



# **Pharmaids pharmaceuticals limited**

**Notice of NCLT convened Meeting of the Equity Shareholders as per the provisions of Sections 230-232 read with Section 234 of the Companies Act, 2013**

<p align="center"><b>NOTICE - EQUITY SHAREHOLDERS</b></p>
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## PHARMAIDS PHARMACEUTICALS LIMITED

Regd. Office & Works: 4-4-211/212/3, 1<sup>st</sup> Floor Inderbagh, Sultan Bazar, Hyderabad-500095

Web Site: [www.pharmaids.com](http://www.pharmaids.com), CIN: L52520TG2006PLC050994

Email Id: [mailpharmaids@yahoo.co.in](mailto:mailpharmaids@yahoo.co.in) Contact No.: 9866272052 Fax: +914027562126

### NOTICE OF NATIONAL COMPANY LAW TRIBUNAL CONVENED MEETING OF EQUITY SHAREHOLDERS OF PHARMAIDS PHARMACEUTICALS LIMITED

#### MEETING:

<b>Day</b>	Saturday
<b>Date</b>	11 <sup>th</sup> May, 2019
<b>Time</b>	10.30 a.m. IST
<b>Venue</b>	4-4-211/212/3, 1 <sup>st</sup> Floor Inderbagh, Sultan Bazar, Hyderabad-500095

#### REMOTE E-VOTING:

<b>Commencing on</b>	Wednesday, 8 <sup>th</sup> May, 2019 at 09.00 a.m. IST
<b>Ending on</b>	Friday, 10 <sup>th</sup> May, 2019 at 05.00 p.m. IST

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**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH  
CA(CAA)No.81/230/HDB/2019**

In the matter of the Companies Act, 2013

AND

In the matter of Sections 230 to 232 read with Section 234 and other applicable provisions of the Companies Act, 2013

AND

In the matter of Pharmaids Pharmaceuticals Ltd, a company incorporated under the provisions of the Companies Act, 1956

AND

In the matter of Scheme of Amalgamation of Emergent Bio Naturals Limited and Pharmaids Pharmaceuticals Limited and their respective members.

**Pharmaids Pharmaceuticals Limited,**  
(CIN: L52520TG2006PLC050994),  
a Company incorporated under the  
Companies Act, 1956, having its  
Registered office at 4-4-211/212/3,  
1<sup>st</sup> Floor Inderbagh, Sultan Bazar,  
Hyderabad-500095.

..... the Applicant Company

**NOTICE CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS OF PHARMAIDS PHARMACEUTICALS LIMITED, OF THE APPLICANT COMPANY**

To,

The Equity Shareholders of Pharmaids Pharmaceuticals Limited (**"Applicant Company"/ "Transferee Company"**).

Notice is hereby given that by an order dated March 20, 2019, the Hyderabad Bench of the Hon'ble National Company Law Tribunal (**"NCLT"**) has directed that a meeting of equity shareholders of the Applicant Company, be convened and held for the purpose of considering and if thought fit, approving the Scheme of Amalgamation among Emergent Bio Naturals Limited (**"Transferor Company"**) and the Applicant Company and their respective members (**"Scheme of Amalgamation"**) for the Amalgamation (as defined in Scheme of Amalgamation).

In pursuance of the said order and as directed therein, further notice is hereby given that a meeting of equity shareholders of the Applicant Company will be held at 4-4-211/212/3, 1<sup>st</sup> Floor, Inderbagh, Sultan Bazar, Hyderabad-500095 at, India on Saturday, May 11, 2019 at 10:30 a.m. IST (**"Meeting"**), at which time and place the equity shareholders of the Applicant Company are requested to attend and to consider and if thought fit, to pass the following resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 230 to 232 and Section 234 of the Companies Act, 2013 read with the Companies (Compromises, Amalgamations and Amalgamations) Rules, 2016 and other applicable provisions of the Companies Act, 2013 and the clauses of the Memorandum and Articles of Association of Pharmaids Pharmaceuticals Limited (**"the Company"**) and subject to the approval by the requisite majority of the members of the Company and Hon'ble National Company Law Tribunal, Hyderabad Bench (**"NCLT"**) and further subject to the consents, approvals and permissions being obtained from appropriate authorities to the extent applicable or necessary, approval of the equity shareholders be and is hereby accorded to the Scheme of Amalgamation among Emergent Bio Naturals Limited (**"Transferor Company"**) and the Company and their respective members (**"Scheme of Amalgamation"**) for the Amalgamation (as defined in Scheme of Amalgamation) placed before this NCLT convened Meeting, duly initialed by the Chairman of the Meeting for the purpose of identification, be and is hereby approved;

**RESOLVED FURTHER THAT** the board be and is hereby authorized to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the Amalgamations embodied in the Scheme of Amalgamation and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the NCLT and/or any other authorities while sanctioning the Scheme of Amalgamation or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme of Amalgamation, as the Board may deem fit and proper.”

TAKE FURTHER NOTICE that persons entitled to attend and vote at the Meeting may vote in person or by proxy, provided that all proxies in the prescribed form are deposited at the Registered Office of the Applicant Company at 4-4-211/212/3, 1<sup>st</sup> Floor, Inderbagh, Sultan Bazar, Hyderabad-500095, India, not later than 48 hours before the scheduled time of the commencement of the Meeting of the equity shareholders of the Applicant Company. Forms of proxy can also be obtained from the registered office of the Applicant Company.

TAKE FURTHER NOTICE that in compliance with the order issued by NCLT dated Wednesday 20, March 2019 (“**NCLT Order**”) and the provisions of Section 230(4) and Section 108 of the Companies Act, 2013 and the rules made thereunder and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Applicant Company has provided the facility of voting by remote e-voting as well as electronic voting system at the venue of the Meeting, so as to enable the equity shareholders to consider and approve the Scheme of Amalgamation by way of the aforesaid resolution. Accordingly, voting by equity shareholders of the Applicant Company to the Scheme of Amalgamation shall be carried out through remote e-voting and (ii) electronic voting system at the venue of the Meeting to be held on May 11, 2019.

It is clarified that votes may be cast by the equity shareholders by remote e-voting in terms of this Notice and casting of votes by remote e-voting does not disentitle them from attending the Meeting. However, the members who have cast their votes by remote e-voting will not be eligible to cast their votes at the Meeting. It is further clarified that votes may be cast personally or by proxy or by Authorized Representative at the Meeting as provided in this Notice. The remote e-voting period shall commence on Wednesday, May 8, 2019 at 9:00 a.m. IST and shall end on Friday, May 10, 2019 at 5:00 p.m. IST.

Copies of the Scheme of Amalgamation and Explanatory Statement under Section 230 of the Companies Act, 2013 can be obtained free of charge from the Registered Office of the Applicant Company and/or from the office of the Scrutinizer, Mr. A.Sanmukha Reddy Plot.No.30, Road.No.2, Near Alkapuri, Sai Baba Temple, Yadav Nagar, Ramkrishnapuram, Hyderabad-500102, India.

NCLT has appointed Ms. Kopal Sharraf, Advocate, an Independent Professional to act as the Chairman of the said Meeting including any adjournment thereof.

The Scheme of Amalgamation, if approved at the Meeting by the requisite majority of the equity shareholders of the Applicant Company, will be subject to the subsequent approval of the NCLT and any other approvals as may be required.

Explanatory Statement under Section 230(3) read with Section 102 of the Companies Act, 2013 along with copy of the Scheme of Amalgamation and other enclosures as indicated in the index including Proxy Form and Attendance Slip are enclosed herewith.

Dated this 5th April, 2019

Ms.Kopal Sharraf

**The Chairperson Appointed for the Meeting**

Place: Hyderabad

**Registered Office:  
4-4-211/212/3, 1st Floor,  
Inderbagh  
Sultan Bazar,  
Hyderabad-500095**

**Notes:**

1. All alterations made in the Form of the Proxy should be initialed.
2. Only registered equity shareholders of the Applicant Company may attend and vote (either in person or by proxy or by authorised representative at the Meeting. The authorised representative of a body corporate which is a registered equity shareholder of the Applicant Company may attend and vote at the Meeting provided that a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate authorizing such representative to attend and vote at the Meeting is deposited at the Registered Office of the Applicant Company not later than 48 hours before the scheduled time of the commencement of the Meeting.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE APPLICANT COMPANY. The Form of Proxy duly completed should, however, be deposited at the Registered Office of the Applicant Company not later than 48 hours before the scheduled time of the commencement of the Meeting.
4. A person can act as a proxy on behalf of shareholders not exceeding 50 (fifty) and holding in aggregate not more than 10% of the total share capital of the Applicant Company carrying voting rights. A shareholder holding more than 10% of the total share capital of the Applicant Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
5. The Proxy should carry any of their identity proof i.e. a Pan Card / Aadhaar Card / Passport / Driving License / Voter ID Card or such other proof at the venue of the Meeting.
6. A registered equity shareholder or his Proxy or authorized representative is requested to bring copy of the notice to the Meeting and produce the attendance slip duly completed and signed at the entrance of the Meeting venue.
7. Shareholders who hold shares in dematerialized form are requested to produce their Client ID and DP ID for easy identification of attendance at the Meeting.
8. Shareholders are informed that in case of joint holders attending the Meeting, only such joint holder whose name stands first in the Register of Members of the Applicant Company/ list of Beneficial Owners as received from Central Depository Services (India) Limited ("CDSL") (collectively referred to as "Depositories") in respect of such joint holding will be entitled to vote.
9. In compliance with the NCLT Order, the Notice is being sent to all the Members whose names appear in the Register of Members/Beneficial Owners as per the details furnished by the Depositories as on 5<sup>th</sup> April, 2019 i.e. cut-off date for dispatch of Notice. This Notice of the NCLT Convened Meeting of Members of the Applicant Company is also displayed / posted on the website of the Applicant Company at [www.pharmaids.com](http://www.pharmaids.com) and on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com).
10. In compliance with the NCLT Order, the provisions of Section 230(4) read with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Applicant Company has provided the facility to the shareholders to cast their votes either by way of remote e-voting facility, prior to the Meeting or by way of electronic voting system at the venue of the Meeting.

11. The equity shareholders holding equity shares as on May 3rd, 2019, being the cut-off date, will be entitled to exercise their right to vote on the above resolution.
12. Voting rights shall be reckoned on the paid-up value of the shares registered in the names of equity shareholders as on May 3rd, 2019. Persons who are not equity shareholders of the Applicant Company as on the cut-off date i.e. May 3rd, 2019 should treat this notice for information purposes only.
13. In accordance with the provisions of Sections 230 – 232 of the Companies Act, 2013, the Scheme of Amalgamation shall be acted upon only if a majority in number representing three fourths in value of the equity shareholders of the Applicant Company, voting in person or by proxy or by authorized representative, agree to the Scheme of Amalgamation
14. The Voting period for remote e-voting shall commence on and from **Wednesday, May 8, 2018 at 9:00 a.m. IST and shall end on Friday, May 10, 2018 at 5:00 p.m. IST (Inclusive of both the days).**
15. It is clarified that votes may be cast by shareholders by remote e-voting and casting of votes by remote e-voting does not disentitle them or their proxies or authorized representatives from attending the Meeting. The shareholder or his/her proxy or its authorized representatives shall not be allowed to vote again at the Meeting, if such shareholder has exercised his/ her right to vote through remote e-voting.
16. Mr. A.Sanmukha Reddy Advocates, has been appointed by the NCLT, as the Scrutinizer to scrutinize the voting by remote e-voting and electronic voting system at the venue of the Meeting.
17. The Scrutinizer will submit his consolidated report to the Chairman of the Meeting after scrutinizing the voting made by members/proxies through remote e-voting and electronic voting system at the venue of the Meeting. The result of the voting on the above Resolution shall be announced by the Chairman of the Meeting or any person authorized by him within forty-eight hours of the conclusion of the Meeting. The results will be posted on the website of the Applicant Company at [www.pharmaids.com](http://www.pharmaids.com) and on CDSL website at [www.evotingindia.com](http://www.evotingindia.com), as well as on the notice board of the Applicant Company at its Registered Office and Corporate Office besides being notified to Central Depository Services (India) Limited and BSE Limited, the stock exchanges, where shares of the Applicant Company are listed.
18. Relevant documents referred in the Notice and the Explanatory Statement are open for inspection by the shareholders at the Registered Office of the Applicant Company on all working days, except Saturdays and Sundays, between 11:00 a.m. IST and 4:00 p.m. IST up to the date of the Meeting and at the Meeting during the Meeting hours.
19. Pursuant to Section 101 of the Companies Act, 2013 read with the Rules made thereunder, (including any statutory modification(s), clarification(s), exemption(s) or re-enactment(s) thereof for the time being in force) the Notice is being sent by electronic mode to those shareholders whose e-mail address are registered with the Depositories or the Applicant Company's Registrar and Transfer Agent. However, in case a shareholder wishes to receive a physical copy of the Notice, he/she is requested to send an e-mail from their registered email ID to [mailpharmaids@yahoo.co.in](mailto:mailpharmaids@yahoo.co.in) or [rnt.helpdesk@vccilindia.com](mailto:rnt.helpdesk@vccilindia.com) duly quoting his/her DP ID and Client ID or the Folio number, as the case may be. For shareholders who have requested for physical copy of the Notice or whose e-mail address is not registered, the physical copy of the Notice is being sent by the permitted mode.
20. Any queries/grievances pertaining to voting by remote e-voting process can be addressed to Mr. ASanmukha Reddy, Scrutinizer of the Applicant Company, at Plot No.30, Road No.2, Near Alkapuri, Sai Baba Temple, Yadav Nagar, Ramkrishnapuram, Hyderabad-500102, India or by sending an e-mail at [sanmukhareddy@yahoo.com](mailto:sanmukhareddy@yahoo.com)
21. Voting through Remote E-voting:
  - a. In accordance with the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 including the amendments thereto, the Applicant Company is pleased



to provide facility to its members, to cast their vote electronically for the resolution proposed at the NCLT Convened Meeting of the Applicant Company. The Applicant Company has appointed CDSL to provide remote e-voting and electronic voting facility at the venue of the Meeting to its shareholders.

- b. The voting right of shareholders shall be in proportion to one vote per fully paid equity share of the Applicant Company held by them as on May 3rd, 2019, being the cut-off date.
- c. The instructions for shareholders voting through remote e-voting are as under:
  - i. The voting period begins on **Wednesday, May 8, 2019 at 9:00 a.m. IST and ends on Friday, May 10, 2019 at 5:00 p.m. IST**. During this period, shareholders of the Applicant Company holding shares either in physical form or in dematerialized form, as on May 3, 2019, being the cut-off date, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
  - ii. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - iii. Click on Shareholders.
  - iv. Now Enter your User ID
    - For CDSL: 16 digits beneficiary ID,
    - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - v. Next enter the Image Verification as displayed and Click on Login.
  - vi. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - vii. If you are a first time user follow the steps given below:

**For Members holding shares in Demat Form and Physical Form**

PAN	<p>Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or Company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.



- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolution contained in this Notice.
- xi. Click on the EVSN for **Pharmaids Pharmaceuticals Limited** on which you choose to vote.
- xii. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiv. After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xvii. If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii. Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xix. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

Any Person having any grievances in connection with remote e-voting may write to:

Name	:	Mr. Rakesh Dalvi
Designation	:	Deputy Manager
		Address: CDSL, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mills Compounds, N M Joshi Marg, Lower Parel (East), Mumbai – 400 013, Maharashtra, India.
Email ID	:	<a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a>
		Toll Free Number:1800225533

Enclosures: As above

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH**

**CA(CAA) NO.81/230/HDB/2019**

In the matter of the Companies Act, 2013;

AND

In the matter of Sections 230 to 232 read with Section 234 and  
other applicable provisions of the Companies Act, 2013;

AND

In the matter of Scheme of Amalgamation among Emergent Bio  
Naturals Limited and Pharmaids Pharmaceuticals Limited and  
their respective members.

Pharmaids Pharmaceuticals Limited  
(CIN: L52520TG1989PLC009679),  
a company registered under the provisions of  
Companies Act, 1956 and having its Registered  
Office at 4-4-211/212/3, 1<sup>ST</sup> Floor, Inderbagh,  
Sultan Bazar, Hyderabad-500095

..... Applicant Company

**EXPLANATORY STATEMENT UNDER SECTION 230(3) READ WITH SECTION 102 OF THE COMPANIES ACT, 2013 AND READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 TO THE SCHEME OF AMALGAMATION AMONG EMERGENT BIO NATURALS LIMITED AND PHARMAIDS PHARMACEUTICALS LIMITED AND THEIR RESPECTIVE MEMBERS.**

1. Pursuant to the Order dated March 20, 2019, passed by the Hon'ble National Company Law Tribunal, Hyderabad Bench, ("NCLT"), a meeting of the equity shareholders of Pharmaids Pharmaceuticals Limited ("Applicant Company" / "Transferee Company") is being convened at 4-4-211/212/3, 1<sup>st</sup> Floor, Inderbagh, Sultan Bazar, Hyderabad-500095, India on Saturday, May 11, 2019 at 10:30 a.m. IST ("Meeting"), for the purpose of considering and if thought fit, approving the Amalgamation embodied in the Scheme of Amalgamation among Emergent Bio Naturals Limited ("Transferor Company") and Applicant Company and their respective members ("Scheme of Amalgamation"), is enclosed as Annexure 1. Notice of the said Meeting together with the copy of the Scheme of Amalgamation is sent herewith. This statement explaining the terms of the Scheme of Amalgamation is being furnished, inter alia, as required u/s 230(3) of the Companies Act, 2013.
2. The draft Scheme of Amalgamation was placed before the Audit Committee and Board of Directors of the Applicant Company at the meeting held on July 18, 2018. In accordance with the provisions of Securities and Exchange Board of India ("SEBI") Circular bearing no. CFD/DIL3/CIR/2017/21 dated March 10, 2017, the Audit Committee of the Applicant Company vide a resolution passed on July 18, 2018 recommended the Scheme of Amalgamation to the Board of Directors of the Applicant Company, inter alia, taking into account the Fairness Opinion dated July 5, 2018 issued by Inventure Merchant Banker Services Pvt.Ltd, an independent Merchant Banker, enclosed as **Annexure 7**. The Board of Directors of the Applicant Company at its meeting held on July 18, 2018, approved the Scheme of Amalgamation inter alia, based on such recommendation of the Audit Committee.
3. List of the companies/parties involved in the Scheme of Amalgamation:
  - a) Pharmaids Pharmaceuticals Limited
  - b) Emergent Bio Naturals Limited
4. Details of the companies/parties to the Scheme of Amalgamation:
  - a) Pharmaids Pharmaceuticals Limited

- i. Pharmaids Pharmaceuticals Limited, the Transferee Company, came into existence by conversion of a Company in the name and style of "Pharmaids Pharmaceuticals Private Limited" into a company in the name and style of Pharmaids Pharmaceuticals Limited on April 20th, 1992 under the provisions of Part IX of the Companies Act, 1956 with its running business activities. It is a listed public limited company having Corporate Identification Number ("CIN"): L52520TG1989PLC009679 and PAN:AABCP4657N. The equity shares of the Applicant Company are listed on the National Stock Exchange of India Limited and BSE Limited ("Stock Exchanges").
- ii. The Registered Office of the Applicant Company is situated at 4-4-211/212/3, 1<sup>st</sup> Floor, Inderbagh, Sultan Bazar, Hyderabad-500095, Telangana, India. The email address of the Applicant Company is [mailpharmaids@yahoo.co.in](mailto:mailpharmaids@yahoo.co.in).
- iii. The main objects of the Applicant Company are set out in the Memorandum of Association which are as under:
  - To carry on manufacture and/or business of Chemists, Druggists, Chemicals drysalts, importers, exporters and dealers in cosmetics, pharmaceuticals and medical preparations. Under all systems such as Ayurvedic, Allopathy, Unani Veterinary and Homeopathy.
  - To prepare, formulate and compound proprietary medicine, articles, chemicals and scientific equipment's, soaps, cleaning compounds and detergents.
  - To Manufacture and deal in anatomical orthopedic and surgical instruments and appliances and providers of all requisites of hospitals, patients and invalids

The Pharmaids Pharmaceuticals Limited is a Public Company and its shares are listed on BSE Limited ("BSE")
- iv. The Authorized, Issued, Subscribed and Paid Up Share Capital of Applicant/ Transferee Company as per the Audited Financial Statement as at 31st March, 2018 is as under: -

Particular	Amount in Rs.
<b>Authorised Share Capital</b>	
40,00,000 Equity Shares of Rs. 10/- each	4,00,00,000
<b>Issued, Subscribed and Paid Up Capital</b>	
34,05,500 Equity Shares of Rs. 10/- each fully paid	3,40,55,000
<b>Less: Calls in Arrears</b>	4,24,150
<b>Total</b>	<b>3,36,30,850</b>

Subsequent to 31st March, 2018, there is no change in the aforesaid share capital of the PPL.

- v. The details of the present promoter(s) and directors of the Applicant Company along with their addresses are as follows:

#### Promoters

Sr.No.	Name	Address
1.	Ghisulal R Jain	76/56, 3 <sup>rd</sup> Floor, E V K Sampath Salai Alok Apartment, Vepery, Chennai-600007.

#### Promoter Group

1.	Abhilekha Jain	53-4-133/1/2 Flat no.502, 5th Floor Royal Manor Apts, Barkatpura Hyderabad, 500027
2.	Jayshree Sanjay Patni Sanjay Birdichand Patni	103, Brighton Hari Om Nagar Mulund East Mumbai Maharashtra-400081

3.	Ghisulal Jain	Flat No 502 5th Floor 3 4 133/1/2, Opp Shalini Hospital Barkatpura Hyderabad-500027
4.	Abhilekha Jain	3-4-133/1/2 Flat no 502 5th floor Royal manor Apts Barkatpura Lingampally Hyderabad-500027
5.	Subhash B Lalwani	4/3/55 First Floor K S Lane Raghunathbagh, Hyderabad-500095
6.	Veena Lalwani	4/3/55 First Floor, K S Lane Opp H V S Public School, Raghunathbagh Hyderabad-500095
7.	Abhishek Jain	3-4-133/1/2/502 5th floor Royal Manor, Aptmnts Barkatpura Hyderabad,, 500027
8.	Satish Chand	B- 74, Natwar Nagar, Mathura, 281001
9.	Prashant H. Dave	118, Andheri Industrial, Mumbai-400053
10.	Surekha Prashant Dave	Flat No 901b Wing Krishna Apts Ashokchakravati Cross Rd Kandivali East, Mumbai, 400101
11.	Kant Rao .	3-2-568, Chappal Bazar Hyderabad, 500095
12.	Babulal Jain	45 Dhanji Street, 21 Silver Kalbadevi Mumbai-400002
13.	Umadevi Babulal Jain	45 Dhanji Street 21 Silver Mansion li Floor, Kalbadevi Mumbai, 400002
14.	Pushpa Dave Hariprasad Dave	B-901, Krishna Apartment, opp. Childrens Academy, Ashok Chakravarti xrd, Kandivalie, Mumbai-400101
15.	B. Venkata Swamy .	H. no 1-83/2 Rachadur, Kandukur mandal R.R. Dist-501359
16.	B. Venkatswamy	4-4-212/9, Inder Bagh, Sultan Bazar, Opp: Raghavendra Bagh, Hyderabad, Telangana-500058
17.	Uttam P Jain	No 100 Pathnool Peth A G Char Street Cross Gopal Mahal Building Bangalore-560002
18.	Madhukumari Bharat Kitawat	Hiral Mansion, E- Block 2nd Floor, Room No- 20 Bhangwadi, Kalbadevi Mumbai-400002
19.	Suresh Kumar	C/O Uco Home Appliances No 312 Mint Street, Chennai-600003
20.	Updesh Kumar	H. No- 3513 Ward no- 19 Calcutta Street, Nai Basti, Bathinda Punjab-151005

• **Directors**

Sr.No.	Name of Director	Address	DIN
1	Mr.Dr.Ghisulal Jain	3-6-133/1/2, Flat.no 502, Royal Manor Apts Barkatpura, Hyderabad-500027	00404983
2	Ms.Seema Jain	3-6-133/1, Flat.no 502, Royal Manor Apts Barkatpura, Hyderabad-500027	07183851
3	Mr. Mahendra.K. Ranka	303, Metro Salona Penderghast Road, Hyderabad-500003	01268256
4	Mr.Sudheer Anand	1-5-104, Shiva Temple, Musheerabad, Hyderabad-500020, Telangana	00404917

- vi. The amount due to Unsecured Creditors of the Applicant Company as on June 30, 2018 is 19,76,011/-

**b) Emergent Bio Naturals Limited**

- i. Emergent Bio Naturals Limited, the Transferor Company, is incorporated as a Public Limited Company under the Companies Act, 1956, on 28<sup>th</sup> August, 2006 in the name of Emergent Bio Naturals Limited in the State of Telangana. The CIN of the Company is U01122TG2006PLC050994. There has been no further change in the name of EBNL in the last five (5) years. The equity shares of EBNL are not listed on any stock exchange.
- ii. The Registered Office of EBNL is situated at Flat.No.503, Amrutha Estates, Himayath Nagar, Hyderabad-500029.Telangana. There has been no change in the Registered Office address of EBNL in last five (5) years. The e-mail address of EBNL is venkatpadmaja@rediffmail.com
- iii. The objects for which EBNL has been established are set out in its Memorandum of Association. The main object of EBNL are, inter alia, as follows:
  - To undertake, promote ,assist, procure or otherwise acquire or engage in all kinds , of developmental work in the fields of Biology, Biotechnology, Biochemistry including molecular and cell biology for developing manufacturing , producing, processing, repairing, treating, buying, selling, importing, exporting, distributing, marketing and generally dealing in all kinds, descriptions and varieties of drugs and pharmaceuticals, medical diagnostics kits, vaccines, anti-bodies, Virulent bacteria, fomenter and other industrial bio-products such as enzymes and gums.
  - To carry on the business of research, design, develop, prepare and supply of technical knowhow and to act as consultants, technical consultants and advisory services in the fields of Biology, Biotechnology and Biochemistry.
- iv. The Authorised, Issued, Subscribed and Paid up Share Capital of EBNL as on 31st day of March 2018 is as under.

Share Capital	Amount in Rs.
<b>Authorised Share Capital</b>	
35,00,000 Equity Shares of Rs. 10/- each	3,50,00,000
<b>Issued, Subscribed and Paid Up Capital</b>	
24,66,334 Equity Shares of Rs. 10/- each	2,46,63,340

Subsequent to the above Financial Statement date there is change in the Capital Structure of EBNL on account of Issue of Bonus shares of 9,86,533 equity shares of Rs.10 each on 04th June, 2018. After issue of bonus the said equity shares the paid up equity share capital of the company stand increased to Rs. 3,45,28,670/- divided into 34,52,670 equity Shares of Rs. 10/- each fully paid up.

- v. The details of the present promoter(s) and directors of Transferor Company along with their addresses are as follows:

• **Promoter (s)**

Sr.No.	Name	Registered Office Address
1.	Sadhanala Venkata Rao	Survey.no.115 Hanumanji Colony Opp to SRO Office-Secunderabad,Telangana.

### Promoters Group

Sr.No.	Name	Address
1.	Sadhanala Padmaja Kalyani	Survey.no.115 Hanumanji Colony Opp to SRO Office-Secunderabad, Telangana
2.	S.Viswa Prasad.	Door.no.43-3-19/22,Flat.no.502, Sreeja Residency,Third lane, Visakhapatnam-530016.
3.	D.Urmilla	202 Ramjas Apartment Opp to Srikanya Cinema Hall,Visakhapatnam-530016
4.	P.Anuradha	Door.no.43-3-19/22,Flat.no.502, Sreeja Residency,Third lane, Visakhapatnam-530016
5.	P.Meena Kumari	Survey.no.115 Hanumanji Colony Opp to SRO Office-Secunderabad,Telangana
6.	R.Kantam	Door.no.43-3-19/22,Flat.no.502, Sreeja Residency,Third lane, Visakhapatnam-530016
7.	S.Kalyani	Survey.no.115 Hanumanji Colony Opp to SRO Office-Secunderabad,Telangana
8.	P.Bhatcharya	Flat.no.301, Kundan Bagh, Begumpet, Hyderabad,Telangana-500026
9.	Satya Hari Dey	Satya Hari Dey,208 IIT Kharkpur, West Bengal, India
10.	Subbalakshmi Bhattacharya	Flat.no. 301,Kundan Bagh, Begumpet, Hyderabad,Telangana-500026
11.	M.Venkata Narayana	402 Sai Vijay Enclav S.R.Nagar, Hyderabad,Telangana-500038

### • Directors

Sr. No.	Name of Director	Address	DIN
1	Mr.Dasi Reddy Rakesh Reddy	First Floor, APIIC Colony IDA, Jeeditmetla, Qutubullapur, Hyderabad-500055	07112785
2	Mr. P.Bhushan Rao	4-1-216/13,14,28,29, Sneha Residency, Karthikeya Nagar, Nacharam, Hyderabad-500076	02906353
3	Mr. Bipin Kumar Shah	Flat No. 402, Juhu Landmark, CHS Ltd, 4 <sup>th</sup> Floor, Plot No. 37, Gulmohar Road, Ville Parle West Mumbai-400049	05221259

- vi. The amount due to Unsecured Creditors of Transferor Company as on June 30, 2017 is 1,96,468/-
5. Details of the Board meeting at which the Scheme of Amalgamation was approved by the Board of Directors of the Applicant Company and Transferor Company including the name of the Directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution.
  - a) Mr. Ghisulal Jain, Ms. Seema Jain, Mr. Mahendra K. Ranka & Mr. Sudheer Anand, Directors of the Applicant Company, had attended the Board meeting held on July 18, 2018 and had unanimously approved the Scheme of Amalgamation.



- b) Mr. Dasi Reddy Rakesh Reddy, Mr. P.Bhushan Rao, Mr.Bipin Kumar Shah, Directors of the Transferor Company, had attended the Board meeting held on June 12, 2018 and had unanimously approved the Scheme of Amalgamation.

6. **Salient features / details / extract of the Scheme of Amalgamation**

The salient extracts of the Scheme are as Under:

- a) The Appointed Date as per the Scheme is 1<sup>st</sup> April, 2018
- b) The integration, consolidation and amalgamation of the Transferor Company with the Transferee Company would inter alia have the following benefits:
- The transferor company has developed dermatology range of products which are patented in England and will bring the technical knowhow and marketing capabilities into the merged entity.
  - The promoters of the transferor company are financially sound and capable to provide necessary collaterals to the bankers and Financial Institutions against the borrowings for the project finance.
  - Cost savings are expected to flow from more focused operational efforts, rationalization, standardisation and simplification of business processes, productivity improvements, improved procurement, usage of common resource pool like human resource, administration, finance, accounts, legal, technology and other related functions, leading to elimination of duplication and rationalization of administrative expenses.
  - Greater integration, financial strength and flexibility for the Transferee Company, which will improve the financial position of the Transferee Company on a standalone basis.
  - Greater efficiency in cash management of the Transferee Company, and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund growth opportunities, to further improve shareholder's value.
  - Greater financial flexibility to execute on other opportunities to accelerate the Transferee Company's long-term growth targets by infusing the additional funds to scale up the operations.
  - Improved organizational capability and leadership through effective board, arising from the pooling of human capital that has the diverse skills, talent. and vast experience to compete successfully in an increasingly regulated and competitive industry.
  - Benefit of operational synergies to the combined entity in areas such as raw material sourcing, product placement, marketing and sale- promotions initiatives, freight optimization and logistics.
  - Greater leverage in operations planning and process optimization and enhanced flexibility in product offerings.
  - Greater liquidity to the shareholders of Transferor Company since the shares to be issued to them shall be listed with the Stock Exchanges
- c) **Effective Date** means the last of the dates on which the certified or authenticated copies of the order of the National Company Law Tribunal sanctioning the Scheme are filed with the Registrar of Companies by the Transferor Company and by the Transferee Company. Any references in this Scheme to the date of “**coming into effect of this Scheme**” or “**effectiveness of this Scheme**” or “**Scheme taking effect**” shall mean the Effective Date.
- d) **TRANSFER AND VESTING OF UNDERTAKING**
- Subject to the provisions of this Scheme as specified hereinafter and with effect from the Appointed Date, the entire business and Undertaking of the Transferor Company,*** including all the debts, liabilities, losses, duties and obligations, including those arising on account of taxation laws and other allied laws of the Transferor Company of every description and also including, without limitation, all the movable and immovable properties and assets, tangible or intangible assets (whether or not recorded in the books of account of the Transferor Company) of the Transferor Company



comprising, amongst others, all freehold land, leasehold land, building, plants, motor vehicles, receivables, actionable claims, furniture and fixtures, computers, office equipment, electrical installations, generators, containers, telephones, telex, facsimile and other communication facilities and business licenses, Factories Act licenses, manufacturing licenses, permits, deposits, authorisations, approvals, insurance cover of every description, lease, tenancy rights, permissions, incentives, if any, and all other rights, patents, know-how, trademark, service mark, trade secret, brands, registrations, licenses including marketing authorisations and other intellectual property rights, proprietary rights, title, interest, contracts, deeds, bonds, consents, approvals and rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages and benefits shall, under the provisions of Sections 230 to 232 of the Act and pursuant to the order of the NCLT sanctioning this Scheme and without further act, instrument or deed, but subject to the charges affecting the same as on the Effective Date, be transferred and/or deemed to be transferred to and vested in the Transferee Company, so as to become the properties, assets, rights, business and Undertaking of the Transferee Company.

Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or Amalgamation which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company or any of the Transferor Company and the Transferee Company shall, ipso facto, stand discharged and come to an end and there shall be no liability on any party and appropriate effect shall be given in the books of accounts and records of the Transferee Company. It is hereby clarified that there will be no accrual of interest or other charges in respect of any inter-company loans, advances and other obligations between the Transferor Company or any of the Transferor Company and the Transferee Company, with effect from the Appointed Date.

All existing securities, mortgages, charges, liens or other encumbrances, if any, as on the Appointed Date and created by any of the Transferor Company after the Appointed Date, over the properties and other assets comprised in the Undertaking or any part thereof transferred to the Transferee Company by virtue of this Scheme and in so far as such securities, mortgages, charges, liens or other encumbrances secure or relate to liabilities of any of the Transferor Company, the same shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company, and such securities, mortgages, charges, liens or encumbrances shall not relate or attach to any of the other assets of the Transferee Company, provided however that no encumbrances shall have been created by any of the Transferor Company over its assets after the date of filing of the Scheme without the prior written consent of the Board of Directors of the Transferee Company, except for those done in the normal course of business.

The existing encumbrances over the properties and other assets of the Transferee Company or any part thereof which relate to the liabilities and obligations of the Transferee Company prior to the Effective Date shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Company transferred to and vested in the Transferee Company by virtue of this Scheme.

It is expressly provided that, save as herein provided, no other term or condition of the liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.

With effect from the Appointed Date, all contracts, statutory licenses, registrations, incentives, tax deferrals and benefits, carry-forward of tax losses, tax credits, tax refunds, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, permissions, approvals or consents to carry on the operations of the Transferor Company, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by any of the Transferor Company and all rights and benefits that have accrued or which may accrue to any of the Transferor Company, whether before or after the Appointed Date shall stand vested in or transferred to the Transferee Company, pursuant to the

Scheme, without any further act or deed and shall remain valid, effective and enforceable on the same terms and conditions and shall be appropriately mutated by the statutory authorities concerned in favour of the Transferee Company upon the vesting and transfer of the Undertaking of the Transferor Company pursuant to this Scheme.

Subject to the other provisions of this Scheme, all contracts, including contracts for tenancies, licenses and capacity allotments obtained from Government Authority, MOU's with Government Authority, land lease deeds, other deeds, bonds, agreements, any agreement with Government Authority, licenses, permits, registrations, approvals and other instruments, if any, of whatsoever nature to which any of the Transferor Company are a party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto, notwithstanding the terms contained in such contracts, deeds, bonds, agreements, licenses, permits, registrations, approvals and other instruments.

The amalgamation of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date and shall be in accordance with Section 2(1B) of the Income Tax Act, 1961. If any terms or provisions of the Scheme is/ are inconsistent with the provisions of section 2(1B) of the Income Tax Act, 1961, the provisions of Section 2(1B) shall prevail and the Scheme shall stand modified to the extent necessary to comply with such provisions. Such modifications will however not affect the other parts of the Scheme.

e) **LEGAL PROCEEDINGS**

If any suit, appeal or other proceeding of whatever nature by or against any of the Transferor Company are pending, including those arising on account of taxation laws and other allied laws, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the Amalgamation by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee Company, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company, as if this Scheme had not been made.

On and from the Effective Date, Transferee Company may, if required, initiate or defend any legal proceedings in relation to the rights, title, interest, obligations or liabilities of any nature whatsoever, whether under contract or law or otherwise, of Transferor Company and to the same extent as would or might have been initiated by or defended by Transferor Company.

f) **TAXATION MATTERS**

Upon the Scheme becoming effective, all taxes payable by the Transferor Company under the Income-tax Act, 1961, Customs Act, 1962, Central Excise Act, 1944, State Sales Tax laws, Central Sales Tax Act, 1956 or other applicable laws/ regulations dealing with taxes/ duties/ levies (hereinafter referred to as "Tax Laws") shall be to the account of the Transferee Company; similarly all credits for tax deduction at source on income of the Transferor Company, or obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company shall be made or deemed to have been made and duly complied with by the Transferee Company if so made by the Transferor Company. Similarly, any advance tax payment required to be made for by the specified due dates in the Tax Laws shall also be deemed to have been made by the Transferee Company if so made by the Transferor Company. Further, the Minimum Alternate Tax paid by the Transferor Company under Section 115 JB and/ or other provisions (as applicable) of the Income-tax Act, 1961, shall be deemed to have been paid on behalf of the Transferee Company, and the Minimum Alternate Tax credit (if any) of the Transferor Company as on the Appointed Date or accruing after the Appointed Date shall stand transferred to the Transferee Company and such credit would be available for set-off against the tax liabilities of the Transferee Company.

Any refunds under the Tax Laws due to the Transferor Company consequent to the assessments made on the Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received **by** the Transferee Company.

**g) STAFF WORKMEN AND EMPLOYEES:**

Upon the Scheme becoming effective, all staff, workmen and employees of the Transferor Company in service on the Effective Date shall be deemed to have become staff, workmen and employees of the Transferee Company with effect from the Appointed Date or the date of joining whichever is later, without any break or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company (i.e. cost-to-company basis, in monetary terms) shall not be less favourable than those applicable to them with reference to their employment with the Transferor Company on the Effective Date.

It is expressly provided that, on the Scheme becoming effective, the provident fund, gratuity fund, superannuation fund or any other special fund or trusts, if any, created or existing for the benefit of the staff, workmen and employees of the Transferor Company shall become trusts/funds of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such fund or funds or in relation to the obligation to make contributions to the said fund or funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such fund or funds shall become those of the Transferee Company. It is clarified that, for the purpose of the said fund or funds, the services of the staff, workmen and employees of the

Transferor Company will be treated as having been continuous with the Transferee Company from the date of employment as reflected in the records of the Transferor Company.

**h) SAVING OF CONCLUDED TRANSACTIONS:**

Subject to the terms of this Scheme, the transfer and vesting of the Undertaking of the Transferor Company of this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or concluded after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

**i) ISSUE OF SHARES BY THE TRANSFEE COMPANY:**

Upon the Scheme coming into effect and with further application, act or deed, the Transferee Company shall, in consideration of the amalgamation of the Transferor Company with the Transferee Company, the Transferee Company will issue and allot, to every equity shareholder of the Transferor Company, holding fully paid-up equity shares in the Transferor Company and whose names appear in the register of members of the Transferor Company on the Record Date to be announced by the Board of the Transferor Company, 2 (two) Equity Shares of the Transferee Company, credited as fully paid-up with rights attached thereto as hereinafter mentioned (hereinafter referred to as the "New Equity Shares") for every 1 (One) Equity Shares of Rs.10 each fully paid-up, held by such shareholder in the capital of the Transferor Company ("Share Exchange Ratio").

Consequent to and as part of the amalgamation of the Transferor Company with the Transferee Company herein, the Authorised Share Capital of the Transferor Company shall stand merged into the combined with the Authorised Share Capital of the Transferee Company pursuant to the Scheme. Since the present combined Authorised Capital stands 7,50,00,000/- which is less than the post-merger issued capital of Rs. 10,31,12,340/-. Hence the company decided to increase the combined post-merger Authroised Capital from 7,50,00,000/- to 11,00,00,000/- accordingly

the company will make the payment for registration charges on increased Authorised Capital and necessary filing fee and same as approved by Board meeting held on 18 July, 2018. Pursuant to the Clause 6.2 of the Amalgamation Scheme

**j) ACCOUNTING TREATMENT:**

Upon the coming into effect of this Scheme and with effect from the Appointed Date, for the purpose of accounting for and dealing with the value of the assets and liabilities in the books of the Transferee Company, all assets and liabilities shall be recorded at Fair Value and adjust differences in Goodwill/Capital Reserve/Gain from bargain purchase price.

In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the Appointed Date will be quantified and adjusted in accordance with 'Indian Accounting Standard IAS – 8 Accounting Policies, Change in Accounting Estimates and Errors', in the books of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

**k) DECLARATION OF DIVIDEND:**

During the period between the Appointed Date and up to and including the Effective Date, the Transferor Company shall not declare any dividend without the prior written consent of the Board of Directors of the Transferee Company.

For the avoidance of doubt, it is hereby declared that nothing in the Scheme shall prevent the Transferee Company from declaring and paying dividends, whether interim or final, to its equity shareholders as on the Record Date for the purpose of dividend and the shareholders of the Transferor Company shall not be entitled to dividend, if any, declared by the Transferee Company prior to the Effective Date.

**POWER TO GIVE EFFECT TO THIS PART:**

The Transferee Company shall enter into and/ or issue and/ or execute deeds, writings or confirmations or enter into any tripartite Amalgamations, confirmations or novation's, to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, the Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.

**a. SAVING OF CONCLUDED TRANSACTIONS**

Subject to the terms of this Scheme, the transfer and vesting of the Undertaking of the Transferor Company of this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or concluded after the Appointed Date and the Effective Date (both days inclusive), to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

**b. MODIFICATION OR AMENDMENT OF THE SCHEME:**

The Transferor Company and the Transferee Company by their respective Board of Directors, or any person(s) or committee authorised/ appointed by them, may carry out or assent to any modifications/ amendments to the Scheme or to any conditions or limitations that the NCLT and/ or any other Government Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e., the Board of Directors or the person(s)/ committee). The Transferor Company and the Transferee Company by their respective Board of Directors, or any person(s) or committee authorised/ appointed by them, shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any

doubts, difficulties or questions whether by reason of any directive or orders of any Government/ regulatory Authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/ or any matter concerned or connected therewith.

**c. MISCELLANIOUS – SEBI OBSERVATIONS**

The listing department of the BSE Limited has forwarded our proposal of scheme to SEBI on 22nd Nov, 2018, subsequently the SEBI has sought confirmation on the company regarding the director's names are not appearing in the CIBIL/SEBI ATR the company has submitted the declaration to this effect and SEBI has given their consent to the BSE for NOC, subsequently the company has received no Objection letter in the matter of Scheme of Amalgamation among Emergent Bio Naturals Limited and Pharmaids Pharmaceuticals Limited from the BSE Limited Vide there Letter.no CFD/DIL3/CIR/2017/21 Dated, January 17,2019 Copy of the letter is Annexed Vide **Annexure.no 2**

**d. FILING OF APPLICATIONS:**

The Transferor Company and the Transferee Company shall use their best efforts to make and file all applications and petitions under Sections 230 to 232 and other applicable provisions of the Act, before the respective NCLT for sanction of this Scheme under the provisions of law, and shall apply for such approvals as may be required under law.

**e. APPROVALS:**

The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any law for such consents and approvals which the Transferee Company may require to own the Undertaking and to carry on the business of the Transferor Company.

**f. SCHEME CONDITIONAL UPON SANCTIONS, ETC:**

This Scheme is and shall be conditional upon and subject to the requisite consent, approval or permission of the Central Government or any Government Authorities, which by law may be necessary for the implementation of this Scheme approval by the NCLT where the registered office of the Transferor Company is located. The certified copy of the order of the NCLT sanctioning the Scheme being filed with the Registrar of Companies by the Transferor Company and the Transferee Company; and Compliance with such other conditions as may be imposed by the NCLT.

**g. COSTS, CHARGES AND EXPENSES**

In the event of the Scheme being sanctioned by the NCLT, the Transferee Company shall bear and pay all costs, charges, expenses and taxes, including duties and levies in connection with the Scheme.

**I) Summary of Valuation Report along with basis of valuation**

- a. The Applicant Company has appointed Mulkala & Associates, Chartered Accountants, Hyderabad as independent valuer to recommend a fair ratio of allotment of equity shares of Transferee Company to the equity shareholders of Transferor Company on the proposed Scheme of Amalgamation.
- b. For the purpose of arriving at the share entitlement ratio, the valuation report was obtained in terms of the SEBI Scheme circular, circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 issued by the BSE
- c. The valuer has considered Market Price ('MP'), Net Asset Value ('Asset Based') and Earning Capitalization Value ('Earnings') approach to determine the fair value of the shares of the companies.
- d. In case of Transferee Company, the fair value calculated as per the market approach being the



lower than the Asset Approach and Earning Approach of the share, therefore, in accordance with Regulation 76 of SEBI (ICDR) Regulations, 2009, the price considered for the ratio of allotment of shares is market price of the share i.e. Rs.2.59. In case of Transferor Company, the Value per share was arrived at Rs.4.39 based on Income Approach.

- e. A fairness opinion dated 5<sup>th</sup> July, 2018 was issued by Inventure Merchant Banker Services Limited, a SEBI Registered Merchant Banker, explaining the rationale for their opinion as to the fairness of the share entitlement ratio from a financial point of view.
- f. Accordingly, the share entitlement ratio of 2 equity shares of Rs.10 each fully paid of PPL to 1 equity shares of Rs.10 each fully paid of EBNL has been arrived at and approved by the Audit Committee of the Applicant Company & also approved by the Board of the Transferor and Transferee Company and the Board of Directors of the Transferor & Transferee Company.

## 2) Effect of the Scheme of Amalgamation

Directors, Key Managerial Personnel

The Directors of the Applicant Company and Transferor Company and Key Managerial Personnel ("KMP") of the Applicant Company and their respective relatives do not have any material interest, concern or any other interest in the Scheme of Amalgamation except to the extent of their shareholding in the Applicant Company, if any, or to the extent the said Directors and KMP(s) are the partners, directors, members and/or beneficiaries of the companies, firms, association of persons, bodies corporate and/or trust, as the case may be, that hold shares in the Applicant Company.

Details of the Directors and KMP(s) of the Applicant Company and Transferor Company and their respective equity shareholding as on March 20, 2019 in the Applicant Company and Transferor Company are as follows:

- Applicant Company

### i) Directors and KMP(s) of Applicant Company

Name of Director and KMP	Designation	Shareholding (Holding singly or jointly as first holder)	
		Applicant Company	Transferor Company
Dr.Ghisulal Jain	Director	18030	0
Seema Jain	Director	25875	0
Mahendra Kumar Ranka	Director	0.00	0
M.Sudheer Anand	Director	0.00	0

### ii) Directors and the Key Managerial Personnel of Transferor Company

Name of Director and KMP	Designation	Shareholding (Holding singly or jointly as first holder)	
		Applicant Company	Transferor Company
Bipin Shah	Director	0.00	0.
Peddi Bhushan Rao	Director	0.00	0
Dasi Rakesh Reddy	Director	0.00	0

3) Details of approvals, sanctions or no-objection(s) from regulatory or any other governmental authorities required, received or pending:

- a) The Applicant Company had made applications, in terms of Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for seeking Observation Letter or No Objection Letter from the Stock Exchanges on September 4, 2018. Thereby, the Transferee Company received a No Objection Letter from BSE Limited vide Letter No. CFD/DIL3/CIR/2017/21 dated January 17, 2019 for the said scheme of Amalgamation from Transferor Company to Transferee Company.
- b) Further, the Applicant Company may be required to seek further approvals / sanctions / no-objections from certain regulatory and governmental authorities for the Scheme of Amalgamation such as the concerned Registrar of Companies, Regional Director and will obtain the same at the relevant time.
- c) Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, the detailed pre scheme and post scheme (expected) capital structure and shareholding pattern of Applicant Company and Transferor Company are given herein below:

d) **Capital Structure**

- Pre-Scheme of Pharmaids Pharmaceuticals Limited as on 30.06.2018

Particular	Amount in Rs.
<b>Authorised Share Capital</b>	
40,00,000 Equity Shares of Rs. 10/- each	4,00,00,000
<b>Issued, Subscribed and Paid Up Capital</b>	
34,05,500 Equity Shares of Rs. 10/- each fully paid	3,40,55,000
<b>Less: Calls in Arrears</b>	4,24,150
<b>Total</b>	<b>3,36,30,850</b>

- Post-Scheme of Pharmaids Pharmaceuticals Limited

Particular	Amount (Rupees)
<b>Authorised Share Capital</b>	
1,10,00,000/-Equity Shares of Rs. 10/- each	11,00,00,000
<b>Total</b>	<b>11,00,00,000</b>
<b>Issued, Subscribed and Paid Up Capital</b>	
1,03,11,234 Equity Shares of Rs. 10/- each fully paid	10,31,12,340
<b>Total</b>	<b>10,31,12,340</b>

- Pre-scheme & Post-scheme capital structure of Emergent Bio Naturals as on 30.06.2018:

Share Capital	Amount in Rs.
<b>Authorised Share Capital</b>	
35,00,000/- Equity Shares of Rs.10/- each	3,50,00,000
<b>Total</b>	<b>3,50,00,000</b>
<b>Issued, Subscribed and Paid Up Capital</b>	
34,52,867 Equity Shares of Rs. 10/- each	3,45,28,670
<b>Total</b>	<b>3,45,28,670</b>



e) **Shareholding Pattern:**

- Pre-scheme & Post-scheme shareholding pattern of Pharmaids Pharmaceuticals Limited as on 30.06.2018:

Sr. No.	Category	Pre – Amalgamation		Post –Amalgamation	
		No. of fully paid up equity shares held	Shareholding as a % of total no. of shares	No. of fully paid up equity shares to be held	Shareholding as a % of total no. of shares
(A)	Promoter and Promoter Group				
(1)	Indian	0	0.00	0.00	0.00
(a)	Individuals/Hindu undivided family	227328	6.68	7133062	69.18
(b)	Body Corporate	0	0.00	0.00	0.00
(c)	Trust	0	0.00	0.00	0.00
	<b>Sub-Total (A)(1)</b>	<b>227328</b>	<b>6.68</b>	<b>7133062</b>	<b>69.18</b>
(2)	Foreign				
(a)	Body Corporate (through GDRs)	0	0.00	0	0.00
	<b>Sub-Total (A)(2)</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>	<b>227328</b>	<b>6.68</b>	<b>7133062</b>	<b>69.18</b>
(B)	Public Shareholding				
(1)	Institutions				
(a)	Mutual Funds	0	0.00	0	0.00
(b)	Foreign Portfolio Investors	0	0.00	0.00	0.00
(c)	Financial Institutions/ Banks	0	0.00	0.00	0.00
(d)	Insurance Companies	0	0.00	0.00	0.00
(e)	Foreign Institutional Investors (FII's)	0	0.00	0.00	0.00
	<b>Sub Total (B)(1)</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
(2)	Central Government/State Government(s)/ President of India	0	0.00	0.00	0.00
	<b>Sub Total (B)(2)</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
(3)	Non-Institutions				
(a)	i. Individual shareholders holding nominal share capital upto Rs.2 lakhs	2787861	81.86	2787861	27.03
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	321973	9.45	321973	3.12
(b)	NBFCs Registered with RBI	0	0.0	0.00	0.00
(c)	Overseas Depositories (Holding GDRs)	0	0.00	0.00	0.00
(d)	Any Other				
	Trusts	0	0.00	0.00	0.00
	Non Resident Individuals	7329	0.22	7329	0.07
	Clearing Members	3089	0.09	3089	0.03
	Bodies Corporate	57920	1.7	57920	0.56
	<b>Sub Total (B)(3)</b>	<b>3178172</b>	<b>93.32</b>	<b>3178172</b>	<b>30.82</b>
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)</b>	<b>3178172</b>	<b>93.32</b>	<b>3178172</b>	<b>30.82</b>
	<b>Total Shareholding (A+B)</b>	<b>3405500</b>	<b>100</b>	<b>10311234</b>	<b>100</b>

- Pre-scheme & Post-scheme shareholding pattern of Emergent Bio Naturals Limited:

Sr. No	Category	No. of fully paid up equity shares held	Shareholding as a % of total no. of shares
(A)	Promoter and Promoter Group		
(1)	Indian		
(a)	Individuals/Hindu undivided family	3452867	100
(b)	Body Corporate		
	<b>Sub-Total (A)(1)</b>	<b>3452867</b>	<b>100</b>
(2)	Foreign		
(a)	Body Corporate (through GDRs)	0	0.00
	Sub-Total (A)(2)	0	0.00
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1) + (A)(2)</b>	<b>0</b>	
(B)	Public Shareholding		
(1)	Institutions	0	0.00
(a)	Mutual Funds	0	0.00
(b)	Foreign Portfolio Investors	0	0.00
(c)	Financial Institutions/ Banks	0	0.00
(d)	Insurance Companies	0	0.00
	<b>Sub Total (B) (1)</b>	<b>0</b>	<b>0.00</b>
(2)	Central Government/State Government(s)/ President of India	0	0.00
	<b>Sub Total (B)(2)</b>	<b>0</b>	<b>0.00</b>
(3)	Non-Institutions		
(a)	i. Individual shareholders holding nominal share capital upto Rs.2 lakhs	0	0.00
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	0	0.00
(b)	NBFCs Registered with RBI	0	0.00
(c)	Overseas Depositories (Holding GDRs)	0	0.00
(d)	Any Other		
	Trusts	0	0.00
	Overseas Corporate Bodies	0	0.00
	Non Resident Indians Repatriation	0	0.00
	Clearing Members	0	0.00
	NRI Non-Repatriation	0	0.00
	Bodies Corporate	0	0.00
	Foreign Nationals	0	0.00
	<b>Sub Total (B)(3)</b>	<b>0</b>	<b>0.00</b>
	<b>Total Public Shareholding (B)= (B)(1) + (B)(2) + (B)(3)</b>	<b>0</b>	<b>0.00</b>
	<b>Total Shareholding (A+B)</b>	<b>3452867</b>	<b>100</b>

Upon the coming into effect the Scheme of Amalgamation the Transferor Company EBNL shall stand dissolved hence, there will be no post shareholding pattern for EBNL

#### Other Matters

- The copy of Scheme of Amalgamation has been filed with the Registrar of Companies, Hyderabad, Telangana
- No winding up proceedings are pending against the Applicant Company and Transferor Company as on date.

3. The Supplementary Accounting statements of the Applicant Company and Transferor Company for the three months' period ended as on June 30, 2018 are enclosed as **Annexure 9** respectively.
4. The approval from Unsecured creditors of the Applicant Company has been obtained for the Scheme of Amalgamation and dispensation for the Unsecured creditor's meeting has been received vide NCLT order dated March 20, 2019.
5. The following documents will be open for inspection by the shareholders at the Registered Office of Applicant Company situated at 4-4- 211/212/3, 1<sup>st</sup> Floor, Inderbagh, Sultan Bazar, Hyderabad-500095 on all working days except Saturdays and Sundays between 11:00 a.m. IST and 4:00 p.m. IST up to the date of the ensuing Meeting and at the Meeting during the Meeting hours:
  - a) Scheme of Amalgamation;
  - b) Fairness Opinion dated July 5, 2018, issued by Inventure Merchant Banker Services Pvt.Ltd. for the proposed Scheme of Amalgamation;
  - c) Copy of certificate dated July 5, 2018, from M/s. Mulkala & Associates, Chartered Accountants
  - d) Copy of the Undertaking and the Statutory Auditors' certificate dated July 5, 2018, submitted to SEBI confirming non-applicability of Para (I)(A)(9)(a) read with Para (I)(A)(9)(b) of Annexure I of said SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017;
  - e) Copy of the Statutory Auditors' certificate dated July 27, 2018 to the effect that the accounting treatment in the Scheme of Amalgamation is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013;
  - f) Copy of the Order passed by the Hon'ble NCLT dated March 20, 2019 directing convening the meeting of equity shareholders passed in Company Application No. CA(CAA)No.81/230/HDB/2019;
  - g) Copies of the Memorandum of Association and Articles of Association of the Applicant Company and Transferor Company;
  - h) Copy of Annual Report and Unaudited Financial Results of the Applicant Company for the year ended on June 30, 2018 and three months;
  - i) Copy of Audited Annual Accounts and Supplementary Accounting statements of Transferor Company for the year ended on June 30, 2018;
  - j) Other documents displayed on the Stock Exchanges and Applicant Company's website, in terms of the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017;
  - k) SEBI circular no. CFD/DIL3/CIR/2018/2 dated January 3, 2018 and Communications between the Applicant Company and Stock Exchanges regarding non-processing of Scheme of Amalgamation under SEBI circular no. CFD/DIL3/CIR/2018/2 dated January 3, 2018.
  - l) Copy of Audit Committee Report dated July 18, 2018 recommending Scheme of Amalgamation of the Applicant Company.
  - m) Copies of the resolutions passed by the respective Board of Directors of the Applicant Company and Transferor Company on July 18, 2018 and June 12, 2018 respectively, approving the Scheme of Amalgamation; and
  - n) Report adopted by the Board of Directors of Applicant Company pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013.

A copy of the Scheme of Amalgamation, Explanatory Statement, Attendance Slips and Proxy Form may also be obtained from the Registered Office of the Applicant Company and / or at the office of the Advocate Mr. A.Sanmukha Reddy Plot.No.30, Road No.2, Near Alkapuri, Sai Baba Temple, Yadav Nagar, Ramkrishnapuram, Hyderabad-500102, India.

Dated this 05<sup>th</sup> April, 2019

Place; Hyderabad

**Ms. Kopal Sharraf**  
**The Chairperson appointed for the Meeting**

Registered Office:  
4-4-211/212/3, 1<sup>st</sup> Floor,  
Inderbagh, Sultan Bazar,  
Hyderabad

## ANNEXURE-1

### **SCHEME OF AMALGAMATION OF EMERGENT BIO NATURALS LIMITED AND PHARMAIDS PHARMACEUTICALS LIMITED AND THEIR RESPECTIVE SHAREHOLDERS**

*(Under sections 230 to 232 of the Companies Act, 2013)*

#### **GENERAL**

##### **I. PURPOSE OF SCHEME**

This Scheme of Amalgamation provides for the amalgamation of Emergent Bio Naturals Limited (CIN: U01122TG2006PLC050994) (hereinafter referred to as “EBNL”), referred to as “Transferor Company”, with PHARMAIDS PHARMACEUTICALS LIMITED (CIN: L52520TG1989PLC009679) (hereinafter referred to as “PPL” or “Transferee Company”) pursuant to Sections 230 to 232 and other relevant provisions of the Companies Act, 2013, to the extent applicable. This Scheme also provides for various other matters consequential or otherwise integrally connected therewith.

##### **II. RATIONALE FOR THE SCHEME**

The Transferee Company, is engaged in the business of trading of affordable medicine in Ayurveda and Allopathy. The Transferor company is engaged in the business of trading of Nutraceuticals products and Drug Intermediaries & Cosmetic Chemicals, APIs and other Extractions.

The integration, consolidation and amalgamation of the Transferor Company with the Transferee Company would *inter alia* have the following benefits:

1. Greater integration, financial strength and flexibility for the Transferee Company, which will improve the financial position of the Transferee Company on a standalone basis.
2. Greater efficiency in cash management of the Transferee Company, and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund growth opportunities, to further improve shareholder's value.
3. Greater financial flexibility to execute on other opportunities to accelerate the Transferee Company's long-term growth targets.
4. Improved organizational capability and leadership, arising from the pooling of human capital that has the diverse skills, talent and vast experience to compete successfully in an increasingly regulated and competitive industry.
5. Benefit of operational synergies to the combined entity in areas such as raw material sourcing, product placement, marketing and sale promotions initiatives, freight optimization and logistics.
6. Greater leverage in operations planning and process optimization and enhanced flexibility in product offerings.

7. Cost savings are expected to flow from more focused operational efforts, rationalization, standardisation and simplification of business processes, productivity improvements, improved procurement, usage of common resource pool like human resource, administration, finance, accounts, legal, technology and other related functions, leading to elimination of duplication and rationalization of administrative expenses.

### **III. PARTS OF THE SCHEME**

The Scheme is divided into following parts:

- (i) **Part A** – dealing with definitions of the terms used in this Scheme of Amalgamation and setting out the share capital of the Transferor Company and the Transferee Company;
- (ii) **Part B** – dealing with the transfer and vesting of the Undertaking of the Transferor Company to and in the Transferee Company;
- (iii) **Part C** – dealing with the accounting treatment for the amalgamation in the books of the Transferee Company; and
- (iv) **Part D** – dealing with the dissolution of the Transferor Company and the general terms and conditions applicable to this Scheme of Amalgamation and other matters consequential and integrally connected thereto.

## **PART A**

### **DEFINITIONS AND SHARE CAPITAL**

#### **1. DEFINITIONS**

In this Scheme, unless repugnant to the context, the following expressions shall have the following meaning:

- 1.1 ***“Act” means the Companies Act, 2013, to the extent its provisions relevant for this scheme are notified and ordinances, rules and regulations made thereunder and shall include any statutory modifications, reenactment or amendment thereof for the time being in force; includes reference to any provisions in the Companies Act, 2013 duly notified which replace/ amend/ modify the said provisions.***
- 1.2 ***“Appointed Date” For the purpose of this Scheme and for Income Tax Act, 1961, the “Appointed Date” means the open of business hours on 1<sup>st</sup> April 2018.***
- 1.3 ***“Board of Directors” or “Board” means the board of directors of any of the Transferor Company or the Transferee Company, as the case may be, and shall include a duly constituted committee thereof.***
- 1.4 ***“Business Claims” means the benefit of all rights and claims of the Transferor Company arising out of or in connection with the Transferor Company business under any agreements, licences, warranties, conditions, guarantees, indemnities or other rights subsisting at the Appointed Date (whether express or implied) in favour of the Transferor Company.***
- 1.5 ***“Business Information” means all information embodying know-how and other information relating to the business (whether or not confidential and no matter in what form held) including, without limitation, all designs, specifications, data, manuals and instructions and all lists of customers, suppliers, agents and distributors, business plans and forecasts and all notices, correspondence, orders and enquiries and other documents, in connection with its business.***
- 1.6 ***“Business Records” means all records of Business Information and other data (wherever situated) and all books, files, registers, documents, literature, correspondence and other records of the Transferor Company owned or used or intended for use, in each case whether in writing or in electronic or any other form.***
- 1.7 ***“Effective Date” means the last of the dates on which the certified or authenticated copies of the order of the National Company Law Tribunal sanctioning the Scheme are filed with the Registrar of Companies by the Transferor Company and by the Transferee Company. Any references in this Scheme to the date of “coming into effect of this Scheme” or “effectiveness of this Scheme” or***

*“Scheme taking effect” shall mean the Effective Date;*

- 1.8 “Financial Statements” means the annual accounts (including balance sheet, statement of profit and loss and cash flow statement) of the Transferor Company and the Transferee Company, including the accounts drawn up to the Appointed Date.**
- 1.9 “Goodwill” means and includes the goodwill in connection with the businesses of the Transferor Company, together with the exclusive right for the Transferee Company and its assignees to represent themselves as carrying on the business in succession to the Transferor Company and includes Business Claims, Business Information, Business Records, product registrations/ approvals, skilled employees, technical know-how and other Intangible Assets as defined in clause 1.13.**
- 1.10 “Government Authority” means Central Government, any applicable State or local Government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction.**
- 1.11 “NCLT” means the National Company Law Tribunal, Hyderabad Bench.**
- 1.12 “Intangible Assets” means and includes all intellectual property and industrial property rights and rights in confidential information of every kind and description throughout the world, in each case whether registered or unregistered, and including any applications for registration of any of the following, including without limitation (i) inventions (whether patentable or not), patents, invention disclosures, and all related continuations, continuations-in-part, divisionals, reissues, re-examinations, substitutions and extensions thereof; (ii) rights in computer programs (whether in source code, object code, or other form), algorithms, databases, compilations and data, technology supporting the foregoing, and all documentation, including user manuals and training materials, related to any of the foregoing; (iii) copyrights and copyrightable subject matter; (iv) trademarks, service marks, names, corporate names, trade names, domain names, logos, slogans, trade dress, registered designs, design rights and other similar designations of source or origin; (v) all know-how, confidential information, trade secrets, ideas, proprietary processes, formulae, models and methodologies; (vi) rights of publicity, privacy, and rights to personal information; (vii) moral rights and rights of attribution and integrity; (viii) any rights or forms of protection of a similar nature or having equivalent or similar effect to any of the foregoing which subsist anywhere in the world.**
- 1.13 “Scheme” or “the Scheme” or “this Scheme” or “Scheme of Amalgamation” means this Scheme of Amalgamation in its present form or with any modification(s) made under clause 17 of this Scheme, as approved or directed by the NCLT, Hyderabad Bench.**
- 1.14 “Undertaking” means the whole of the undertaking and entire business of the Transferor Company as a going concern, including (without limitation):**
- I.** All the assets and properties (whether movable or immovable, tangible or intangible, real or personal, corporeal or incorporeal, present, future or contingent) of the Transferor Company, including but not limited to, plant and machinery, equipment, buildings and structures, offices, residential and other premises, sundry debtors, furniture, fixtures, office equipment, appliances, accessories, depots, deposits, all stocks, assets, investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units), and interests in its subsidiaries, cash balances or deposits with banks, loans, advances, disbursements, contingent rights or benefits, book debts, receivables, actionable claims, earnest moneys, advances or deposits paid by the Transferor Company, financial assets, leases (including lease rights), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, municipal permissions, tenancies in relation to the office and/or residential properties for the employees or other persons, guest houses, godowns, warehouses, licenses, fixed and other assets, trade and service names and marks, patents, copyrights, and other intellectual property rights of any nature whatsoever, know how, good will, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights including, title, interests, other benefits (including



tax benefits), easements, privileges, liberties, mortgages, hypothecations, pledges or other security interests created in favour of the Transferor Company and advantages of whatsoever nature and wheresoever situated in India or abroad, belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, whether in India or abroad;

- II. All liabilities including, without being limited to, secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations of the Transferor Company, of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised;
- III. All agreements, rights, contracts, entitlements, permits, licenses, approvals, authorizations, concessions, consents, quota rights, engagements, arrangements, authorities, allotments, security arrangements (to the extent provided herein), benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the business activities and operations of the Transferor Company;
- IV. All records, files, papers, computer programs, manuals, data, catalogues, sales material, lists of customers and suppliers, other customer information and all other records and documents relating to the business activities and operations of the Transferor Company;
- V. All permanent employees engaged by the Transferor Company as on the Effective Date.
- VI. All rights, entitlements, export/import incentives and benefits including advance licenses, bids, tenders (at any stage as it may be), letters of intent, expressions of interest, development rights (whatever vested or potential and whether under agreements or otherwise), subsidies, tenancies in relation to office, benefit of any deposits privileges, all other rights, receivables, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions and benefits of all agreements, contracts and arrangements, including technological licensing agreements, and all other interests in connection with or relating thereto;
- VII. All intellectual property rights created, developed or invented by employees concentrated on the research, development or marketing of products (including process development or enhancement) in connection with the Transferor Company;
- VIII. All benefits and privileges under letters of permission and letters, of approvals, all tax credits, including CENVAT and other Input credits, refunds; reimbursements, claims, exemptions, benefits under service tax laws, value added tax, purchase tax, sales tax or any other duty or tax or cess or imports under central or state law including sales tax deferrals, advance taxes, tax deducted at source, right to carry forward and set-off unabsorbed losses, if any and depreciation, deductions and benefits under the Income-tax Act, 1961;

**1.15 “EBNL” or “Transferor Company” means Emergent Bio Naturals Limited, a public limited company incorporated under the Companies Act, 1956, and having its registered office at 503, Amrutha Estate, Himayathnagar, Hyderabad - 500029, Telangana.**

**1.16 “PPL” or “Transferee Company” means Pharmaids Pharmaceuticals Limited, a Listed public company incorporated under the Companies Act, 1956, and having its registered office at 4-4-211/212/3, 1<sup>st</sup> Floor, Inderbagh, Sultan Bazar, Hyderabad-500095. The Transferee Company’s equity shares are listed on Bombay Stock Exchange of India Limited.**

**All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.**



## **2. SHARE CAPITAL**

### **2.1 EBNL or Transferor Company**

The authorised, issued, subscribed and paid up share capital of Transferor Company as per its latest audited Balance Sheet as on March 31, 2018 is as follows:

<b>Authorised Capital</b>	<b>Amount (Rs.)</b>
35,00,000 Equity Shares of Rs.10 each	3,50,00,000
<b>Total</b>	<b>3,50,00,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	<b>Amount (Rs.)</b>
24,66,334 Equity Shares of Rs. 10 each fully paid-up	2,46,63,340
<b>Total</b>	<b>2,46,63,340</b>

Subsequent to the above balance sheet date there is no change in the Capital Structure of Transferor Company except bonus issue of 9,86,533 equity shares.

### **2.2 PPL or Transferee Company**

The authorised, issued, subscribed and paid up share capital of Transferee Company as per its latest audited Balance Sheet as on March 31, 2018 is as follows:

<b>Authorised Capital</b>	<b>Amount (Rs.)</b>
40,00,000 Equity Shares of Rs. 10/- each	4,00,00,000
<b>Total</b>	<b>4,00,00,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	<b>Amount (Rs.)</b>
34,05,500 Equity Shares of Rs. 10/- each fully paid-up	3,40,55,000
<b>Less: Calls in Arrears</b>	<b>4,24,150</b>
<b>Total</b>	<b>3,36,30,850</b>

Subsequent to the above balance sheet date there is no change in the capital structure of Transferee Company. It is hereby clarified that the Transferee Company will be free to make further issue of Equity Shares as per provisions of the Companies Act, 2013 and Rules and Regulations made thereunder and other applicable laws, rules and regulations including SEBI regulations. However, the Transferee Company shall not be entitled to make bonus issue of Equity Shares by capitalisation of its free reserves & surplus till the Effective Date.

The equity shares of Transferee Company are, at present, listed on the BSE Limited.

## **3. DATE OF TAKING EFFECT AND OPERATIVE DATE**

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT shall take effect from the Effective Date and shall be operative from the Appointed Date.

## **PART B**

### **TRANSFER AND VESTING OF UNDERTAKING OF THE TRANSFEROR COMPANY WITH THE TRANSFeree COMPANY**

#### **4. TRANSFER AND VESTING OF UNDERTAKING**

- 4.1 *Subject to the provisions of this Scheme as specified hereinafter and with effect from the Appointed Date, the entire business and Undertaking of the Transferor Company, including all the debts, liabilities, losses, duties and obligations, including those arising on account of taxation laws and other allied laws of the Transferor Company of every description and also including, without limitation, all the movable and immovable properties and assets, tangible or intangible assets (whether or not recorded in the books of account of the Transferor Company) of the Transferor Company comprising, amongst others, all freehold land, leasehold land, building, plants, motor vehicles, receivables, actionable claims, furniture and fixtures, computers, office equipment, electrical installations, generators, containers, telephones, telex, facsimile and other communication facilities and business licenses, Factories Act licenses, manufacturing licenses, permits, deposits, authorisations, approvals, insurance cover of every description, lease, tenancy rights, permissions, incentives, if any, and all other rights, patents, know-how, trademark, service mark, trade secret, brands, registrations, licenses including marketing authorisations and other intellectual property rights, proprietary rights, title, interest, contracts, deeds, bonds, consents, approvals and rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages and benefits shall, under the provisions of Sections 230 to 232 of the Act and pursuant to the order of the NCLT sanctioning this Scheme and without further act, instrument or deed, but subject to the charges affecting the same as on the Effective Date, be transferred and/or deemed to be transferred to and vested in the Transferee Company, so as to become the properties, assets, rights, business and Undertaking of the Transferee Company.*
- 4.2 *Without prejudice to the generality of clause 4.1 above, with respect to the assets of the Transferor Company, including cash and bank balances, as are movable in nature or are otherwise capable of transfer by manual delivery, by paying over or by endorsement and delivery or otherwise, the same shall be so transferred by the Transferor Company to the Transferee Company, without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company as an integral part of the assets of the Transferee Company, with effect from the Appointed Date.*
- 4.3 *Without prejudice to the generality of clause 4.1 above, with effect from the Appointed Date, all debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date whether provided for or not in the books of account of the Transferor Company and all other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or up to the day of the Appointed Date, shall be the debts, liabilities, duties and obligations of the Transferee Company including any encumbrance on the assets of the Transferor Company or on any income earned from those assets.*
- 4.4 *With effect from the Appointed Date, all inter-party transactions between the Transferor Company or any of the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes.*
- 4.5 *Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company or any of the Transferor Company and the Transferee Company shall, ipso facto, stand discharged and come to an end and there shall be no liability on any party and appropriate effect shall be given in the books of accounts and records of the Transferee Company. It is hereby clarified that there will be no accrual of interest or other charges in respect of any inter-company loans, advances and other obligations between the Transferor Company or any of the Transferor Company and the Transferee Company, with effect from the Appointed Date.*
- 4.6 *All existing securities, mortgages, charges, liens or other encumbrances, if any, as on the Appointed Date and created by any of the Transferor Company after the Appointed Date, over the properties and other assets comprised in the Undertaking or any part thereof transferred to the Transferee Company by virtue of this Scheme and in so far as such securities, mortgages, charges, liens or other encumbrances secure or relate to liabilities of any of the Transferor Company, the same shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company, and such securities, mortgages, charges, liens or encumbrances shall not relate or attach to any of the other assets of the Transferee Company,*

*provided however that no encumbrances shall have been created by any of the Transferor Company over its assets after the date of filing of the Scheme without the prior written consent of the Board of Directors of the Transferee Company, except for those done in the normal course of business.*

- 4.7 The existing encumbrances over the properties and other assets of the Transferee Company or any part thereof which relate to the liabilities and obligations of the Transferee Company prior to the Effective Date shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Company transferred to and vested in the Transferee Company by virtue of this Scheme.*
- 4.8 It is expressly provided that, save as herein provided, no other term or condition of the liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.*
- 4.9 With effect from the Appointed Date, all contracts, statutory licences, registrations, incentives, tax deferrals and benefits, carry-forward of tax losses, tax credits, tax refunds, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, permissions, approvals or consents to carry on the operations of the Transferor Company, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by any of the Transferor Company and all rights and benefits that have accrued or which may accrue to any of the Transferor Company, whether before or after the Appointed Date shall stand vested in or transferred to the Transferee Company, pursuant to the Scheme, without any further act or deed and shall remain valid, effective and enforceable on the same terms and conditions and shall be appropriately mutated by the statutory authorities concerned in favour of the Transferee Company upon the vesting and transfer of the Undertaking of the Transferor Company pursuant to this Scheme.*
- 4.10 Subject to the other provisions of this Scheme, all contracts, including contracts for tenancies, licenses and capacity allotments obtained from Government Authority, MOU's with Government Authority, land lease deeds, other deeds, bonds, agreements, any agreement with Government Authority, licences, permits, registrations, approvals and other instruments, if any, of whatsoever nature to which any of the Transferor Company are a party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto, notwithstanding the terms contained in such contracts, deeds, bonds, agreements, licences, permits, registrations, approvals and other instruments.*
- 4.11 The amalgamation of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date and shall be in accordance with Section 2(1B) of the Incometax Act, 1961. If any terms or provisions of the Scheme is/are inconsistent with the provisions of section 2(1B) of the Income Tax Act, 1961, the provisions of Section 2(1B) shall prevail and the Scheme shall stand modified to the extent necessary to comply with such provisions. Such modifications will however not affect the other parts of the Scheme.*

## **5. CONSIDERATION**

- 5.1 Upon the Scheme coming into effect and without any further application, act or deed, the Transferee Company shall, in consideration of the amalgamation of the Transferor Company with the Transferee Company allot, to every equity shareholder of the Transferor Company, holding fully paid-up equity shares in the Transferor Company and whose names appear in the register of members of the Transferor Company on the Record Date to be announced by the Board of the Transferor Company, 2 (Two) Equity Shares of the Transferee Company, credited as fully paid-up with rights attached thereto as hereinafter mentioned (hereinafter referred to as the "New Equity Shares") for every 1 (One) Equity Shares of Rs. 10 each fully paid-up, held by such shareholder in the capital of the Transferor Company ("Share Exchange Ratio").*
- 5.2 In respect of the equity shares in the Transferor Company already held in dematerialized form, the New Equity Shares to be issued by the Transferee Company in lieu thereof shall also be issued in dematerialized form with the New Equity Shares being credited to the existing depository accounts of the members of the Transferor Company entitled thereto. Members of the Transferor Company desirous of receiving the New Equity Shares in the Transferee Company in dematerialized form should have their shareholding in the Transferor Company dematerialized on or before the Record Date.*

- 5.3 Pursuant to the Scheme, the shares of the Transferor Company held by its equity shareholders (both in physical and dematerialized form), shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled. The said equity shares of Transferor Company held in physical form shall be deemed to have been automatically cancelled without any requirement to surrender the certificates for shares held by the shareholders of the Transferor Company.
- 5.4 No fractional share shall be issued by the Transferee Company in respect of the fractional entitlements, if any, to which the equity shareholders of the Transferor Company may be entitled on issue and allotment of New Equity Shares in the Transferee Company as above. The Board of Directors of the Transferee Company shall consolidate all such fractional entitlements and thereupon, issue and allot New Equity Shares in lieu thereof to the Trustee nominated by the Transferee Company for the purpose who shall hold the New Equity Shares in trust for and on behalf of the members entitled to such fractional entitlements with the express understanding that such Trustee shall sell the same at such time or times and at such price or prices to such person or persons, as it deems fit. The said Trustee shall distribute such net sale proceeds to the shareholders of the Transferor Company in the same proportion, as their respective fractional entitlements bear to the consolidated fractional entitlements. The Trustee shall be appointed by the Board of Directors of the Transferee Company.
- 5.5 The New Equity Shares in the Transferee Company to be issued to the shareholders of the Transferor Company shall be subject to the Memorandum and Articles of Association of the Transferee Company and the New Equity Shares so issued shall rank *pari-passu* in all respects with the existing Equity Shares of the Transferee Company.
- 5.6 The New Equity Shares of the Transferee Company issued in terms of the Scheme shall, subject to applicable regulations, be listed and/or admitted to trading on the relevant stock exchange(s) where the existing Equity Shares of the Transferee Company are listed and/or admitted to trading.

## **6. INCREASE IN AUTHORISED CAPITAL OF TRANSFEE COMPANY**

6.1 Upon the Scheme coming into effect, the authorised share capital of the Transferee Company in terms of its Memorandum of Association and Articles of Association shall automatically enhanced without any further act, instrument or deed on the part of the Transferee Company, including with payment of stamp duty and fees payable to the Registrar of Companies, on a additional enhanced Authorised Capital by an amount of Rs. 3,50,00,000 (Rupees Three crore Fifty Lakhs Only), and the provisions in the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under any other applicable provisions of the Act, would be required to be separately passed. For this purpose, the filing fees and stamp duty already paid by the Transferor Company on their authorised share capital shall be utilized and applied to the increased authorised equity share capital of the Transferee Company, and shall be deemed to have been so paid by the Transferee Company on such combined authorised share capital and accordingly, the Transferee Company shall be required to pay filing fees and stamp duty on the increased authorised share capital.

6.2 Consequent to and as part of the amalgamation of the Transferor Company with the Transferee Company herein the Authorised Share Capital of the Transferor Company shall stand merged into the combined with Authorised Share Capital of the Transferee Company pursuant to the Scheme. Since the present combined Authorised Capital stands 7,50,00,000/- which is less than the post-merger issued capital of Rs. 10,31,12,340/-. Hence the company decided to increase the combined post-merger Authroised Capital from 7,50,00,000/- to 11,00,00,000/- accordingly.

## **7. STAFF, WORKMEN AND EMPLOYEES**

7.1 Upon the Scheme becoming effective, all staff, workmen and employees of the Transferor Company in service on the Effective Date shall be deemed to have become staff, workmen and employees of the Transferee Company with effect from the Appointed Date or the date of joining whichever is later, without any break or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee company (i.e. cost-to- company basis, in monetary terms) shall not be less than those applicable to them with reference to their employment with the Transferor Company on the Effective Date.

- 7.2 *It is expressly provided that, on the Scheme becoming effective, the provident fund, gratuity fund, superannuation fund or any other special fund or trusts, if any, created or existing for the benefit of the staff, workmen and employees of the Transferor Company shall become trusts/ funds of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such fund or funds or in relation to the obligation to make contributions to the said fund or funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such fund or funds shall become those of the Transferee Company. It is clarified that, for the purpose of the said fund or funds, the services of the staff, workmen and employees of the*
- 7.3 *Transferor Company will be treated as having been continuous with the Transferee Company from the date of employment as reflected in the records of the Transferor Company.*

## **8. LEGAL PROCEEDINGS**

- 8.1 *If any suit, appeal or other proceeding of whatever nature by or against any of the Transferor Company are pending, including those arising on account of taxation laws and other allied laws, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the arrangement by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee Company, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company, as if this Scheme had not been made.*
- 8.2 *On and from the Effective Date, Transferee Company may, if required, initiate or defend any legal proceedings in relation to the rights, title, interest, obligations or liabilities of any nature whatsoever, whether under contract or law or otherwise, of Transferor Company and to the same extent as would or might have been initiated by or defended by Transferor Company.*

## **9. POWER TO GIVE EFFECT TO THIS PART**

*The Transferee Company shall enter into and/ or issue and/ or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, the Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.*

## **10. TAXATION MATTERS**

- 10.1 *Upon the Scheme becoming effective, all taxes payable by the Transferor Company under the Income-tax Act, 1961, Customs Act, 1962, Central Excise Act, 1944, State Sales Tax laws, Central Sales Tax Act, 1956 or other applicable laws/ regulations dealing with taxes/ duties/ levies (hereinafter referred to as "Tax Laws") shall be to the account of the Transferee Company; similarly all credits for tax deduction at source on income of the Transferor Company, or obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company shall be made or deemed to have been made and duly complied with by the Transferee Company if so made by the Transferor Company. Similarly any advance tax payment required to be made for by the specified due dates in the Tax Laws shall also be deemed to have been made by the Transferee Company if so made by the Transferor Company. Further, the Minimum Alternate Tax paid by the Transferor Company under Section 115 JB and/ or other provisions (as applicable) of the Income-tax Act, 1961, shall be deemed to have been paid on behalf of the Transferee Company, and the Minimum Alternate Tax credit (if any) of the Transferor Company as on the Appointed Date or accruing after the Appointed Date shall stand transferred to the Transferee Company and such credit would be available for set-off against the tax liabilities of the Transferee Company. Any refunds under the Tax Laws due to the Transferor Company consequent to the assessments made on the Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.*
- 10.2 *All taxes of any nature, duties, cesses or any other like payments or deductions made by the Transferor Company or any of its agents to any statutory authorities such as income tax, sales tax, and service tax, or any tax deduction/ collection at source, tax credits under Tax Laws, relating to the period after the Appointed*

*Date shall be deemed to have been on account of or paid by the Transferee Company, and the relevant authorities shall be bound to transfer to the account of and give credit for the same to the Transferee Company upon the Effective Date and upon relevant proof and documents being provided to the said authorities.*

- 10.3 *All cheques and other negotiable instruments and payment orders received in the name of the Transferor Company after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company. Similarly, the banker of the Transferee Company shall honour cheques issued by the Transferor Company for payment on or after the Appointed Date and presented after the Effective Date.*

## PART C

### **ACCOUNTING TREATMENT FOR THE AMALGAMATION IN THE BOOKS OF THE TRANSFEE COMPANY**

#### **11. ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEE COMPANY**

- 11.1 *Upon the coming into effect of this Scheme and with effect from the Appointed Date, for the purpose of*

*accounting for and dealing with the value of the assets and liabilities in the books of the Transferee Company, all assets and liabilities shall be recorded at Fair Value and adjust differences in Goodwill/ Capital Reserve/Gain from bargain purchase price.*

- 11.2 *In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the Appointed Date will be quantified and adjusted in accordance with 'Indian Accounting Standard Ind AS – 8 Accounting Policies, Change in Accounting Estimates and Errors', in the books of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.*
- 11.3 *The difference between the value of respective investments carried in the books of the Transferee Company and the "Fair Value" of the assets of the respective Transferor Company, shall be debited/credited to Goodwill/ Other Comprehensive Income respectively as the case may be, in the books of the Transferee Company, and dealt with in accordance with the Indian Accounting Standard Ind AS-103 issued by the Institute of Chartered Accountants of India.*
- 11.4 *Subject to provisions of this Scheme, the Transferee Company shall abide by Indian Accounting Standard Ind AS-103 issued by the Institute of Chartered Accountants of India.*
- 11.5 *The amalgamation of Transferor Company with the Transferee Company in terms of this Scheme shall take place with effect from the Appointed Date and shall be in accordance with the provisions of Section 2(1B) of the Income Tax Act, 1961.*
- 11.6 *Notwithstanding the above, the Transferee Company, in consultation with their statutory auditors, are authorized to account for this Scheme and effect thereof in any manner whatsoever as may be deemed fit in accordance with the applicable accounting standards.*
- 11.7 *With effect from the Appointed Date, all the assets and liabilities appearing in the books of accounts of Transferor Company shall stand transferred to and vested in Transferee Company, as the case may be pursuant to the Scheme and shall be recorded by Transferee Company at their respective fair values.*
- 11.8 *The reserves (whether capital or revenue or on revaluation) of the Transferor Company, other than the statutory reserves should not be recorded in the Financial Statements of the Transferee Company. Where the statutory reserve is transferred and recorded, corresponding debit should be given to a suitable account head (e.g. Amalgamation Adjustment Account) which should be disclosed as a part of 'miscellaneous expenditure' or other similar category in the balance sheet. When the identity of the statutory reserves is no longer required to be maintained, both the reserves and the aforesaid account should be reversed.*
- 11.9 *In case of any differences in accounting policies between the Transferor Company and the Transferee*

*Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the Financial Statements reflect the financial position on the basis of consistent accounting policies.*

- 11.10 *The amount of any inter-company balances, amounts between the Transferor Company or between any of the Transferor Company and the Transferee Company, appearing in the Financial Statements of the respective companies, shall stand cancelled without any further act or deed, upon the Scheme coming into effect, and the amounts so cancelled shall not be recorded in the Financial Statements of the Transferee Company.*

## **12. TRANSACTIONS BETWEEN THE APPOINTED DATE AND THE EFFECTIVE DATE**

During the period from the Appointed Date to the Effective Date:

- 12.1 *The Transferor Company shall carry on and be deemed to have carried on their respective business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of their respective businesses and Undertaking for and on account of and in trust for the Transferee Company;*
- 12.2 *The Transferor Company shall carry on their respective business and activities in the ordinary course of business with reasonable diligence and business prudence;*
- 12.3 *With effect from the Appointed Date and up to and including the Effective Date, Transferor Company shall not, without the written consent of Transferee Company, undertake any new business;*
- 12.4 *With effect from Appointed Date/ date of approval of scheme and up to and including the Effective Date, Transferor Company shall not sell, transfer or alienate, charge, mortgage or encumber or otherwise deal with or dispose of any of their Undertaking or any part thereof save and except in each case:*
- (a) *if the same is in the ordinary course of business of Transferor Company as carried on by them as on the date of filing this Scheme with the NCLT; or*
  - (b) *if the same is expressly permitted by this Scheme; or*
  - (c) *if the prior written consent of the Board of Directors of Transferee Company has been obtained.*
- 12.5 *All the profits or income accruing or arising to the Transferor Company or expenditure or losses incurred or arising to the Transferor Company, shall for all purposes be treated and deemed to be and accrue as the profits or income or expenditure or losses (as the case may be) of the Transferee Company; and*
- 12.6 *The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other Government Authorities/ agencies concerned, as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to carry on the business of the Transferor Company.*

## **13. SAVING OF CONCLUDED TRANSACTIONS**

Subject to the terms of this Scheme, the transfer and vesting of the Undertaking of the Transferor Company under Clause 4 of this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or concluded after the Appointed Date and the Effective Date (both days inclusive), to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

## **PART D**

### **DISSOLUTION OF THE TRANSFEROR COMPANY AND THE GENERAL TERMS AND CONDITIONS APPLICABLE TO THIS SCHEME OF AMALGAMATION AND OTHER MATTERS CONSEQUENTIAL AND INTEGRALLY CONNECTED THERETO**

## **14. WINDING UP**

On the Scheme becoming effective, the Transferor Company shall stand dissolved, without going through the process of winding up and without further acts and deeds by parties on such terms and conditions as the NCLT may direct or determine.



## **15. CONDITIONALITY OF THE SCHEME**

This Scheme is and shall be conditional upon and subject to:

- (i) The requisite consent, approval or permission of the Central Government or any Government Authorities, which by law may be necessary for the implementation of this Scheme;
- (ii) Approval by the NCLT where the registered office of the Transferor Company is located;
- (iii) The certified copy of the order of the NCLT sanctioning the Scheme being filed with the Registrar of Companies by the Transferor Company and the Transferee Company; and
- (iv) Compliance with such other conditions as may be imposed by the NCLT.

## **16. FILING OF APPLICATIONS**

The Transferor Company and the Transferee Company shall use their best efforts to make and file all applications and petitions under Sections 230 to 232 and other applicable provisions of the Act, before the respective NCLT for sanction of this Scheme under the provisions of law, and shall apply for such approvals as may be required under law.

## **17. MODIFICATION OR AMENDMENTS TO THE SCHEME**

The Transferor Company and the Transferee Company by their respective Board of Directors, or any person(s) or committee authorised/ appointed by them, may carry out or assent to any modifications/ amendments to the Scheme or to any conditions or limitations that the NCLT and/ or any other Government Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e., the Board of Directors or the person(s)/ committee). The Transferor Company and the Transferee Company by their respective Board of Directors, or any person(s) or committee authorised/ appointed by them, shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any Government/ regulatory Authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/ or any matter concerned or connected therewith.

## **18. EFFECT OF NON-RECEIPT OF APPROVALS**

In the event any of the approvals or conditions enumerated in the Scheme not being obtained or complied with, or for any other reason, the Scheme cannot be implemented, the Board of Directors of the Transferor Company and the Transferee Company shall by mutual agreement waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement, or in case the Scheme is not sanctioned by the NCLT, the Scheme shall become null and void and each party shall bear and pay their respective costs, charges and expenses in connection with the Scheme.

## **19. POWER TO WITHDRAW THE SCHEME AT ANYTIME**

In the event of any condition or amendment or modification that may be imposed by the NCLT or any competent authority, or if the Board of Directors of the Transferor Company or the Board of Directors of the Transferee Company, may find it unacceptable for any reason or if the Board of Directors of the said Transferor Company or Transferee Company decides, they shall be at a liberty to withdraw from the Scheme unconditionally.

## **20. COSTS, CHARGES AND EXPENSES**

In the event of the Scheme being sanctioned by the NCLT, the Transferee Company shall bear and pay all costs, charges, expenses and taxes, including duties and levies in connection with the Scheme.

## **21. MISCELLANEOUS**

In case any doubt or difference or issue shall arise among the Transferor Company and the Transferee Company or any of their shareholders, creditors, employees and/ or persons entitled to or claiming any right to any shares in the Transferor Company or the Transferee Company, as to the construction of this Scheme or as to any account, valuation or apportionment to be taken or made in connection herewith or as to any other aspects contained in or relating to or arising out of this Scheme, the same shall be amicably settled between the Board of Directors of the Transferor Company and the Transferee Company, and the decision arrived at therein shall be final and binding on all concerned.

Annexure - 2

No Objection letter From BSE LTD



DCS/AMAL/BA/R37/1385/2018-19

January 17, 2019

The Company Secretary,  
Pharmaids Pharmaceuticals Limited  
4-4-211 / 212 / 3, 1st Floor, Inderbagh, Sultan Bazar,  
Hyderabad, Telangana, 500095

Sir,

**Sub: Observation letter regarding the Draft Scheme of Arrangement between Emergent Bio Naturals Limited and Pharmaids Pharmaceuticals Limited**

We are in receipt of Draft Scheme of Arrangement between Emergent Bio Naturals Limited and Pharmaids Pharmaceuticals Limited filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated January 17, 2019 has inter alia given the following comment(s) on the draft scheme of arrangement:

- "Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the Stock Exchange, and from the date of receipt of this letter is displayed on the websites of the listed company."
- "Company shall duly comply with various provisions of the Circulars."
- "Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."
- "It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

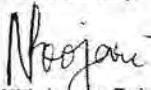
(2)


Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,



 **Nitinkumar Pujari**  
Senior Manager



# Pharmaids Pharmaceuticals Limited

## ANNEXURE-3 COMPLIANCE REPORT

Report on Complaints

(for the period 31<sup>st</sup> December 2018)

### PART-A

Sr.No	Particulars	Number
1	Number of complaints received directly	NIL
2	Number of complaints forwarded by stock exchange	NIL
3	Total Number of complaints /Comments received(1+2)	NIL
4	Number of complaints received	NIL
5	Number of complaints pending	NIL

### PART - B

Sr.No	Name of complaints	Date of Complaints	Status (Resolved / Pending)
1	NIL		
2			
3			

For Pharmaids Pharmaceuticals Limited

Dr Ghisulal Jain  
Chairmen & Managing Director

Place: Hyderabad

Date : 07.01.19

**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF THE APPLICANT COMPANY IN  
RESEPECT OF EFFECT OF THE SCHEME AND EACH CLASS OF SHAREHOLDERS, KEY  
MANAGERIAL PERSONS, DIRECTORS, PROMOTERS AND NON-PROMOTERS SHAREHOLDERS**



**ANNEXURE-4**

**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF PHARMAIDS PHARMACEUTICALS LIMITED AT ITS MEETING HELD ON JULY 18, 2018, EXPLAINING THE EFFECT OF SCHEME OF AMALGAMATION AMONG EMERGENT BIO NATURALS LIMITED AND PHARMAIDS PHARMACEUTICALS LIMITED AND THEIR RESPECTIVE MEMBERS ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTER AND NON- PROMOTER SHAREHOLDERS, LAYING OUT IN PARTICULAR THE SHARE EXCHANGE RATIO, IF ANY.**

**1. Background:**

- 1.1 The proposed Scheme of Amalgamation is among Emergent Bio Naturals Limited (hereinafter "Transferor Company") and Pharmaids pharmaceuticals Limited (hereinafter "Transferee Company") and their respective members ("Scheme of Amalgamation") of Transferor Company into Transferee Company under the provisions of Section 234 read with Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013. The Scheme of Amalgamation was approved by the Board of Directors of the Company at its meeting held on June 12, 2018 and July 18, 2018.
- 1.2 In accordance with the provisions of Section 232(2)(c) of the Companies Act, 2013, the Directors of the Company are required to adopt a report explaining the effect of Scheme of Amalgamation on each class of shareholders, key managerial personnel ("KMP"), promoter and non-promoter shareholders of the Company laying out in particular the share exchange ratio, if any. The said report adopted by the Directors is required to be circulated along with notice convening meeting of the shareholders.
- 1.3 Having regard to the aforesaid new provisions, this report is adopted by the Board in an order to comply with the requirements of Section 232(2)(c) of Companies Act, 2013.
- 1.4 The following documents were considered by the Board of Directors for the purpose of issue of this report:
  - a. Draft Scheme of Arrangement duly initiated by the Managing Director of the Company for the purpose of identification.
  - b. Fairness Opinion dated July 5, 2018 issued by Inventure Merchant Banker Services Pvt. Ltd on the draft Scheme of Amalgamation.
  - c. Report of the Audit Committee dated July 18, 2018, recommending the draft Scheme of Amalgamation to the Board for approval.

CIN No. L52520TG1989PLC009679

Regd. Office : 4-4-211/212/3, Inder Bagh, Sultan Bazar, Hyderabad - 500 095. TELANGANA (INDIA)  
Ph : 040-6666 9809. email : mailpharmaids@yahoo.co.in. Website : www.pharmaids.com



**Effect of Scheme of Amalgamation on each class of shareholders, KMP, promoters and non-promoter shareholders:** Upon the Scheme coming into effect and with further application, act or deed, the Transferee Company shall, in consideration of the amalgamation of the Transferor Company with the Transferee Company, the Transferee Company will issue and allot, to every equity shareholder of the Transferor Company, holding fully paid-up equity shares in the Transferor Company and whose names appear in the register of members of the Transferor Company on the Record Date to be announced by the Board of the Transferor Company, 2 (two) Equity Shares of the Transferee Company, credited as fully paid-up with rights attached thereto as hereinafter mentioned (hereinafter referred to as the "New Equity Shares") for every 1 (One) Equity Shares of Rs.10 each fully paid-up, held by such shareholder in the capital of the Transferor Company ("Share Exchange Ratio"). Thus, there will be no adverse effect of the Scheme of Amalgamation on the equity shareholders (the only class of shareholders), promoter and non-promoter shareholders of the Company. Further, there will be no change in the KMP(s) of the Transferee Company pursuant to Scheme of Amalgamation neither any KMP(s) has/have any material interest, concern or any other interest in the Scheme of Amalgamation except to the extent of their shareholding in the Transferee Company, if any, or to the extent the KMP(s) is / are the partner(s), director(s), member(s) and/or beneficiary(ies) of the companies, firms, association of persons, bodies corporate and/or trust, as the case may be, that hold shares in the Transferee Company.

**By order of the Board**

**For Pharmaids Pharmaceuticals Limited**

**Dr. Ghisulal Jain**  
Chairman of the Meeting  
DIN:00404983

July 18, 2018

ANNEXURE-5

Copy of the Share entitlement ratio report obtained from M/s Mulkala & Associates  
Chartered Accountant dated July 5th, 2018

*Mulkala and Associates*  
*Chartered Accountants*

*Valuation Report*

**PROPOSED AMALGAMATION OF**  
**EMERGENT BIO NATURALS LIMITED**  
  
**AND**  
  
**PHARMAIDS PHARMACEUTICALS LIMITED**

**ACCOUNTANTS' REPORT ON RATIO OF  
EXCHANGE**

Mulkala and Associates  
Chartered Accountants  
6-3-1090/C-4, Above Andhra Bank  
Raj Bhavan Road, Hyderabad - 500 082.







**CONTENTS**

1. Introduction
2. Data Obtained
3. Approach to Valuation
4. Valuation and Conclusion
5. Limitations and disclaimers
6. Gratitude

**Appendix A: Broad Summary of Data Obtained**



## 1. Introduction

### 1.1. Background and Terms of Engagement

There is a proposal before the Boards of Directors of Emergent Bio Naturals Limited ("Transferor Company") and Pharmaids Pharmaceuticals Limited ("Transferee Company") to consider the amalgamation of Transferor Company into Transferee Company, as a going concern through a scheme of arrangement under the Companies Act, 2013. Upon the said amalgamation, equity shares of Transferee Company would be issued to the shareholders of Transferor Company. This is hereinafter referred to as the Transaction.

It is proposed that the aforesaid Transaction would be through a scheme of arrangement under the Companies Act, 2013.

I have been asked by managements of Transferor Company and Transferee Company ("the Managements") to recommend a fair ratio of allotment of equity shares of Transferee Company to the equity shareholders of Transferor Company on the proposed amalgamation.

For the purpose of this Report, I have considered the Valuation Date as at July 5<sup>th</sup>, 2018 being the date prior to the date of the Board Meeting to consider the Transaction and the Composite Scheme for approval. This report ("Report") sets out the findings of our exercise.

### 1.2. Profile of Transferor Company

Emergent Bio Naturals Limited (EBNL) was incorporated as a public limited company under the Companies Act, 1956 pursuant to Certificate of Incorporation dated August 28, 2006 issued by the Registrar of Companies, Andhra Pradesh. The



Company received the Certificate for Commencement of Business on June 18, 2007 issued by the Registrar of Companies, Andhra Pradesh.

The company is engaged in the business of trading of Nutraceuticals products and Drug Intermediaries & Cosmetic Chemicals, APIs and other Extractions. It is a multi-product Nutraceuticals products, Drug Intermediaries & Cosmetic Chemicals, API and other Extractions trading company with a diverse product portfolio.

The company is currently serving the corporate and other clients from pharma, nutraceuticals and herbal medicines and products manufacturing companies.

### **1.3. Profile of Transferee Company**

Pharmaids Pharmaceuticals Limited (PPL) was incorporated on 01.03.1989 with an objective to serve the society with better and affordable medicine in Ayurveda and Allopath. Company had done its best for the people by manufacturing inexpensive drugs in Generic Brands - to cut down the cost and made available to common people. In the due course pharmaceutical industry & healthcare industry being regulated by number of laws and stringent regulations forced agencies for the resultant huge changes in Pharmaceutical Industry. PPL is a listed company where its shares are listed on BSE platform.

Company's infrastructure is maintained to accomplish all required standards. PPL has successfully expanded its marketing wings to Andhra Pradesh, Maharashtra, Tamil Nadu, West Bengal and Assam aggressively.

Company has its own registered trademark brands like Diclo-Plus, Cold CC, Cyclo Plus, Rider, Safety, MOL, Rush-Q, Tulsicof, and many more well established products.



In view of long term benefits and looking at synergy in operations of businesses of both the Companies and cost saving and other strategic benefits, it is now considered expedient to merge Transferor Company and Transferee Company.

#### 1.4. SHAREHOLDING PATTERN OF COMPANIES

##### 1.4.1. Transferee Company

The issued and subscribed equity share capital of Transferee Company as at July 5<sup>th</sup>, 2018 is as under:

Particulars	
<b>Authorised</b> 40,00,000 Equity Shares of Rs. 10/- each	4,00,00,000
<b>Issued, subscribed and paid-up</b> 34,05,500 Equity Shares of Rs. 10/- each fully paid	3,40,55,000
<b>Less: Calls in Arrears</b>	4,24,150
<b>Total</b>	<b>3,36,30,850</b>

The aforesaid share capital is held as follows:

S.No	Particulars	%
1.	Promoter Group	6.68%
2.	Non-promoter Group	93.32%
	<b>Total</b>	<b>100%</b>



**1.4.2. Transferor Company**

The issued and subscribed equity share capital of Transferee Company as at July 5<sup>th</sup>, 2018 is as under:

Particulars	Amount in Rs.
<b>Authorised</b>	
35,00,000 Equity Shares of Rs. 10/- each	3,50,00,000
<b>Issued, subscribed and paid-up</b>	
34,52,867 Equity Shares of Rs. 10/- each fully paid	3,45,28,670

The aforesaid share capital is held as follows:

S.No	Particulars	%
1.	Promoter Group	100%
2.	Non-promoter Group	-
	<b>Total</b>	<b>100%</b>



## 2. Data Obtained

I called for and obtained such data, information etc. as were necessary for the purpose of our assignment, which have been made available to me by the managements. Appendix A hereto broadly summarises the data obtained.

For the purpose of our assignment, I have relied on such data summarized in the said Appendix and other related information and explanations provided to us in this regard.

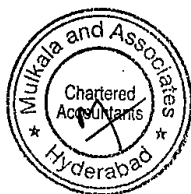
## 3. Approach to Valuation

3.1 It is universally recognized that Valuation is not an exact science and that estimating values necessarily involves selecting a method or an approach that is suitable for the purpose. Courts in India have, over a period of time, evolved certain guiding principles, the most leading case being the decision of the Supreme Court in Hindustan Lever Employee's Union vs. Hindustan Lever Limited and Others [(1995) 83 Company Cases 30].

3.2 That decision endorses that a fair and proper approach for valuation of shares of companies would be to use a combination of various approaches which in that case were:

- Market Price ("MP") Approach;
- Net Asset Value ("Asset Based") Approach; and
- Earnings Capitalization Value ("Earnings") Approach

3.3 Another classical approach to valuation is to look at the future cash flows of the company, so as to arrive at a valuation that would, primarily, be based on the present value of such future cash flows by discounting such future cash flows using an appropriate rate of discounting. This method of valuation is popularly known as the Discounted Cash Flows Approach ("the DCF Approach").



#### 4. Valuation and Conclusion

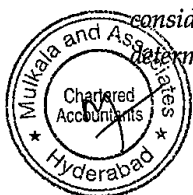
Based on the foregoing data, considerations and steps followed, it is considered that the fair ratio of exchange would as follows:

"For every 1 (one) Equity share of face and paid up value of Rs 10/- (Ten) held in Transferor Company, 2 (Two) Equity shares of face and paid up value of Rs. 10/- (Ten) in Transferee Company to be issued to the equity shareholders of Transferor Company".

It may herein be noted that the Stock Exchanges have issued a Circular to the Listed Companies (e.g. BSE Circular LIST/COMP/02/2017-18 dated May 29, 2017) ("the Circular"), on advice by SEBI, laying down the format in which the valuation report shall display the workings, relative fair value per share and fair share exchange ratio. The disclosure in the format suggested by the stock exchange is as under:

Particulars	Transferee Company "Pharmaids Pharmaceuticals Limited"		Transferor Company "Emergent Bio Naturals Limited"	
	Value per Share	Weight	Value per Share	Weight
Asset Approach	3	1	22	1
Earnings Approach	10	2	4	2
Market Approach	2	3	NA	NA
Relative Value per share	5		10	
Exchange Ratio (rounded off)				

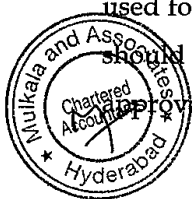
\* We observe that the average fair value arrived at, by us is lower than the market value per share. Therefore, in accordance with Regulation 76 of ICDR Regulations, the price considered for the ratio of allotment of shares of Transferee Company would be the price determined based on Market Approach.





## 5. Limitations and disclaimers

- 5.1 This Report is subject to the scope of limitations detailed hereinafter. Report is to be read in totality and not in parts.
- 5.2 As such this Report is to be read in totality and not in parts.
- 5.3 This valuation is based on the information furnished to me being complete and accurate in all material respect. The same is based on the estimates of future financial performance as projected by the Managements, which represents their view of reasonable expectations at the point in time when they were prepared, but such information and estimates are not offered as assurances that the particular level of income or profit will be achieved or events will occur as predicted. Actual results achieved during the period covered by the prospective financial statements may vary from those contained in the statement and the variation may be material.
- 5.4 Scope of work does not enable to accept responsibility for the accuracy and completeness of the information provided to me. I have evaluated and performed checks on the projections provided but have not performed any audit, review or examination of any of the historical information used and therefore, I do not express any opinion with regard to the same. However, I have broadly reviewed the projections for their acceptability before using the same for valuation.
- 5.5 The information presented in the Report does not reflect the outcome of any due diligence procedures. The reader is cautioned that the outcome of that process could change the information herein and, therefore, the valuation materially.
- 5.6 The Report is meant for the purpose mentioned in Para 1.1 and should not be used for any purpose other than the purpose mentioned therein. This Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared.



- 5.7 This Report should be used only by the Managements and by no other person. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared.
- 5.8 The projected working results of Transferor Company are those as prepared by the Managements and furnished to me for the purposes of the Report. I accept no responsibility for them, or the ultimate accuracy and realization of the forecasts.
- 5.9 I have relied on the judgment made by the Managements and, accordingly, valuation does not consider the assumption of contingent liabilities materialising (other than those specified by the Managements and the Auditors). If there were any omissions, inaccuracies or misrepresentations of the information provided by the Managements, then this may have the effect on our valuation computations.
- 5.10 No investigation of Transferee Company & Transferor Company's claim to title of assets has been made for the purpose of this valuation and their claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets. Therefore, no responsibility is assumed for matters of a legal nature. The report is not, nor should it be construed, as our opining or certifying the compliance with the provisions of any law including company and taxation laws or as regards any legal, accounting or taxation implications or issues.
- 5.11 I have no obligation to update this Report because of events or transactions occurring subsequent to the date of this Report.
- 5.12 Valuation is based on the market conditions and the regulatory environment that existed around the time of the valuation date.





## MULKALA AND ASSOCIATES

Chartered Accountants

5.13 I have not carried out any physical verification of the assets and liabilities of the Transferee Company and the Transferor Company, and take no responsibility for the identification of such assets and liabilities.

### 6. Gratitude

I am grateful to the Managements for making information and particulars available to us, often at a short notice, without which our assignment would not have been concluded in a time-bound manner.

for Mulkala and Associates  
Chartered Accountants  
FRN : 018381S

M MAHESH  
Proprietor  
M.No. 244413



PLACE: Hyderabad  
DATE: 05.07.2018

## **Appendix A: Broad Summary of Data Obtained**

### **From the Managements**

1. Projected Financial Statements of Transferor company for year to end March 31, 2023.
2. Projected Financial Statements of Transferee company for year to end March 31, 2023.
3. Shareholding pattern of Transferor Company as on July 5<sup>th</sup>, 2018.
4. Shareholding pattern of Transferee Company as on July 5<sup>th</sup>, 2018.
5. Audited Financial statements of Transferor Company for the year ended March 31, 2018.
6. Audited Financial statements of Transferee Company for the year ended March 31, 2018.
7. Answers to specific questions and issues raised by us after examining the foregoing data.

### **From publicly available sources**

1. The Risk free rate of return used in the calculation of cost of equity is taken from Reserve Bank of India website.
2. Websites of Comparable Companies for their financial statements and business background.
3. Website of BSE.



Statutory Auditors Certificate in respect of the Accounting Treatment proposed in the Scheme

Annexure-6



**RAKESH S JAIN & ASSOCIATES**  
CHARTERED ACCOUNTANTS

B. Ramesh Kumar (Mob) : +91-9849025641  
E-mail : rsjainassociates@rediffmail.com

14-6-191, Nagar Khana, Begum Bazar,  
Hyderabad - 500 012. (T.S.) INDIA.

Date :

To,  
The Board of Directors,  
*Pharmaids Pharmaceuticals Limited*  
4-4-211/212/3, 1<sup>st</sup> Floor,  
Inderbagh, Sultan Bazar,  
Hyderabad-500095

**Independent Auditors Certificate on the proposed accounting treatment.**

The Certificate is issued in accordance with the terms of our agreement dated 27.07.2018.

We, the statutory auditors of *Pharmaids Pharmaceuticals Limited* (hereinafter referred to as "the Transferee Company"), have examined the proposed accounting treatment specified in clause 11 of the Draft Scheme of Amalgamation between the Transferee Company and Emergent Bio Naturals Limited (hereinafter referred to as "the Transferor Company") in terms of the provisions of section(s) 230 to 234 of the Companies Act, 2013 with reference to its compliance with the applicable Accounting Standards notified under the Companies Act, 2013 and Other Generally Accepted Accounting Principles.

**Management Responsibility**

The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved.

Our responsibility is only to examine and report whether the Draft Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the

statutory auditors of any financial statements of the Company. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

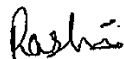
Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in the aforesaid scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued there under and all the applicable Accounting Standards notified by the Central Government under the Companies Act, 2013.

This Certificate is issued at the request of the Company pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to the Bombay Stock Exchange and the National Stock Exchange. This Certificate should not be used for any other purpose without our prior written consent.

**For Rakesh S Jain & Associates**

**Chartered Accountants**

**Firm Registration No.: 010129S**



**Rashmi Patni  
Partner**

**Membership Number: 240693**

**Place: Hyderabad**

**Date: 27.07.2018**



# INVENTURE

MERCHANT BANKER SERVICES PVT. LTD.  
Enhancing Fortunes. Enriching Lives.

**STRICTLY CONFIDENTIAL**

Thursday, July 5, 2018

**The Audit Committee**

**Pharmaids Pharmaceuticals Limited**

4-4-211/212/3, 1<sup>st</sup> Floor,  
Inderbagh, Sultan Bazar,  
Hyderabad-500095.

And

**The Board of Directors**

**Pharmaids Pharmaceuticals Limited**

4-4-211/212/3, 1<sup>st</sup> Floor,  
Inderbagh, Sultan Bazar,  
Hyderabad-500095.

Dear Sir,

We refer to the engagement letter dated June 28, 2018 ("Engagement Letter") whereby Pharmaids Pharmaceuticals Limited ("Company" or the "Transferee Company") has requested Inventure Merchant Banker Services Private Limited ("Inventure"), a SEBI registered Category - 1 Merchant Banker, to provide a fairness opinion to the Company based on the valuation report dated July 5, 2018, ("Valuation Report") issued by M/s. Mulkala and Associates, Chartered Accountants ("Valuer") for the proposed amalgamation of Emergent Bio Naturals Limited ("Transferor Company"), as a going concern, into and with the Transferee Company pursuant to a scheme of arrangement under the provisions of Section 230 to Section 232 and other applicable provisions of the Companies Act, 2013 ("Proposed Scheme"). We understand that the Proposed Scheme will be considered by the Audit Committee and the Board of Directors of the





# Fairness Opinion Report

---

Pharmaids Pharmaceuticals Ltd.

Report Dated: July 5, 2018



**Inventure Merchant Banker Services Private Limited**

2<sup>nd</sup> Floor, Viraj Tower  
Nr. Andheri Flyover (North End)  
Western Express Highway  
Andheri (East), Mumbai – 400 069  
Maharashtra, India

SEBI Registered Category - I Merchant Banker

SEBI Registration No: INM000012003

## **Background of the Transferee Company**

The Transferee Company is a public limited company incorporated under the Companies Act, 1956 and having its registered office at 4-4-211/212/3, 1<sup>st</sup> Floor, Inderbagh, Sultan Bazar, Hyderabad-500095. The company is engaged in the business of trading of affordable medicine in Ayurveda and Allopathy. The equity shares of the Transferee Company are listed on BSE Limited (referred to as "BSE", and as "Stock Exchanges").

## **Background of the Transferor Company**

The company is engaged in the business of trading of Nutraceuticals products and Drug Intermediaries & Cosmetic Chemicals, APIs and other Extractions.

## **Purpose of this certificate**

The Transferee Company has appointed the Valuer to carry out a fair valuation of the Transferor Company and the Transferee Company and recommend a fair ratio of allotment of equity shares of the Transferee Company to the equity shareholders of the Transferor Company on the proposed amalgamation of the Transferor Company with the Transferee Company ("Valuation"). In terms of the Engagement Letter, the Company has requested us to examine the Valuation Report issued by the Valuer and such other information provided by the Transferee Company and issue our independent opinion as to the fairness of the Valuation ("Fairness Opinion") in terms of the requirements of SEBI circular no. CIR/CFD/CMD/15/2015 dated November 30, 2015, SEBI circular no. CFD/DTL3/CIR/2017/21 dated March 10, 2017 and SEBI circular no. CFD/DIL3/CIR/2018/2 dated January 3, 2018, as applicable.



## Source of information

For the said examination and for arriving at the opinion set forth below, we have received:

1. Memorandum of association and articles of association of the Transferor Company and the Transferee Company;
2. Annual reports of the Transferor Company and Transferee Company for the last three financial years;
3. Valuation Report issued by the Valuer along with the related workings; and
4. Draft of the Proposed Scheme of arrangement between the Transferor Company and the Transferee Company.

We have also obtained necessary explanations and such other information, which we believed were relevant to the present exercise, from the representatives of the Company.

## Conclusion

Based on the facts, information and explanations relevant in the present case, our examination of the Valuation Report and our independent analysis and evaluation of such information and subject to the scope limitations as mentioned herein below and to the best of our knowledge and belief, we are of the opinion that the share entitlement ratio of equity shares of the Transferee Company to be issued to the shareholders of the Transferor Company pursuant to the Proposed Scheme, is fair.

## Scope and Limitations

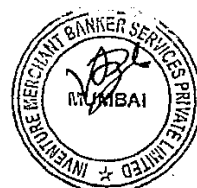
- We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by the Company for the purposes of this Fairness Opinion.



- We express no opinion and accordingly accept no responsibility with respect to or for such information, or the assumptions on which it is based.
- We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of Company or the Transferor Company and neither express any opinion with respect thereto nor accept any responsibility therefore.
- We have not made any independent valuation or appraisal of the assets or liabilities of the Company or the Transferor Company, nor we have been furnished with any such appraisals.
- We have not made any independent valuation or appraisal of the rational of commercial arrangements already entered into by the Company or the Transferor Company which may have material impact on the share entitlement ratio.
- We have not reviewed any internal management information statements or any non public reports, and instead, with your consent, have relied upon information that was publicly available or provided or otherwise made available to us by the Company for the purposes of this Fairness Opinion.
- We are not experts in the evaluation of litigation or other actual or threatened claims and accordingly we have not evaluated any litigation or other actual or threatened claims.
- We have assumed that the Proposed Scheme will be approved by regulatory authorities and that the Proposed Scheme will be consummated substantially in accordance with the terms set forth in the Proposed Scheme.
- We have assumed that there are no other contingent liabilities or circumstances that could materially affect the business or financial prospects of Company or the Transferor Company, other than those disclosed in the information provided or considered in the Proposed Scheme.
- We understand that the management of Company and, during our discussion with them, would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion.



- We have assumed that in the course of obtaining necessary regulatory or other consents or approval for the Proposed Scheme, no restrictions will be imposed or there will be no delays that will have a material adverse effect on the benefits of the Proposed Scheme that may have been contemplated.
- Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and on the information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have any obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we were not authorized to solicit, and did not solicit, interest from any party with respect to the acquisition, business combination or other extraordinary transaction involving Company or any of its assets, nor did we negotiate with any other party in this regard.
- In the ordinary course of business, Inventure is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services, by itself or through its affiliates. In the ordinary course of its trading, brokerage and financing activities, any member of the Inventure group may, at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or loans of any company that may be involved in the Proposed Scheme.
- We express no opinion whatever and make no recommendation at all as to Company's underlying decision to effect the Proposed Scheme or as to how the holders of equity shares or secured or unsecured creditors of Company should vote at their respective meetings held in connection with the Proposed Scheme. We do not express and should not be deemed to have expressed any views on any other terms of the Proposed Scheme. We also express no opinion and accordingly accept no responsibility for or as to the price at which the equity shares of Company will trade following the announcement of the Proposed Scheme or as to the financial performance of Company

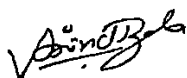


following the consummation of the Proposed Scheme.

- This Fairness Opinion is addressed to the Audit Committee and the Board of Directors Company solely for the purpose of providing them with an independent opinion on the fairness of the Valuation as determined by the Valuer.
- The Fairness Opinion shall not be disclosed or referred to publicly or to any other third party, other than as required by Indian law (in which case you would provide us a prior written intimation) without our prior written consent. The Fairness Opinion should be read in totality and not in parts. Further this Fairness Opinion should not be used or quoted for any purpose. If this Fairness Opinion is used by any person other than to whom it is addressed or for any purpose other than the purpose stated hereinabove, then we will not be liable for any consequences thereof. Neither this Fairness Opinion nor its contents may be referred to or quoted to/by any third party, in any registration statement, prospectus, offering memorandum, annual report, loan agreement or any other agreement or documents given to third parties.

Yours Truly

For Inventure Merchant Banker Services Pvt. Ltd.



(Arvind J. Gala)  
Principal Officer



## **ANNEXURE-8**

### **Audited Financial Statement Of The Transferor Company As On March 31st,2018**

#### **Independent Auditor's Report**

**To the Members of EMERGENT BIO NATURALS LIMITED**

#### **Report on the Financial Statements**

We have audited the accompanying standalone financial statements of **EMERGENT BIO NATURALS LIMITED**("the Company"),which comprises the Balance Sheet as at 31 March, 2018, the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical



Requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act 2013, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018 and its Profit and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies ( Auditor's Report ) Order, 2016 (" the Order") issued by the central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of written representations received from the directors as on 31<sup>st</sup> March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company has disclosed the impact of pending litigations as on 31<sup>st</sup> March, 2018 on its financial position in its financial statements.
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31<sup>st</sup> March 2018.

Place: Hyderabad  
Date: 15.06.2018

S. Ashok Kumar  
Chartered Accountant  
M.No: 223942

## **Annexure – A to the Independent Auditor’s Report**

### **Annexure referred to in Independent Auditors Report to the Members of EMERGENT BIO NATURALS LIMITED**

On the financial statements for the year ended 31<sup>st</sup> March 2018, we report that:

- (i) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets on the basis of available information.
  - (b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable.
  - (c) According to information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company.
- (ii) In respect of its inventories;
  - a) The physical verification of Inventory has been conducted at reasonable intervals by the management during the year and no material discrepancies were noticed on such verification.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships and other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore, the provisions of clause 3 (iii), (iii)(a), (iii)(b) and (iii)(c) of CARO are not applicable to the Company.
- (iv) The Company has not granted any loans but made an investment, to the parties covered under section 185 and 186 of the Companies Act 2013.
- (v) The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013 and rules framed there under to the extent notified.
- (vi) In our opinion and according to the information and explanations given to us, the Company is not covered under these clause, therefore provisions of the order made by the Central Government for maintenance of cost records sub-section (1) of section 148 of the Companies Act, 2013 is not applicable.

(vii) In respect of statutory dues:

- a) According to the information and explanations given to us and based on the records of the Company examined by us, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it with the appropriate authorities in India.
- b) There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, , service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were in arrears as at 31<sup>st</sup> March, 2018 for a period of more than 6 months for the date they become payable.
- c) According to the information and explanations given to us and based on the records of the Company examined by us, there are no dues of Income tax, which have not been deposited on account of any disputes.

(viii) In our opinion and according to the information and explanations given to us, the Company does not have any default in repayment of loans or borrowings from any financial institution, bank, government or debenture holders at the balance sheet date.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans. Accordingly the provisions of this clause are not applicable to the Company.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) The Company has paid /provided for managerial remuneration in accordance with the requisite approvals mandate by the provisions of section 197 read with schedule V to the Act.

(xii) As the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it, the provisions of clause 3(xii) of the order are not applicable to the company.

(xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with Section 177 and 188 of Act. The details of such related party transactions have been disclosed in the Financial statements as required under Accounting Standard 18, related

party disclosures specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.

- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, provision of clause 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not Entered into any non-cash transactions with directors or persons connected with him. Accordingly, provisions of clause 3(xv) of the Order are not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of clause 3(xvi) of the Order are not applicable to the Company.

Place: Hyderabad  
Date: 15.06.2018

S. Ashok Kumar  
Chartered Accountant  
M.No: 223942

## **Annexure B to the Independent Auditors Report**

### **Report on the Internal financial controls under clause (i) of the sub- section 3 of the Section 143 of the Companies Act, 2013 ('The Act')**

We have audited the internal financial controls over financial reporting of **EMERGENT BIO NATURALS LIMITED** ('the company') as of 31<sup>st</sup> March 2018 in conjunction with our audit of financial statements of the company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Companies Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI).

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to companies policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors Responsibility**

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') and the standards on auditing deed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. These standards and Guidance require that we comply with ethical requirements and plan and performed the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error,

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion and the company's internal financial control system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes this policies and procedures that (1) pertain to the maintenance of records that, in reasonable detailed, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statement s in accordance with generally accepted principles, and that receipts and expenditures of the company are being made only in accordance with authorization of management and directors of the company; and(3) provide reasonable assurance regarding prevention and timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitation of Internal Financial Controls over Financial Reporting**

Because of the inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be deducted. Also, projections of evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the company has, in all material respects, an adequate internal financial system over financial reporting and such inherent financial controls over financial reporting were operating effectively as at 31st March,2018,based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India.

Place: Hyderabad

Date: 15.06.18

S.Ashok Kumar  
Chartered Accountant  
M.No: 223942

# EMERGENT BIO NATURALS LTD

## Balance Sheet as at 31st March 2018

Particulars	Note No	As At 31-03-2018 (Audited)	As At 31-03-2017 (Audited)
<b>I. EQUITY AND LIABILITIES</b>			
1. Shareholder's funds			
(a) Share Capital	2	2,46,63,340	2,46,63,340
(b) Reserves and surplus	3	5,06,85,660	5,05,32,062
2. Non-Current Liabilities			
(a) Long Term Borrowings	4	-	-
(b) Deffered Tax liability (net)	5	2,88,209	3,12,730
(c) Other Non-current liabilities	6	-	-
3. Current Liabilities			
(a) Trade payables	7	-	-
(b) Short term borrowings	8	-	-
(b) Other current liabilities	9	1,74,200	1,24,500
(c) Shorth term provisions	10	30,385	13,558
<b>TOTAL</b>		<b>7,58,41,794</b>	<b>7,56,46,190</b>
<b>II. ASSETS</b>			
1. Non-Current Assets			
(a) Fixed assets			
(i) Tangible assets	11	10,74,399	15,16,774
(b) capital WIP	12	45,00,000	45,00,000
(c) Long term loans and advances	13	6,66,04,960	5,47,79,960
2. Current Assets			
(a) Inventories	14	-	-
(b) Trade receivables	15	36,39,445	30,01,466
(c) Cash and Bank balances	16	22,990	1,18,47,990
(d) Short term loans and advances	17	-	-
<b>TOTAL</b>		<b>7,58,41,794</b>	<b>7,56,46,190</b>

Significant accounting policies and notes on accounts Accompanying Notes 1 - 33 are an integral part of financial Statements in terms of our report even date

For and on behalf of the Board of Directors

**EMERGENT BIO NATURALS LTD**

**( S Ashok Kumar)**

Chartered Accountant

M No :- 223942

Director

Director

Dt : 15th June 2018

Place :- Hyderabad



<b>EMERGENT BIO NATURALS LTD</b>			
<b><u>Trading and Profit &amp; Loss for the year ended 31st March, 2018</u></b>			
<b>Particulars</b>	<b>Note No</b>	<b>As At 31-03-2018 (Audited)</b>	<b>As At 31-03-2017 (Audited)</b>
<b><u>Income :-</u></b>			
Revenue from operations	18	7,65,250	6,00,151
Other Income	19	-	-
<b>Total Revenue :</b>		<b>7,65,250</b>	<b>6,00,151</b>
<b><u>Expenses: -</u></b>			
Cost of Materials Consumed	20	-	-
Changes in inventories of work-in-progress and Stock-in-Trade	21	-	-
Other Operating Expenses	22	-	-
Employee Benefits Expenses	23	-	-
Finance Costs	24	5,163	1,769
Depreciation and Amortization Expenses	11	4,42,375	4,42,375
Other Expenses	25	1,58,250	84,854
<b>Total Expenses :</b>		<b>6,05,788</b>	<b>5,28,998</b>
<b>Profit Before Tax</b>		<b>1,59,462</b>	<b>71,153</b>
<b>Tax Expense:</b>			
Current Tax		30,385	13,558
Deferred Tax		-24,521	-9,493
<b>Profit/ (Loss) for the period</b>		<b>1,53,598</b>	<b>67,088</b>
<p>Accompanying Notes 1 - 33 are an integral part of financial Statements in terms of our report of even date</p> <p style="text-align: right;"><b>For and on behalf of the Board of EMERGENT BIO NATURALS LTD</b></p> <p><b>( S Ashok Kumar)</b> Chartered Accountant M No :- 223942</p> <p style="text-align: center;"><b>Director</b>                      <b>Director</b></p> <p>Dt : 15th June'2018 Place :- Hyderabad</p>			

EMERGENT BIO NATURALS LTD				
Notes Forming Part of Provisional - Balance Sheet				
NOTE 2: SHARE CAPITAL		(Amount in Rs)		(Amount in Rs)
PARTICULARS	As at 31-03-18	As at 31-03-17		
a) Authorized Share Capital				
35,00,000 Equity Shares of Rs. 10 each	3,50,00,000	3,50,00,000		
Total :	3,50,00,000	3,50,00,000		
b) Issued Capital, Subscribed & Fully paid up				
24,66,334 Equity Shares of Rs. 10 each	2,46,63,340	2,46,63,340		
	2,46,63,340	2,46,63,340		
c) Reconciliation of shares outstanding at the beginning and at the end of the reporting period				
Equity Shares	As at 31-03-2018		As at 31-03-2017	
	Number	Value	Number	Value
Shares outstanding at the beginning of the				
- Shares issued during the year	-	-	-	-
- Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the	-	-	-	-
d) <u>Terms &amp; Rights attached to equity share holders</u>				
The Company has one class of equity shares having a par value of Rs. 10/- per share. Each shareholder is ligible for one vote per share held. The dividend proposed by the board of directors is subject to the approval of shareholders in the ensuing annual general meeting, except in cas of interim dividend. In the event of liquidation, the holders of equity shares will be entitled to receive remaining assets of thecompany after distribution of all preferential amounts, in proportion to the number of equity shares held by them.				
e) Shares in the company held by each shareholder holding more than 5 percent shares.				
Name of the Equity Share Holder	As at 31-03-2018		As at 31-03-2017	
	No. of shares held	% of share holding	No. of shares held	% of share holding
f) <u>There is no Shares allotted for consideration other than cash</u>				

# EMERGENT BIO NATURALS LTD

## Notes Forming Part of Balance Sheet

<b>NOTE 2: SHARE CAPITAL</b>	<b>As at 31.03.2018 (Audited)</b>	<b>As at 31.03.2017 (Audited)</b>
<b>Particulars</b>		
<b>Authorised</b> 35,00,000 shares of Rs. 10/- each	3,50,00,000	3,50,00,000
<b>Issued, Subscribed and Paid up</b> 24,66,334 shares of Rs 10/- each	2,46,63,340	2,46,63,340
<b>Total</b>	<b>2,46,63,340</b>	<b>2,46,63,340</b>

<b>Note 3: RESERVES AND SURPLUS</b>	<b>As at 31.03.2018 (Audited)</b>	<b>As at 31.03.2017 (Audited)</b>
<b>Particulars</b>		
Share premium	4,93,26,680	4,93,26,680
Surplus/(Deficit) in the Statement of Profit and Loss	-	-
Opening Balance	12,05,382	11,38,295
(+) Net Profit / (Net Loss) for the current year	1,53,598	67,087
(+/-) Depreciation adjustment for the prior years	-	-
(Adjustment As per the new schedule rates of Depreciation of Companies Act'2013)	-	-
<b>Total</b>	<b>5,06,85,660</b>	<b>5,05,32,062</b>

<b>Note 4: LONG TERM BORROWINGS</b>	<b>As at 31.03.2018 (Audited)</b>	<b>As at 31.03.2017 (Audited)</b>
<b>Particulars</b>		
<b>Unsecured</b>	-	-
- From Directors	-	-
- From Banks / Financial Institutions	-	-
<b>Secured Loans</b>	-	-
Loans from Financial Institutions	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

<b>Note 5: DEFFERED TAX LIABILITY (Net)</b>	<b>As at 31.03.2018 (Audited)</b>	<b>As at 31.03.2017 (Audited)</b>
<b>Particulars</b>		
Deferred Tax Liability / (Asset)	-	-
On depreciation on fixed assets	-	-
Deferred Tax Asset	-	-
On employee benefit expenses	-	-
Deferred Tax Liability (Net) as on 31-3-2017	<b>-24,521</b>	-9,493
Deferred Tax Liability at the beginning of the year	3,12,730	3,22,223
<b>Total</b>	<b>2,88,209</b>	<b>3,12,730</b>

<b>Note 6: OTHER NON - CURRENT LIABILITIES</b>	<b>As at 31.03.2018 (Audited)</b>	<b>As at 31.03.2017 (Audited)</b>
<b>Particulars</b>		
Creditors for capital goods	-	-
Mobilization Advance from Client	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

# EMERGENT BIO NATURALS LTD

## Notes Forming Part of Balance Sheet

<b>Note 7: TRADE PAYABLES</b>	<b>As at 31.03.2018 (Audited)</b>	<b>As at 31.03.2017 (Audited)</b>
<b>Particulars</b>		
<b>Trade Payables</b>		
Due to Micro, Small and Medium Enterprises*	-	-
Dues to other than Micro, Small and Medium Enterprises	-	-
For Goods	-	-
For Services	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

<b>Note 8: SHORT TERM BORROWINGS</b>	<b>As at 31.03.2018 (Audited)</b>	<b>As at 31.03.2017 (Audited)</b>
<b>Particulars</b>		
Loans Repayable on Demand	-	-
Secured	-	-
Working Capital Loans repayable on demand from banks	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

<b>Note 9: OTHER CURRENT LIABILITIES</b>	<b>As at 31.03.2018 (Audited)</b>	<b>As at 31.03.2017 (Audited)</b>
<b>Particulars</b>		
<b>Other Payables</b>		
Auditor's Remuneration Payable	27,000	17,000
Salaries Payable	-	-
Rent Payable	-	-
Labour wages payable	-	-
Other Dues payable	1,47,200	1,07,500
<b>Total</b>	<b>1,74,200</b>	<b>1,24,500</b>

<b>Note 10: SHORT TERM PROVISIONS</b>	<b>As at 31.03.2018 (Audited)</b>	<b>As at 31.03.2017 (Audited)</b>
<b>Particulars</b>		
provisions	30,385	13,558
<b>Total</b>	<b>30,385</b>	<b>13,558</b>

**NOTE 11: FIXED ASSETS**

FIXED ASSETS	Rate	Gross Block (at cost)			Total Cost as at 31.03.2018	Depreciation/Amortization				Net Block	
		Cost as at 01.04.2017	Additions During the Year	Deletions During the Year		As at 01.04.2017	For the year	Deletions during the year	Adjustments for the year	As at 31.03.2018	As at 31.03.2017
Tangible Assets											
Air Conditioners	25.89%	17,000	-	-	17,000	12,750	2,125	-	-	14,875	4,250
Computers & Others	39.30%	1,00,000	-	-	1,00,000	1,00,000	-	-	-	1,00,000	-
Veehicles	63.00%	2,50,000	-	-	2,50,000	2,00,000	31,250	-	-	2,31,250	50,000
Machinery & Equipment	25.89%	40,90,000	-	-	40,90,000	26,27,476	4,09,000	-	-	30,36,476	14,62,524
Total		44,57,000	-	-	44,57,000	29,40,226	4,42,375	-	-	33,82,601	15,16,774

<b>Note 12: INVESTMENTS</b>	<b>As at 31.03.2018 (Audited)</b>	<b>As at 31.03.2017 (Audited)</b>
<b>Particulars</b>		
Chit Funds	-	-
NSC	-	-
Mutual Funds	-	-
Other investments	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

<b>Note 13: LONG TERM LOANS AND ADVANCES</b>	<b>As at 31.03.2018 (Audited)</b>	<b>As at 31.03.2017 (Audited)</b>
<b>Particulars</b>		
<b>Unsecured, considered good</b>		-
<b>Others</b>		
- Balance with government authorities	-	-
- Retention money	-	-
- Advance Payment of Taxes	-	-
- other Loans	6,66,04,960	5,47,79,960
<b>Total</b>	<b>6,66,04,960</b>	<b>5,47,79,960</b>

<b>Note 14: INVENTORIES</b>	<b>As at 31.03.2018 (Audited)</b>	<b>As at 31.03.2017 (Audited)</b>
<b>Particulars</b>		
Raw Materials	-	-
Work-in progress	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

<b>Note 15: TRADE RECEIVABLES</b>	<b>As at 31.03.2018 (Audited)</b>	<b>As at 31.03.2017 (Audited)</b>
<b>Particulars</b>		
<b>Considered good</b>	-	-
Outstanding for a period exceeding six months from the date they are due for the payment	-	-
Others	36,39,445	30,01,466
<b>Total</b>	<b>36,39,445</b>	<b>30,01,466</b>

# **EMERGENT BIO NATURALS LTD**

## **Notes Forming Part of Balance Sheet**

<b>Note 16: CASH AND BANK BALANCES</b>	<b>As at 31.03.2018 (Audited)</b>	<b>As at 31.03.2017 (Audited)</b>
<b>Particulars</b>		
<b>Cash and Cash Equivalents</b>		
(a) Balances with banks		
In Current Accounts	-	1,18,47,990
Cash on hand	22,990	-
(b) Other bank balances	-	-
in Fixed deposits (more than 3 months maturity)	-	-
<b>Total</b>	<b>22,990</b>	<b>1,18,47,990</b>

<b>Note 17: SHORT TERM LOANS AND ADVANCES</b>	<b>As at 31.03.2018 (Audited)</b>	<b>As at 31.03.2017 (Audited)</b>
<b>Particulars</b>		
<b>Unsecured, Considered good</b>	-	-
Materail Advances	-	-
Retention money	-	-
Advance to labour & others	-	-
Interest Receivable	-	-
Other Advances	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

# EMERGENT BIO NATURALS LTD

## Notes Forming Part of Balance Sheet

### Schedules for Trading and P & L Account

Note 18: REVENUE FROM OPERATIONS	As at 31.03.2018 (Audited)	As at 31.03.2017 (Audited)
Particulars		
<b>Revenue from Operations :</b>		
Income from operations	7,65,250	6,00,151
<b>Total</b>	<b>7,65,250</b>	<b>6,00,151</b>

Note 19: OTHER INCOME	As at 31.03.2018 (Audited)	As at 31.03.2017 (Audited)
Particulars		
Other Non - Operating Income	-	-
Interest Income	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Note 20: COST OF MATERIALS CONSUMED	As at 31.03.2018 (Audited)	As at 31.03.2017 (Audited)
Particulars		
Cost of Materials and Stores	-	-
Opening Stock	-	-
Add: Purchases or receipts	-	-
Less: Closing stock	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Note 21: INCREASE OR DECREASE IN WIP	As at 31.03.2018 (Audited)	As at 31.03.2017 (Audited)
Particulars		
Opening balance of Work in Progress	-	-
Closing balance of Work in Progress	-	-
<b>Increase or decrease in WIP</b>	<b>-</b>	<b>-</b>

Note 22: OTHER OPERATING EXPENSES	As at 31.03.2018 (Audited)	As at 31.03.2017 (Audited)
Particulars		
Labour Charges	-	-
Piece work contracts	-	-
Machinery Maintenance	-	-
Transportation	-	-
Other Work Expenses	-	-
Department deductions	-	-
<b>Total</b>	<b>-</b>	<b>-</b>



**EMERGENT BIO NATURALS LTD**

**Notes Forming Part of Balance Sheet**

<b>Note 23: EMPLOYEE BENEFITS EXPENSES</b>	<b>As at 31.03.2018 (Audited)</b>	<b>As at 31.03.2017 (Audited)</b>
<b>Particulars</b>		
Salaries	-	-
Mess Expenses	-	-
Staff welfare expenses	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

<b>Note 24: FINANCIAL COSTS</b>	<b>As at 31.03.2018 (Audited)</b>	<b>As at 31.03.2017 (Audited)</b>
<b>Particulars</b>		
Bank Charges	5,163	1,769
Bank Guarantee Charges	-	-
Interest :-		
Interest to banks	-	-
Interest to others	-	-
Processing charges	-	-
<b>Total</b>	<b>5,163</b>	<b>1,769</b>

<b>Note 25: OTHER EXPENSES</b>	<b>As at 31.03.2018 (Audited)</b>	<b>As at 31.03.2017 (Audited)</b>
<b>Particulars</b>		
Advertisement Exp	-	-
Audit fees	10,000	10,000
Conveynce	-	-
Consultancy charges	-	-
Electricity Charges	-	-
Office Rent / Camp rents	-	-
Salaries	1,44,000	41,000
Postage, Courier & Telegrams	-	-
Printing and Stationary	-	-
Travelling Expenses	-	-
Repairs & Maintanance	-	-
Telephone & Internet Expenses	-	-
Other Exp	-	5,740
Misc	4,250	28,114
<b>Total</b>	<b>1,58,250</b>	<b>84,854</b>

**Notes to Financial Statements for the year ended 31 March 2018**

**26 Contingent Liabilities**

Particulars	2017-18	2016-17
a) Letter of Credit	-	-
b) Bank Guarantees ( Rs in Crs)	-	-
c) Corporate gurantee given to customers	-	-
d) Claims against the company acknowledged as debts	-	-

- 27 No Provision has been made for employee retirement benefits as per pending actuarial valuation and company has deposited towards employee provident fund amounts from time to time

**28 Segment Reporting**

The Company's operations predominantly consist of construction/project activities. Hence, there are no reportable segments under Accounting Standard 17. During the year under report, substantial part of the Company's business has been carried out in India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary. The Company's does not have any operations outside India.

**29 Supplementary Statutory Information :**

- a) Earnings in Foreign Currency : Nil
- b) Expenditure in Foreign Currency : Nil
- c) Value of imports calculated on CIF basis : Nil
- d) As the company is a service industry, the requirement under para 4C of part II of schedule VI to the companies act, 1956 relating to disclosure of particulars in respect of licensed and utilized capacities and quantitative details of the materials consumed and of turnover is not applicable.

- 30 Related Party Disclosure :  
There were no transactions with related parties in the year 2017-18

- 31 Some of the balances under sundry debtors, loans and advances, Sundry Creditors and other payables are subject to confirmations from parties and the same in a continuous and going process

- 32 Previous year's figures have been reclassified/ regrouped / rearranged wherever necessary to conform to current year's classifications.

For and on behalf of the Board  
**EMERGENT BIO NATURALS LTD**

Hyderabad, 15 June, 2018

**( S Ashok Kumar )**  
**Chartered Accountant**  
**Place :- Hyderabad**

## NOTES FORMING PART OF THE ACCOUNTS

### A. Corporate Information

- a. EMERGENT BIO NATURELS LTD is a Company incorporated in 2006 under the Companies Act, 1956 manufacturing a wide range of health care products including pharmaceutical formulations facilities and commenced its operations in the year 2006.
- b. The Company is primarily engaged in the business of BIO NATURAL Products.

### B. SIGNIFICANT ACCOUNTING POLICIES

#### BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in conformity with Generally Accepted Accounting Principles to comply in all material respects with the notified accounting standards ('AS') under Companies Accounting Standard Rules, 2006, (as amended), the relevant provisions of the Companies Act ,2013 ('the Act'). The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the company and are consistent with those used in the previous year.

#### a). Change in Accounting Policy

##### **Presentation and disclosure of financial statements**

During the year ended 31<sup>st</sup> March 2013, the revised schedule VI notified under Companies Act 2013 has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year, for comparison.

#### b). Method of Accounting

The company follows mercantile system of accounting and recognizes income & expenditure on accrual basis.

#### c). Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities at the end of the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements, any revisions to accounting estimates are recognized prospectively in current and future periods.

#### **d). Fixed Assets, Depreciation, Amortization and Impairment of Assets**

##### **Tangible Fixed Assets and Intangible Assets**

Tangible Fixed Assets and Intangible Assets are stated at their original cost of acquisition, net of accumulated depreciation and CENVAT credit, and include taxes, freight and other incidental expenses related to their acquisition / construction / installation. Pre-operative expenses relating to a specific project are capitalized till all the activities necessary to prepare the qualifying asset for its intended use are completed. Expenses capitalized also include applicable borrowing costs.

##### **Intangible assets**

Intangible assets are recognized in the balance sheet at cost, net of any accumulated amortization/ impairment. Preliminary expenses are amortized over a period of 5 years. Demerger expenses are amortized over a period of 10 years.

##### **Depreciation**

Depreciation is provided on all depreciable assets by written down value method at the rates prescribed in schedule XVI to the companies Act, 2013 as amended from time to time. Depreciation has been calculated on pro-rata basis from the date of acquisition / installation of asset. Depreciation as per Income Tax has been separately calculated for ascertaining the tax liability.

##### **Impairment of assets**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the profit and loss A/c in the year in which an asset is identified as impaired.

#### **e). Investments**

Investments are classified into current and long term investments. Current investments are carried at lower of cost or fair market value. Any diminution in their value is recognized in the profit and loss A/c. long term investments, including investment in subsidiaries, are carried at cost. Diminution of temporary nature in the value of such long term investments is not provided for except when such diminution is determined to be of a permanent nature.

##### **Investment Property**

An investment in land or buildings that are not intended to be occupied substantially for use by, or in the operations of, the company is classified as investment property. Investment properties are stated at cost less accumulated depreciation/amortization and impairment losses, if any. Cost comprises the purchase price and any attributable

cost of bringing the investment property to its working condition for its intended use. Depreciation and building component of the investment property is calculated on a written down value method('WDV'), and is equal to the rates prescribed in schedule XIV of the Act. On disposal of an investment, the difference between its carrying amount and the net disposal proceeds is charged or credited to the statement of profit and loss.

**f). Inventories**

Inventories are valued at cost or net realizable value, whichever is less. Cost comprises of expenditure incurred in the normal course of business in bringing such inventories to their location. Finished goods at the factory are valued at cost in all applicable cases. Obsolete, non moving and defective inventories are identified at the time of physical verification of inventories and adequate provision, whichever necessary, is made for such inventories.

**g). Revenue Recognition**

Income is recognized when the goods are dispatched in accordance with terms of sale. Sale is inclusive of excise duty, as applicable.

In respect of income from services, income is recognized as and when the rendering of services is complete. Revenue from time period services is recognized on the basis of time incurred in providing such services.

**h). Borrowing Costs**

Borrowing costs that are directly attributable to the acquisition construction of a qualifying asset are capitalized as part of cost of such asset. Other borrowing costs are treated as a period cost and are expensed in the year of occurrence.

**i). Income and Deferred Tax**

The provision made for income tax in the accounts comprises both the current and deferred tax. Current tax is provided for on the taxable income for the year. The deferred tax assets and liabilities for the year arising on account of timing differences (net) are recognized in the profit and loss A/c and the cumulative affect thereof is reflected in the balance sheet.

**j). Earnings per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity share holders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted Earnings per Share, net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity share.

## **NOTES ON ACCOUNTS**

1. Particulars of employees in accordance with sub-section (2A) of section 217 of the Companies Act, 2013 read with Companies (particulars of employees) Rule 1975. NIL

2. Company having equity shares 24,66,334 of Rs 10 each fully paid up and authorized capital of Rs 3,50,00,000.

3. Auditor's Remuneration:

Amount in Rs.

Particulars	2017-18	2016-17
Auditor's Remuneration as an auditor	10,000	10,000

4. There are no dues to SSI units outstanding for more than 30 days.

5. The company has been provided the provision for deferred income tax asset / liability- Nil- for current year and previous year towards Differ Tax asset of Rs 9493/- as per accounting standard 22 issued by ICAI.

6. The company has obtained confirmation of balances outstanding in balance sheet.

7. The figures have been rounded off to the nearest rupee.

8. Previous year's figures have been regrouped / rearranged wherever necessary.

As per our report of even date                      for and on behalf of the Board

**EMERGENT BIO NATURALS LIMITED**

S. Ashok Kumar  
Chartered Accountant  
M.No: 223942

Place: Hyderabad  
Date: 15.06.2018

DIRECTOR

DIRECTOR

**Audited Financial Statement Of The Transferee Company****As On March 31st,2018****INDEPENDENT AUDITORS' REPORT****To the Members of PHARMAIDS PHARMACEUTICALS LIMITED****Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of PHARMAIDS PHARMACEUTICALS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the financial position of the Company as at 31 March, 2018, its Loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### **Emphasis of Matter**

We draw attention to Note 27.2 to the financial statements which describes about Non-confirmation /reconciliation of trade receivables and trade payables.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts.



- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 Companies (Indian Accounting Standards) Rules, 2015;
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 read with Companies (Audit and Auditors) Amendment Rules, 2017 , in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements
  - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For Rakesh S Jain & Associates**  
**Chartered Accountants**  
**Firm Registration No. 010129S**

**Sd/-**  
**(B.Ramesh Kumar)**  
**Partner**  
**M.No: 200304**

**Place: Hyderabad**  
**Date: 5-5-2018**

## **Annexure - A to the Auditors' Report**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2018, we report that:

- (i) a) According to the information and explanations furnished to us, the company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) According to the information and explanations furnished to us, all the assets has been physically verified by the Management during the year.
- (ii) As explained to us, inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans to any of the parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public within the meaning of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under.
- (vi) We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues applicable to it.  
  
(b) According to the information and explanations given to us, there are no dues of income tax sales tax, duty of excise, service tax and value added tax which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the records of the Company examined by us and information and explanation given to us, the Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.

- (ix) According to the records of the Company examined by us and information and explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanation given to us, in our opinion the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For Rakesh S Jain & Associates**  
**Chartered Accountants**  
**FRN: 010129S**

**Sd/-**  
**(B.Ramesh Kumar)**  
**Partner**  
**M.No: 200304**

**Place: Hyderabad**  
**Date: 5-5-2018**

## **“Annexure – B” to the Auditors' Report**

### **Report on the Internal Financial Controls under the Clause (i) of sub section 3 of Section 143 of the Companies Act, 2013('the Act')**

We have audited the internal financial controls over financial reporting of PHARMAIDS PHARMACEUTICALS LIMITED (“the Company”) as of 31 March 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### **Management’s responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (“the Act”).

#### **Auditors Responsibility:**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the ‘Guidance Note’) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of the internal financial controls over the financial reporting included obtaining an understanding of the internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on assessed risk. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls systems over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of the financial reporting and the preparation of financial statements for external purposes in accordance it generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Rakesh S Jain & Associates**  
**Chartered Accountants**  
**FRN: 010129S**

**Sd/-**  
**(B.Ramesh Kumar)**  
**Partner**  
**M.No: 200304**

**Place: Hyderabad**  
**Date: 5-5-2018**

# PHARMAIDS PHARAMCEUTICALS LIMITED

## Balance sheet as at March 2018

(Amount In Rupees)

ASSETS	Note no.	As at 31 March 2018	As at 31 March 2017
<b>1 Non-current assets</b>			
Property, plant and equipment	1	22,512	-
Financial assets			
- Non-Current Assets		-	-
- Long-term loans and advances	2	4,880,256	3,795,514
- Others			
Deferred tax assets (Net)	3	1,816	-
Other non-current assets	4	530,000	-
<b>2 Current assets</b>			
Inventories	5	-	2,445,711
Financial assets			
- Trade and other receivables	6	5,155,587	7,876,906
- Cash and cash equivalents	7	2,363,716	6,087,061
- Short term loans and advances	8	-	-
Other current assets	9	-	-
<b>TOTAL ASSETS</b>		<b>12,953,888</b>	<b>20,205,192</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	10	33,630,850	33,630,850
Other equity	11		
- Equity component of other financial instrument			
- Retained earnings		(23,210,753)	(19,353,363)
<b>Share application money pending allotment</b>			
<b>1 Non-current liabilities</b>			
Financial liabilities			
- Long term borrowings	12	-	-
Long term provisions	13	-	-
Deferred tax liabilities (Net)	14	-	-
Other non-current liabilities	15	252,375	926,413
<b>2 Current liabilities</b>			
Financial liabilities			
- Short term borrowings	16	-	-
- Trade and other payables	17	1,847,985	4,477,852
Other current liabilities	18	433,430	523,440
Short-term provisions	19	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>12,953,888</b>	<b>20,205,192</b>

See accompanying notes to the financial statements

27

As per our report of even date attached

**For Rakesh S Jain & Associates**

**For. Pharmaids Pharmceuticals Limited**

Chartered Accountants

Firm Registration Number: 010129S

(B.Ramesh Kumar)

Partner

Membership Number: 200304

Dr. Ghisulal Jain [DIN No.0404983]

Chairman & Managing Director

Place: Hyderabad

Date: 05/05/2018

Seema Jain

Director & CEO [DIN No.718351]

**PHARMAIDS PHARMACEUTICALS LIMITED**  
**Statement of Profit and Loss for the year ended 31st March 2018**

(Amount In Rupees)

Particulars	Note no.	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Revenue from operations</b>	<b>20</b>	4,491,436	12,025,258
<b>Other income</b>	<b>21</b>	200,717	100,696
<b>Total revenue</b>		<b>4,692,153</b>	<b>12,125,954</b>
<b>Expenses</b>			
Cost of materials consumed		346,861	6,448,720
Purchase of stock-in-trade		2,418,509	-
Changes in inventories of finished goods, work in progress and stock-in-trade	<b>22</b>	2,178,825	295,344
Employee benefit expenses	<b>23</b>	629,832	1,663,207
Finance cost	<b>24</b>	14,043	401,319
Depreciation and amortisation expense	<b>1</b>	10,888	637,086
Other expenses	<b>25</b>	2,778,939	7,052,605
<b>Total expenses</b>		<b>8,377,898</b>	<b>16,498,280</b>
<b>Profit/ (loss) before exceptional items and tax</b>		<b>(3,685,745)</b>	<b>(4,372,326)</b>
Exceptional items		-	5,197,058
<b>Profit/ (loss) before tax</b>		<b>(3,685,745)</b>	<b>824,732</b>
<b>Tax expenses</b>	<b>26</b>	171,645	(272,161)
<b>Profit/ (loss) for the period from continuing operations</b>		<b>(3,857,390)</b>	<b>1,096,893</b>
<b>Profit/ (loss) from discontinued operations</b>		-	-
Tax expense of discontinued operations		-	-
<b>Profit/ (loss) from discounting operations (after tax)</b>		-	-
<b>Profit/ (loss) for the period</b>		<b>(3,857,390)</b>	<b>1,096,893</b>
<b>Other comprehensive income</b>			
<b>Total comprehensive income for the period</b>		<b>(3,857,390)</b>	<b>1,096,893</b>
<i>(Profit/ loss + other comprehensive income)</i>			
<b>Earnings per equity share (for continuing operations)</b>			
a) Basic		(1.13)	0.32
b) Diluted		(1.13)	0.32
<b>Earnings per equity share (for discontinued operations)</b>			
a) Basic		-	-
b) Diluted		-	-
<b>Earnings per equity share (for discontinued &amp; continuing operations)</b>			
a) Basic		(1.13)	0.32
b) Diluted		(1.13)	0.32

See accompanying notes to the financial statements

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As per our report of even date attached  
**For Rakesh S Jain & Associates**  
Chartered Accountants  
Firm Registration Number: 010129S

**For. Pharmaids Pharmceuticals Limited**

(B.Ramesh Kumar)  
Partner  
Membership Number: 200304

Dr. Ghisulal Jain [DIN No.404983]  
Chairman & Managing Director

Place: Hyderabad  
Date: 05/05/2018

Seema Jain  
Director & CEO [DIN No.718351]

**PHARMAIDS PHARMACEUTICALS LIMITED**
**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2018**

	For the Year ended on 31.03.2018	For the Year ended on 31.03.2017
<b>A Cash Flow from Operating activities :</b>		
<b>Net Profit after Interest &amp; Depreciation but before Tax</b>	(36,85,745)	8,24,732
Depreciation	10,888	6,37,086
Interest paid	-	3,85,372
Interest received	(2,00,717)	(1,00,571)
Loss on Sale of Fixed Assets	-	-
Profit on Sale of Assets / Investments	-	-
Bad Debts Written Off	-	-
<b>Operating Profit before working capital changes</b>	<b>(38,75,574)</b>	<b>17,46,619</b>
<b>Adjustments for :</b>		
Trade and Other Payables	(26,29,867)	28,255
Inventories	24,45,711	4,34,076
Trade receivables	27,21,319	28,65,586
Loan and advances	-	-
Other Assets	(5,30,000)	-
other current liability	(90,011)	(18,15,839)
<b>Cash generated from operations</b>	<b>(19,58,421)</b>	<b>32,58,697</b>
Add: Income Tax paid	(1,73,461)	-
Miscellaneous Expenditure		
<b>Net Cash flow from Operating activities (before &amp; after extraordinary items) " A "</b>	<b>(21,31,882)</b>	<b>32,58,697</b>
<b>B Net Cash from Investing activities :</b>		
( Purchase ) / Sale of fixed assets	(33,400)	37,30,442
Capital Work in Progress	-	-
Increase in Creditors for Capital Goods	-	-
( Purchase ) / Sale of investments	-	-
Interest received	2,00,717	1,00,571
investment in vardhaman bank(dividend income)	-	1,250
Sale of Fixed Assets	-	-
Sale of Investments	-	-
Long Term Loans and Advances	(10,84,742)	(5,75,091)
<b>Net cash flow from Investing activities " B "</b>	<b>(9,17,425)</b>	<b>32,57,172</b>
<b>C Cash Flow from Financing activities</b>		
Issue of Share Capital	-	-
Bank borrowings & Unsecured Loan	(6,74,038)	(18,04,424)
Dividend and Dividend Distribution Tax Paid	-	-
Interest paid	-	(3,85,372)
<b>Net Cash flow from Financing activities " C "</b>	<b>(6,74,038)</b>	<b>(21,89,796)</b>
<b>D Net ( Decrease ) / Increase in Cash and Cash Equivalents ( A + B + C )</b>	<b>(37,23,345)</b>	<b>43,26,073</b>
Cash and Cash Equivalents at the beginning	60,87,061	17,60,989
Cash and Cash Equivalents at the end	23,63,716	60,87,061

As per our report of even date attached  
**For Rakesh S Jain & Associates**  
Chartered Accountants  
Firm Registration Number: 010129S

For. Pharmaids Pharmaceuticals Limited

(B.Ramesh Kumar)  
Partner  
Membership Number: 200304

Dr. Ghisulal Jain [DIN No.404983]  
Chairman & Managing Director

Place: Hyderabad  
Date: 05/05/2018

Seema Jain  
Director & CEO [DIN No.718351]



**PHARMAIDS PHARMACEUTICALS LIMITED**  
**Statement of changes in equity for the year ended 31 March 2018**

*Amount in INR lakhs*

**For the year ended 31 March 2017**

Particulars	Reserves and Surplus				Total equity
	Share Capital	Capital redemption reserve	Retained Earnings	Capital Reserve	
<b>Balance as at 1 April 2016</b>	<b>336.31</b>	<b>-</b>	<b>(204.50)</b>	<b>-</b>	<b>131.81</b>
Total comprehensive income for the year ended 31 March 2017	-	-	10.97	-	10.97
Other comprehensive income (net of tax) (refer note 23)	-	-	-	-	-
	<b>336.31</b>	<b>-</b>	<b>(193.53)</b>	<b>-</b>	<b>142.77</b>
<b>Transactions recorded directly in equity</b>					
<b>Contributions and distributions:</b>					
Nil	-	-	-	-	-
<b>Balance as at 31 March 2017</b>	<b>336.31</b>	<b>-</b>	<b>(193.53)</b>	<b>-</b>	<b>142.77</b>

**For the year ended 31 March 2018**

Particulars	Reserves and Surplus				Total equity
	Share Capital	Capital redemption reserve	Retained Earnings	Capital Reserve	
<b>Balance as at 1 April 2017</b>	<b>336.31</b>	<b>-</b>	<b>(193.53)</b>	<b>-</b>	<b>142.77</b>
Total comprehensive income for the year ended 31 March 2018	-	-	(38.57)	-	(38.57)
Other comprehensive income (net of tax) (refer note 23)	-	-	-	-	-
<b>Balance as at 31 March 2018</b>	<b>336.31</b>	<b>-</b>	<b>(232.11)</b>	<b>-</b>	<b>104.20</b>
<b>Transactions recorded directly in equity</b>					
<b>Contributions and distributions:</b>					
Nil	-	-	-	-	-
<b>Balance as at 31 March 2018</b>	<b>336.31</b>	<b>-</b>	<b>(232.11)</b>	<b>-</b>	<b>104.20</b>

**For Rakesh S Jain & Associates**  
**Chartered Accountants**  
Firm Registration Number: 010129S

**For. Pharmaids Pharmceuticals Limited**

(B.Ramesh Kumar)  
Partner  
Membership Number: 200304

Dr. Ghisulal Jain [DIN No.404983]  
Chairman & Managing Director

Place: Hyderabad  
Date: 05/05/2018

Seema Jain  
Director & CEO [DIN No.718351]

## PHARMAIDS PHARMACEUTICALS LIMITED

### NOTE NO. 1 : PROPERTY, PLANT AND EQUIPMENT

Sl. No.	Particulars	Gross Block						Rate of Depreciation	Depreciation/Amortization				Net Block as on 31.03.2018	Net Block as on 31.03.2017
		As on 01.04.2017	Additions during the year	Additions through Business acquisitions	Capitalised during the year	Sale / Deletions during the year	As on 31.03.2018		Dep. As on 01.04.2017	Dep. For the year 2017-2018	Adjustment Depreciation	Total Depreciation as on 31.03.2018		
1	PLANT & MACHINERY	-	33,400			-	33,400	45.07%	-	10,888	-	10,888	22,512	-
				-	-	-								
				-	-	-								
	<b>TOTAL</b>	-	33,400	-	-	-	33,400		-	10,888	-	10,888	22,512	-
	<b>Previous Year</b>	21,184,579	-	-	-	21,184,579	-		16,817,051	637,086	5,197,058	8,927,500	-	4,367,527

## PHARMAIDS PHARMACEUTICALS LIMITED

### NOTE NUMBERS TO BALANCE SHEET

#### NOTE NO. 2 : LONG TERM LOANS AND ADVANCES

S. No.	Particulars	As on 31.03.2018	As on 31.03.2017
		Rupees	Rupees
I	Long - Term Loans and Advances:		
	a) Security Deposit		
	Secured	-	-
	Unsecured	1,202,218	1,181,097
	( Security deposit consist of Sales Tax Deposit , Electricity deposit , Rent Deposit , Tender deposit and deposit with suppliers )		
	b) other Long Term Loans and advances		
	(Advance recoverable in cash or kind)		
	Secured	-	-
	Unsecured	3,678,038	2,614,417
	<b>Total Long Term Loans &amp; Advances</b>	<b>4,880,256</b>	<b>3,795,514</b>

#### NOTE NO. 3 : DEFERRED TAX ASSET ( NET )

S. No.	Particulars	As on 31.03.2018	As on 31.03.2017
		Rupees	Rupees
I	Opening Deferred tax Asset	-	
	Add:		
	Deferred Tax Asset for the year ( Due to SLM and WDV Difference )	1,816	
	Deferred Tax Asset for the year ( Due to Others )		
	Gross Deferred tax Asset	1,816	-
	Opening Deferred tax Liability		
	Provision for Gratuity and Compensated Absences and doubtful debt	-	
	Gross Deferred tax Liability	-	-
	<b>Deferred Tax Asset/ ( Liability ) - Net</b>	<b>1,816</b>	<b>-</b>

#### NOTE NO. 4. : OTHER NON- CURRENT ASSETS

S. No.	Particulars	As on 31.03.2018	As on 31.03.2017
		Rupees	Rupees
I	1) Other non- current Asset		
	Product Development advances	530,000	-
	<b>Total Non Current Assets</b>	<b>530,000</b>	<b>-</b>

#### NOTE NO.5 : INVENTORIES

S. No.	Particulars	As on 31.03.2018	As on 31.03.2017
		Rupees	Rupees
I	Inventories :		
	a) Raw materials	-	266,886
	Sub Total	-	266,886
	b) Work - in - progress	-	-
	Sub Total	-	-
	c) Finished goods	-	2,178,825
	Sub Total	-	2,178,825
	<b>Total Inventories</b>	<b>-</b>	<b>2,445,711</b>

## PHARMAIDS PHARMACEUTICALS LIMITED

### NOTE NO. 6 : TRADE AND OTHER RECEIVABLES

S. No.	Particulars	As on 31.03.2018	As on 31.03.2017
		Rupees	Rupees
I	Trade Receivables		
	Secured, Considered Good	-	-
	Unsecured, Considered Good		
	Less than Six months	1,369,945	4,075,805
	More than Six months	3,785,642	7,034,773
	Doubtful	-	-
		5,155,587	11,110,578
	Other Receivables:		
	Secured, Considered Good		-
	Unsecured, Considered Good		-
	Doubtful	-	-
		-	-
	Total Trade Receivable ( Gross)	5,155,587	11,110,578
	Less : Provision for bad & doubtful debts	-	3,233,672
	<b>Total Trade Receivables(net)</b>	<b>5,155,587</b>	<b>7,876,906</b>

### NOTE NO. 7 : CASH AND CASH EQUIVALENTS

S. No.	Particulars	As on 31.03.2018	As on 31.03.2017
		Rupees	Rupees
I	Cash and cash equivalents :		
	a) Balances with banks :		
	1) On Current Accounts	459,359	613,300
	2) On Deposit Accounts	1,097,402	4,657,086
	b) Cash on hand	806,956	816,675
	<b>Total Cash and Cash Equivalents</b>	<b>2,363,717</b>	<b>6,087,061</b>

### NOTE NO. 8 : SHORT TERM LOANS AND ADVANCES

S. No.	Particulars	As on 31.03.2018	As on 31.03.2017
		Rupees	Rupees
I	Short - Term Loans and Advances:		
	a) Other loans And advances		
	Unsecured	-	-
	( Loans and advances consist of mobilisation advance to contactors ,advance to supplier and Travel advance to employees )		
	<b>Total Short Term Loans &amp; Advances</b>	<b>-</b>	<b>-</b>

### NOTE NO.9 : OTHER CURRENT ASSETS

S. No.	Particulars	As on 31.03.2018	As on 31.03.2017
		Rupees	Rupees
I	Prepaid Expenses		
	Interest Accrued on Deposits		
		-	-

## PHARMAIDS PHARMACEUTICALS LIMITED

### NOTE NO. 10 : SHARE CAPITAL

S.NO.	Particulars	As on 31.03.2018	As on 31.03.2017
		Rupees	Rupees
a	Equity Share Capital		
	(a) Authorised	40,000,000	40,000,000
	40,00,000 Equity Shares of Rs.10/- each		
	(b) Issued, Subscribed and Paid-up	34,055,000	34,055,000
	34,05,500 Equity Shares of Rs.10/- each fully paid up.		
	Less: Calls in Arrear	424,150	424,150
	Total Equity Share Capital	33,630,850	33,630,850
b	A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:		
	Equity Shares of Re.1 0 Each, Fully paid up :		
	At the Beginning	3,405,500	3,405,500
	Issued during the year	-	-
	At the end	3,405,500	3,405,500
c	Details of Shareholder holding more than 5% shares of the company:(Refer Note below)		
	% of Share Holding	-	-

**Note:**

No Shareholders is holding more than 5% in share of the company as on 31st, March 2017 and as on 31st, March 2018

### NOTE NO. 11 : OTHER EQUITY

S. No.	Particulars	As on 31.03.2018	As on 31.03.2017
		Rupees	Rupees
I	Other Equity		
	a) Capital Subsidy		
	As at the commencement of the year	993,750	993,750
	Add: Additions during the year	-	-
	Less: Utilised during the year	-	-
		993,750	993,750
	b) Capital Reserve		
	As at the commencement of the year	-	-
	Add: Additions during the year	-	-
	Less: Utilised during the year	-	-
		-	-
	c) Surplus :		
	i) Opening Balance	(20,347,113)	(21,444,006)
	Add: Total comprehensive income during the year	(3,857,390)	1,096,893
	Less: Bonus shares / ( Forfeiture of Bonus shares)	-	-
		(24,204,503)	(20,347,113)
	Total Reserves and Surplus	(23,210,753)	(19,353,363)

### NOTE NO. 12 : LONG TERM BORROWINGS

S.No.	Particulars	As on 31.03.2018	As on 31.03.2017
		Rupees	Rupees
I	Long Term borrowings		
	a) Term loans:		
	From banks:		
	Secured - ( Refer Note No 29a )		
	From Financial Institutions :		
	Secured - ( Refer Note No 29b )		
	Unsecured - ( Refer Note No 29c )		
	b) Loans and advances from related parties		
	Un Secured:		
	Unsecured - ( Refer Note No.29d )		
	Total Long Term Borrowings	-	-

## PHARMAIDS PHARMACEUTICALS LIMITED

### NOTE NO. 13 : LONG TERM PROVISIONS

S. No.	Particulars	As on 31.03.2018	As on 31.03.2017
		Rupees	Rupees
I	a) Provisions for employee benefits		
	<b>Total Long Term Provisions</b>	-	-

### NOTE NO. 14 : DEFERRED TAX LIABILITIES ( NET )

S. No.	Particulars	As on 31.03.2018	As on 31.03.2017
		Rupees	Rupees
I	Opening Deferred tax Liability	-	
	Add:		
	Deferred Tax Liability for the year ( Due to SLM and WDV Difference )		
	Deferred Tax Liability for the year ( Due to Others )		
	Gross Deferred tax Liability	-	-
	Opening Deferred tax Asset		
	Provision for Gratuity and Compensated Absences and doubtful debt	-	
	Gross Deferred tax Asset	-	-
	<b>Deferred Tax Liability/ ( Asset ) - Net</b>	-	-

### NOTE NO. 15 : OTHER LONG TERM LIABILITIES

S. No.	Particulars	As on 31.03.2018	As on 31.03.2017
		Rupees	Rupees
	a) Trade Payables & Others		
	- Advance from Customers	-	-
	b) Others		
	Sales Tax Deferral** (refer note)	252,375	926,413
	<b>Total other long term liabilities</b>	<b>252,375</b>	<b>926,413</b>

\*\*Represents 14 years Interest free sales tax deferment loan received from Government of Andhra Pradesh. Repayment commences from 2014-15 based on deferment availed in the respective years.

### NOTE NO. 16 : SHORT TERM BORROWINGS.

S. No.	Particulars	As on 31.03.2018	As on 31.03.2017
		Rupees	Rupees
I	Short term borrowings		
	a) Loans repayable on demand:		
	From banks		
	Secured - ( Refer Note No. 31 )		
	From other parties		
	Secured		
	Unsecured		
	b) Loans and advances from other parties		
	Unsecured -( Refer Note No. 31 )		
	c) Loans and advances from Related parties		
	Unsecured		
	<b>Total Short Term Borrowings</b>	<b>-</b>	<b>-</b>

### NOTE NO. 17: TRADE AND OTHER PAYABLES

S. No.	Particulars	As on 31.03.2018	As on 31.03.2017
		Rupees	Rupees
I	a) Trade Payables	1,847,985	4,477,852
	<b>Total Trade Payables</b>	<b>1,847,985</b>	<b>4,477,852</b>

## PHARMAIDS PHARMACEUTICALS LIMITED

### NOTE NO. 18 : OTHER CURRENT LIABILITIES

S. No.	Particulars	As on 31.03.2018	As on 31.03.2017
		Rupees	Rupees
I	a) Current maturities of Long Term Debts		
	b) Interest accrued but not due on borrowings		
	c) Income received in advance.		
	d) Unpaid dividend.		
	e) Other Payables	155,605	258,663
	f) Others		
	Sales Tax Deferral** (refer note)	277825	264,777
	<b>Total Other Current Liabilities</b>	<b>433,430</b>	<b>523,440</b>

\*\*Represents 14 years Interest free sales tax deferment loan received from Government of Andhra Pradesh. Repayment commences from 2014-15 based on deferment availed in the respective years.

### NOTE NO. 19 : SHORT TERM PROVISIONS

S. No.	Particulars	As on 31.03.2018	As on 31.03.2017
		Rupees	Rupees
I	a) Provisions for employee benefits		
	b) Others		
	<b>Total Short Term Provisions</b>	<b>-</b>	<b>-</b>

## PHARMAIDS PHARMACEUTICALS LIMITED

### NOTE NUMBERS TO STATEMENT OF PROFIT & LOSS

#### NOTE NO. 20 : REVENUE FROM OPERATIONS

S. No.	Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
		Rupees	Rupees
I	Revenue from operations in respect of non-finance company (a) Sale of Products	4,491,436	12,025,258
	<b>Total Revenue from Operations</b>	<b>4,491,436</b>	<b>12,025,258</b>

#### NOTE NO. 21 : OTHER INCOME

S. No.	Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
		Rupees	Rupees
I	(a)Interest income	200,717	100,571
	(b)Other non-operating income(net of expenses directly attributed to such income)		125
	<b>Total Other Income</b>	<b>200,717</b>	<b>100,696</b>

#### NOTE NO. 22 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS & STOCK-IN-TRADE:

S. No.	Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
		Rupees	Rupees
I	Finished Goods		
	Finished goods at the beginning of the year	2,178,825	2,384,319
	Less : Finished goods at the end of the year	-	2,178,825
	Sub Total (A)	2,178,825	205,494
	Work-in-progress		
	Stock at the beginning of the year	-	89,850
	Less : Stock at the end of the year	-	-
	Sub Total ( B )	-	89,850
	<b>(Increase) / Decrease in Inventories (A+B)</b>	<b>2,178,825</b>	<b>295,344</b>

#### NOTE NO. 23 : EMPLOYEE BENEFIT EXPENSES

S. No.	Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
		Rupees	Rupees
I	(a) Salaries & Wages	582,442	1,598,766
	(b) Contribution to Provident & Other Funds	27,652	54,699
	(c) Staff Welfare Expenses	19,738	9,742
	<b>Total Employee Benefit Expenses</b>	<b>629,832</b>	<b>1,663,207</b>



## PHARMAIDS PHARMACEUTICALS LIMITED

### NOTE NO. 24 : FINANCE COST

S. No.	Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
		Rupees	Rupees
	(a) Interest Expenses :		
	- Interest on Term Loan	-	385,372
	(b) Bank Charges	14,043	15,947
	(c) Applicable net gain/loss on foreign currency translations & transactions	-	
	<b>Total Finance Cost</b>	<b>14,043</b>	<b>401,319</b>

### NOTE NO. 25 : OTHER EXPENSES

S. No.	Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
		Rupees	Rupees
I	Advertisement Expenses	83985	25497
	Annual listing fees	300137	235656
	Audit Fees	30000	31050
	Bad Debts	0	3233672
	Business Promotion	171455	945963
	Carriage expenses	25774	319131
	Commission	315452	2201
	Computer Maintenance / hire charges	21829	20175
	Consumables	57939	6989
	Conveyance	71984	143495
	Directors remuneration	150000	137500
	Discount	3494	28600
	Electricity Charges	42914	111197
	Factory Maintenance	0	196130
	General Expenses	336899	133333
	Marketing Expenses	0	71960
	Postage & Telegram	26064	58181
	Printing & stationery	48888	45461
	Product development	0	117717
	Professional Charges	169202	156150
	Professional tax	5000	7500
	Rates and Taxes	19969	66413
	Rent	305320	234694
	Repairs & Maintenance - Vehicle	0	31182
	Repairs & Maintenance -others	5131	40518
	Sales Tax Arrears	0	7544
	Secretarial Expenses	81447	209604
	Telephone Charges	31345	60245
	Travelling Expenses	460083	316220
	Swach Bharat Cess	0	1171
	Insurance Exp	0	18000
	Interest on TDS	0	75
	Packing Material	14629	39381
	<b>Total Other Expenses</b>	<b>2,778,939</b>	<b>7,052,605</b>

## PHARMAIDS PHARMACEUTICALS LIMITED

### NOTE NO. 26: TAX EXPENSES

S. No.	Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
		Rupees	Rupees
<b>I</b>	<b>Current tax</b>		
	<b>Deferred tax</b>	-1816	-272161
	<b>Adjustment for previous year tax</b>		
	- Income Tax paid for earlier year	173,461	-
	Total Other Income	<b>171,645</b>	<b>(272,161)</b>

**PHARMAIDS PHARMACEUTICALS LIMITED**  
**Note-27 Notes Forming Part of Accounts**

**27.1 Details of Managerial Remuneration:**

	Managing Director		Executive Director	
	2017-18	2016-17	2017-18	2016-17
Salary	150000	1,50,000	-	-
Total	150000	1,50,000	-	-

**27.2** Balance of Trade Payables, Other Current Liabilities , Loans and Advances, and Trade Receivables are subject to confirmation / reconciliation.

**27.3** The Company's operation mainly consist of only one segment i.e. Drug formulations and therefore the figures relate to that segment only.

**27.4** Related party disclosures ( as indentified by the management) as per Indian Accounting Standard – 24 are given below:

Name of the parties

- Ø Dr. Ghisulal Jain
- Ø Abhishek jain

NAME OF THE TRANSACTIONS RELATED TO THE PARTY	TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL AND THEIR RELATIVES	
	2017-18	2016-17
Managerial Remuneration	150,000	137,500
Reimbursement of Expenses,etc	45,690	-

**27.5 EARNING PER SHARE (EPS)**

	2017-18	2016-17
The computation of EPS is set out below:		
<b>Earning</b>		
Net Profit/Loss for the period	(3,857,390)	1,096,893
<b>Shares</b>		
Number of Shares at the Beginning of the period	3,405,500	3,405,500
Add: Shares issued during the period	-	-
Total number of equity shares outstanding at the end of the period	3,405,500	3,405,500
Weighted average number of equity shares outstanding during the period	3,405,500	3,405,500
<b>Earning per share of par value Rs. 10/- Basic &amp; Diluted (Rs)</b>	<b>(1.13)</b>	<b>0.32</b>

**27.6** In Accordance with the Indian Accounting Standard (Ind AS-36) on "Impairment of Assets" the management during the year carried out exercise of identifying the assets that may have been impaired in respect of each cash generating unit. On the basis of this review carried out by the management there was no impairment loss on the Fixed assets during the year ended 31st March 2018.

**27.7 Contingent Liability-** **NIL**

**27.8 Foreign Currency Earnings/Outgoing-** **NIL**

**For Rakesh S Jain & Associates**  
Chartered Accountants  
Firm Registration Number: 010129S

**For and on behalf of the Board**

(B.Ramesh Kumar)  
Partner  
Membership Number: 200304

Dr. Ghisulal Jain [DIN No.404983]  
Chairman & Managing Director

Place: Hyderabad  
Date: 05/05/2018

Seema Jain  
Director & CEO [DIN No.718351]

## **1 Company background**

Pharmaids Pharmaceuticals Limited (the Company) is a Listed Company incorporated under the provisions of the Indian Companies Act, 1956 having its registered office at Sultan Bazar, Hyderabad. The company operates in a single segment and the results pertain to a single segment. i.e., drug formulation only.

The standalone Indian Accounting Standards (Ind AS) financial statements were authorized for issue in accordance with a resolution of the Directors dated 5 May 2018.

## **2 Basis of preparation of financial statements**

### **2.1 Statement of compliance**

These financial statements have been prepared in accordance with Ind AS as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act, 2013, (the "Act") and other relevant provisions of the Act.

The financial statements up to and for the year ended 31 March 2017 were prepared in accordance with the Companies (Accounting Standards) Rules 2006, notified under section 133 of the Act and other provisions of the Act.

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101- First Time Adoption of Indian Accounting Standards has been applied.

### **2.2 Functional and presentation currency**

These financial statements are presented in Indian Rupees, which is also the Company's functional currency. All the amounts have been rounded- off to the nearest Rupee.

### **2.3 Basis of preparation**

The financial statements have been prepared on the historical cost basis, Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

### **2.4 Use of estimates and judgements**

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

### 3 Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 3.01 Property, plant and equipment

**i. Recognition and measurement** Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Transition to Ind AS On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2017, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

**iii. Subsequent expenditure** : Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under Indian GAAP for all items of property, plant and equipment.

**iv. Depreciation** : Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the written down value method, and is generally recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

<b><u>Assets</u></b>	<b><u>estimate of useful life</u></b>
Plant & Machinery	5

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted, if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets. Depreciation on additions (disposals) is provided

on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

**v. Reclassification to investment property** When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

### **3.02 Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

#### **3.02.1 Recognition of dividend income, interest income or expense**

##### **a) Dividend income**

Dividends are recognised in profit or loss on the date on which the Company's right to receive payment is established.

##### **b) Interest income or expense**

Interest income or expense is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of a financial asset; or- the amortised cost of financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross carrying amount.

### **3.03 Taxes**

Income tax comprises current and deferred tax. It is recognised in profit or loss.

#### **3.03.1 Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantially enacted by the reporting date. Current tax assets and current tax liabilities are offset only if

there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

### **3.03.2 Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for the financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:- temporary difference arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in any case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

### **3.04 Provisions and contingent liabilities**

A provision is recognised if, as a result of past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefit will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-fix rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

**Contingent Liabilities :** A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses it in the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

### **3.05 Employee benefits :Short-term benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

### **3.06 Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

### **3.07 Inventories**

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases. Costs are assigned to individual items of inventory on the basis of first-in first-out basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### **3.08 Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### **3.09 Cash flow statement**

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

### **3.10 Impairment of assets**

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).



# ANNEXURE-10

Unaudited Financial Statement of the Transferor Company As On June 30th, 2018

EMERGENT BIO NATURALS LTD			
Provisional Balance Sheet as at 30th June 2018			
Particulars	Note No	As At 30-06-2018 (Provisional)	As At 31-03-2018 (Audited)
<b>I. EQUITY AND LIABILITIES</b>			
1. Shareholder's funds			
(a) Share Capital	2	3,45,28,670	2,46,63,340
(b) Reserves and surplus	3	4,08,77,605	5,06,85,660
2. Non-Current Liabilities			
(a) Long Term Borrowings	4	-	-
(b) Deffered Tax liability (net)	5	2,88,209	2,88,209
(c) Other Non-current liabilities	6	-	-
3. Current Liabilities			
(a) Trade payables	7	-	-
(b) Short term borrowings	8	-	-
(b) Other current liabilities	9	1,96,468	1,74,200
(c) Shorth term provisions	10	50,248	30,385
<b>TOTAL</b>		<b>7,59,41,200</b>	<b>7,58,41,794</b>
<b>II. ASSETS</b>			
1. Non-Current Assets			
(a) Fixed assets			
(i) Tangible assets	11	9,63,805	10,74,399
(b) capital WIP	12	45,00,000	45,00,000
(c) Long term loans and advances	13	6,66,04,960	6,66,04,960
2. Current Assets			
(a) Inventories	14	-	-
(b) Trade receivables	15	38,49,445	36,39,445
(c) Cash and Bank balances	16	22,990	22,990
(d) Short term loans and advances	17	-	-
<b>TOTAL</b>		<b>7,59,41,200</b>	<b>7,58,41,794</b>
Significant accounting policies and notes on accounts Accompanying Notes 1 - 33 are an integral part of financial Statements in terms of our report even date			
<p style="text-align: center;">For and on behalf of the Board of Directors  <b>EMERGENT BIO NATURALS LTD</b></p>			
<p>( S Ashok Kumar)</p>			
Chartered Accountant			
M No :- 223942	Director	Director	
Dt : 05th July '2018			
Place :- Hyderabad			

<b>EMERGENT BIO NATURALS LTD</b>			
<b><u>Trading and Profit &amp; Loss for the year ended 30th June , 2018</u></b>			
<b>Particulars</b>	<b>Note No</b>	<b>As At 30-06-2018 (Audited)</b>	<b>As At 31-03-2018 (Audited)</b>
<b><u>Income :-</u></b>			
Revenue from operations	18	3,20,500	7,65,250
Other Income	19		-
<b>Total Revenue :</b>		<b>3,20,500</b>	<b>7,65,250</b>
<b><u>Expenses: -</u></b>			
Cost of Materails Consumed	20		-
Changes in inventories of work-in-progress and Stock-in-Trade	21		-
Other Operating Expenses	22		-
Employee Benefits Expenses	23		-
Finance Costs	24	1,250	5,163
Depreciation and Amortization Expenses	11	1,10,594	4,42,375
Other Expenses	25	1,31,518	1,58,250
<b>Total Expenses :</b>		<b>2,43,362</b>	<b>6,05,788</b>
<b>Profit Before Tax</b>		<b>77,138</b>	<b>1,59,462</b>
<b>Tax Expense:</b>			
Current Tax		19,863	30,385
Deferred Tax			-24,521
<b>Profit/ (Loss) for the period</b>		<b>57,275</b>	<b>1,53,598</b>
Accompanying Notes 1 - 33 are an integral part of financial Statements in terms of our report of even date			
<p style="text-align: right;"><b>For and on behalf of the Board of EMERGENT BIO NATURALS LTD</b></p> <p><b>( S Ashok Kumar)</b> Chartered Accountant M No :- 223942</p> <p style="text-align: right;"><b>Director</b></p> <p>Dt : 05th July '2018 Place :- Hyderabad</p>			
<p style="text-align: right;"><b>Director</b></p>			

EMERGENT BIO NATURALS LTD		
Notes Forming Part of Provisional - Balance Sheet		
NOTE 2: SHARE CAPITAL	(Amount in Rs)	(Amount in Rs)
PARTICULARS	As at 30-06-18	As at 31-03-18
a) Authorized Share Capital		
35,00,000 Equity Shares of Rs. 10 each	3,50,00,000	3,50,00,000
<b>Total :</b>	<b>3,50,00,000</b>	<b>3,50,00,000</b>
b) Issued Capital, Subscribed & Fully paid up		
34,52,867 Equity Shares of Rs. 10 each	3,45,28,670	2,46,63,340
	<b>3,45,28,670</b>	<b>2,46,63,340</b>

**EMERGENT BIO NATURALS LTD**

**Notes Forming Part of Balance Sheet**

<b>NOTE 2: SHARE CAPITAL</b>	<b>As at 30.06.2018 (Provisional)</b>	<b>As at 31.03.2018 (Audited)</b>
<b>Particulars</b>		
<b>Authorised</b> 35,00,000 shares of Rs. 10/- each	3,50,00,000	3,50,00,000
<b>Issued, Subscribed and Paid up</b> 34,52,867 shares of Rs 10/- each	3,45,28,670	2,46,63,340
<b>Total</b>	<b>3,45,28,670</b>	<b>2,46,63,340</b>

<b>Note 3: RESERVES AND SURPLUS</b>	<b>As at 30.06.2018 (Audited)</b>	<b>As at 31.03.2018 (Audited)</b>
<b>Particulars</b>		
Share premium	3,94,61,350	4,93,26,680
Surplus/(Deficit) in the Statement of Profit and Loss	-	-
Opening Balance	13,58,980	12,05,382
(+) Net Profit / (Net Loss) for the current year	57,275	1,53,598
(+/-) Depreciation adjustment for the prior years	-	-
(Adjustment As per the new schedule rates of Depreciation of Companies Act'2013)	-	-
<b>Total</b>	<b>4,08,77,605</b>	<b>5,06,85,660</b>

<b>Note 4: LONG TERM BORROWINGS</b>	<b>As at 30.06.2018 (Audited)</b>	<b>As at 31.03.2018 (Audited)</b>
<b>Particulars</b>		
<b>Unsecured</b>	-	-
- From Directors	-	-
- From Banks / Financial Institutions	-	-
<b>Secured Loans</b>	-	-
Loans from Financial Institutions	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

<b>Note 5: DEFERRED TAX LIABILITY (Net)</b>	<b>As at 30.06.2018 (Audited)</b>	<b>As at 31.03.2018 (Audited)</b>
<b>Particulars</b>		
Deferred Tax Liability / (Asset)	-	-
On depreciation on fixed assets	-	-
Deferred Tax Asset	-	-
On employee benefit expenses	-	-
Deferred Tax Liability (Net) as on 31-3-2017	-	-24,521
Deferred Tax Liability at the beginning of the year	2,88,209	3,12,730
<b>Total</b>	<b>2,88,209</b>	<b>2,88,209</b>

<b>Note 6: OTHER NON - CURRENT LIABILITIES</b>	<b>As at 30.06.2018 (Audited)</b>	<b>As at 31.03.2018 (Audited)</b>
<b>Particulars</b>		
Creditors for capital goods	-	-
Mobilization Advance from Client	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**EMERGENT BIO NATURALS LTD**  
**Notes Forming Part of Balance Sheet**

<b>Note 7: TRADE PAYABLES</b>	<b>As at 30.06.2018 (Audited)</b>	<b>As at 31.03.2018 (Audited)</b>
<b>Particulars</b>		
<b>Trade Payables</b>		
Due to Micro, Small and Medium Enterprises*	-	-
Dues to other than Micro, Small and Medium Enterprises	-	-
For Goods	-	-
For Services	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

<b>Note 8: SHORT TERM BORROWINGS</b>	<b>As at 30.06.2018 (Audited)</b>	<b>As at 31.03.2018 (Audited)</b>
<b>Particulars</b>		
Loans Repayable on Demand	-	-
Secured	-	-
Working Capital Loans repayable on demand from banks	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

<b>Note 9: OTHER CURRENT LIABILITIES</b>	<b>As at 30.06.2018 (Audited)</b>	<b>As at 31.03.2018 (Audited)</b>
<b>Particulars</b>		
<b>Other Payables</b>		
Auditor's Remuneration Payable	27,000	27,000
Salaries Payable	-	-
Rent Payable	-	-
Labour wages payable	-	-
Other Dues payable	1,69,468	1,47,200
<b>Total</b>	<b>1,96,468</b>	<b>1,74,200</b>

<b>Note 10: SHORT TERM PROVISIONS</b>	<b>As at 30.06.2018 (Audited)</b>	<b>As at 31.03.2018 (Audited)</b>
<b>Particulars</b>		
provisions	50,248	30,385
<b>Total</b>	<b>50,248</b>	<b>30,385</b>

## Note-11 **FIXED ASSET SCHEDULE**

Note:8

S.No	Discription of the Asset	GROSS BLOCK			DEPRECIATION						
		As on 01.04.2018	Additions During the year	Total	Rate of Dept.	As on 1.4.2018	Transferred to reserves & Surplus	Depreciation for the period	As on 30.06.2018	As at 30.06.2018	As at 31.03.2018
1	<b>Air Conditioners</b>	17,000		17,000	12.50%	14,875		531	15,406	1,594	2,125
				-		-		-	-	-	-
2	<b>Computers</b>	1,00,000		1,00,000	33.33%	1,00,000			1,00,000	-	-
				-		-		-	-	-	-
3	<b>Vehicle</b>	2,50,000		2,50,000	12.50%	2,31,250		7,813	2,39,063	10,937	18,750
				-		-		-	-	-	-
3	<b>Machinery &amp; EC</b>	40,90,000		40,90,000	10.00%	30,36,476		1,02,250	31,38,726	9,51,274	10,53,524
	<b>Total</b>	<b>44,57,000</b>	<b>-</b>	<b>44,57,000</b>		<b>33,82,601</b>	<b>-</b>	<b>1,10,594</b>	<b>34,93,195</b>	<b>9,63,805</b>	<b>10,74,399</b>

<b>Note 12: CAPITAL WORK IN PROGRESS</b>	<b>As at 30.06.2018 (Audited)</b>	<b>As at 31.03.2018 (Audited)</b>
<b>Particulars</b>		
WORKING CAPITAL	45,00,000	45,00,000
	-	-
	-	-
	-	-
<b>Total</b>	<b>45,00,000</b>	<b>45,00,000</b>

<b>Note 13: LONG TERM LOANS AND ADVANCES</b>	<b>As at 30.06.2018 (Audited)</b>	<b>As at 31.03.2018 (Audited)</b>
<b>Particulars</b>		
<b>Unsecured, considered good</b>		-
<b>Others</b>		
- Balance with government authorities	-	-
- Retention money	-	-
- Advance Payment of Taxes	-	-
- other Loans	6,66,04,960	6,66,04,960
<b>Total</b>	<b>6,66,04,960</b>	<b>6,66,04,960</b>

# EMERGENT BIO NATURALS LTD

## Notes Forming Part of Balance Sheet

<b>Note 14: INVENTORIES</b>	<b>As at 30.06.2018 (Audited)</b>	<b>As at 31.03.2018 (Audited)</b>
<b>Particulars</b>		
Raw Materials	-	-
Work-in progress	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

<b>Note 15: TRADE RECEIVABLES</b>	<b>As at 30.06.2018 (Audited)</b>	<b>As at 31.03.2018 (Audited)</b>
<b>Particulars</b>		
<b>Considered good</b>	-	-
Outstanding for a period exceeding six months from the date they are due for the payment	-	-
Others	38,49,445	36,39,445
<b>Total</b>	<b>38,49,445</b>	<b>36,39,445</b>

<b>Note 16: CASH AND BANK BALANCES</b>	<b>As at 30.06.2018 (Audited)</b>	<b>As at 31.03.2018 (Audited)</b>
<b>Particulars</b>		
<b>Cash and Cash Equivalents</b>		
(a) Balances with banks		
In Current Accounts	22,990	22,990
Cash on hand	-	-
(b) Other bank balances	-	-
in Fixed deposits (more than 3 months maturity)	-	-
<b>Total</b>	<b>22,990</b>	<b>22,990</b>

<b>Note 17: SHORT TERM LOANS AND ADVANCES</b>	<b>As at 30.06.2018 (Audited)</b>	<b>As at 31.03.2018 (Audited)</b>
<b>Particulars</b>		
<b>Unsecured, Considered good</b>	-	-
Materail Advances	-	-
Retention money	-	-
Advance to labour & others	-	-
Interest Receivable	-	-
Other Advances	-	-
<b>Total</b>	<b>-</b>	<b>-</b>



# EMERGENT BIO NATURALS LTD

## Notes Forming Part of Balance Sheet

### Schedules for Trading and P & L Account

Note 18: REVENUE FROM OPERATIONS	As at 30.06.2018 (Audited)	As at 31.03.2018 (Audited)
Particulars		
<b>Revenue from Operations :</b>		
Income from operations	3,20,500	7,65,250
<b>Total</b>	<b>3,20,500</b>	<b>7,65,250</b>

Note 19: OTHER INCOME	As at 30.06.2018 (Audited)	As at 31.03.2018 (Audited)
Particulars		
Other Non - Operating Income	-	-
Interest Income	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Note 20: COST OF MATERIALS CONSUMED	As at 30.06.2018 (Audited)	As at 31.03.2018 (Audited)
Particulars		
Cost of Materials and Stores	-	-
Opening Stock	-	-
Add: Purchases or receipts	-	-
Less: Closing stock	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Note 21: INCREASE OR DECREASE IN WIP	As at 30.06.2018 (Audited)	As at 31.03.2018 (Audited)
Particulars		
Opening balance of Work in Progress	-	-
Closing balance of Work in Progress	-	-
<b>Increase or decrease in WIP</b>	<b>-</b>	<b>-</b>

Note 22: OTHER OPERATING EXPENSES	As at 30.06.2018 (Audited)	As at 31.03.2018 (Audited)
Particulars		
Labour Charges	-	-
Piece work contracts	-	-
Machinery Maintenance	-	-
Transportation	-	-
Other Work Expenses	-	-
Department deductions	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**EMERGENT BIO NATURALS LTD**

**Notes Forming Part of Balance Sheet**

<b>Note 23: EMPLOYEE BENEFITS EXPENSES</b>	<b>As at 30.06.2018 (Audited)</b>	<b>As at 31.03.2018 (Audited)</b>
<b>Particulars</b>		
Salaries	-	-
Mess Expenses	-	-
Staff welfare expenses	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

<b>Note 24: FINANCIAL COSTS</b>	<b>As at 30.06.2018 (Audited)</b>	<b>As at 31.03.2018 (Audited)</b>
<b>Particulars</b>		
Bank Charges	1,250	5,163
Bank Guarantee Charges	-	-
Interest :-		
Interest to banks	-	-
Interest to others	-	-
Processing charges	-	-
<b>Total</b>	<b>1,250</b>	<b>5,163</b>

<b>Note 25: OTHER EXPENSES</b>	<b>As at 30.06.2018 (Audited)</b>	<b>As at 31.03.2018 (Audited)</b>
<b>Particulars</b>		
Advertisement Exp	-	-
Audit fees	2,500	10,000
Conveynce	8,574	-
Consultancy charges	-	-
Electricity Charges	-	-
Office Rent / Camp rents	-	-
Salaries	96,000	1,44,000
Postage, Courier & Telegrams	2,569	-
Printing and Stationary	3,026	-
Travelling Expenses	10,525	-
Repairs & Maintanance	-	-
Telephone & Internet Expenses	5,268	-
Other Exp	-	-
Misc	3,056	4,250
<b>Total</b>	<b>1,31,518</b>	<b>1,58,250</b>

**ANNEXURE-11**  
**Unaudited Financial Statement as on June 30th, 2018**  
**PHARMAIDS PHARMCEUTICALS LIMITED**  
**Balance sheet as at 52vj Jupg 2018**

(Amount In Rupees)

ASSETS	Note no.	As at 52 Jupg 2018	As at 31 March 2018
<b>1 Non-current assets</b>			
Property, plant and equipment	1	19,843	22,512
Financial assets			
- Non-Current Assets		-	
- Long-term loans and advances	2	4,620,256	4,880,256
- Others			
Deferred tax assets (Net)	3	3,304	1,816
Other non-current assets	4	530,000	530,000
<b>2 Current assets</b>			
Inventories	5	-	-
Financial assets			
- Trade and other receivables	6	5,225,826	5,155,587
- Cash and cash equivalents	7	2,128,985	2,363,717
- Short term loans and advances	8	-	-
Other current assets	9	-	-
<b>TOTAL ASSETS</b>		<b>12,528,214</b>	<b>12,953,888</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	10	33,630,850	33,630,850
Other equity	11		
- Equity component of other financial instrument			
- Retained earnings		(23,569,440)	(23,210,753)
<b>Share application money pending allotment</b>			
<b>1 Non-current liabilities</b>			
Financial liabilities			
- Long term borrowings	12	-	-
Long term provisions	13	-	-
Deferred tax liabilities (Net)	14	-	-
Other non-current liabilities	15	252,375	252,375
<b>2 Current liabilities</b>			
Financial liabilities			
- Short term borrowings	16	-	-
- Trade and other payables	17	1,804,660	1,847,985
Other current liabilities	18	409,769	433,430
Short-term provisions	19	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>12,528,214</b>	<b>12,953,888</b>

See accompanying notes to the financial statements 27

As per our report of even date attached

**For Rakesh S Jain & Associates**

Chartered Accountants

Firm Registration Number: 010129S

**For. Pharmaids Pharmceuticals Limited**

(B.Ramesh Kumar)

Partner

Membership Number: 200304

Dr. Ghisulal Jain [DIN No.718351]

Chairman & Managing Director

Place: Hyderabad

Date:27/07/2018

Seema Jain

Director & CEO [DIN No.718351]

**PHARMAIDS PHARMACEUTICALS LIMITED**  
**Statement of Profit and Loss for the period ended 50th Jugg 2018**

(Amount In Rupees)

Particulars	Note no.	For the period ended 50 Jugg 2018	For the year ended 31 March 2018
<b>Revenue from operations</b>	<b>20</b>	-	4,491,436
<b>Other income</b>	<b>21</b>	1,056	200,717
<b>Total revenue</b>		<b>1,056</b>	<b>4,692,153</b>
<b>Expenses</b>			
Cost of materials consumed		-	346,861
Purchase of stock-in-trade		-	2,418,509
Changes in inventories of finished goods, work in progress and stock-in-trade	<b>22</b>	-	2,178,825
Employee benefit expenses	<b>23</b>	48,330	629,832
Finance cost	<b>24</b>	-	14,043
Depreciation and amortisation expense	<b>1</b>	2,669	10,888
Other expenses	<b>25</b>	310,233	2,778,939
<b>Total expenses</b>		<b>361,232</b>	<b>8,377,898</b>
<b>Profit/ (loss) before exceptional items and tax</b>		<b>(360,176)</b>	<b>(3,685,745)</b>
Exceptional items		-	-
<b>Profit/ (loss) before tax</b>		<b>(360,176)</b>	<b>(3,685,745)</b>
<b>Tax expenses</b>	<b>26</b>	(1,488)	171,645
<b>Profit/ (loss) for the period from continuing operations</b>		<b>(358,688)</b>	<b>(3,857,390)</b>
<b>Profit/ (loss) from discontinued operations</b>		-	-
Tax expense of discontinued operations		-	-
<b>Profit/ (loss) from discounting operations (after tax)</b>		-	-
<b>Profit/ (loss) for the period</b>		<b>(358,688)</b>	<b>(3,857,390)</b>
<b>Other comprehensive income</b>			
<b>Total comprehensive income for the period</b>		<b>(358,688)</b>	<b>(3,857,390)</b>
<i>(Profit/ loss + other comprehensive income)</i>			
<b>Earnings per equity share (for continuing operations)</b>			
a) Basic		<b>(0.11)</b>	-1.13
b) Diluted		<b>(0.11)</b>	(1.13)
<b>Earnings per equity share (for discontinued operations)</b>			
a) Basic		-	-
b) Diluted		-	-
<b>Earnings per equity share (for discontinued &amp; continuing operations)</b>			
a) Basic		(0.11)	-1.13
b) Diluted		(0.11)	(1.13)

See accompanying notes to the financial statements

27

As per our report of even date attached

**For Rakesh S Jain & Associates**

Chartered Accountants

Firm Registration Number: 010129S

**For. Pharmaids Pharmaceuticals Limited**

(B.Ramesh Kumar)

Partner

Membership Number: 200304

Dr. Ghisulal Jain [DIN No.718351]

Chairman & Managing Director

Place: Hyderabad

Date: 27/07/2018

Seema Jain

Director & CEO [DIN No.718351]

PHARMAIDS PHARMACEUTICALS LIMITED		
CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 30TH JUNE ,2018		
	For the Period ended on 30.06.2018	For the Year ended on 31.03.2018
<b>A Cash Flow from Operating activities :</b>		
<b>Net Profit after Interest &amp; Depreciation but before Tax</b>	(3,60,176)	(36,85,745)
Depreciation	2,669	10,888
Interest paid	-	-
Interest received	(1,056)	(2,00,717)
Loss on Sale of Fixed Assets	-	-
Profit on Sale of Assets / Investments	-	-
Bad Debts Written Off	-	-
<b>Operating Profit before working capital changes</b>	<b>(3,58,563)</b>	<b>(38,75,574)</b>
<b>Adjustments for :</b>		
Trade and Other Payables	(43,325)	(26,29,867)
Inventories	-	24,45,711
Trade receivables	(70,239)	27,21,319
Loan and advances	-	-
Other Assets	-	(5,30,000)
other current liability	(23,661)	(90,011)
<b>Cash generated from operations</b>	<b>(4,95,788)</b>	<b>(19,58,421)</b>
Add: Income Tax paid	-	(1,73,461)
Miscellaneous Expenditure	-	-
<b>Net Cash flow from Operating activities (before &amp; after extraordinary items) " A "</b>	<b>(4,95,788)</b>	<b>(21,31,882)</b>
<b>B Net Cash from Investing activities :</b>		
( Purchase ) / Sale of fixed assets	-	(33,400)
Capital Work in Progress	-	-
Increase in Creditors for Capital Goods	-	-
( Purchase ) / Sale of investments	-	-
Interest received	1,056	2,00,717
investment in vardhaman bank(dividend income)	-	-
Sale of Fixed Assets	-	-
Sale of Investments	-	-
Long Term Loans and Advances	2,60,000	(10,84,742)
<b>Net cash flow from Investing activities " B "</b>	<b>2,61,056</b>	<b>(9,17,425)</b>
<b>C Cash Flow from Financing activities</b>		
Issue of Share Capital	-	-
Bank borrowings & Unsecured Loan	-	(6,74,038)
Dividend and Dividend Distribution Tax Paid	-	-
Interest paid	-	-
<b>Net Cash flow from Financing activities " C "</b>	<b>-</b>	<b>(6,74,038)</b>
<b>D Net ( Decrease ) / Increase in Cash and Cash Equivalents ( A + B + C )</b>	<b>(2,34,732)</b>	<b>(37,23,345)</b>
Cash and Cash Equivalents at the beginning	23,63,717	60,87,061
Cash and Cash Equivalents at the end	21,28,985	23,63,716

As per our report of even date attached  
**For Rakesh S Jain & Associates**  
Chartered Accountants  
Firm Registration Number: 010129S

For. Pharmaids Pharmceuticals Limited

(B.Ramesh Kumar)  
Partner  
Membership Number: 200304

Dr. Ghisulal Jain [DIN No.718351]  
Chairman & Managing Director

Place: Hyderabad  
Date: 27/07/2018

Seema Jain  
Director & CEO [DIN No.718351]

## PHARMAIDS PHARMACEUTICALS LIMITED

### NOTE NO. 1 : PROPERTY, PLANT AND EQUIPMENT

Sl. No.	Particulars	Gross Block						Rate of Depreciation	Depreciation/Amortization				Net Block as on 30.06.2018	Net Block as on 31.03.2018
		As on 01.04.2018	Additions during the year	Additions through Business acquisitions	Capitalised during the year	Sale / Deletions during the year	As on 30.06.2018		Dep. As on 01.04.2018	Dep for the period ended 30/06/2018	Adjustment Depreciation	Total Depreciation as on 30.06.2018		
1	PLANT & MACHINERY	33,400				-	33,400	45.07%	10,888	2,669	-	13,557	19,843	22,512
				-	-	-								
				-	-	-								
	<b>TOTAL</b>	<b>33,400</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,400</b>		<b>10,888</b>	<b>2,669</b>	<b>-</b>	<b>13,557</b>	<b>19,843</b>	<b>22,512</b>
	<b>Previous Year</b>	<b>21,184,579</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,184,579</b>	<b>-</b>		<b>16,817,051</b>	<b>637,086</b>	<b>5,197,058</b>	<b>8,927,500</b>	<b>-</b>	<b>4,367,527</b>

**PHARMAIDS PHARMACEUTICALS LIMITED**  
**Statement of changes in equity for the period ended 30th June 2018**

*Amount in INR lakhs*

**For the period ended 30th June 2018**

Particulars	Reserves and Surplus				Total equity
	Share Capital	Capital redemption reserve	Retained Earnings	Capital Reserve	
<b>Balance as at 1 April 2018</b>	<b>336.31</b>	-	(232.11)	-	<b>104.20</b>
Total comprehensive income for the period ended 05th July 2018	-	-	(3.59)	-	(3.59)
Other comprehensive income (net of tax) (refer note 23)	-	-	-	-	-
	<b>336.31</b>	-	(235.69)	-	<b>100.61</b>
<b>Transactions recorded directly in equity</b>					
<b>Contributions and distributions:</b>					
Nil	-	-	-	-	-
<b>Balance as at 05th July 2018</b>	<b>336.31</b>	-	(235.69)	-	<b>100.61</b>

**For the period ended 31 March 2018**

Particulars	Reserves and Surplus				Total equity
	Share Capital	Capital redemption reserve	Retained Earnings	Capital Reserve	
<b>Balance as at 1 April 2017</b>	<b>336.31</b>		(193.53)	-	<b>142.77</b>
Total comprehensive income for the period ended 31 March 2018	-	-	(38.57)		(38.57)
Other comprehensive income (net of tax) (refer note 23)					-
<b>Balance as at 31 March 2018</b>	<b>336.31</b>	-	(232.11)	-	<b>104.20</b>
<b>Transactions recorded directly in equity</b>					
<b>Contributions and distributions:</b>					
Nil	-	-	-	-	-
<b>Balance as at 31 March 2018</b>	<b>336.31</b>	-	(232.11)	-	<b>104.20</b>

**For Rakesh S Jain & Associates**  
**Chartered Accountants**  
Firm Registration Number: 010129S

(B.Ramesh Kumar)  
Partner  
Membership Number: 200304

Place: Hyderabad  
Date: 27/07/2018

**For. Pharmaids Pharmaceuticals Limited**

Dr. Ghisulal Jain [DIN No.718351]  
Chairman & Managing Director

Seema Jain  
Director & CEO [DIN No.718351]

**PHARMAIDS PHARMACEUTICALS LIMITED**

NOTE NUMBERS TO BALANCE SHEET

**NOTE NO. 2 : LONG TERM LOANS AND ADVANCES**

S. No.	Particulars	As on 30.06.2018	As on 31.03.2018
		Rupees	Rupees
I	Long - Term Loans and Advances:		
	a) Security Deposit		
	Secured	-	-
	Unsecured	1,202,218	1,202,218
	( Security deposit consist of Sales Tax Deposit , Electricty deposit , Rent Deposit , Tender deposit and deposit with suppliers )		
	b)other Long Term Loans and advances		
	(Advance recoverable in cash or kind)		
	Secured	-	-
	Unsecured	3,418,038	3,678,038
	<b>Total Long Term Loans &amp; Advances</b>	<b>4,620,256</b>	<b>4,880,256</b>

**NOTE NO. 3 : DEFERRED TAX ASSET ( NET )**

S. No.	Particulars	As on 30.06.2018	As on 31.03.2018
		Rupees	Rupees
I	Opening Deferred tax Asset	1,816	-
	Add:		
	Deferred Tax Asset for the year ( Due to SLM and WDV Difference )	1,488	1,816
	Deferred Tax Asset for the year ( Due to Others )		
	Gross Deferred tax Asset	3,304	1,816
	Opening Deferred tax Liability		
	Provision for Gratuity and Compensated Absences and doubtful debt	-	-
	Gross Deferred tax Liability	-	-
	<b>Deferred Tax Asset/ ( Liability ) - Net</b>	<b>3,304</b>	<b>1,816</b>

**NOTE NO. 4. : OTHER NON- CURRENT ASSETS**

S. No.	Particulars	As on 30.06.2018	As on 31.03.2018
		Rupees	Rupees
I	1) Other non- current Asset		
	Product Development advances	530,000	530,000
	<b>Total Non Current Assets</b>	<b>530,000</b>	<b>530,000</b>

**NOTE NO.5 : INVENTORIES**

S. No.	Particulars	As on 30.06.2018	As on 31.03.2018
		Rupees	Rupees
I	Inventories :		
	a) Raw materials	-	-
	Sub Total	-	-
	b) Work - in - progress	-	-
	Sub Total	-	-
	c) Finished goods	-	-
	Sub Total	-	-
	<b>Total Inventories</b>	<b>-</b>	<b>-</b>



**PHARMAIDS PHARMACEUTICALS LIMITED**

**NOTE NO. 6 : TRADE AND OTHER RECEIVABLES**

S. No.	Particulars	As on 30.06.2018	As on 31.03.2018
		Rupees	Rupees
I	Trade Receivables		
	Secured, Considered Good	-	-
	Unsecured, Considered Good		
	Less than Six months	5,225,826	5,155,587
	More than Six months		
	Doubtful	-	-
		5,225,826	5,155,587
	Other Receivables:		
	Secured, Considered Good	-	-
	Unsecured, Considered Good	-	-
	Doubtful	-	-
	Total Trade Receivable ( Gross)	5,225,826	5,155,587
	Less : Provision for bad & doubtful debts	-	-
	<b>Total Trade Receivables(net)</b>	<b>5,225,826</b>	<b>5,155,587</b>

**NOTE NO. 7 : CASH AND CASH EQUIVALENTS**

S. No.	Particulars	As on 30.06.2018	As on 31.03.2018
		Rupees	Rupees
I	Cash and cash equivalents :		
	a) Balances with banks :		
	1) On Current Accounts	371,557	459,359
	2) On Deposit Accounts	1,000,000	1,097,402
	b) Cash on hand	757,428	806,956
	<b>Total Cash and Cash Equivalents</b>	<b>2,128,985</b>	<b>2,363,717</b>

**NOTE NO. 8 : SHORT TERM LOANS AND ADVANCES**

S. No.	Particulars	As on 30.06.2018	As on 31.03.2018
		Rupees	Rupees
I	Short - Term Loans and Advances:		
	a) Other loans And advances		
	Unsecured	-	-
	( Loans and advances consist of mobilisation advance to contactors ,advance to supplier and Travel advance to employees )		
	<b>Total Short Term Loans &amp; Advances</b>	<b>-</b>	<b>-</b>

**NOTE NO.9 : OTHER CURRENT ASSETS**

S. No.	Particulars	As on 30.06.2018	As on 31.03.2018
		Rupees	Rupees
I	Prepaid Expenses		
	Interest Accrued on Deposits		
		-	-

## PHARMAIDS PHARMACEUTICALS LIMITED

### NOTE NO. 10 : SHARE CAPITAL

S.NO.	Particulars	As on 30.06.2018	As on 31.03.2018
		<b>Rupees</b>	<b>Rupees</b>
a	Equity Share Capital		
	(a) Authorised	<b>40,000,000</b>	<b>40,000,000</b>
	40,00,000 Equity Shares of Rs.10/- each		
	(b) Issued, Subscribed and Paid-up	<b>34,055,000</b>	<b>34,055,000</b>
	34,05,500 Equity Shares of Rs.10/- each fully paid up.		
	Less: Calls in Arrear	424,150	424,150
	<b>Total Equity Share Capital</b>	<b>33,630,850</b>	<b>33,630,850</b>
b	A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:	Number of Shares	Number of Shares
	Equity Shares of Re.10 Each, Fully paid up :		
	At the Beginning	3,405,500	3,405,500
	Issued during the year	-	-
	At the end	3,405,500	3,405,500
c	Details of Shareholder holding more than 5% shares of the company:(Refer Note below)	% of Share Holding	
		-	-

**Note:**

No Shareholders is holding more than 5% in share of the company as on 31st, March 2018 and as on 30th, June 2018

### NOTE NO. 11 : OTHER EQUITY

S. No.	Particulars	As on 30.06.2018	As on 31.03.2018
		<b>Rupees</b>	<b>Rupees</b>
I	Other Equity		
	a) Capital Subsidy		
	As at the commencement of the year	993,750	993,750
	Add: Additions during the year	-	-
	Less: Utilised during the year		
		<b>993,750</b>	<b>993,750</b>
	b) Capital Reserve		
	As at the commencement of the year	-	-
	Add: Additions during the year	-	-
	Less: Utilised during the year	-	-
		<b>-</b>	<b>-</b>
	c) Surplus :		
	i) Opening Balance	(24,204,503)	(20,347,113)
	Add: Total comprehensive income during the year	(358,688)	(3,857,390)
	Less: Transfer To General Reserve	-	-
	Less: Dividend	-	-
	Less: Dividend Distribution Tax	-	-
	Less: Bonus shares / ( Forfeiture of Bonus shares)	-	-
	Less: Transfer of Fixed Assets.	-	-
		<b>(24,563,190)</b>	<b>(24,204,503)</b>
II	A Reserve specifically represented by earmarked investments	-	-
III	Negative balance of reserves and surplus account	-	-
	<b>Total Reserves and Surplus</b>	<b>(23,569,440)</b>	<b>(23,210,753)</b>

### NOTE NO. 12 : LONG TERM BORROWINGS

S.No.	Particulars	As on 30.06.2018	As on 31.03.2018
		<b>Rupees</b>	<b>Rupees</b>
I	Long Term borrowings		
	a) Term loans:		
	From banks:		
	Secured - ( Refer Note No 29a )		
	From Financial Institutions :		
	Secured - ( Refer Note No 29b )		
	Unsecured - ( Refer Note No 29c )		
	b) Loans and advances from related parties		
	Un Secured:		
	Unsecured - ( Refer Note No.29d )		
	<b>Total Long Term Borrowings</b>	<b>-</b>	<b>-</b>

## PHARMAIDS PHARMACEUTICALS LIMITED

### NOTE NO. 13 : LONG TERM PROVISIONS

S. No.	Particulars	As on 30.06.2018	As on 31.03.2018
		Rupees	Rupees
I	a) Provisions for employee benefits		
	<b>Total Long Term Provisions</b>	-	-

### NOTE NO. 14 : DEFERRED TAX LIABILITIES ( NET )

S. No.	Particulars	As on 30.06.2018	As on 31.03.2018
		Rupees	Rupees
I	Opening Deferred tax Liability	-	
	Add:		
	Deferred Tax Liability for the year ( Due to SLM and WDV Difference )		
	Deferred Tax Liability for the year ( Due to Others )		
	Gross Deferred tax Liability	-	-
	Opening Deferred tax Asset		
	Provision for Gratuity and Compensated Absences and doubtful debt	-	
	Gross Deferred tax Asset	-	-
	<b>Deferred Tax Liability/ ( Asset ) - Net</b>	-	-

### NOTE NO. 15 : OTHER LONG TERM LIABILITIES

S. No.	Particulars	As on 30.06.2018	As on 31.03.2018
		Rupees	Rupees
	a) Trade Payables & Others		
	- Advance from Customers	-	-
	b) Others		
	Sales Tax Deferral** (refer note)	252,375	252,375
	<b>Total other long term liabilities</b>	252,375	252,375

\*\*Represents 14 years Interest free sales tax deferment loan received from Government of Andhra Pradesh. Repayment commences from 2014-15 based on deferment availed in the respective years.

### NOTE NO. 16 : SHORT TERM BORROWINGS.

S. No.	Particulars	As on 30.06.2018	As on 31.03.2018
		Rupees	Rupees
I	Short term borrowings		
	a) Loans repayable on demand:		
	From banks		
	Secured - ( Refer Note No. 31)		
	From other parties		
	Secured		
	Unsecured		
	b) Loans and advances from other parties		
	Unsecured -( Refer Note No. 31 )		
	c) Loans and advances from Related parties		
	Unsecured		
	<b>Total Short Term Borrowings</b>	-	-

### NOTE NO. 17: TRADE AND OTHER PAYABLES

S. No.	Particulars	As on 30.06.2018	As on 31.03.2018
		Rupees	Rupees
I	a) Trade Payables	1,804,660	1,847,985
	<b>Total Trade Payables</b>	1,804,660	1,847,985

**PHARMAIDS PHARMACEUTICALS LIMITED**

**NOTE NO. 18 : OTHER CURRENT LIABILITIES**

S. No.	Particulars	As on 30.06.2018	As on 31.03.2018
		Rupees	Rupees
I	a) Current maturities of Long Term Debts		
	b) Interest accrued but not due on borrowings		
	c) Income received in advance.		
	d) Unpaid dividend.		
	e) Other Payables	131,944	155,605
	f) Others		
	Sales Tax Deferral** (refer note)	277,825	277,825
	<b>Total Other Current Liabilities</b>	<b>409,769</b>	<b>433,430</b>

\*\*Represents 14 years Interest free sales tax deferment loan received from Government of Andhra Pradesh. Repayment commences from 2014-15 based on deferment availed in the respective years.

**NOTE NO. 19 : SHORT TERM PROVISIONS**

S. No.	Particulars	As on 30.06.2018	As on 31.03.2018
		Rupees	Rupees
I	a) Provisions for employee benefits		
	b) Others		
	<b>Total Short Term Provisions</b>	<b>-</b>	<b>-</b>

## PHARMAIDS PHARMACEUTICALS LIMITED

### NOTE NUMBERS TO STATEMENT OF PROFIT & LOSS

#### NOTE NO. 20 : REVENUE FROM OPERATIONS

S. No.	Particulars	Year Period 30.06.2018	Year Ended 31.03.2018
		Rupees	Rupees
I	Revenue from operations in respect of non-finance company (a) Sale of Products	-	4,491,436
	<b>Total Revenue from Operations</b>	<b>-</b>	<b>4,491,436</b>

#### NOTE NO. 21 : OTHER INCOME

S. No.	Particulars	Year Period 30.06.2018	Year Ended 31.03.2018
		Rupees	Rupees
I	(a)Interest income	1,056	200,717
	(b)Other non-operating income(net of expenses directly attributed to such income)		
	<b>Total Other Income</b>	<b>1,056</b>	<b>200,717</b>

#### NOTE NO. 22 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS & STOCK-IN-TRADE:

S. No.	Particulars	Year Period 30.06.2018	Year Ended 31.03.2018
		Rupees	Rupees
I	Finished Goods		
	Finished goods at the beginning of the year	-	2,178,825
	Less : Finished goods at the end of the year	-	-
	Sub Total (A)	-	2,178,825
	Work-in-progress		
	Stock at the beginning of the year	-	-
	Less : Stock at the end of the year	-	-
	Sub Total ( B)	-	-
	<b>(Increase) / Decrease in Inventories (A+B)</b>	<b>-</b>	<b>2,178,825</b>

#### NOTE NO. 23 : EMPLOYEE BENEFIT EXPENSES

S. No.	Particulars	Year Period 30.06.2018	Year Ended 31.03.2018
		Rupees	Rupees
I	(a) Salaries & Wages	28,232	582,442
	(b) Contribution to Provident & Other Funds	7,265	27,652
	(c) Staff Welfare Expenses	12,833	19,738
	<b>Total Employee Benefit Expenses</b>	<b>48,330</b>	<b>629,832</b>

## PHARMAIDS PHARMACEUTICALS LIMITED

### NOTE NO. 24 : FINANCE COST

S. No.	Particulars	Year Period 30.06.2018	Year Ended 31.03.2018
		Rupees	Rupees
	(a) Interest Expenses :		
	- Interest on Term Loan	-	-
	(b) Bank Charges	-	14,043
	(c) Applicable net gain/loss on foreign currency translations & transactions	-	-
	<b>Total Finance Cost</b>	<b>-</b>	<b>14,043</b>

### NOTE NO. 25 : OTHER EXPENSES

S. No.	Particulars	Year Period 30.06.2018	Year Ended 31.03.2018
		Rupees	Rupees
I	Advertisement Expenses	5477	83985
	Annual listing fees	11374	300137
	Audit Fees	1900	30000
	Business Promotion	0	171455
	Carriage expenses	0	25774
	Commission	124043	315452
	Computer Maintenance / hire charges	0	21829
	Consumables	0	57939
	Conveyance	10000	71984
	Directors remuneration	37500	150000
	Discount	7176	3494
	Electricity Charges	15141	42914
	General Expenses		336899
	Postage & Telegram	1240	26064
	Printing & stationery	0	48888
	Professional Charges	33043	169202
	Professional tax	0	5000
	Rates and Taxes	614	19969
	Rent	46260	305320
	Repairs & Maintenance -others	0	5131
	Secretarial Expenses	0	81447
	Telephone Charges	4784	31345
	Travelling Expenses	11512	460083
	Interest Expense	169	0
	Packing Material	0	14629
	<b>Total Other Expenses</b>	<b>310,233</b>	<b>2,778,939</b>

### NOTE NO. 26: TAX EXPENSES

S. No.	Particulars	Year Period 30.06.2018	Year Ended 31.03.2018
		Rupees	Rupees
I	Current tax		
	Deferred tax	-1488	-1816
	Adjustment for previous year tax		
	- Income Tax paid for earlier year	-	173,461
	<b>Total Other Income</b>	<b>(1,488)</b>	<b>171,645</b>

**Note-27 Notes Forming Part of Accounts**

**27.1 Details of Managerial Remuneration:**

	<b>Managing Director</b>		<b>Executive Director</b>	
	<b>01/04/2018 to 30/06/2018</b>	<b>01/04/2017 to 31/03/2018</b>	<b>01/04/2018 to 30/06/2018</b>	<b>01/04/2017 to 31/03/2018</b>
Salary	37500	150000	-	-
Total	37500	150000	-	-

**27.2** Balance of Trade Payables, Other Current Liabilities , Loans and Advances, and Trade Receivables are subject to confirmation / reconciliation.

**27.3** The Company's operation mainly consist of only one segment i.e. Drug formulations and therefore the figures relate to that segment only.

**27.4** Related party disclosures ( as indentified by the management) as per Indian Accounting Standard – 24 are given below:

Name of the parties

Ø Dr. Ghisulal Jain

Ø Abhishek jain

<b>NAME OF THE TRANSACTIONS RELATED TO THE PARTY</b>	<b>TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL AND THEIR RELATIVES</b>	
	<b>2017-18</b>	<b>2016-17</b>
Managerial Remuneration	37,500	150,000
Reimbursement of Expenses,etc	-	45,690

**27.5 EARNING PER SHARE (EPS)**

	<b>01/04/2018 to 30/06/2018</b>	<b>01/04/2017 to 31/03/2018</b>
The computation of EPS is set out below:		
<b>Earning</b>		
Net Profit/Loss for the period	(358,688)	(3,857,390)
<b>Shares</b>		
Number of Shares at the Beginning of the period	3,405,500	3,405,500
Add: Shares issued during the period	-	-
Total number of equity shares outstanding at the end of the period	3,405,500	3,405,500
Weighted average number of equity shares outstanding during the period	3,405,500	3,405,500
<b>Earning per share of par value Rs. 10/- Basic &amp; Diluted (Rs)</b>	<b>(0.11)</b>	<b>(1.13)</b>

**27.6** In Accordance with the Indian Accounting Standard (Ind AS-36) on "Impairment of Assets" the management during the year carried out exercise of identifying the assets that may have been impaired in respect of each cash generating unit. On the basis of this review carried out by the management there was no impairment loss on the Fixed assets during the year ended 31st March 2018.

**27.7 Contingent Liability-** NIL

**27.8 Foreign Currency Earnings/Outgoing-** NIL

**For Rakesh S Jain & Associates**  
Chartered Accountants  
Firm Registration Number: 010129S

(B.Ramesh Kumar)  
Partner  
Membership Number: 200304

Place: Hyderabad  
Date: 27/07/2018

**For and on behalf of the Board**

Dr. Ghisulal Jain [DIN No.718351]  
Chairman & Managing Director

Seema Jain  
Director & CEO [DIN No.718351]

## ANNEXURE-12

Order Copy of the NCLT, Hyderabad bench pursuant to which the meeting is to be convened

**NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH**

4

**PRESENT: HON'BLE SHRI RATAKONDA MURALI- MEMBER JUDICIAL**

**ATTENDANCE-CUM-ORDER SHEET OF THE HEARING HELD ON 20.03.2019 AT 10.30 AM**

TRANSFER PETITION NO.	
COMPANY PETITION/APPLICATION NO.	CA(CAA) No.81/230/HDB/2019
NAME OF THE COMPANY	Emergent Bio Naturals Ltd (Trasferor Co.) & Pharmaids Pharmaceuticals Ltd
NAME OF THE PETITIONER(S)	
NAME OF THE RESPONDENT(S)	
UNDER SECTION	230

**Counsel for Petitioner(s):**

Name of the Counsel(s)	Designation	E-mail & Telephone No.	Signature
D. Srinivasa Reddy	Practitioner Chartered Accountant (MCA)	Venkat padmaja @ rediffmail. com 9866272052	D. Srinivasa Reddy

**Counsel for Respondent(s):**

Name of the Counsel(s)	Designation	E-mail & Telephone No.	Signature

ORDER

Orders passed vide separate orders.

\_\_\_\_\_  
Member(Judl)



**‘IN THE NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH, AT HYDERABAD**

CA (CAA) No.81/230/HDB/2019  
U/s 230&232 of the Companies Act, 2013

In the matter of

<b>Emergent Bio Naturals Limited</b> (Transferor Company) And <b>Pharmaids Pharmaceuticals Limited</b> (Transferee Company) And <b>Their respective Shareholders</b>
--

M/s. Emergent Bio Naturals Limited,

Having its Registered office at  
at Flat No.503, Amrutha Estates,  
Himayatnagar, Hyderabad- 500029.

.....Transferor Company

**AND**

M/s. Pharmaids Pharmaceuticals Limited,  
Having its registered office at 4-4-211/212/3,  
1<sup>st</sup> Floor Inderbagh, Sultan Bazar,  
Hyderabad- 500095.

.....Transferee Company

**Date of order: 20.03.2019**

Coram:

Hon'ble Shri Ratakonda Murali, Member (Judicial)

Parties / Counsels Present:

For the Applicants : D. Srinivas Reddy, PCA.

**Per: Shri Ratakonda Murali, Member (Judicial)**

Heard on: 20.03.2019.

### ORDER

1. This is a joint Application filed by **M/S.Emergent Bio Naturals Limited (First Applicant / Transferor Company)** and **M/s. Pharmaids Pharmaceuticals Limited (Second Applicant/ Transferee Company)** under Section 230-232 of the Companies Act, 2013, praying for an order for dispensing with the meeting of Equity Shareholders and Unsecured Creditors of the First Applicant / Transferor Company; further seeking order for convening meeting of Equity Shareholders of the Second Applicant / Transferee Company for approving the Scheme of Amalgamation of Emergent Bio Naturals Limited (The First Applicant/Transferor Company) and Pharmaids Pharmaceuticals Limited (The Second Applicant/Transferee Company) and their respective shareholders in terms of Scheme of Amalgamation marked as **Exhibit 4(C)**.
2. Brief averments in the Application are:-
  - (1) **Emergent Bio Naturals Limited /First Applicant Company / Transferor Company** was incorporated as a Private Limited Company in the then erstwhile State of Andhra Pradesh on 20.08.2006 having Corporate Identity Number (CIN) is U01122TG2006PLC050994.The Registered Office of the First Applicant Company is situated at 503, Amrutha Estate, Himayathnagar, Hyderabad- 500029.
  - (2) The First Applicant Company is primarily engaged in the business of Biology, Biotechnology, Biochemistry including molecular and cell biology for developing, manufacturing, producing,processing,preparing, treating, buying, selling, importing, exporting and dealing in all kinds of drugs and pharmaceuticals, medical diagnostics kits, vaccines, anti-bodies, virulent bacteria and other industrial bio-products such as enzymes and gums.
  - (3) The authorized, issued, subscribed and paid-up share capital of the First Applicant Company as on 31<sup>st</sup> March, 2018 was as under:

Particulars	Amount in Rupees
<b>Authorised:</b>	
35,00,000 Equity Shares of Rs10/- each	3,50,00,000
<b>Issued, Subscribed and Paid-up:</b>	
24,66,334 Equity Shares of Rs. 10/- each fully paid-up	2,46,63,340

Subsequent to the above Financial Statement date there is change in the Capital Structure of Transferor Company on account of Issue of Bonus shares of 9,86,533 equity shares of Rs. 10 each on 04<sup>th</sup> June, 2018. After issue of bonus shares the paid up equity share capital of the company stand increased to Rs. 3,45,28,670/- divided in to 34,52,670 equity shares of Rs. 10/- each fully paid up.

- (4) **M/s. Pharmaids Pharmaceuticals Limited Second Applicant / Transferee company** was originally incorporated as a Private Limited Company on 01.03.1989 under the Companies Act, 1956 in the erstwhile State of Andhra Pradesh under the name and style of Pharmaids Pharmaceuticals Private Limited. Subsequent to Incorporation the name of the Company changed to its present name i.e. Pharmaids Pharmaceuticals Limited and obtained fresh certificate of incorporation dated 08<sup>th</sup> May, 1992. Its Corporate Identity Number (CIN) is L52520TG1989TLC009679. The Registered Office of the Second Applicant Company is situated at 4-4-211/212/3, 1<sup>st</sup> Floor, Inderbagh, Sultan Bazar, Hyderabad-500095.
- (5) The Second Applicant Company is engaged in the business of Chemists, Druggists, Chemicals, drysalters, importers, exporters, and dealers in cosmetics, pharmaceuticals and medical preparations.
- (6) The authorized, issued, subscribed and paid-up share capital of the Second Applicant Company as on 31st March, 2018 is as under:

Particulars	Rupees (INR)
Particulars	Amount in Rupees
<b><u>Authorized:</u></b>	
40,00,000/- Equity Shares of Rs.10/- each	4,00,00,000

<b>Issued and Paid up Subscribed</b>	
34,05,500 Equity shares of Rs.10/- each	3,40,55,000
Out of the above Paid up share capital 42,415 Equity shares of Rs. 10/- each are calls in arrear	4,24,150
Amount as shown in the Audited Financial Statement for the year ended 31 <sup>st</sup> March, 2018	3,36,30,850

Subsequent to the above date and till the date of filing the Application, there has been no change in the issued, subscribed and paid up capital of the Second Applicant Company. A copy of the audited statements of account as on 31<sup>st</sup> March, 2018 is marked as Exhibit- 4(H).

7. It is also averred that the Scheme of Amalgamation will benefit the Transferor Company, the Transferee Company and their respective shareholders. The rationale and reasons for the proposed Scheme of Amalgamation, inter alia, are summarized below:
  - (a) The Proposed Amalgamation of Transferor Company in to Transferee Company improves the visibility business of the Pharmaceuticals and Ayurvedic Business in the market.
  - (b) To bring both the companies under one legal entity to facilitate, better and more efficient management.
  - (c) To achieve consolidation, greater integration and financial strength and flexibility which will maximize overall shareholder value.
8. In view of the aforesaid benefits, the Board of Directors of the First Applicant Company and Second Applicant Company at their respective Board Meetings held on 12.06.2018 and 18.07.2018 respectively, approved the Scheme of Amalgamation of M/s Emergent Bio Naturals Limited with M/s. Pharmaids Pharmaceuticals Limited and their respective Shareholders. A copy of Board Resolutions of the First Applicant Company and Second Applicant Company are marked as **Exhibit 4(B)**.
9. It is averred that the Transferee Company is listed Company. The Transferee Company filed Scheme with BSE Limited as per Regulation 37 of SEBI(LODR) Regulations, 2015. In response to this BSE by its letter dated 17<sup>th</sup> January, 2019 stated that there is no adverse observations with respect to Listing Requirements.
10. It is averred that the Transferee Company has 4619 Shareholders

Company 12 Shareholders. The Shareholders of Transferor Company has given their Consent Affidavits for Approval of Scheme.

12. It is averred that there are no **secured Creditors** in Transferor and Transferee Companies.
13. No investigation or proceedings have been instituted or pending in relation to the First Applicant Company and the Second Applicant Company under the Act.
14. In the light of above facts, the Applicant Companies pray for the following reliefs:-

**In case of the First Applicant Company / Transferor Company:**

- (i) To dispense with the meeting of the Equity Shareholders and Unsecured Creditors of the First Applicant Company / Transferor Company.

**In case of the Second Applicant Company / Transferee Company:**

- (i) To direct to holding the meeting of the Shareholders of the Transferee Company by appointing chair person for conducting the meeting.
  - (ii) To appoint a Chairperson for convening and conducting the Meeting of the Shareholders of the 2<sup>nd</sup> Applicant/Transferee Company.
  - (iii) To dispense with the meeting of unsecured Creditors of the of the 2<sup>nd</sup> Applicant/Transferee Company.
  - (iv) That the advertisement be directed to be published one in English Edition of "Indian Mail", Hyderabad Edition and one in Telugu Edition of "Nava Telangana", Hyderabad Edition.
  - (v) And pass such orders as this Hon'ble Bench may deem fit and proper in the circumstances of the case in the interest of justice and equity.
15. I have heard the PCA for Applicant Companies. PCA reported to the Tribunal Shareholders of the Transferor Companies has given their consent affidavits and requested to dispense with the meeting of Shareholders. I have seen the Certificates issued by the Chartered Accountant stating that the Transferor Company is having 3 Unsecured Creditors amounting to Rs. 1,96,468/- and No Secured Creditors. The Unsecured Creditors had given their Consent Affidavits for proposed Scheme. (Certificates from the Chartered Accountant is annexed as Annexure 12 & 13)
  16. PCA requested to order convening the meeting of Shareholders of Transferee Company. I have seen the Certificates issued by the

Chartered Accountant stating that the Transferee Company is having 14 Unsecured Creditors amounting to Rs. 19,76,011/-. Out of Which 7 Unsecured Creditors amounting to Rs. 18,51,762/- given their consent affidavits for proposed Scheme. PCA reported to the Tribunal that the Company has No Secured Creditors. As per Section 230(9) of the Companies Act, 2013 the tribunal may dispense with calling of meeting of Creditors where such creditors having at least 90% value, agree and confirm by way of Affidavit to the Scheme. Accordingly the Meeting of Unsecured Creditors is dispensed.

16. After hearing the PCA for the Applicant Companies and after considering the material on record, this Tribunal passed the following order:

**First Applicant / Transferor Company**

- (a) Hereby dispensed with convening meetings of Shareholders and Unsecured Creditors of First Applicant / Transferor Company

**Second Applicant / Transferee Company**

- (b) Hereby dispensed with convening meetings of Unsecured Creditors of Second Applicant / Transferee Company
- (c) Hereby ordered convening meetings of Equity Shareholders and Unsecured Creditors of Second Applicant / Transferee Company.
- (d) Appointed Ms.Kopal Sharraf;, Advocate # Desai Law Offices,301, South Block, Mythri Villa,8-2-675/k, Road No.13, Banjara Hills, Hyderabad- 500034 (Mob No. 7702228282) as Chairman and Mr.A.Sanmukha Reddy, Advocate Plot No.30, Road No.2, Near Alkapuri, Sai Baba Temple, Yadav Nagar, Ramkrishnapuram (Post), Hyderabad- 500102 as Scrutinizer for convening the meeting of Shareholders of Second Applicant / Transferee Company and fee fixed for Chairperson is Rs.60,000 (Rupees Sixty Thousand only) and Rs. 30,000/- for scrutinizer for the above meetings.
- (e) Meeting of Shareholders of Second Applicant / Transferee Company will be held on 11.05.2019 at 10.30 AM at 4-4-211/212/3, 1<sup>st</sup> Floor, Inderbagh, Sultan bazaar, Hyderabad-500095.
- (f) The Quorum fixed for the meeting are as under:-  
For shareholders meeting : 15
- (g) The notice of the Meetings of Shareholders Second Applicant Company shall be published in "Business Standard" (English Daily) and in "Nava Telangana" (Telugu Daily).

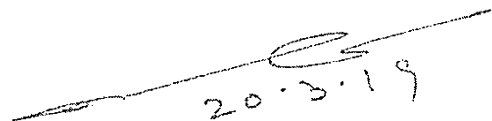
- (h) The Second Applicant / Transferee Company or its authorized Signatory are directed to issue notices (s) to Shareholders of Second Applicant Company /Transferee by Registered or Speed post; or Courier; or Air Mail or email or hand delivery to their last known address 30 clear days before the said meetings as per Form No. CAA2 (Rule 6) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ensuring convening the said meetings of the Second Applicant / Transferee Company. Further directed to intimate day, date and time, a copy of Explanatory Statement, pursuant to be sent under Section 230 of the Companies Act, 2013 and Proxy as per Form No. MGT-11 (Rule 19) of the Companies (Management and Administration) Rules, 2014.
- (i) The Applicant Companies to serve notices upon the Regional Director, South-East Region, Ministry of Corporate Affairs, Hyderabad pursuant to Section 230 (5) of the Companies Act, 2013 as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 if no response is received by the Tribunal from Regional Director within 30 days of the date of receipt of the notice, it will be presumed that Regional Director and/or Central Government has no objection to the proposed Scheme as per Rule 8 of the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016.
- (j) The Applicant Companies to serve the notice upon the Registrar of Companies Hyderabad pursuant to Section 230 (5) of the Companies Act, 2013 as per Rule 8 of the Companies (Compromises Arrangement and Amalgamations) Rules, 2016 and if no response is received by the Tribunal from Registrar of Companies, Hyderabad within 30 days of the date of receipt of the notice, it will be presumed that Registrar of Companies, Hyderabad has no objection to the proposed Scheme as per Rule 8 of the Companies (Compromise Arrangements and Amalgamations) Rules, 2016.
- (k) The Applicant Companies to serve notice upon the Income Tax Authority, within whose jurisdiction that Applicant Company's Assessment are made, pursuant to Section 230 (5) of the Companies Act, 2013 as per Rule 8 of the Companies (Compromises Arrangements and Amalgamations) Rules, 2016 if

no response is received by the Tribunal from Income Tax Authority within 30 days of the date of receipt of the notice, it will be presumed that Income Tax Authority has no objection to the proposed Scheme as per Rule 8 of the Companies (Compromise, Arrangement and Amalgamation) Rules, 2016.

- (l) The Applicant Companies to serve notice upon the BSE Ltd. & National Stock Exchange of India Limited pursuant to Section 230 (5) of the Companies Act, 2013 as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 if no response is received by the Tribunal from BSE Ltd. & National Stock Exchange of India Limited within 30 days of the date of receipt of the notice, it will be presumed that BSE Ltd. & National Stock Exchange of India Limited has no objection to the proposed Scheme as per Rule 8 of the Companies (Compromise, Arrangement and Amalgamation) Rules, 2016.
- (m) The Applicant Companies to serve notice upon the SEBI pursuant to Section 230 (5) of the Companies Act, 2013 as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 if no response is received by the Tribunal from SEBI of India Limited within 30 days of the date of receipt of the notice, it will be presumed that SEBI Limited has no objection to the proposed Scheme as per Rule 8 of the Companies (Compromise, Arrangement and Amalgamation) Rules, 2016.
- (n) The Applicant Companies to serve notice upon the Official Liquidator pursuant to Section 230 (5) of the Companies Act, 2013 as per Rule 8 of the Companies (Compromises Arrangements and Amalgamations) Rules, 2016 if no response is received by the Tribunal from Official Liquidator within 30 days of the date of receipt of the notice it will be presumed that Official Liquidator has no objection to the proposed Scheme as per Rule 8 of the Companies (Compromise, Arrangement and Amalgamation) Rules, 2016.
- (o) The Chairperson shall have all powers under the Companies (Compromises, Arrangement and Amalgamation) Rules, 2016 in relation to the conduct of the meetings (s) including for deciding procedural questions that may arise before or at any adjournment thereof or any other matter including an amendment to the Scheme or resolution, if any, proposed at the meeting by any person (s)



- (p) The voting shall be in person or by proxy or authorized representative in case be permitted, provided that the proxy in the Form No. MGT-11 authorization duly signed by the person entitled to attend and vote at the meeting, is to be filed with the Applicant Company at its Registered office, not later than, forty eight hours before the aforesaid meeting in accordance with Rule 10 of the Companies (Compromise, Arrangement and Amalgamation) Rules, 2016.
- (q) The Chairperson to file affidavit not less than seven days before the day fixed for holding of the meeting and to report to this Tribunal that the direction regarding convening and issuance of notice (s) to all the necessary parties have been duly complied with in conformity with the relevant provisions of the Companies Act, 2013 R/w Companies (Compromise, Arrangement and Amalgamation) Rules, 2016. The Chairperson shall report the conclusion of the aforesaid meeting as per Rule 14 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.



20.3.19

**RATAKONDA MURALI**

**Member (Judicial)**

(Viswaraj)

<b>ANNEXURE-13</b>					
<b>Statement showing Pre-Scheme and Proposed Post Scheme Shareholding Pattern of the Transferor &amp; Transferee Company</b>					
		<b>PRE AMALGAMATION</b>		<b>POST AMALGAMATION</b>	
Category	Category & name of the Shareholders	Number Of Shareholders	No. of fully paid up equity Shares held	Number of Shareholders	No. of fully paid up equity Shares held
	(I)	(II)	(III)	(IV)	(V)
<b>(A)</b>	<b>Promoter and Promoter Group</b>	22	227328	34	7133062
<b>(I)</b>	Indian	0	0.00	0.00	0.00
<b>(a)</b>	Individuals/ Hindu Undivided Family	22	227328	34	7133062
1	KANT RAO		7300		7300
2	B.VENKATA SWAMY		5000		5000
4	GHSULAL R JAIN		32844		32844
5	PRASHANT H. DAVEIN		10459		10459
6	MADHUKUMARI BHARAT KITAWAT		1000		1000
7	GHSULAL JAIN		18030		18030
8	VEENA LALWANI		15645		15645
9	S. VENKAT RAO				5343296
10	S.PADMAJA KALYANI				957638
11	S.VISHWA PRASAD				246400
12	D.URMILA				5600
13	P ANURADHA				56000
14	P.MEENA KUMARI				56000
15	R.KANTAM				56000
16	S.KALYANI				56000
17	PARTHASARATHI BHATACHARYA				19600
18	SATYA HARI DEY				19600

19	SUBBA LAXMI BHATACHARYA				19600
20	M.VENKAT NARAYANA				19600
21	BABULAL JAIN		6321		6321
22	SUBHASH B LALWANI		16400		16400
23	SURESH KUMAR		1000		1000
24	PUSHPA DAVEHARIPRASAD		5357		5357
25	UMADEVI BABULAL		5452		5452
26	UTTAM P JAIN		1000		1000
26	UPDESH KUMAR		779		779
27	ASHA SAHILESH JAIN SHAILESH H. JAIN		1000		1000
28	ABHILEKHA JAIN		44145		44145
29	SUREKHA PRASHANT DAVE		8200		8200
30	ABHISHEK JAIN		14651		14651
31	SATISH CHANDIN	0	13600		13600
32	JAYSHREE SANJAY PATNISANJAY BIRDICHAND	0	18075		18075
33	B.VENKATSWAMY	0	1070		1070
(b)	Central Government/ State Government(s)	0	0	0	0
(c)	Financial Institutions/ Banks	0	0	0	0
(d)	Any other (Bodies Corporate)	0	0		
(e)	Trust	0	0		
	<b>Sub-Total (A)(1)</b>	<b>22</b>	<b>227328</b>	<b>34</b>	<b>7133062</b>
2)	Foreign				
(a)	Individuals (Non- Resident individuals/ Foreign Individuals)	0	0	0	0
(b)	Government	0	0	0	0
(c)	Institutions	0	0	0	0

(d)	Foreign Portfolio Investor	0	0	0	0
(e)	Any other (specify)	0	0	0	0
	<b>Sub- Total (A) (2)</b>	0	0	0	0
	<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>	<b>22</b>	<b>227328</b>	<b>34</b>	<b>7133062</b>
(1)	<b>Institutions</b>				
(a)	Mutual Funds/UTI	0	0	0	0
(b)	Venture Capital Funds	0	0	0	0
©	Alternate Investments Funds	0	0	0	0
(d)	Foreign Venture Capital Funds	0	0	0	0
(e)	Foreign Portfolio Investors-Individual (FPI)	0	0	0	0
(f)	Foreign Portfolio Investors-Corporate (FPI)	0	0	0	0
(g)	Financial Institutions/Banks	0	0	0	0
(h)	Insurance Companies	0	0	0	0
(i)	Provident Funds/ Pension Funds	0	0	0	0
(j)	Any Other	0	0	0	
(k)	Foreign Institutional Investors	0	0	0	0
(l)	Qualified Foreign Investor	0	0	0	0
(m)	Qualified Foreign Investor-Corporate	0	0	0	0
(n)	Foreign Bodies Corp	0	0	0	0
(o)	Foreign Nation	0	0	0	0
	<b>Sub-Total(B)(1)</b>	0	0	0	0
B1C	Central Government/State Government(s)	0	0		

	<b>Sub-Total(B)(2)</b>	0	0	0	0
(3)	<b>Non-Institutions</b>				
(a)	<b>Individual</b>				
	Shareholders holding nominal share capital upto Rs.2 Lakh	4546	2787861	4546	2787861
(b)	Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	10	321973	10	321973
©	NBFCs Registered with RBI	0	0	0	0
(d)	Employee Trust	0	0	0	0
( e )	Overseas Depositories (Holding GDRs)	0	0	0	0
( f )	Any Other	0	0	0	0
(g)	Bodies Corporate	26	57920	26	57920
(h)	Clearing Members	5	3089	5	3089
(i)	Trust	0	0	0	0
(j)	Non Resident Individuals	12	7329	12	7329
(j)	IEPF Authority	0	0	0	0
	<b>Sub-Total (B)(3)</b>	4599	3178172	4599	3178172
	<b>Total Public Shareholding B=((B)(1)+(B)(2)+(B)(3))</b>	<b>4599</b>	<b>3178172</b>	<b>4599</b>	<b>3178172</b>
	<b>Total Shareholding (A+B)</b>	<b>4621</b>	<b>3405500</b>	<b>4633</b>	<b>10311234</b>

Shareholding Pattern of the Transferor Company					
		PRE AMALGAMATION		POST AMALGAMATION	
Category	Category & name of the Shareholders	Number of Shareholders	No. of fully paid up equity Shares held	Number of Shareholders	No. of fully paid up equity Shares held
	(I)	(II)		(IV)	(V)
<b>(A)</b>	<b>Promoter and Promoter Group</b>	12	3452867	0	0
<b>(1)</b>	<b>Indian</b>	0	0.00		
(a)	Individuals/ Hindu Undivided Family	12	3452867	0	0
9	S. VENKAT RAO	2671648			0
010	S.PADMAJA KALYANI	478819			0
11	S.VISHWA PRASAD	123200			0
12	D.URMILA	28000			0
13	P ANURADHA	28000			0
14	P.MEENA KUMARI	28000			0
15	R.KANTAM	28000			0
16	S.KALYANI	28000			0
17	PARTHASARATHI BHATACHARYA	9800			0
18	SATYA HARI DEY	9800			0
19	SUBBA LAXMI BHATACHARYA	9800			0
20	M.VENKAT NARAYANA	9800			0
(b)	Central Government/ State Government(s)	0	0	0	0
(c)	Financial Institutions/ Banks	0	0	0	0
(d)	Any other (Bodies Corporate)	0	0		
(e)	Trust	0	0		
	<b>Sub-Total (A)(1)</b>	<b>12</b>	<b>3452867</b>	<b>0</b>	<b>0</b>
2)	Foreign				
(a)	Individuals (Non- Resident individuals/	0	0	0	0

	Foreign Individuals)				
(b)	Government	0	0	0	0
(c)	Institutions	0	0	0	0
(d)	Foreign Portfolio Investor	0	0	0	0
(e)	Any other (specify)	0	0	0	0
	<b>Sub- Total (A) (2)</b>	0	0	0	0
	<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>	<b>12</b>	<b>3452867</b>	<b>0</b>	<b>0</b>
(1)	<b>Institutions</b>				
(a)	Mutual Funds/UTI	0	0	0	0
(b)	Venture Capital Funds	0	0	0	0
©	Alternate Investments Funds	0	0	0	0
(d)	Foreign Venture Capital Funds	0	0	0	0
(e)	Foreign Portfolio Investors-Individual (FPI)	0	0	0	0
(f)	Foreign Portfolio Investors-Corporate (FPI)	0	0	0	0
(g)	Financial Institutions/ Banks	0	0	0	0
(h)	Insurance Companies	0	0	0	0
(i)	Provident Funds/ Pension Funds	0	0	0	0
(j)	Any Other	0	0	0	
(k)	Foreign Institutional Investors	0	0	0	0
(l)	Qualified Foreign Investor	0	0	0	0
(m)	Qualified Foreign Investor-Corporate	0	0	0	0
(n)	Foreign Bodies Corp	0	0	0	0
(o)	Foreign Nation	0	0	0	0

	<b>Sub-Total(B)(1)</b>	0	0	0	0
B1C	Central Government/State Government(s)	0	0	0	0
	<b>Sub-Total(B)(2)</b>	0	0	0	0
(3)	<b>Non-Institutions</b>				
(a)	Individual shareholders holding nominal share capital upto Rs.2 lakh	0	0	0	0
(b)	Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	0	0	0	0
©	NBFCs Registered with RBI	0	0	0	0
(d)	Employee Trust	0	0	0	0
( e )	Overseas Depositories (Holding GDRs)	0	0	0	0
( f )	Any Other	0	0	0	0
(g)	Bodies Corporate	0	0	0	
(h)	Clearing Members	0	0	0	0
(i)	Trust	0	0	0	0
(j)	Non Resident Individuals	0	0	0	0
(j)	IEPF Authority	0	0	0	0
	<b>Sub-Total (B)(3)</b>	0	0		0
	<b>Total Public Shareholding B=((B)(1)+(B)(2)+(B)(3))</b>	0	0	0	0
	<b>Total Shareholding (A+B)</b>	12	3452867	0	0



**PHARMAIDS PHARMACEUTICALS LIMITED**

**Registered Office: 4-4-211/212/3, 1<sup>st</sup> Floor, Inderbagh, Sultan Bazar, Hyderabad-500095**

**Tel No.: 9866272052; Fax.No.+914027562126**

**CIN:L52520TG2006PLC050994**

**Email ID: [mailpharmaids@yahoo.co.in](mailto:mailpharmaids@yahoo.co.in); Website: [www.pharmaids.com](http://www.pharmaids.com)**

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, BENCH, AT HYDERABAD**

**CA(CAA)No.81/230/HDB/2019**

In the matter of the Companies Act, 2013

AND

In the matter of Section 230 to 232 read with Section 234 and other applicable provisions of the Companies Act, 2013;

AND

In the matter of Pharmaids Pharmaceuticals Limited, a company incorporated under the provisions of the Companies Act, 2013;

AND

In the matter of Scheme of Amalgamation of Emergent Bio Naturals Limited and Pharmaids Pharmaceuticals Limited and their respective members.

Pharmaids Pharmaceuticals Limited, )  
a company incorporated under the )  
Companies Act, 1956, having its )  
Registered Office at 4-4-211/212/3 )  
1<sup>st</sup> Floor, Inderbagh, Sultan Bazar, )  
Hyderabad-500095 ) .....the Applicant Company

**FORM OF PROXY**

**(As per Form MGT -11 and Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)**

Name of the Member(s)	
Registered Address	
No. of Shares Held	
E-mail ID	
Folio No. / DPID and client ID*	

**\*Applicable in case of shares held in electronic form**

I/We, being the member(s) holding \_\_\_\_\_ shares of Pharmaids Pharmaceuticals Limited, hereby appoint:

- 1) Name .....  
Address.....  
.....  
E-Mail ID..... Signature ..... or failing him
- 2) Name .....  
Address.....  
.....  
E-Mail ID..... Signature ..... or failing him

3) Name .....  
 Address.....  
 .....  
 E-Mail ID..... Signature ..... or failing him

as my/our proxy to act for me/us at the meeting of the Equity shareholders of the applicant company to be held at 4-4-211/212/3, 1<sup>st</sup> Floor, Inderbagh, Sultan Bazar, Hyderabad-500095 on Saturday the 11<sup>nd</sup> day of May, 2019 at 10.30 a.m. for the purpose of considering and, if though fit, approving with or without modification(s), the arrangement embodied in the Scheme of amalgamation of Emergent Bio Naturals Limited with Pharmaids Pharmaceuticals Limited and their respective shareholders ("the Scheme") and at such meeting and at any adjournment or adjournments thereof to vote, for me/us and in my /our name(s) \_\_\_\_\_ here, if, for, insert 'FOR', if against, insert 'AGAINST' and in the later case, strike out the words below after 'the Scheme')the said arrangement embodied in the Scheme, either with or without modification (s)\*as my / our proxy may approve.(\*strike out whatever is not applicable)

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018/2019

Signature of Shareholder (s) \_\_\_\_\_

Signature of Proxy Holder (s) \_\_\_\_\_

Affix  
Revenue  
Stamp of  
Re.1/-

(signature across the stamp)

**Notes:**

This form of proxy must be deposited at the registered office of Pharmaids Pharmaceuticals Limited at, 4-4-211/ 212/3, 1<sup>st</sup> Floor, Inderbagh, Sultan Bazar, Hyderabad-500095, Telangana India at least 48 hours before the commencement of this said Meeting.

- (1) All alterations made in the form of proxy should be initialed.
- (2) Please affix appropriate revenue stamp before putting signature
- (3) In case of multiple proxies, the proxy later in time shall be accepted.
- (4) A proxy need not be a shareholder of Pharmaids Pharmaceuticals Limited.
- (5) No person shall be appointed as a proxy who is a minor
- (6) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting results. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- (7) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

## PHARMAIDS PHARMACEUTICALS LIMITED

Registered Office : 4-4-211/212/3, 1<sup>ST</sup> Floor Inderbagh, Sultan Bazar,  
Hyderabad-500095

Tel. No. : +9866272052, Fax: CIN : L52520TG1989PLC009679

E-mail : venkatpadmaja@rediffmail.com; Website : www.pharmaids.com

### EQUITY SHAREHOLDERS WHICH INCLUDES PUBLIC SHAREHOLDERS

### ATTENDANCE SLIP

**PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE OF THE MEETING HALL MEETING OF THE EQUITY SHAREHOLDERS ON SATURDAY THE 11<sup>th</sup> DAY OF MAY, 2019 AT 10.30 A.M.**

I /We hereby record my/ our presence at the Meeting of the Equity Shareholders of Pharmaids Pharmaceuticals Limited, the Applicant Company, convened pursuant to the Order dated 20<sup>th</sup> day of March, 2019 of the NCLT at 4-4-211/212/3, 1st Floor, Inderbagh, Sultan Bazar, Hyderabad, Telangana-500095 on Saturday, the 11th day of May, 2019 at 10.30 a.m.

Name and address of Equity Shareholder

( IN BLOCK LETTER) : \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signature : \_\_\_\_\_

Reg. Folio No. : \_\_\_\_\_

Client ID : \_\_\_\_\_

D.P.ID : \_\_\_\_\_

No of Shares : \_\_\_\_\_

Name of the Proxy \* : \_\_\_\_\_

(IN BLOCK LETTERS) : \_\_\_\_\_

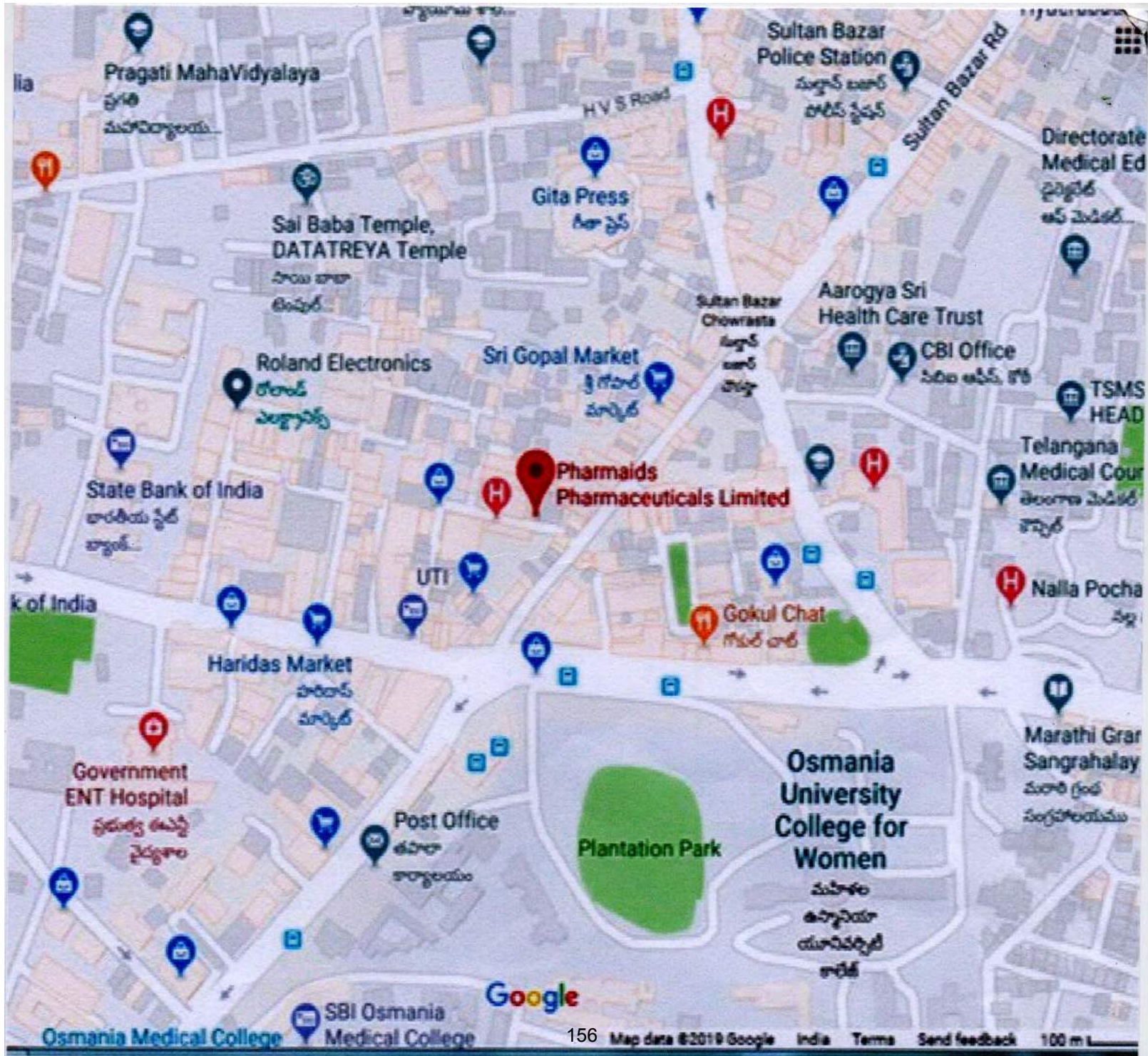
Signature : \_\_\_\_\_

\*(To be filled in by the proxy in case he /she attends instead of the shareholder)

#### Notes:

1. Equity shareholders attending the meeting in person or by proxy or through authorized representatives are requested to complete and bring the Attendance slip with them and hand it over at the entrance of the meeting hall.
2. Equity Shareholders who come to attend the meeting are requested to bring their copy of the Scheme with them
3. Equity Shareholders who hold shares in dematerialized form are requested to bring their client ID and DP ID for easy identification of attendance at the meeting.
4. Equity Shareholders are informed that in case of joint holders attending the meeting, only such joint holders whose name stands first in the Register of Members of Pharmaids Pharmaceuticals Limited in respect of such joint holding will be entitled to vote.





## Back to Nature



If undelivered please return to :



**Pharmaid,**

**Pharmaceuticals limited**

Regd. Off.: 4-4-211/212/3, 1st Floor,

BOOK-POST



E-mail : [mailpharmaids@yahoo.co.in](mailto:mailpharmaids@yahoo.co.in)  
[www.pharmaids.com](http://www.pharmaids.com)