



Pharmaids Pharmaceuticals Limited

To,

September 30, 2019

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai-400 001

Kind Attn: Listing Department/Corporate Relationship Department

Sub: Approval of the National Company Law Tribunal ('NCLT'), to the Scheme of Amalgamation of Emergent Bio Naturals Limited ('the Transferor Company'), with Pharmaids Pharmaceuticals Limited ('the Transferee Company') and their respective shareholders under section 230 to 232 of the Companies Act, 2013 ('Scheme').

Ref: Disclosure under Regulation 30 of the SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir/Madam,

We refer to the captioned subject. In this connection, we wish to inform you that the final hearing of Company Petition No. CP(CAA)No.397/230/HDB/2019 was held on September 27, 2019 and the signed Order was uploaded on NCLT website 30th September, 2019.

In this regard, we are pleased to inform you, that, the NCLT, Hyderabad bench has sanctioned the amalgamation embodied in the Scheme and has approved the Appointed Date of the Scheme to be 1st April 2018. Order of the NCLT, Hyderabad bench is attached for your records.

The Scheme will be effective on filing of the order passed by the NCLT. Hyderabad bench with the Registrar of Companies.

Kindly take the above on record.

This is for your information and dissemination to public.

Thanking You

Yours Faithfully

For Pharmaids Pharmaceuticals Limited
Scrip Code: 5245721 Scrip ID: PHARMAID



GHISULAL JAIN
MANAGING DIRECTOR
DIN: 00404983

CIN No. L52520TG1989PLC009679

Regd. Office : 4-4-211/212/3, Inder Bagh, Sultan Bazar, Hyderabad - 500 095. TELANGANA (INDIA)

Ph : 6559 9809, Tele Fax : 040-2756 2126. email : mailpharmaids@yahoo.co.in; Website : www.pharmaids.com

Unit : Survey No. 533, (V) Kondamadugu, (M) Bibi Nagar, District Nalgonda (Telangana). Phone : +91-92470 58492

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

CP(CAA)No. 397/230/HDB/2019
Connected with
CA (CAA) NO. 81/230/HDB/2019

U/s 230 to 232 of the Companies Act, 2013
R/w Rule 3 of Companies (Compromises,
Arrangements and Amalgamations) Rules, 2016.

In the matter of Scheme of Amalgamation

Between

Emergent Bio Naturals Limited (Transferor Company)

AND

Pharmaids Pharmaceuticals Limited (Transferee Company)

AND

Their Respective Shareholders



M/s. Emergent Bio Naturals Limited

Registered office at Flat.No.503

Amrutha Estates, Himayath Nagar,

Hyderabad-500029, Telangana.

Transferor Company

AND

M/s. Pharmaids Pharmaceuticals Limited,

Registered office at 4-4-211/212/3

1st Floor, Inderbagh, Sultan Bazar

Transferee Company

ans

Date of order: 27.09.2019

Coram:

Hon'ble Shri Ratakonda Murali, Member (Judicial)

Hon'ble Shri Narender Kumar Bhola- Member (Technical)

Counsels / Parties Present

For the Petitioner : Shri V.S.Raju for Shri D.Srinivas Reddy, Counsel.

For Official Liquidator: Shri Anil Kumar, Advocate

For Regional Director: Shri T.Sujan Kumar Reddy, Counsel

PER: Hon'ble Shri Narender Kumar Bhola- Member (Technical)

Heard on: 17.09.2019

ORDER



1. This joint Petition is filed by Emergent Bio Naturals Limited (Transferor Company) & Pharmaids Pharmaceuticals Limited (Transferee Company) to obtain sanction of this Tribunal to the Scheme of Amalgamation between Emergent Bio Naturals Limited (Transferor Company) with Pharmaids Pharmaceuticals Limited (Transferee Company) under Section 230-232 of the Companies Act, 2013 to the scheme of amalgamation between Transferor Company and Transferee Company and their respective shareholders, with effect from 01.04.2018. The Scheme of amalgamation has been annexed herewith as Exhibit-D i.e Pg No.204-215.

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2. The averments made in the Petitions are briefly described as under:

Transferor Company

A. Emergent Bio Naturals Limited the EBNL/Transferor Company was incorporated as a Public Limited Company under the Companies Act, 1956, on 20th August, 2006 in the name of Emergent Bio Naturals Limited in the State of Telangana. The CIN of the Company is U01122TG2006PLC050994. A copy of the latest Memorandum and Articles of Association of the EBNL/Transferor Company is annexed hereto and marked as **Exhibit-A**.

B. The Authorized, Issued, Subscribed and Paid Up Share Capital of the Transferor Company as per the Audited Financial Statement as at 31st March, 2018 is as under:

Share Capital	Amount in Rs.
Authorised Share Capital	
35,00,000 Equity Shares of Rs. 10/- each	3,50,00,000
Issued, Subscribed and Paid Up Capital	
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 Transferor Company on account of Issue of Bonus shares of 9,86,533 equity

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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.

A copy of the Audited Financial Statement of the Transferor Company as at 31st March, 2018 is annexed and marked as **Exhibit-B.**

C. The latest financial position of the Transferor Company is annexed hereto and marked as **Exhibit-C.**

D. The main objects are 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. The Transferor Company is an Unlisted Public Limited Company and its shares are not listed on any stock exchange.



E. Pharmaids Pharmaceuticals Limited (PPL) the Petitioner/Transferee Company was incorporated as a Private Limited Company under the Companies Act, 1956, on 01 March, 1989 in the name of Pharmaids Pharmaceuticals Private Limited in the State of Telangana. The name of the Company has been changed to its present name, i.e. Pharmaids Pharmaceuticals Limited and obtained a fresh Certificate of Incorporation dated 08th May, 1992 consequent on change of name from the Registrar of Companies, Telangana. The CIN of the Company is E52520TG1989PLC009679. A copy of the Memorandum and Articles of Association of Petitioner /Transferee Company is annexed and marked as

Exhibit -A

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- F.** The main objects of the Transferee Company is to carry on manufacture and/or business of Chemists, Druggists, Chemicals drysalters, importers, exporters and dealers in cosmetics, pharmaceuticals and medical preparations. Under all systems such as Ayurvedic, Allopathy, Unani Veterinary and Homeopathy. The Applicant/ Transferee Company is a Public Company and its shares are listed on BSE Limited ("BSE")
- G.** The Authorized, Issued, Subscribed and Paid Up Share Capital of Petitioner/Transferee Company as per the Audited Balance Sheet as at 31st March, 2018 is as under:

Pharmaids Pharmaceuticals Limited

Share Capital	Amount in Rs.
Authorised Share Capital	
40,00,000 Equity Shares of Rs. 10/- each	4,00,00,000
Issued, Subscribed and Paid Up Capital	
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 31st March, 2018	3,36,30,850



A copy of the Audited Balance sheet of the Petitioner/Transferee Company as on 31st March, 2018 is annexed hereto and marked as **Exhibit-B**

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Subsequent to 31st March, 2018, there has been no change in the aforesaid share capital of PPL/Transferee Company.

3. The Board of Directors of the Transferor Company and the Transferee Company at their respective board meetings held on 12.06.2018 and 18.07.2018 approved the Scheme of amalgamation between the Transferor Company and the Transferee Company. A copy of Board Resolution of the Transferor Company is annexed here with as **Exhibit G**, and the Copy of Board Resolution of the Transferee Company is annexed here with as **Exhibit H**.

4. **Benefits of the Scheme:**

The amalgamation of the Transferor Company with the Transferee Company would *inter alia* have the following:

- a. With the proposed amalgamation of Transferor Company into Transferee Company improves the visibility business of the Pharmaceuticals and Ayurvedic business in the market
- b. The consolidation of operations of the Transferor Company and the Transferee Company by way of amalgamation will lead to a more efficient utilization of capital, administrative and operational rationalization and promote organizational efficiencies. It will prevent cost duplication that can erode financial efficiencies of the holding structure and the resultant operations will be more cost-efficient with the achievement of greater economies of scale, reduction in overheads and improvement in various other operating parameters.
- c. The amalgamation will result in the formation of a stronger company with a larger capital and asset base and enable the combined business to be pursued more conveniently and advantageously. The amalgamation



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will have beneficial results for the amalgamating companies, their stakeholders and all concerned.

- d. Greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximizing overall shareholder value, and will improve the competitive position of the combined entity.
 - e. 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 competitive industry.
 - f. Cost savings are expected to flow from more focused operational efforts, rationalization, standardization and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses.
5. It is averred that as per the Tribunal Order dated 20.03.2019 petitioner companies appointed Ms. Kopal Sharraf, Advocate as Chairman and Mr.A.Sanmukh Reddy, Advocate as scrutinizer for conducting the meeting of equity shareholders. The meeting was attended by a total of 72(Seventy Two) equity shareholders of the Transferee Company out of which 66 shareholders voted in favour of the resolution for the scheme of Amalgamation with requisite majority without any modification pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013. In addition 15 shareholders remotely e-voted in favour of the Scheme. Copy of the chairperson report is annexed to the petition vide memo dated 17.05.2019.

6. Reports from Statutory Authorities

As per directions of this Tribunal on 20.06.2019, notices dated 21.06.2019 were served upon the Regional Director, SER, RoC, Official Liquidator, B.S.E, SEBI, and concerned IT



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Authorities. The publication was also carried out in "Financial Express" (English Daily) and "Nava Telangana" (Telugu Daily) Hyderabad Edition on 10.07.2019.

7. The Regional Director, South Eastern Region, MCA, Hyderabad filed Affidavit / report on 26.07.2019. The observations made by Regional Director, SER in his report and reply given by the Petitioner Companies with reference to the observations by R.D vide affidavit dated 31.07.2019 are given against each.

Para Nos	Observation by Regional Director	Compliance by Petitioner Companies
3 (a)	Vide para 30(a) of his report, RoC directed the Petitioner Companies to preserve its books of account and papers and records and shall not be disposed of without the prior permission of the Central Government in terms of provisions of Section 239 of Companies Act, 2013.	Petitioner company undertakes to preserve the books of account and papers and records and will not dispose without prior permission of the central government in terms of provisions of Section 239 of the Companies Act, 2013
3(b)	Vide para 30(b) of RoC report, this Tribunal has been requested to direct the Petitioner Companies to ensure statutory compliance of all applicable laws and also on sanctioning of the present Scheme the Petitioner Company shall not be absolved for any of its statutory liability in any manner.	Petitioner company undertakes to comply with all applicable laws and will pay all the statutory liabilities as applicable
3(c)	Vide para 30 (c), RoC requested the Tribunal to direct the Petitioner Companies involved in the	Petitioner company will file Form No. INC 28 with ROC, with respect to the filing of the order of



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	Scheme to comply with Rule 17 (2) of the Companies (Compromise, Arrangement and Amalgamation) Rules 2013 with respect to filing or order for confirmation of Scheme to be filed in Form No. INC-28 with the concerned office of Registrar of Companies by the Petitioner Companies	confirmation of the scheme in accordance with Rule 17(2) of the Companies Rules, 2013.
5	As per clause 1.2 of Part-A of the Scheme the appointed date is 01.10.2018. However, Clause 1.7 part-A of the Scheme is contrary to Sec 232 (6) and needs modification.	The appointed date mentioned in the Regional director report as 01.10.2018 in the place of 01.04.2018 inadvertently and the counsel undertakes to comply the appointed date as 01.04.2018 as per Clause 1.2 of Part-A of the Scheme of Amalgamation and also appointed date is 01.04.2018 shall be treated as effective date of the Scheme.



Thus petitioner companies complied with the objection raised by the RD.

8. Official Liquidator vide his report OLR No.31/2019 dated 17.07.2019 stated that based on the information made available by the Petitioners Companies, the affairs of the Transferor Company and Transferee Company appear to have not been conducted in a manner prejudicial to the interests of the members or to public interest.

9. It is further averred that the Transferee Company is a Public Company and hence as per the notices served on it BSE and

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SEBI sent a letter dated 16.09.2019 stating that the exchange does not have any objections to the scheme and averred that since the company has complied with the relevant provisions of Para I(A)(3)(a) of the Annexure 1 of the circular dated 10.03.2017 issued by SEBI regarding the disclosure of information of the unlisted company.

10. The Counsel for the Petitioner Companies, has also filed the copy of Accounting Treatment Certificate of the Chartered Accountants Rakesh S Jain & Associates dated 27.07.2018, stating that the Accounting Treatment proposed in the aforesaid Scheme of Amalgamation 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. The accounting treatment certificate is annexed to the Petition at Page No. 241-242.
11. The Petitioner Companies have filed the valuation report dated 05.07.2018 given by the Chartered Accountants Mulkala and Associates which is annexed to the petition at Page No. 216-226, which is inter-alia states as under:

*Consideration to Equity shareholders of Transferor Company:
For every 1(one) Equity Share of face and paid up value of Rs.10/- 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.*



THIS TRIBUNAL DO THE ORDER

1. While approving the Scheme of Amalgamation, we make it clear that this order should not be construed as an order in any way granting exemption from payment of stamp duty, taxes or any other charges, if any, payable in accordance with law or in respect of any

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permission/compliance with any other requirement which may be specially required under law.

2. The whole of the property, rights and powers of the Transferor Companies be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to Section 232 of the Companies Act, 2013, be transferred to and vest in the Transferee company for all the state and interest of the Petitioner Company and accordingly the same shall pursuant to Section 232 of the Companies Act, 2013 be transferred to and become the liabilities and duties of the Transferee Company; and
3. All the liabilities including taxes and charges if any and duties of the Transferor Companies be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to section 232 of the Companies Act, 2013, be transferred to and become the liabilities and duties of the Transferee Company;
4. The tax implications, if any, arising out of the Composite Scheme is subject to final decision of concerned tax authorities and the decision of the Concerned Tax Authorities shall be binding.
5. The Petitioner Companies are directed to strictly comply with the Accounting Treatment Standards prescribed under Section 133 of the Companies Act, 2013 and *also should comply 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.*
6. All the proceedings now pending by or against the Transferor Companies be continued by or against the



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Transferee Company, if any, and

7. The Petitioner Companies shall within thirty days of the date of receipt of this order cause a certified copy of this order along with a copy of scheme of Amalgamation to be delivered to the Registrar of Companies for registration in accordance with Rule 25 (7) of Companies (Compromises, Arrangements & Amalgamation) Rules, 2016.
8. The Scheme of Amalgamation shall be effective from the appointed date as mentioned in the Scheme of Amalgamation i.e. 01.04.2018, so as to be binding on all the member, employees, creditors of the Petitioner Companies and on the Petitioner Companies.
9. The Transferee Company shall pay the difference of stamp duty, if any payable over the increase in the share capital after setting off the fee if any paid by the Transferor Companies.
10. The Petitioner Companies to comply the observations made by the R.D in his report.
11. The Petitioners/transferor Companies be dissolved without winding up as per the Scheme of Amalgamation.
12. The Transferor Companies or its authorized signatory is directed that after the completion of the process of Arrangement to hand over the possession of Book of Accounts and other relevant documents of the Transferor Companies to the Transferee Company for the purpose of section 239 of the Companies Act, 2013.
13. The petitioner/Transferee company should preserve its books of accounts and papers and records and shall not dispose of without prior permission of the Central Government in terms of provisions of Section 239 of the Companies Act, 2013.
14. The petitioner Companies should ensure statutory compliance of all applicable laws and also on sanctioning



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of the present scheme the applicant company shall not be absolved for any of its statutory liability in any manner.

15. The petitioner companies involved in the scheme to comply with Rule 17(2) of the Companies Rules, 2013 with respect to filing of order for confirmation of scheme to be filed in Form.INC -28 with the office of RoC(H).

16. The Companies shall until the completion of the Scheme of Arrangement, file a statement in such form and within such time as prescribed with the Registrar every year duly certified by a Chartered Accountant or a Cost Accountant or a Company Secretary to the effect that the Scheme of Arrangement is being complied in accordance with the orders of the Tribunal as required under Section 232 (7) of the Companies Act, 2013.

17. Upon the Scheme becoming effective, Transferee Company shall, without undue delay undertake to comply with the provisions of Section 13 of the Companies Act, 2013 and applicable rules thereof.

18. Any person shall be at the liberty to apply to the Tribunal in the above matter for any directions that may be necessary.



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27.9.2019
NARENDER KUMAR BHOLA
MEMBER (TECHNICAL)

27.9.19
RATAKONDA MURALI
MEMBER (JUDICIAL)

[Signature]
Dy. Regr./Asst. Regr./Court Officer/
National Company Law Tribunal, Hyderabad Bench

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प्रमाणित प्रति
CERTIFIED TRUE COPY
केस संख्या (RCM/NO. 397/2019/108/2019) (connected with)
CASE NUMBER (RCM/NO. 397/2019/108/2019)
निर्णय का तारीख
DATE OF JUDGEMENT. 27/9/19
प्रति तैयार किया गया तारीख
COPY MADE READY ON. 27/9/19

Exhibit-D

**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.

I. 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 1st 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;

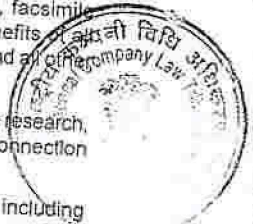
- 1.8 "Financial Statements" means the annual accounts (including balance sheet, statement of profit and loss and cash flow statement) of the Transferor Company and the Transferee Company, including the accounts drawn up to the Appointed Date.
- 1.9 "Goodwill" means and includes the goodwill in connection 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, 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, 1st 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:

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

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:

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

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 be 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.

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.



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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 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.

CONSIDERATION

- 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").
- 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 Authorised 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 115JB 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

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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(19) of the Income Tax Act, 1961.
- 11.6 Notwithstanding the above, the Transferee Company, in consultation with their statutory auditor, shall be 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

4. 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.

