations as and when applicable.

XVII STOCK MARKET DATA

61. The Shares of the Company are listed on the BSE having Script Code 500302 and the NSE having Script Code PIRHEALTH.
62. The high, low and average market prices for the last 3 years (April to March periods) and the monthly high, low and average market prices for the 8 months (April to November) of the current financial year preceding the Public Announcement and the corresponding volumes on BSE are as follows:

Period	High** (Rs.)	Date of High and Number of Shares traded on that date	Low** (Rs.)	Date of Low and Number of Shares traded on that date	Average Price* (Rs.)	Total volume traded in period
2007-2008	368.15	18-Dec-07 231,349	233.35	23-Aug-07 20,972	289.23	28,365,297
2008-2009	378.35	11-Jun-08 32,546	172.25	26-Mar-09 46,860	275.50	18,583,135
2009-2010	431.55	25-Mar-10 138,468	193.75	1-Apr-09 73,595	342.01	19,622,036
Apr 2010	539.50	29-Apr-10 433,373	423.40	1-Apr-10 49,118	487.69	4,257,927
May 2010	575.90	6-May-10 396,640	489.80	12-May-10 540,275	527.18	38,733,159
Jun 2010	518.30	3-Jun-10 649,877	479.50	30-Jun-10 362,116	496.88	7,137,499
Jul 2010	512.05	9-Jul-10 621,718	482.35	1-Jul-10 115,908	498.04	3,082,720
Aug 2010	521.30	24-Aug-10 549,849	471.80	4-Aug-10 120,118	491.66	55,501,426
Sep 2010	527.75	13-Sep-10 336,667	499.55	30-Sep-10 67,748	512.98	56,632,342
Oct 2010	544.60	20-Oct-10 633,800	473.90	28-Oct-10 201,567	514.31	6,412,224
Nov 2010	478.80	2-Nov-10 190,071	436.75	25-Nov-10 42,122	461.08	1,548,831

Source: www.bseindia.com

*Arithmetical average of closing prices

** High and Low indicates the high and low of the closing prices respectively for the period

63. The high, low and the average market prices for the last 3 years (April to March periods) and the monthly high, low and average market prices for the 8 months (April to November) of the current financial year preceding the Public Announcement and the corresponding volumes on NSE are as follows:

Period	High** (Rs.)	Date of High and Number of Shares traded on that date	Low** (Rs.)	Date of Low and Number of Shares traded on that date	Average Price* (Rs.)	Total volume traded in period
2007-2008	368.00	18-Dec-07 512,415	233.20	23-Aug-07 146,442	289.50	76,867,708
2008-2009	377.10	11-Jun-08 1,136,251	172.15	19-Feb-09 248,801	275.59	67,206,124
2009-2010	431.70	25-Mar-10 421,730	193.50	1-Apr-09 257,324	342.23	42,734,287
Apr 2010	540.15	29-Apr-10 1,593,021	422.95	1-Apr-10 141,454	487.46	15,348,525
May 2010	575.90	6-May-10 1,006,200	489.80	12-May-10 2,283,857	527.05	97,489,543
Jun 2010	518.35	3-Jun-10 1,234,447	480.75	30-Jun-10 910,102	496.88	18,221,560

Period	High** (Rs.)	Date of High and Number of Shares traded on that date	Low** (Rs.)	Date of Low and Number of Shares traded on that date	Average Price* (Rs.)	Total volume traded in period
Jul 2010	512.05	9-Jul-10 1,545,718	482.15	1-Jul-10 743,482	498.12	10,840,419
Aug 2010	521.15	24-Aug-10 2,087,339	472.00	4-Aug-10 710,197	491.53	18,863,710
Sep 2010	527.85	13-Sep-10 762,580	499.50	30-Sep-10 918,274	513.43	13,940,437
Oct 2010	544.45	20-Oct-10 1,413,144	473.80	28-Oct-10 1,030,030	514.27	20,102,737
Nov 2010	479.00	2-Nov-10 680,838	433.70	25-Nov-10 783,861	461.37	7,704,897

Source: www.nseindia.com

*Arithmetical average of closing prices

** High and Low indicates the high and low of the closing prices respectively for the period

64. Notice of the Board Meeting convened to consider, inter alia, the proposal of the Buyback was given to the BSE and NSE on October 19, 2010. The closing price of the Company's equity share on October 19, 2010 on BSE was Rs.538.95/- and on NSE was Rs.539.40/-. The Board, at its meeting held on October 22, 2010, approved the proposal for the Buyback at a price of Rs. 600/- per share and the intimation of this decision was sent to BSE and NSE on the same day. The closing price of the Company's equity share on October 22, 2010 on BSE was Rs.515.35/- and on NSE was Rs. 515.55/-. The high and low market prices on BSE on October 22, 2010, were Rs.549.00/- and Rs.512.00/- respectively and on NSE were Rs. 549.50/- and Rs.512.20/- respectively. The high and low market prices on BSE on October 25, 2010 (being the trading day after which the Board Meeting was held to approve the Buyback) were Rs.509.00/- and Rs.485.65/- respectively and on NSE were Rs.510.00/- and Rs.489.05/- respectively.

The closing, high and low market prices on December 6, 2010 (being the date on which shareholders' resolution was passed) on BSE were Rs. 440.50, Rs. 447.00 and Rs. 439.10 respectively and on NSE were Rs. 440.95, Rs. 447.00 and Rs. 440.00 respectively. The closing, high and low market prices on December 9, 2010 (being the date of Public Announcement) on BSE were Rs. 454.85, Rs. 471.00 and Rs. 451.50 respectively and on NSE were Rs. 454.65, Rs. 471.90 and Rs. 451.15 respectively.

65. On July 16, 2007 the Company had allotted 11 equity shares of Rs. 2 each @ Rs. 175 per share, out of shares kept in abeyance during the rights issue of the Company, pending determination of title to such shares. Since the resultant change in capital structure is nominal and not having any appreciable impact on the price or volume of the Company's shares traded on the Stock Exchanges, no break up of the above stock market data is given for the period before and after the aforesaid change in capital structure.


XVIII STATUTORY APPROVALS

66. The Offer is subject to the receipt of approval from the Reserve Bank of India ("RBI") for acquiring Shares from non-resident shareholders (including Foreign Institutional Investors ("FII"), erstwhile Overseas Corporate Bodies ("OCB") and Non-Resident Indians ("NRI")) who validly tender their Shares under this Buyback Offer. The Company has made the necessary applications on November 26, 2010 to the RBI to obtain the requisite approval on behalf of the non-resident shareholders in respect of whom such prior RBI approval is required.
67. The Company will have the right to make payment to the shareholders in respect of whom no prior RBI approval is required and not accept Shares from the shareholders in respect of whom prior RBI approval is required in the event the aforesaid RBI approval is refused.

68. In case of delay in receipt of the RBI approval, the Company has the option to make payment to the shareholders in respect of whom no RBI approval is required who have validly tendered their Shares in the Buyback as per the basis of acceptance (if any). After the receipt of RBI approval, the payment shall be made to the shareholders in respect of whom prior RBI approval is required.
69. To the best of the Company's knowledge, as of the date of the Public Announcement, there is no other statutory or regulatory approval required to implement the Offer, other than that indicated above. If any statutory or regulatory approval becomes applicable, the Buyback will be subject to such statutory or regulatory approvals. In the event that receipt of the statutory/ regulatory approvals are delayed, changes to the proposed timetable, if any, will be notified to shareholders by way of a corrigendum to the Public Announcement in the same Newspapers where the Public Announcement was issued.

XIX REGISTRAR TO THE BUYBACK

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

Name:	LINK INTIME INDIA PVT LTD  Link Intime India Pvt. Ltd.
Address:	C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai 400078
Phone:	+91 22 25960320
Fax:	+91 22 25960329
Email:	phl.buyback@linkintime.co.in
Contact Person:	Mr. Nilesh Chalke
SEBI Registration No.	INR000004058
Validity Period	06/05/2009 to 05/05/2012

XX COLLECTION CENTRES

71. Shareholders are requested to submit their Form(s) and requisite documents by registered post to the Registrar to the Buyback, Link Intime India Pvt. Ltd., super scribing the envelope as "Piramal Healthcare Buy Back", or hand deliver the same on any working day during the period of the offer i.e., between March 3, 2011 and March 24, 2011 (except Saturdays, Sundays and public holidays) at any of the collection centres mentioned below between 10 am and 5 pm:

Place	Contact Person	Address	Telephone/Email/Fax	Mode of Delivery
Mumbai	Nilesh Chalke	Link Intime India Pvt. Ltd., C-13, Panalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai – 400078	022-25960320 nilesh.chalke@linkintime.co.in 022-25960329 (Fax)	Hand Delivery & Registered Post
Mumbai	Vivek Limaye	Link Intime India Pvt. Ltd., Davar House, Next to Central Camera, D N Road, Fort, Mumbai - 400001	022-22694127 vivek.limaye@linkintime.co.in 022-25960329 (Fax)	Hand Delivery
Ahmedabad	Hitesh Patel	Link Intime India Pvt. Ltd, 211 Sudarshan Complex, Near Mithakhali Underbridge, Navrangpura, Ahmedabad - 380 009	079-2646 5179 ahmedabad@linkintime.co.in 079-2646 5179 (Telefax)	Hand Delivery
Bangalore	Prashant D. Shedbal	Link Intime India Pvt. Ltd., 543/A, 7TH Main , 3rd Cross, Hanumanthanagar, Bangalore - 560 019	080-26509004 bangalore@intimespectrum.com 080-26509004 (Telefax)	Hand Delivery

Place	Contact Person	Address	Telephone/Email/Fax	Mode of Delivery
Baroda	Alpesh Gandhi	Link Intime India Pvt. Ltd., First Floor, Jaldhara Complex, Nr. Manisha Society, Old Padara Road, Vadodara -390015	0265-2250241 / 3249857 vadodara@linkintime.co.in 0265-2250246 (Telefax)	Hand Delivery
Chennai	Mrs. Solly Soy	C/o SGS Corporate Solutions India Pvt. Ltd., Indira Devi Complex, II Floor, No 20, Gopalkrishna Street, Pandy Bazaar, T. Nagar, Chennai-600017	044-28152672/42070906 chennai@saspartners.com 044- 2815 2672 (Telefax)	Hand Delivery
New Delhi	Swapan Naskar	Link Intime India Pvt. Ltd, A-40, 2 nd Floor, Naraina Industrial Area, Phase II, Near Batra Banquet, New Delhi – 110028	011-41410592/93/94 delhi@linkintime.co.in 011-41410591 (Fax)	Hand Delivery
Kolkata	S. P. Guha	Link Intime India Pvt. Ltd, 59C, Chowringhee Road, 3 rd Floor, Kolkatta - 700020	033-22890539/40 kolkata@linkintime.co.in 033-22890539/40 (Telefax)	Hand Delivery
Pune	P. N Albal	Link Intime India Pvt. Ltd, Block No 202 2nd Floor, Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road, Pune 411 001.	020 -26051629 / 0084 pune@linkintime.co.in 020 -26053503 (Telefax)	Hand Delivery

XXI PROCESS AND METHODOLOGY FOR THE BUYBACK

72. The Buyback is being made pursuant to and in accordance with the provisions of Section 77A and all other applicable provisions, if any, of the Act and the Regulations.
73. The maximum amount that would be deployed for the Buyback amounts to Rs 25,081,577,400/- which is equal to 17.76% of the paid up capital and free reserves of the Company as at September 30, 2010. The aggregate paid up share capital and free reserves as at September 30, 2010 was Rs. 141,204,921,992/-.
74. The maximum number of Shares proposed to be bought back in the Buyback is 41,802,629 Shares.
75. The maximum number of Shares proposed to be bought back would constitute 20% of the Shares of the Company as on September 30, 2010.
76. The Shares shall be bought back at a price of Rs.600/- per Share.
77. The Buyback is being implemented through the tender offer route on a proportionate basis. If tendered Shares are more than the maximum number of shares to be bought back, the acceptance per shareholder shall be equal to the Shares validly tendered by such shareholder divided by the total shares validly tendered and multiplied by the maximum number of shares to be bought back. Fractional entitlements on prorating will be dealt with as in clause 91 of this LOF, provided further that a minimum of 1 Share will be accepted from each shareholder, being the market lot of the Company.
78. The aggregate shareholding of the Promoters is 111,444,308 Shares, comprising 52.32% of the paid up equity share capital of the Company as on December 6, 2010.
79. The promoters have informed the Company *vide* their letters dated October 27, 2010 and February 23, 2011, regarding their intention to participate in the Buyback and offer up to maximum of 101,443,085 Shares such that their percentage shareholding post Buyback does not fall below the percentage shareholding as on the date of opening of the Buyback offer. Accordingly, the promoters

may offer a lower number of Shares in the Buyback than what is stated hereinabove so as to ensure that their percentage shareholding post Buyback does not fall below the percentage shareholding as on the date of opening of the Buyback offer. Notwithstanding the above, the Shares in the Buyback shall be accepted in a proportionate basis, based on the Shares tendered by all the shareholders of the Company in the Buyback offer.

80. Assuming that: (i) the entire amount of Rs. 25,081,577,400/- is utilized for the Buyback; (ii) all public shareholders tender their entire shareholding; and (iii) the promoter group shareholding remains as on December 6, 2010 and the promoter group tenders 101,443,085 Shares in the buyback, the Promoters holding in the Company would become 53.91% and the public holding would become 46.09% as more fully set out in clauses 22 and 42 of this LOF. Thus, the public shareholding would be above the minimum level required as per listing conditions/agreement.
81. The payment of consideration for accepted applications shall be made by the Company to the sole/first shareholder, the details of which are recorded with the Company/DP. Payment shall be made through NECS (subject to availability of all information for crediting the funds), Demand drafts/Pay Order/Warrants payable at par at all the centers where the Company is accepting applications and centers where the Company would have to open collection centers if it were carrying out a public issue of a size equal to the Buyback Size and the same shall be drawn in the name of the first named person in case of joint shareholders.

In order to avail National Electronic Clearing Service ("NECS"), Eligible Persons holding shares in physical mode are requested to submit the enclosed NECS mandate form duly filled in and signed while submitting the Form if the same has not been submitted earlier to the Company/ Registrar & Share Transfer Agents. Eligible Persons holding shares in dematerialised mode are requested to instruct their respective DP regarding bank accounts in which they wish to receive the consideration before the close of the Offer. The Company/ Registrar & Share Transfer Agents will not act on any direct request received from Eligible Persons holding Shares in dematerialised form for change/deletion of such bank details and payments will be made based on the details received electronically from the Depository Participant of the Eligible Persons.

XXII PROCEDURE FOR TENDERING SHARES AND SETTLEMENT

82. The Buyback is open to all shareholders / beneficial owners of the Shares, both registered and unregistered.
83. The Company shall comply with regulation 19(5) of the Regulations which states that the Company shall not buyback locked-in Shares and non-transferable Shares till the pendency of the lock-in or till the Shares become transferable.
84. The Company proposes to effect the Buyback through a tender offer, on a proportionate basis. If tendered Shares are more than the maximum number of shares to be bought back, the acceptance per shareholder shall be equal to the Shares validly tendered by such shareholder divided by the total shares validly tendered and multiplied by the maximum number of shares to be bought back. Fractional entitlements on prorating will be dealt with as in clause 91 of this LOF, provided further that a minimum of 1 Share will be accepted from each shareholder, being the market lot of the Company, as the Shares trade in compulsory dematerialized segment.
85. The LOF, the Form and the Withdrawal Form outlining the terms of the Buyback as well as disclosures as specified in the Regulations, will be mailed to shareholders of the Company whose names appear on the register of members of the Company, or who are beneficial owners of Shares as per the records of the NSDL / CDSL on the Specified Date i.e. January 8, 2011.

86. In terms of regulation 9(3) of the Regulations, the LOF shall be sent to the shareholders so as to reach the shareholders before the opening of the Buyback.
87. The Buyback shall be open for the period as shown in the proposed timetable. Shareholders who propose to accept the Buyback offer must ensure that their Form(s), along with the requisite documents, reach the collection centers before 5 pm on the date of closure of the Buyback i.e., March 24, 2011. Shareholders and unregistered shareholders residing at a location where there is no collection centre should send their Form(s) to the Registrar to the Buyback by mail to their office in Mumbai so as to reach the collection centers before 5 pm on the date of closure of the Buyback i.e., March 24, 2011. Shareholders must also ensure that credit of dematerialized Shares in the Special Depository Account must take place before 5 pm on the date of closure of the Buyback i.e., March 24, 2011.
88. The Company will consider all the Shares validly tendered for the Buyback by shareholders, for acceptance under the Buyback, irrespective of whether the shareholder is registered with the Company as on the Specified Date or has obtained delivery after the Specified Date or he holds the Shares in street name. In case the tenderer is an unregistered shareholder, he should submit the transfer deed complete in all respects, along with the share certificate as specified elsewhere in this LOF.
89. Each shareholder should submit only one Form irrespective of the number of folios he/she holds. Multiple applications tendered by any shareholder shall be liable to be rejected. Also, multiple tenders from the same depository account or same registered folio shall also be liable to be rejected.
90. Shareholders may offer for Buyback their full holding or any part of their holding of Shares of the Company, as they desire. In the event the aggregate number of Shares tendered by the shareholders are more than the total number of Shares to be bought back by the Company, the acceptances per shareholder shall be made in accordance with the Regulations, i.e. valid acceptances per shareholder shall be equal to the shares validly tendered by the shareholder divided by the total shares validly tendered and multiplied by the total number of Shares to be bought back by the Company.
91. **Adjustment for fraction shareholding in case of pro-rata acceptance:**
- a. For any shareholder, if the number of Shares to be accepted for Buyback on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer
 - b. If the number of Shares of a shareholder to be accepted for Buyback on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored
 - c. In cases where due to above rounding off, accepted number of Shares is zero, at least 1 Share would be accepted
 - d. Consolidated adjustment of above rounding off would be carried out from the promoter's lot.
92. No single offeror can tender Shares more than the total number of Shares proposed to be bought back and any Form wherein the number of Shares offered by a shareholder exceeds the total number of Shares to be bought back will be liable to be rejected.

93. The Company will not accept any Shares offered for Buyback which are under lock-in or where there exists any restraint order of a Court for transfer / disposal or where loss of share certificates has been notified to the Company or where the title of the shares is under dispute or otherwise not clear or where any other restraint subsists.
94. Where the Form is signed under Power of Attorney or by authorized signatory(ies) on behalf of a company / body corporate, the Power of Attorney/signing authority along with the specimen signatures must have been previously registered with the Company. The registration serial number of such documents should be mentioned below the relevant signature. Where the relevant document is not so registered, a copy of the same duly certified by a Notary / Gazetted Officer should be enclosed with the Form.
95. In case one or more of the joint holders is deceased, the Form must be signed by all surviving holder(s) and submitted along with a certified or attested true copy of the Death Certificate(s). If the sole shareholder is deceased, the Form must be signed by the legal representatives of the deceased and submitted along with the certified or attested true copy of Probate / Letters of Administration / Succession Certificate and all other relevant documentation while tendering their Shares for the Buyback.
96. Where a joint shareholder is deceased, the Shares will be consolidated with the Shares, if any, held and tendered by the surviving shareholder(s) for the purpose of reckoning the aggregate number of Shares to be bought back from the surviving shareholders.
97. In case of any lacunae and/or defect, incomplete information, late receipt or modifications in the documents/Forms submitted, the Form(s) are liable to be rejected.
98. All the shareholders should provide all relevant documents, which are necessary to ensure transferability of the Shares in respect of which the Form is being sent. Such documents may include (but not be limited to):
 - a. No objection certificate from any lender, if the Shares in respect of which the Form is sent, were under any charge, lien or encumbrance.
 - b. Duly attested Power of Attorney, if any person other than the shareholder has signed the Form.
 - c. In case of companies, the necessary certified corporate authorizations (including Board and/or general meeting resolutions).
99. Non-receipt of the LOF by, or accidental omission to dispatch the LOF to any person who is eligible to receive the offer, shall not invalidate the offer in any way.
100. In case of non-receipt of the LOF / Form:
 - a. **In case the Shares are in dematerialized form:** A shareholder may send an application in writing on plain paper stating name, address, number of Shares held, Client ID number, DP Name/ID, beneficiary account number, number of Shares tendered for the Buyback, bank account particulars for the payment of Buyback consideration etc. enclosing a photocopy of the delivery instruction in "Off-market" duly acknowledged by the DP, in favour of the depository account (details in Clause 101) and other necessary documents. Shareholders must ensure that their Form(s), along with the requisite documents, reach the collection centers before 5 pm on the date of closure of the Buyback i.e., March 24, 2011. Shareholders must also ensure that credit of dematerialized Shares in the

Special Depository Account must take place before 5 pm on the date of closure of the Buyback i.e., March 24, 2011.

- b. **In case the Shares are in physical form:** A registered shareholder may send an application in writing on a plain paper signed by all shareholders stating name, address, folio number, number of Shares held, certificate number, number of Shares tendered for the Buyback and the distinctive numbers thereof, bank account particulars for payment of consideration, etc. enclosing a copy of the shareholder's PAN Card, the original share certificate(s) with valid Share transfer form(s) duly signed by the transferor and other necessary documents. In the event that the shareholder is unregistered, the application must additionally be accompanied by the original equity share certificate(s) accompanied by valid share transfer form(s) as received from the market, (wherein the name of the transferee has not been filled in), and the original broker contract note of a registered broker of a recognized stock exchange in relation to the purchase of the Shares tendered. The name of the purchaser in the broker contract note should be identical with the name of the unregistered shareholder tendering the shares for Buyback. Shareholders must ensure that their Form(s), along with the requisite documents, reach the collection centers before 5 pm on the date of closure of the Buyback i.e., March 24, 2011.

For Shares held in the dematerialised form

101. The Company has opened a depository account titled "Piramal Healthcare Limited Buyback Offer" with Kotak Securities Limited ("Special Depository Account"). Details of the Special Depository Account are set out below:

Depository Name	National Securities Depository Limited
DP Name	Kotak Securities Limited
DP ID Number	IN300214
Beneficiary Account Name	Piramal Healthcare Limited Buyback Offer
Beneficiary Account Number	15567993
ISIN	INE140A01024
Market	Off-Market
Execution Date	On or before 5 pm on March 24, 2011

102. Please note that the Special Depository Account shall be closed at 5 pm on the date of closure of the Buyback i.e., March 24, 2011. Beneficial owners are therefore requested to ensure the credit of their Shares to the aforementioned account before the closure of the aforementioned account.
103. Shareholders who wish to tender their Shares in response to this Buyback should, submit, *inter alia*, the following documents: (a) The relevant Form duly signed (by all shareholders in case the shares are in joint names) in the same order in which they hold the shares; and (b) photocopy of the delivery instructions or counterfoil of the delivery instructions issued by the shareholders to their DP for transferring the Shares tendered in the Buyback to the Special Depository Account duly acknowledged by the DP.
104. The beneficial owners are required to execute an off-market trade by submitting the delivery instructions for debiting his/her beneficiary account with their concerned DP. The beneficial owner may note that the delivery instructions to be made to their DP should be in the "off-market trade" mode. In the delivery instruction slip the section to be used is the section titled "For Off- Market Trades (Receiver Details)".

105. The date of execution entered in the delivery instruction should be on or after the date of opening of the Buyback and not later than the date of closure of the Buyback, provided however the it is the shareholder's responsibility to ensure that the shares get credited to the Special Depository Account before 5 pm on the date of closure of the Buyback i.e. March 24, 2011.
106. Shareholders having their beneficiary account in CDSL will have to use inter-depository instructions slip for the purpose of crediting their Shares in favour of the Special Depository Account.
107. If the Registrar to the Offer does not receive the documents listed above by 5 pm on the date of closure of the Buyback offer (i.e., March 24, 2011), then, notwithstanding the credit of the Shares in the Special Depository Account, the Buyback offer will be deemed to have been rejected by such shareholder and the Shares tendered by such shareholder will be returned to such shareholder no later than April 7, 2011 by way of a credit to the shareholder's depository account. Conversely, if the Shares are not credited to the Special Depository Account by 5 pm on the date of closure of the Buyback offer i.e., March 24, 2011, then, notwithstanding the receipt of the documents listed above by the Registrar to the Offer by or before 5 pm on the date of closure of the Buyback offer i.e., March 24, 2011, the Buyback Offer will be deemed to have been rejected by such shareholder.
108. In the event, that any Shares have to be returned to the shareholders and if the returned Shares are not credited to the shareholder's beneficiary account for any reason whatsoever, the Company shall have the option to rematerialize the said Shares and keep them in the physical form with the Company in trust for the shareholders until the Company receives specific directions from the shareholders with regard to these Shares.
109. Shares held in dematerialized form to the extent not accepted for the Buyback will be returned to the beneficial owner to the credit of the beneficial owner's depository account with their respective DP as per details furnished by the beneficial owner in the Form / as per those received electronically from the shareholder's DP, under intimation to the first named beneficial owner by registered post or UPC. The Shares shall be transferred no later than April 7, 2011. In the event that there is a conflict between the details provided in the Form and those received electronically from the shareholder's DP, the details received electronically shall prevail. However, the Shares so received are liable to be rejected and returned to the account as per the details provided electronically by the shareholder's DP.

For Shares held in the physical form, by registered shareholders

110. Registered shareholders holding Shares in physical form who wish to tender their Shares in response to this Buyback should deliver their Form along with a copy of their PAN Card and the original share certificate(s) and valid share transfer form(s) duly signed by the transferor (by all the equity shareholders in case the Shares are in joint names, with the names filled up in the same order in which they hold Shares in the Company) as per the specimen signatures lodged with the Company and duly witnessed at the appropriate place.
111. If the Registrar to the Offer does not receive the documents listed above by 5 pm on the date of closure of the Buyback offer (i.e., March 24, 2011), then, notwithstanding the receipt of the share certificates and valid transfer deeds, the Buyback offer will be deemed to have been rejected by such shareholder and the share certificates and valid transfer deeds shall be returned to such shareholder no later than April 7, 2011. Conversely, if the share certificates and valid transfer deeds are not received by the Registrar to the Offer by 5 pm on the date of closure of the Buyback offer i.e., March 24, 2011, then, notwithstanding the receipt of the documents listed above by the Registrar to the Offer by or before 5 pm on the date of closure of the Buyback offer i.e., March 24, 2011, the Buyback Offer will be deemed to have been rejected by such shareholder.

112. Shares held in physical form to the extent not accepted for Buyback will be returned to the beneficial owner after suitable sub-division, if any, in order to facilitate acceptance of share certificates tendered by them, through registered post or UPC, at the shareholders' sole risk.

For Shares held in the physical form, by persons not registered as shareholders

113. Unregistered shareholders who wish to tender their Shares in response to the Buyback offer should send the application in plain paper signed by all shareholders, stating folio number, name, address, number of Shares held, share certificate number, distinctive numbers, number of Shares tendered for the Buyback and bank account details together with original share certificates and duly executed transfer deed and other relevant documents (including photocopy of their PAN Card).
114. Persons not registered as shareholders are required to enclose with the Form:
- a. the original equity share certificate(s) accompanied by valid share transfer form(s) as received from the market, wherein the name of the transferee has not been filled in;
 - b. the original broker contract note of a registered broker of a recognized stock exchange in relation to the purchase of the Shares tendered in this case. The name of the purchaser in the broker contract note should be identical with the name of the unregistered shareholder tendering the shares for Buyback.
 - c. in case the share certificate(s) and the transfer deed(s) are lodged with the Company/its transfer agents for transfer, then the Form shall be accompanied by the acknowledgement of lodgment with, or receipt by, the company/its transfer agents, of the share certificate(s) and the transfer deed(s).
115. All transfer requests received by the Company on or before the closure of the Buyback shall be processed by the Company and considered for finalization of the acceptance.
116. The above documents need to reach the collection centers by 5 pm on March 24, 2011.

For Shares held by Non-resident shareholders

117. Non-resident shareholders (excluding FIIs) should also enclose a copy of the permission received by them from the RBI to acquire the Shares held by them in the Company.
118. In case the Shares are held on repatriation basis, the non-resident shareholder should obtain and enclose a letter from its authorized dealer/bank confirming that at the time of acquiring the said Shares, payment for the same was made by the non-resident shareholder from the appropriate account as specified by RBI in its approval. In case the non-resident shareholder is not in a position to produce the said certificate, the Shares would be deemed to have been acquired on non-repatriation basis and in that case the holder shall submit a consent letter addressed to the Company, allowing the Company to make the payment on a non-repatriation basis in respect of the valid Shares accepted under the Buyback.
119. If any of the above stated documents, as applicable, are not enclosed along with the Form, the Shares tendered under the Buyback are liable to be rejected.
120. The Company has applied to the RBI for permission to purchase Shares from non-resident shareholders (including erstwhile OCBs, NRIs and FIIs) and all such shareholders tendering their

Shares will need to provide such additional documents as may be required for complying with applicable FEMA requirements.

121. Details regarding the number of shares tendered by shareholders in the Buyback shall be available on the Company's website 'www.piramalhealthcare.com' and on the merchant banker's website www.investmentbank.kotak.com and the same shall be updated periodically during the offer period (i.e., March 3, 2011 to March 24, 2011).

Withdrawal

122. Shareholders desirous of withdrawing from their participation in the Buyback after having submitted the Form can do so up to 3 working days prior to the date of closure of the Buyback i.e. up to March 21, 2011. The withdrawal option can only be exercised by submitting the Withdrawal Form (along with enclosures as applicable) so as to reach the Registrar to the Offer at its address Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai 400078, either by hand delivery, courier or registered post by 5 pm on March 21, 2011.
123. Please note that the Withdrawal Forms will not be accepted at other collection centres. In case of withdrawal, Shares tendered by such persons shall be returned only after the closure of the Buyback by the same date as date for dispatch of share consideration/share certificates/demat instruction.
124. The Company shall dispatch intimation of acceptance or non-acceptance of the Shares latest by April 7, 2011.

Settlement

125. Subject to Section XVIII of this LOF, the Company will pay the consideration to the shareholders in respect of the Shares bought back within 7 days of acceptance, in accordance with the Regulations.
126. Payment shall be made through NECS (subject to availability of all information for crediting the funds), Demand drafts / Pay Order / Warrants payable at par at all the centres where the Company is accepting applications and centres where the Company would have to open collection centres if it were carrying out a public issue of a size equal to the Buyback Size and the same shall be drawn in the name of the first named person in case of joint shareholders. In the event that the amount payable to a tenderer exceeds Rs.1,500/, the instrument for such payment shall be sent by registered post.
127. In order to avail NECS, shareholders holding Shares in physical form are requested to submit the NECS mandate form duly filled in and signed while submitting the Form if the same has not been submitted earlier to the Company / Registrar & Share Transfer Agents. It is mandatory for the shareholders to indicate the bank account details at the appropriate place(s) in the Form. The payment of consideration for accepted applications shall be made by the Company to the sole / first shareholder, the details of which are recorded with the Company / DP. Shareholders holding Shares in dematerialized form are requested to instruct their respective DP regarding bank accounts in which they wish to receive the consideration before the close of the Buyback offer. The Company / Registrar & Share Transfer Agents will not act on any direct request received from shareholders holding Shares in dematerialized form for change / deletion of such bank details.
128. After completion of dispatch of payment, the Shares lying to the credit of the Special Depository Account will be extinguished within 7 days from the date of acceptance of the Shares in the manner specified in the Regulations. In respect of Shares bought back in the physical form, the Shares would be extinguished and share certificates physically destroyed within 7 days from the date of

acceptance in the manner specified in the Regulations. The details of the Shares extinguished would be notified to the stock exchanges and SEBI as per provisions of the Regulations.

129. All documents sent by shareholders and all remittances to shareholders will be at their own risk. Shareholders are advised to adequately safeguard their interests in this regard.

XXIII NOTE ON TAXATION

Based on an opinion obtained by the Company, please note the following:

130. Any payment made by a Company on purchase of its own shares from a shareholder in accordance with the provisions of Section 77A of the Companies Act, 1956 is specifically excluded from the definition of deemed dividend as per the provisions of Section 2(22)(iv) of the Income-tax Act, 1961 ("IT Act").
131. As per the provisions of Section 195(1) of the IT Act, and in accordance with an opinion obtained by the Company, any person responsible for paying to a non-resident any sum chargeable to tax is required to deduct tax at source at the applicable rate. Since the buyback consideration would be chargeable to capital gains under Section 46A of the IT Act, the Company shall need to deduct tax at source *on the gross consideration payable* to the following categories of non resident shareholders at the applicable capital gain tax rate (including applicable surcharge and primary education cess and secondary and higher education cess) , as given below:

- a) **Non-resident Indians ("NRIs")** (as defined in section 115C (e) of the Income-tax Act, 1961): shares in the Company fall within the purview of "specified asset" as defined in section 115C (f) and therefore, the Company will deduct tax at source in accordance with the provisions of section 115 E of the Income-tax Act, 1961 at the rate of 30% in the case of short-term capital gains and at the rate of 10% in the case of long-term capital gains. The aforesaid rate will be further increased by the applicable surcharge, if any and education cess. Presently the primary education cess is 2% and secondary and higher education cess is 1%

In case a shareholder claims that he is governed by the provisions of section 115E of the Income-tax Act, 1961, he should submit the relevant documents in support thereof and to the satisfaction of the Company. These can either be documents proving that the shares were purchased by the shareholders either from foreign remittances or from funds lying in the non residents external (NRE) account or foreign currency non repatriable (FCNR) account and that these shares have been declared as such in the return of income filed by the shareholders. In case the documents are not submitted or the Company is not satisfied regarding the same then the rate of tax would be that as applicable to any other non-residents.

- b) **Non-residents (other than companies and NRIs):** The Company will deduct tax at source at the rate of 30% in the case of short-term capital gains and at the rate of 20% in the case of long-term capital gains. The rate of deduction as above will be increased by the applicable surcharge and education cess, if any. Presently, the primary education cess is 2% and secondary and higher education cess is 1%.
- c) **Foreign companies:** The Company will deduct tax at source at the rate of 40% in the case of short-term capital gains, and at the rate of 20% in the case of long-term capital gains. The rate of deduction as above will be increased by the applicable surcharge and education cess. Surcharge @ 2.5% would be applicable if the gross consideration exceeds Rs. 1 crore. Presently, the primary education cess is 2% and secondary and higher education cess is 1%.

In cases where Rule 26 of the Income- tax Rules, 1962 would become applicable, that is when the buy-back proceeds are to be remitted to the non-residents in foreign currency, for the purpose of deduction of tax at source on any income payable in foreign currency, the rate of exchange for the calculation of the value in rupees of such income payable to an assessee

outside India shall be the telegraphic transfer buying rate of such currency as adopted by the State Bank of India as on the date on which the tax is required to be deducted at source.

132. **FIIIs** enjoy exemption from tax deduction at source on capital gains under Section 196D(2) of the IT Act and hence no tax shall be deducted on amount payable to FIIIs subject to receipt of an undertaking from them stating their residential status, that it does not have a permanent establishment in India, the amount received by them as a part of the Buyback constitutes capital gains and does not constitute business income for them and that similar gains, if any, have been assessed as such by the tax authorities in India in past. However the interest payment for delay in payment of consideration, if any, will not be governed by this provision.
133. In the event the aforementioned categories of shareholders require the Company not to deduct tax as above or to deduct tax at the rate specified in the Double Taxation Avoidance Agreement entered into by the Central Government as applicable to the shareholder in terms of section 90 of the Act, he should submit a certificate of tax residency from the appropriate authority of the relevant country and such other documents as would be required by the Company. In case the documents are not submitted or the Company is not satisfied regarding the same, the Company shall deduct tax as aforesaid on the gross consideration.
134. In the event the aforementioned categories of shareholders require the Company not to deduct tax or to deduct tax at a lower rate or on a lower amount or deduct tax as aforesaid only the capital gain, they would need to obtain an order from the Income Tax authorities under Section 195(3) or Section 197 of the IT Act, and submit the same to the Company while submitting the Form. On failure to produce such certificate from the Income Tax authorities, tax will be deducted by the Company as aforesaid on the gross consideration, and a certificate in the prescribed form shall be issued to that effect.
135. While tendering Equity Shares under the Offer, Non-Resident Indians and other non-resident shareholders will be required to submit RBI's approval (specific or general) that they would have obtained for acquiring the equity shares of the Company. In the event that the previous RBI approvals are not submitted, the Company reserves the right to reject such tendered equity shares
136. For the purpose of determining as to whether the capital gains are short-term or long-term in nature:
 - a) In the case of physical Shares registered with the Company, the date of registration of the Shares with the Company shall be taken as the date of acquisition.
 - b) In the case of physical Shares not registered with the Company, the capital gain shall assumed to be short-term in nature.
 - c) In the case of dematerialized Shares, the date of credit of the Shares to the shareholders demat account shall be taken as the date of acquisition.
 - d) In case of any ambiguity, incomplete or conflicting information or the information not being available with the Company regarding the same, the capital gain shall be assumed to be short-term in nature.
137. The Company has been advised that as per the prevailing laws as regards deduction of income tax at source, no tax will be deducted at source for resident shareholders in respect of the gross consideration.
138. If the Company becomes liable to pay interest for delay in release of purchase consideration to non-resident shareholders, such shareholders will be required to submit a Tax Clearance Certificate (TCC) or Certificate for Deduction of Tax at Lower Rate from the Income-tax authorities under the Income-tax Act, 1961 indicating the amount of tax to be deducted by the Company before remitting the interest, failing which the Company will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the shareholder belongs under the Income Tax Act, 1961, on the interest payment.

139. If the Company becomes liable to pay interest for delay in release of purchase consideration to resident shareholder, tax will be deducted on the interest component exceeding Rs. 5,000/- at the applicable current prevailing rates. If the resident Shareholder requires that no tax is to be deducted or tax is to be deducted at a lower rate than the prescribed rate, such Shareholders will be required to submit a NOC or TCC or Certificate for Deduction of Tax at Lower Rate from the Income-tax authorities under the Income-tax Act, 1961 indicating the amount of tax to be deducted by the Company or a self-declaration in Form 15G or Form 15H as may be applicable. Shareholders eligible to receive interest component exceeding Rs. 5,000/- would be required to submit their Permanent Account Number for income tax purposes.
140. In view of the recently inserted section 206AA of the Act, when tax is deductible under the Act and the shareholder does not furnish his Permanent Account Number (PAN) or the PAN provided by him is invalid, the Company shall deduct tax at the higher of the following three rates:
- a) At the rate specified in the relevant provisions of the Act; or
 - b) At the rate or rates in force; or
 - c) At the rate of twenty per cent.
141. If for any reasons, the Tax Department raises a vicarious liability on the Company and seeks to recover the tax on the transaction (which is actually tax liability of the shareholder) from the Company, the shareholder agrees to indemnify the Company for the same.
142. All shareholders are advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Company and the Manager to the Buyback does not accept any responsibility for the accuracy or otherwise of such advice. The aforesaid treatment of tax deduction at source may not necessarily be the treatment also for filing the return of income.

XXIV DECLARATION BY THE BOARD OF DIRECTORS

143. The Buyback Committee of the Board of Directors confirm that there are no defaults subsisting in repayment of deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks.
144. Based on a full enquiry conducted into the affairs and prospects of the Company and taking into account all the liabilities including prospective and contingent liabilities payable as if the Company were being wound up under the Act, the Buyback Committee of the Board of Directors have formed an opinion that;
- i. Immediately following the date of the LOF, there are no grounds on which the Company could be found unable to pay its debts.
 - ii. As regards its prospects for the year immediately following the date of the LOF that, having regard to their intentions with respect to the management of the Company's business during the said year and to the amount and character of the financial resources which will be available to the Company during the said year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from that date.

This declaration is made and issued under the authority of the Buyback Committee in terms of the resolution passed on December 14, 2010.

For and on behalf of the Board of Directors of the Company

Sd/-

Sd/-

Ajay G. Piramal
Chairman

N. Santhanam
Executive Director & Chief Operating Officer

In addition, the Company has also confirmed that it is in compliance with Sections 159, 207 and 211 of the Act.

XXV AUDITOR'S CERTIFICATE

145. A text of the Report dated October 27, 2010 received from Price Waterhouse (Partner- Partha Ghosh (Membership number F-55913)), Chartered Accountants and the Statutory Auditors of the Company, addressed to the Board of Directors of the Company is reproduced below:

"In connection with the proposed Buy-back of equity shares approved by the Board of Directors of the Company at their meeting held on October 22, 2010, in pursuance of the provisions of the Act and the Regulations and based on the information and explanations given to us, we report that:

- 1. We have enquired into the state of affairs of the Company in relation to its audited financial statements for the period ended September 30, 2010, which were taken on record by the Board of Directors at their meeting held on October 22, 2010;*
- 2. The amount of capital payment of Rs. 25,081.6 millions for the shares in question, as stated in the certified extracts of the minutes of the Board of Directors' meeting held on October 22, 2010, is within the permissible amount of 25% of the paid up equity capital and free reserves of the Company, calculated based on the Audited Financial Statements and computed in the manner set forth in Annexure 1 (reproduced below), which, in our opinion, is properly determined; and*
- 3. The Board of Directors in their meeting held on October 22, 2010 has formed the opinion, as specified in clause (x) of Schedule I to the Regulations on reasonable grounds that the Company having regard to its state of affairs will not be rendered insolvent within a period of one year from the date of declaration of results of postal ballot where the Buy back is approved".*

Annexure 1 to the Auditors Report dated October 27, 2010 referred to above

Statement of paid up equity capital and free reserves as at September 30, 2010

(Rs. in Million)	
Particulars	As at September 30, 2010
Share Capital – Subscribed and paid up	418.0
Free Reserves	
- Share Premium	1,433.3
- General Reserve	7,344.7
- Profit and Loss Account	131,475.3
- Capital Redemption Reserve	533.7
Total	141,205.0
Maximum Amount permissible for buy back i.e. 25% of total paid up capital and free reserves	35,301.3

XXVI MATERIAL DOCUMENTS FOR INSPECTION

146. Copies of the following documents will be available for inspection at the office of the Manager to the Buyback at Bakhtawar Building, First Floor, 229, Nariman Point, Mumbai – 400 021 on any working day (i.e. Monday to Friday and not being a bank holiday in Mumbai) between 10:30 am to 1:00 pm up to the date of closure of the Buyback.
- a) Certificate of Incorporation
 - b) Memorandum and Articles of Association of the Company.
 - c) Annual Report of the Company for the periods ending March 31, 2008, March 31, 2009 and March 31, 2010
 - d) Audited Standalone Financials and Unaudited Consolidated Financials of the Company for period ending September 30, 2010
 - e) Resolutions passed by the Board of Directors of the Company at their meeting held on October 22, 2010
 - f) Notice to shareholders along with Explanatory Statement dated October 27, 2010.
 - g) Special resolution passed by the shareholders of the Company by Postal Ballot, the results of which were announced on December 6, 2010.
 - h) Resolutions passed by Buyback Committee of the Board at its meeting held on October 27, 2010 and December 6, 2010.
 - i) Reports dated October 27, 2010 of Price Waterhouse, statutory auditors of the Company.
 - j) Certificate from M/s. D. B. Ketkar & Co., Chartered Accountants dated December 6, 2010 for firm financing arrangements in accordance with the Regulations.
 - k) Declaration of Solvency dated December 6, 2010 and an affidavit verifying the same as per Form 4A of the Companies (Central Government's) General Rules and forms, 1956
 - l) Opinion dated December 13, 2010 obtained by the Company on taxation
 - m) Confirmation letter by the Bankers dated December 1, 2010 that the Escrow Account has been opened and Escrow Amount has been deposited
 - n) Copy of the Public Announcement dated December 9, 2010
 - o) SEBI Observations on the draft LOF vide its letter dated February 25, 2011.

XXVII COMPLIANCE OFFICER

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

Name: Leonard D'Souza
Designation: Company Secretary
Address: Piramal Tower Annexe, 4th floor, Ganpatrao Kadam Marg Lower Parel, Mumbai 400013
Phone: +91 22 30466666
Fax: +91 22 24902363
Email: complianceofficer.phl@piramal.com

The Compliance Officer can be contacted on any working day (i.e. Monday to Friday and not being a bank holiday in Mumbai) between 10 am and 5 pm.

XXVIII REMEDIES AVAILABLE TO SHAREHOLDERS/ BENEFICIAL OWNERS

In case of any grievance relating to the Buyback (e.g. non-receipt of the Buyback consideration, share certificate, demat credit etc.) the investor can approach the Compliance Officer for redressal.

If the Company makes any default in complying with the provisions of Section 77A of the Act or any rules made thereunder, or any regulation made under clause (f) of sub-section 2 of section 77A, the Company or any officer of the Company who is in default shall be punishable with imprisonment for a term and its limit or with a fine and its limit or both in terms of the Act.

The address of the concerned office of the Registrar of Companies is as follows:

100, Everest
Marine Drive
Mumbai - 400002
Tel : 022-22812639
Email : roc.Mumbai@mca.gov.in

XXIX INVESTOR SERVICE CENTRE

In case of any queries, the shareholders may contact Investor Service Centre, from Monday to Friday between 10 am to 5 pm on all working days, at the following address:

Name: Investor Service Centre: Piramal Healthcare Buyback
Address: Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W),
Mumbai 400078
Phone: +91 22 25960320
Fax: +91 22 25960329
Toll Free no. 1-800-22-0320
Email: phl.buyback@linkintime.co.in

XXX MANAGER TO THE BUYBACK

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



Name: Kotak Mahindra Capital Company Limited
Address: 1st Floor, Bakhtawar, 229, Nariman Point, Mumbai – 400 021
Phone: +91 22 66341110
Fax: +91 22 22840492
Email: project.piramalbuyback@kotak.com
Contact Person: Mr. Chandrakant Bhole
SEBI Registration No. INM000008704
Validity Period 01/02/2008 – 31/01/2011 (applied for renewal via application dated October 29, 2010)

XXXI REGISTRAR TO THE BUYBACK

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



Name: Link Intime India Pvt. Ltd.
Address: C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai 400078
Phone: +91 22 25960320
Fax: +91 22 25960329
Email: phl.buyback@linkintime.co.in
Contact Person: Mr. Nilesh Chalke
SEBI Registration No. INR000004058
Validity Period 06/05/2009 to 05/05/2012

XXXII DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company accepts responsibility for all the information contained in this LOF. This LOF is issued under the authority of the Board and in terms of the resolution passed by the Buyback Committee of the Board on February 25, 2011.

**For and on behalf of all members of the Board of Directors
of Piramal Healthcare Limited**

Sd/-
Ajay G. Piramal
Chairman

Sd/-
N. Santhanam
Executive Director & Chief
Operating Officer

Sd/-
Leonard D'Souza
Company Secretary

Date: February 25, 2011
Place: Mumbai

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FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

(FOR SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM)

BUYBACK OPENS ON	March 3, 2011 (Thursday)
LAST DATE OF WITHDRAWAL	March 21, 2011 (Monday)
BUYBACK CLOSSES ON	March 24, 2011 (Thursday)

Date: _____

For Collection Centre Use			
Centre Code	Inward No.	Date	Stamp

To
Board of Directors
Piramal Healthcare Limited
Investor Service Centre: Piramal Healthcare Buyback
 Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai - 400078.

Status: Please tick (✓)	
<input type="checkbox"/> Individual <input type="checkbox"/> Foreign Company <input type="checkbox"/> Body Corporate	<input type="checkbox"/> Foreign Institutional Investor <input type="checkbox"/> Non Resident Indian / OCB <input type="checkbox"/> Bank / Financial Institution

Dear Sirs,

Ref: Letter of Offer dated February 25, 2011 to buyback 41,802,629 equity shares of Piramal Healthcare Limited (“Company”) at a price of Rs. 600/- per share (“Buyback”)

1. I/We having read and understood the Letter of Offer dated February 25, 2011, hereby tender my/our shares in response to the Buyback on the terms and conditions set out below and in the Letter of Offer.
2. I/We authorize the Company to buyback the shares offered and as a consequence to extinguish the share certificates.
3. I/We hereby warrant that the shares comprised in this tender are offered for Buyback by me/us free from all liens, equitable interest, charges and encumbrance.
4. I/We declare that there are no restraints/injunctions or other order of any nature which limits/restricts in any manner my/our right to tender shares for Buyback and that I/we am/are legally entitled to tender the shares for the Buyback.
5. I/We agree that the Company is not obliged to accept any shares offered for Buyback where loss of share certificates has been notified to the Company.
6. I/We agree that the Company will pay the Buyback Price only after due verification of the validity of the documents and signatures and that the consideration maybe paid to the first named shareholder.
7. I/We undertake to return to the Company any Buyback consideration that maybe wrongfully received by me/us.
8. I/We undertake to execute any further documents and give any further assurances that maybe required or expedient to give effect to my/our tender offer and agree to abide by any decision that maybe taken by the Company to effect the Buyback in accordance with the Act and the SEBI Buyback Regulations.
9. I/We authorize the Company to split the share certificate and issue new consolidated certificate for the unaccepted shares in case the shares accepted by the Company are less than the shares tendered in the buyback due to over subscription.

10. Details of shares held and offered for Buyback:

	In Figures	In Words
Number of shares held		
Number of shares offered for Buyback		

11. Details of share certificate(s) and Transfer Deed(s) duly signed and enclosed:

Total No. of Certificates submitted

Sr. No.	Folio No.	Share Certificate No.	Distinctive No.(s)		No. of shares
			From	To	
1					
2					
3					
				Total	

In case the number of folios and share certificate enclosed exceed 3 nos., please attach a separate sheet giving details in the same format as above.

12. Details of other Documents (please tick appropriately), if any, enclosed:

- | | |
|---------------------------------------------------|---------------------------------------------------------|
| <input type="checkbox"/> Corporate Authorisations | <input type="checkbox"/> NECS Mandate Form |
| <input type="checkbox"/> Death Certificate | <input type="checkbox"/> Permanent Account Number |
| <input type="checkbox"/> Succession Certificate | <input type="checkbox"/> Any Other, please specify..... |
| <input type="checkbox"/> Power of Attorney | |

13. Tax Certification (NRIs/OCBs/FIIs/Non-Resident Shareholders only)

If you are a NRI, OCB or an FII or a non-resident shareholder, you should certify whether the Shares held by you are held on investment/capital account or on trade account.

Please refer to the Letter of Offer regarding tax to be deducted at source. Shareholders are also advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take.

I/We certify that the Shares referred to in clause 10 of this Form of Acceptance cum Acknowledgment are held:

- | | |
|--------------------------------------------------------|---------------------------------------------------------------------------|
| <input type="checkbox"/> on investment/capital account | <input type="checkbox"/> on trade account/to be taxed as Business Profits |
|--------------------------------------------------------|---------------------------------------------------------------------------|

I/We certify that the tax deduction on the Shares referred to in clause 10 of this Form of Acceptance cum Acknowledgment is to be deducted on account of:

- | | | |
|-------------------------------------------|------------------------------------------|-------------------------------------------|
| <input type="checkbox"/> Short term gains | <input type="checkbox"/> Long term gains | <input type="checkbox"/> Business Profits |
|-------------------------------------------|------------------------------------------|-------------------------------------------|

Order from Income-tax authorities enclosed specifying (if applicable):

- | | |
|---------------------------------------------------------|--------------------------------------------------|
| <input type="checkbox"/> Non deduction of tax at source | <input type="checkbox"/> Deduction at lower rate |
|---------------------------------------------------------|--------------------------------------------------|

Applicable only for FII shareholders:

- The FII hereby undertakes that: (a) it has a valid tax residency certificate; (b) it does not have a permanent establishment in India; and (c) the amount received by it as a part of the Offer constitutes capital gains and does not constitute business income for it and that similar gains (if any) have been taxed as capital gains by the tax authorities in India in the past (Note: Please enclose a certificate of tax residency from the appropriate authority of the relevant country and all such other relevant documents)

The FII hereby undertakes to indemnify the Company against any and all direct losses, including reasonable costs and expenses incurred in respect thereof, arising out of or in connection with any vicarious liability on the Company raised by the tax department for any tax recoverable from the FII in relation to the consideration paid by the Company to the FII in the Buyback

Applicable only for non-residents other than FIIs:

The shareholder hereby undertakes that the Double Taxation Avoidance Agreement between India and _____ [please insert the applicable jurisdiction] is applicable to it (Note: Please enclose a certificate of tax residency from the appropriate authority of the relevant country and all such other relevant documents)

The shareholder hereby undertakes to indemnify the Company against any and all direct losses, including reasonable costs and expenses incurred in respect thereof, arising out of or in connection with any vicarious liability on the Company raised by the tax department for any tax recoverable from the shareholder in relation to the consideration paid by the Company to such shareholder in the Buyback

14. Details of Bank Account of the Sole/First shareholder to be incorporated in the consideration warrant (mandatory to fill the same)

Name of the Bank	Branch and City	Account Number	Type of Account	IFSC Code	MICR Code

15. Details of Permanent Account No. (PAN /GIR No.)

	First / Sole Shareholder	Second Joint Shareholder	Third Joint Shareholder
PAN / GIR No.			

16. In order to avail National Electronic Clearing Service (“NECS”) for receipt of consideration, the attached NECS mandate form needs to be duly filled in and signed by the Sole/First Shareholder and submitted with the Form before the close of the Offer if the same has not been submitted earlier to the Company/ Registrar & Share Transfer Agents.

17. Shareholder(s) details (Signature(s) as per specimen recorded with the Company):

	Sole/First Shareholder	Second holder (if any)	Third holder (if any)
Name in Full			
Signature			
Address of the Sole/First Shareholder			
Telephone No./E-mail ID			

-----Tear Here-----

ACKNOWLEDGEMENT SLIP
PIRAMAL HEALTHCARE LIMITED – BUYBACK OFFER
 (to be filled by the shareholder)

Received from Mr./Ms.....

Ledger Folio No.		
	In figures	In words
Number of shares tendered		
Number of share certificates submitted		
Collection Centre Stamp & Date		

Please Quote Ledger Folio No. for all future correspondence

Instructions:

- 1) This Offer will open on March 3, 2011 and close on March 24, 2011.
- 2) This Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Form.
- 3) Shareholders who wish to tender their shares in response to this Buyback should deliver the following documents so as to reach at the respective Collection Centres as mentioned in the Letter of Offer on or before 5 pm on March 24, 2011. Shareholders residing at locations where there are no collection centers, should send their response to the Registrar to the Buyback, Link Intime India Private Limited at the address mentioned below.
 - a. The relevant Form duly filled in and signed (by all shareholders in case shares are in joint names) in the same order in which they hold shares
 - b. Original share certificates
 - c. Transfer Deed duly signed
- 4) Shareholders should also provide all relevant documents in addition to the above documents. Such documents may include (but not limited to):
 - a. Duly attested Power of Attorney, if any person other than the shareholder has signed the relevant Form
 - b. Duly attested death certificate/succession certificate in case any shareholder has expired
 - c. Necessary corporate authorizations, such as Board Resolutions etc., in case of companies
 - d. Copy of the Permanent Account Number (PAN) Card
 - e. NECS Mandate form duly filled in and signed by the Sole/First Shareholder for receipt of consideration through NECS if the same has not been submitted earlier to the Company/ Registrar & Share Transfer Agents.
- 5) Shareholders to whom this Offer is made is free to tender their shareholding in the Company in whole or in part.
- 6) In case of non-receipt of this Letter of Offer, shareholders may send their application in plain paper, in writing, signed by all the shareholders, stating folio number, name, address, number of shares held, share certificate number, distinctive numbers, number of shares tendered for Buyback, bank account details together with the original share certificates and other relevant documents to the Registrars for the Buyback (including copy of the PAN Card).
- 7) It is mandatory for shareholders to indicate the bank account details to which the consideration would be payable at the appropriate place in the Form.
- 8) All documents/remittances sent by or to shareholders will be at their own risk and shareholders are advised to adequately safeguard their interests in this regard.
- 9) **Note:** Any shareholder should tender only one form, irrespective of the number of folios he holds. Multiple applications, tendered by any shareholder shall be liable to be rejected. Also, multiple tenders from the same depository account or same registered folio shall also be liable to be rejected.

Note: All future correspondence, if any, should be addressed to Registrars to the Buyback at the following address **quoting your Folio No / DPID/ Client ID:**

Investor Service Centre: Piramal Healthcare Buyback

Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound,

L.B.S. Marg, Bhandup (W), Mumbai 400078;

Phone: +91 22 25960320

Fax: +91 22 25960329

Toll Free No.: 1-800-22-0320

Email: phl.buyback@linkintime.co.in

Contact Person: Mr. Nilesh Chalke

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

(FOR SHAREHOLDERS HOLDING SHARES IN DEMATERIALISED FORM)

BUYBACK OPENS ON	March 3, 2011 (Thursday)
LAST DATE OF WITHDRAWAL	March 21, 2011 (Monday)
BUYBACK CLOSES ON	March 24, 2011 (Thursday)

Date: _____

For Collection Centre Use			
Centre Code	Inward No.	Date	Stamp

To
Board of Directors
Piramal Healthcare Limited
Investor Service Centre: Piramal Healthcare Buyback

Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai - 400078.

Dear Sirs,

Status: Please tick (✓)	
<input type="checkbox"/> Individual <input type="checkbox"/> Foreign Company <input type="checkbox"/> Body Corporate	<input type="checkbox"/> Foreign Institutional Investor <input type="checkbox"/> Non Resident Indian / OCB <input type="checkbox"/> Bank / Financial Institution

Ref: Letter of Offer dated February 25, 2011 to buyback 41,802,629 equity shares of Piramal Healthcare Limited (“Company”) at a price of Rs. 600/- per share (“Buyback”)

1. I/We having read and understood the Letter of Offer dated February 25, 2011, hereby tender my/our shares in response to the Buyback on the terms and conditions set out below and in the Letter of Offer.
2. I/We authorize the Company to buyback the shares offered (as mentioned below) and to issue instruction to the Registrar for the Buyback to extinguish the shares through an off-market transfer.
3. I/We hereby warrant that the shares comprised in this tender are offered for Buyback by me/us free from all liens, equitable interest, charges and encumbrance.
4. I/We declare that there are no restraints/injunctions or other order of any nature which limits/restricts in any manner my/our right to tender shares for Buyback and that I/we am/are legally entitled to tender the shares for the Buyback.
5. I/We agree that the Company will pay the Buyback Price only after due verification of the validity of the documents and that the consideration maybe paid to the first named shareholder.
6. I/We undertake to return to the Company any Buyback consideration that maybe wrongfully received by me/us.
7. I/We undertake to execute any further documents and give any further assurances that maybe required or expedient to give effect to my/our tender offer and agree to abide by any decision that maybe taken by the Company to effect the Buyback in accordance with the Act and regulations.
8. Details of shares held and offered for buyback:

	In Figures	In Words
Number of shares held		
Number of shares offered for Buyback		

9. Details of account with Depository Participant (“DP”):

Name of the Depository (tick whichever is applicable)	<input type="checkbox"/> NDSL	<input type="checkbox"/> CDSL
Name of the Depository Participant		
DP ID No.		
Client ID No.with the DP		

In case the number of demat accounts exceed one, please attach a separate sheet giving details in the same format as above.

10. I/We hereby declare that we have instructed the above mentioned DP, with whom I/we hold an account to transfer the number of shares as mentioned under serial number 8 above to ‘Piramal Healthcare Limited Buyback Offer’ Account (Client ID No. 15567993) held with Kotak Securities Limited (DP ID No. IN300214). **A copy of the delivery instruction issued to the DP, duly endorsed by the DP is enclosed.**

11. Details of other Documents (please tick appropriately), if any, enclosed:

- Corporate Authorisations
- Death Certificate
- Succession Certificate
- Power of Attorney
- Any Other, please specify

12. Tax Certification (NRIs/OCBs/FIIs/Non-Resident Shareholders only)

<p>If you are a NRI, OCB or an FII or a non-resident shareholder, you should certify whether the Shares held by you are held on investment/capital account or on trade account.</p> <p>Please refer to the Letter of Offer regarding tax to be deducted at source. Shareholders are also advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take.</p> <p>I/We certify that the Shares referred to in clause 8 of this Form of Acceptance cum Acknowledgment are held:</p> <p><input type="checkbox"/> on investment/capital account <input type="checkbox"/> on trade account/to be taxed as Business Profits</p>
<p>I/We certify that the tax deduction on the Shares referred to in clause 8 of this Form of Acceptance cum Acknowledgment is to be deducted on account of:</p> <p><input type="checkbox"/> short term gains <input type="checkbox"/> long term gains <input type="checkbox"/> Business Profits</p>
<p>Order from Income-tax authorities enclosed specifying (if applicable):</p> <p><input type="checkbox"/> Non deduction of tax at source <input type="checkbox"/> Deduction at lower rate</p>
<p>I/ We have enclosed the following (if applicable):</p> <p><input type="checkbox"/> Evidence of eligibility for claiming any double tax treaty benefit</p>
<p>Applicable only for FII shareholders:</p> <p><input type="checkbox"/> The FII hereby undertakes that: (a) it has a valid tax residency certificate; (b) it does not have a permanent establishment in India; and (c) the amount received by it as a part of the Offer constitutes capital gains and does not constitute business income for it and that similar gains (if any) have been taxed as capital gains by the tax authorities in India in the past (Note: Please enclose a certificate of tax residency from the appropriate authority of the relevant country and all such other relevant documents)</p> <p><input type="checkbox"/> The FII hereby undertakes to indemnify the Company against any and all direct losses, including reasonable costs and expenses incurred in respect thereof, arising out of or in connection with any vicarious liability on the Company raised by the tax department for any tax recoverable from the FII in</p>

relation to the consideration paid by the Company to the FII in the Buyback

Applicable only for non-residents other than FIIs:

- The shareholder hereby undertakes that the Double Taxation Avoidance Agreement between India and _____ [please insert the applicable jurisdiction] is applicable to it [Note: Please enclose a certificate of tax residency from the appropriate authority of the relevant country and all such other relevant documents]**
- The shareholder hereby undertakes to indemnify the Company against any and all direct losses, including reasonable costs and expenses incurred in respect thereof, arising out of or in connection with any vicarious liability on the Company raised by the tax department for any tax recoverable from the shareholder in relation to the consideration paid by the Company to such shareholder in the Buyback**

13. Details of Permanent Account No. (PAN /GIR No.)

	First / Sole Shareholder	Second Joint Shareholder	Third Joint Shareholder
PAN / GIR No.			

14. Shareholder(s) details:

	Sole/First Shareholder	Second holder (if any)	Third holder (if any)
Name in Full			
Signature			
Address of the Sole/First Shareholder			
Telephone No.			
E-mail ID			

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Acknowledgement Slip
PIRAMAL HEALTHCARE LIMITED – BUYBACK OFFER
(to be filled by the shareholder)

Received from Mr./Ms.....

DP ID No.:	CLIENT ID No.:	
	In figures	In words
Number of shares tendered for Buyback		
Collection Centre Stamp & Date		

Please Quote Client ID No. and DP ID No. for future correspondence

Instructions:

- 1) This Offer will open on March 3, 2011 and close on March 24, 2011.
- 2) This Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Form.
- 3) For the purpose of the Buyback, the company has opened an account with the Depository Participant as detailed below:

DP Name	Kotak Securities Limited
DP ID Number	IN 300214
Client ID Account Name	Piramal Healthcare Limited Buyback Offer
Client ID Number	15567993

- 4) Shareholders who wish to tender their shares in response to this Buyback should deliver the following documents so as to reach before the close of the business hours of the respective Collection Centres as mentioned in the Letter of Offer on or before 5 pm on March 24, 2011. Shareholders residing at locations where there are no collection centers, should send their response to the Registrar to the Buyback, Link Intime India Private Limited at the address mentioned below.
 - a) The relevant Form duly completed and signed (by all shareholders in case shares are in joint names) in the same order in which they hold shares
 - b) Copy of delivery instruction issued by the shareholders to their DP for transferring the shares tendered for Buyback, to the Company's DP account with Kotak Securities Limited. Copy of the delivery instruction should be duly endorsed by DP of shareholder, to whom the original delivery instruction should be handed over.
- 5) In the delivery instruction please use "For Off-Market Trades (Receiver Details)" box. Fill in "Kotak Securities Limited" against DP name, "IN 300214" against the DP ID and "15567993" against the Client ID. The date of execution entered in the delivery instruction should be after the date of opening of the Offer and on or before the last date of submission of the Form to the collection centers or on or before mailing the Form to the Registrar to the Buyback as the case may be, but not later than the date of closure of the Offer.
- 6) Shareholders should also provide all relevant documents in addition to the above documents. Such may include (but not limited to):
 - a) Duly attested Power of Attorney, if any person other than the shareholder has signed the relevant Form
 - b) Duly attested death certificate/succession certificate in case any shareholder has expired
 - c) Necessary corporate authorizations, such as Board Resolutions etc., in case of companies
- 7) Shareholders to whom this Offer is made is free to tender their shareholding in the Company in whole or in part.
- 8) In case of non-receipt of this Letter of Offer, shareholders may send their application in plain paper, in writing, signed by all the shareholders, stating name, address, number of shares held, Client ID number, DP Name and DP ID Number, number of shares tendered for Buyback, bank account details together with copy of the delivery instruction issued "off market", duly endorsed by DP and other relevant documents to the Registrar to the Offer.
- 9) In order to avail National Electronic Clearing Service ("NECS") facility for receipt of consideration, persons holding shares in dematerialized mode are requested to instruct their respective depository participant regarding bank accounts in which they wish to receive the consideration before the close of the Offer. The Company/ Registrar & Share Transfer Agents will not act on any direct request received from Eligible Persons holding shares in dematerialised form for change/deletion of such bank details.
- 10) All documents/remittances sent by or to shareholders will be at their own risk and shareholders are advised to adequately safeguard their interests in this regard.
- 11) **Note:** Any shareholder should tender only one form, irrespective of the number of folios he holds. Multiple applications, tendered by any shareholder shall be liable to be rejected. Also, multiple tenders from the same depository account or same registered folio shall also be liable to be rejected.

Note: All future correspondence, if any, should be addressed to Registrars to the Buyback at the following address **quoting your Reference Folio No. / DP ID/ Client ID:**

Investor Service Centre: Piramal Healthcare Buyback

Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound,

L.B.S. Marg, Bhandup (W), Mumbai 400078

Phone: +91 22 25960320

Fax: +91 22 25960329

Toll Free No.: 1-800-22-0320

Email: phl.buyback@linkintime.co.in

Contact Person : Mr. Nilesh Chalke

WITHDRAWAL FORM

PIRAMAL HEALTHCARE LIMITED BUYBACK OFFER

From:

Folio No./DP ID No./Client ID No.:

Name:

Address:

BUYBACK OPENS ON	March 3, 2011 (Thursday)
LAST DATE OF WITHDRAWAL	March 21, 2011 (Monday)
BUYBACK CLOSES ON	March 24, 2011 (Thursday)

To :

Board of Directors

Piramal Healthcare Limited

Investor Service Centre: Piramal Healthcare Buyback

Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills

Compound, L.B.S. Marg, Bhandup (W),

Mumbai - 400078.

Dear Sir,

Ref: Letter of Offer dated February 25, 2011 to buyback 41,802,629 equity shares of Piramal Healthcare Limited (“Company”) at a price of Rs. 600/- per share (“Buyback”)

- I / We having read and understood the Letter of Offer dated February 25, 2011, hereby consent unconditionally and irrevocably to withdraw my / our shares from the Buyback and I / we further authorize the Company 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 Buyback, no claim or liability shall lie against the Company/ Manager to the Offer / Registrar to the Offer.
- I / We note that this Withdrawal Form should reach the Registrar to the Buyback on or before the last date of withdrawal i.e. March 21, 2011.
- I / We note that the Company / 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 dematerialized form in the DP account due to inaccurate / incomplete particulars / instructions.
- I / We also note and understand that the Company will return the original share certificate(s), share transfer deed(s) / Shares in dematerialized form only on completion of verification of the documents, signatures and beneficiary position as available with the depositories from time to time.
- I / We also note and understand that the Company will return the original share certificate(s), share transfer deed(s) / Shares in dematerialized form only after the closure of the Buyback by the same date as date for dispatch of share consideration/share certificates/demat instruction i.e. latest by April 7, 2011.
- In case of shareholders holding shares in physical form:** The particulars of tendered original share certificate(s) and duly signed transfer deed(s) are detailed below:

S. No.	Folio No(s)	Share Certificate No(s)	Distinctive No.(s)		No. of shares	Date of Tender
			From	To		
1						
2						
3						
				Total		

(In case the number of folios and share certificate enclosed exceed 3 nos., please attach a separate sheet giving details in the same format as above.)

In case of shareholders holding shares in dematerialized form: I / We hold the following Shares in dematerialized form and had executed an off-market transaction for crediting the Shares to the “Piramal Healthcare Limited Buyback Offer” account (Client ID No. 15567993) held with Kotak Securities Limited (DP ID No. IN300214). **A copy of the delivery instruction issued to the DP, duly endorsed by the DP is enclosed.** The particulars of the account from which my / our Shares have been tendered are as follows:

Name of the Depository (tick whichever is applicable)	<input type="checkbox"/> NDSL	<input type="checkbox"/> CDSL
Name of the Depository Participant		
DP ID No.		
Client ID No. with the DP		
Beneficiary Name		
No. of Shares		
Date of Execution		

In case the number of demat accounts exceed one, please attach a separate sheet giving details in the same format as above.

8. I / We note that the Shares will be credited back only to that depository account, from which they have been tendered and necessary standing instructions have been issued in this regard.
9. I / We confirm that the particulars given above are true and correct.
10. In case of dematerialized Shares I / we confirm that the signatures have been verified by the DP as per their records and the same have been duly attested.

Yours faithfully,

Signed and Delivered

	Sole/First Shareholder	Second holder (if any)	Third holder (if any)
Name in Full			
Signature			
Address of the Sole/First Shareholder			
Telephone No.			
E-mail ID			

Place:

Date:

Instructions:

- 1) The Offer will open on March 3, 2011 and close on March 24, 2011. The last date for withdrawal is March 21, 2011.
- 2) This Withdrawal Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Form.
- 3) The withdrawal option can only be exercised by submitting the Withdrawal Form, duly filled in and signed (by all shareholders in case shares are in joint names) in the same order in which they hold shares, so as to reach the Registrar to the Offer at the address mentioned below. **Please note that the Withdrawal Forms will not be accepted at other Collection Centres.**
- 4) All documents/remittances sent by or to shareholders will be at their own risk and shareholders are advised to adequately safeguard their interests in this regard.

Note: All future correspondence, if any, should be addressed to Registrars to the Buyback at the following address **quoting your Reference Folio No. / DP ID/ Client ID:**

Investor Service Centre: Piramal Healthcare Buyback
 Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound,
 L.B.S. Marg, Bhandup (W), Mumbai 400078;
 Phone: +91 22 25960320
 Fax: +91 22 25960329
 Toll Free No.: 1-800-22-0320
 Email: phl.buyback@linkintime.co.in
 Contact Person: Mr. Nilesh Chalke

-----Tear Here-----

**ACKNOWLEDGEMENT SLIP – WITHDRAWAL
 PIRAMAL HEALTHCARE LIMITED – BUYBACK OFFER**

(to be filled in by the shareholder)

Received from Mr./Ms.

Residing at.....

a Withdrawal Form forShares along with:

- copy of depository instruction slip from DP ID Client ID.....
- copy of acknowledgement slip issued when depositing the Form
- copy of acknowledgement slip issued when depositing physical Shares

for withdrawing from the Offer made by the Company.

Stamp of Collection Centre:		Signature of Official:		Date of Receipt:	
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MANDATE FORM
NATIONAL ELECTRONIC CLEARING SERVICE (CREDIT CLEARING)
[TO BE USED ONLY BY SHAREHOLDERS TENDERING SHARES IN PHYSICAL FORM]

Piramal Healthcare Limited
Piramal Tower, Ganpatrao Kadam Marg,
Lower Parel, Mumbai – 400 013

Dear Sirs:

I am pleased to participate in the National Electronic Clearing Services (NECS) introduced by Reserve Bank of India (RBI). The particulars of my Bank Account to which the payment of Buyback consideration may be electronically credited are as follows:

1. Name of Sole/First Holder of shares -----
2. Folio No. -----
3. Name of the Bank -----
4. Branch address of Bank to which consideration -----
Amount to be credited -----
5. 9-digit Code Number of the Bank and Branch
appearing on the MICR cheque issued by your
Bank. This is mentioned on the MICR band next
to the cheque number.
**(Please attach blank “cancelled” cheque or a
photocopy thereof)**
6. Account Type (tick one) Savings Current Cash Credit
7. Ledger Folio of your Bank Account
(If any, appearing on your cheque book) -----
8. Account No. (as appearing on your cheque book) -----

I hereby declare that the particulars given above are correct and complete. If the payment of buyback consideration is delayed or not effected at all for reasons of incomplete or incorrect information, I would not hold the Company responsible.

Date: _____

Signature of Sole/First Holder

In case the shareholder is not in a position to give blank “cancelled” cheque or a photocopy thereof, a certificate of the shareholder’s Bank may be furnished as under:

Certificate of the Shareholder’s Bank

(To be submitted only if blank “cancelled” cheque or a photocopy thereof is not enclosed)

Certified that the particulars furnished above are correct as per our records.

Bank’s Stamp: _____

Date: _____

Signature of the Authorised Official of the Bank