

To
The Registrar,
National Company Law Tribunal,
Hyderabad Bench,
Hyderabad.

Sub: Final Petition for Sanction of the Scheme of Amalgamation between Emergent Bio Naturals Limited and Pharmaids Pharmaceuticals Limited and their respective Shareholders.

Dear Sir,

With reference to the aforesaid subject we are enclosing herewith the copy of the petition duly filled in the form no. CAA-5 pursuant to Section 230 and rule 15(1) in NCLT Form-4 along with Affidavits and other relevant documents annexed for your perusal.

Yours faithfully

For Emergent Bio Naturals Limited
Limited
(Petitioner)

D.Rakesh Reddy
Director

For, Pharmaids Pharmaceuticals
(Petitioner)

Ghisulal Jain
Managing Director

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SYNOPSIS

I) DATES & EVENTS

| Sr. No. | Dates | Particulars |
|---------|---|---|
| 1. | 01 st March, 1989/08 th May, 1992 | Pharmaids Pharmaceuticals Limited the Applicant/Transferee Company was incorporated as a Private Limited Company under the Companies Act, 1956, on 01 st 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 08 th May, 1992 consequent on change of name from the Registrar of Companies, Telangana. The CIN of the Company is L52520TG1989TLC009679. |
| 2. | 28 th August, 2006 | Emergent Bio Naturals Limited Transferor Company has incorporated on 28 th August, 2006. The CIN of the Company is U01122TG2006PLC050994. |
| 3. | 18 th July, 2018 | Board of Directors of the Transferee Company approved the proposed scheme of Amalgamation |
| 4. | 17 th January, 2019 | Copy of the No Objection letter received from the BSE Limited Vide there Letter.no CFD/DIL3/CIR/2017/21 Dated, January 17, 2019 |
| 5. | 21 th January, 2019 | Company Scheme Application No.CA(CAA)No.81/230/HDB/2019 of Transferor company filed for dispensing for holding of the meeting of the equity shareholders and Unsecured Creditors. |
| 6. | 21 th January, 2019 | Company Scheme Application No.CA(CAA)No.81/230/HDB/2019 of Transferee company filed for convening and holding of the meeting of the Equity shareholders and dispensation for convening and holding meeting of the Unsecured Creditors of the Petitioner Company. |
| 7. | 20 th March, 2019 | The Hon'ble NCLT, Hyderabad Bench admitted the Company Application and ordered Summons for Directions |
| 8. | 08 th April, 2019 | Notice convening meeting of Equity Shareholders together with a copy of Scheme of Amalgamation, Explanatory |

| | | |
|-----|------------------------------|--|
| | | Statement, proxy form sent by Courier/ Email addressed to each of the Equity Shareholders of the Transferee Company. |
| 9. | 06 th April, 2019 | Notice of the meeting is published in Business Standard (English Daily) and Nava Telangana (Telugu Daily) |
| 10. | 10 th April, 2019 | Notice Served Upon the Regional Director, South Easter Region, 3 rd Floor, Corporate Bhawan, Tattiannaram, Nagole, Bandlaguda. |
| 11. | 10 th April, 2019 | Notice served upon BSE Limited, Market Operations Dept, P.J. Towers, Dalal Street, Mumbai-400001 |
| 12. | 10 th April, 2019 | Notice served upon Official Liquidator, 2 nd Floor, Corporate Bhawan, GSI Post, Tattiannaram, Nagole, Bandlaguda-Hyderabad-500068 |
| 13. | 10 th April, 2019 | Notice Served upon the Assessing Officer, IT Towers, Masabtank-Hyderabad |
| 14. | 10 th April, 2019 | Notice Served upon The Registrar of Companies, 2 nd Floor, Corporate Bhawan, GSI Post, Tattiannaram, Nagole, Bandlaguda-Hyderabad-500068 |
| 15. | 10 th April, 2019 | Notice Served upon The Securities & Exchange Board of India, C4-A, G-Block-Kurla Complex, Bandra(E) Mumbai, India-400051 |
| 16. | 01 st May, 2019 | Affidavit for services of dispatch of notices and NCLT convened meeting publications submitted by the chairperson of the meeting by Ms Kopala Sharraf |
| 17. | 17 th May, 2019 | Affidavit for Report of Result of NCLT Convened Meeting by NCLT on May 17 th , 2019 by the Chariperson of the meeting |
| 18. | 11 th May, 2019 | Equity Shareholders of the Transferee Company approved the Scheme of Amalgamation at the National company Law Tribunal (NCLT) convened meeting. |
| 19. | 11 th May, 2019 | Provision of the Section 230 (6) of the Companies Act of getting approval of 3/4 th in value of Equity Shareholders of the Petitioner Company for approving the Scheme of Amalgamation complied with. |

FORM NO. CAA.5

(Pursuant to Section 230 and rule 15(1))

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

CONNECTED WITH COMPANY SCHEME APPLICATION

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

In the matter of the Companies Act, 2013

AND

In the matter of application under Sections 230 to 232 of the Companies Act, 2013 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, 1956

AND

In the matter of Scheme of Amalgamation of Emergent Bio Naturals Limited ('the Transferor Company'), WITH Pharmaids Pharmaceuticals Limited ('the Transferee Company')

Emergent Bio Naturals Limited
(a Company incorporated under the
Companies Act, 1956, having its
Registered office at Flat.No.503
Amrutha Estates, Himayath Nagar,
Hyderabad-500029, Telangana.

....the Applicant/Transferor Company

Pharmaids Pharmaceuticals Limited,
a company incorporated under the
Companies Act, 1956, having its
registered office at 4-4-211/212/3
1st Floor, Inderbagh, Sultan Bazar

.... The Petitioner/Transferee Company

To,

THE HON'BLE MEMBER (J) AND OTHER PUISNE MEMBERS OF THIS HON'BLE BENCH HYDERABAD.

THE HUMBLE PETITION OF THE PETITIONER ABOVE NAMED TO SANCTION A SCHEME OF AMALGAMATION BETWEEN EMERGENT BIO NATURALS LIMITED TRANSFEROR COMPANY WITH PHARMAIDS PHARMACEUTICALS LIMITED, THE PETITIONER/ TRANSFEREE COMPANY

The object of this Petition is to obtain sanction of this Hon'ble Bench to the Scheme of Amalgamation between Emergent Bio Naturals Limited ('EBNL' or 'the Transferor Company'), with Pharmaids Pharmaceuticals Limited ('PPL' or 'the Transferee Company')

INCORPORATION DETAILS OF PETITIONER/ TRANSFEREE COMPANY

1. 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 L52520TG1989TLC009679. A copy of the Memorandum and Articles of Association of Petitioner /Transferee Company now in force is annexed and marked as **Exhibit -A**

2. REGISTERED OFFICE ADDRESS OF PETITIONER/ TRANSFEREE COMPANY

The Registered office of the Petitioner/Transferee Company is at presently situated at 4-4-211/212/3, 1ST Floor, Inderbagh, Sultan Bazar, Hyderabad-500095, Telangana and is within the jurisdiction of this Hon'ble NCLT Bench, Hyderabad.

3. OBJECTS AND NATURE OF BUSINEESS OF PETITIONER / TRANFEREE COMPANY

The objects of the PPL/Transferee Company are as set out in its Memorandum and Articles of Association are inter alia as follows:

- 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.
- 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 Applicant/ Transferee Company is a Public Company and its shares are listed on BSE Limited ("BSE")

SHARE CAPTIAL DETAILS OF PETITIONER / TRANSFEE COMPANY

4. 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 at 31st March, 2018 now in force is annexed hereto and marked as **Exhibit-B**

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

5. LATEST FINANCIAL POSITION OF PETITIONER / TRANSFEREE COMPANY

The Accounts of the Applicant /Transferee Company have been audited and adopted by the Shareholders up to 31st March, 2018. I say that the Audited Financial Statement as at 31st March, 2018 contains the Balance Sheet, Profit and Loss Account and the Board of Directors and Auditors Report thereon. As is clear from the said Report, the Applicant /Transferee Company has maintained proper books of accounts as required by law. The Company has prepared Un- Audited Financial Statement for the period ended on 30th June, 2018. A copy of the said financial statement is annexed hereto and marked as **Exhibit-C**. The said Un- Audited Accounts of the Applicant/ Transferee Company as at 30th June, 2018 indicate the latest financial position of the Applicant/ Transferee Company as under: -

Apart from the Current Liabilities which are incurred and disposed off in the normal course of business, the Transferee Company has other Non-Current Liabilities 2.52 lakhs.

The details of Shareholders Fund as on 30th June, 2018 are as under: -

(Amount in lakhs)

| | |
|---------------------------------------|---------------|
| Paid Up Share Capital | 336.31 |
| Reserves & Surplus | (235.69) |
| Total | 100.62 |
| Represented by | |
| Fixed assets (Tangible & Intangible) | 0.20 |
| Investments | 0.00 |
| Deferred Tax Assets | 0.03 |
| Loans And Advances | 0.00 |

| | |
|--|---------------|
| Other Non-Current Assets | 51.50 |
| Current Assets | 73.55 |
| Less Non-Current Liabilities | 2.52 |
| Less Current Liabilities | 22.14 |
| Excess of Assets over Liabilities | 100.62 |

Subsequent to the date of the aforesaid Audited Accounts and as on date, there has been no other substantial change in the Capital Structure or the Financial Position of the Applicant/Transferee Company except those arising or resulting from the usual course of business.

6. INCORPORATION DETAILS OF TRANSFEROR COMPANY

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 now in force is annexed hereto and marked as **Exhibit-A** to the affidavit in support of Company Scheme Application filed by the Transferor Company in this Hon'ble National Company Law Tribunal.

7. REGISTERED OFFICE ADDRESS OF THE TRANSFEROR COMPANY

The Registered office of the EBNL/ Transferor Company is presently situated at 503, Amrutha Estate, Himayathnagar Hyderabad -500029, Telangana and is within the jurisdiction of this Hon'ble NCLT Bench, Hyderabad.

8. OBJECTS AND NATURE OF BUSINESS

The main objects of the EBNL/Transferor Company are as set out in its Memorandum and Articles of Association 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,

preparing, 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, fomenters and other industrial bio-products such as enzymes and gums.

- To carry on the business of plantation Farming, Agriculture, Raising Nurseries, Tissue culture, Horticulture, Sen culture and Cultivation of mushroom growing in all their respective social forestry and to grow, produce, manufacture, process, prepare, refine, extract, pulverize, manipulate, hydrolyze, deodorize, grind bleach, hydrogenate, buy, sell or otherwise deal in all kinds of products, derivatives and oil seeds, plants, medicines, flowers, vegetables, fruits, oils, foods and food products, bio fuels of every description and to deal, trade, import and export of every agricultural and other products and oil resins and of medicinal and aromatic plants and herbs of every agricultural and other products to extract produce, manufacture essential oils and medicines and cosmetics of every description.
- 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.

9. SHARE CAPITAL DETAILS OF TRANSFEROR COMPANY

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 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 as adopted by its shareholders is annexed and marked as **Exhibit-B** to the affidavit in support of Company Scheme Application filed by the Transferor Company in this Hon'ble National Company Law Tribunal.

10. LATEST FINANCIAL POSITION OF TRANSFEROR COMPANY

The Accounts of the EBNL/Transferor Company have been audited up to 31st March, 2018. I say that the Audited Financial Statement as at 31st March 2018 contains the Profit and Loss Account and the Board of Directors and Auditors Report thereon. As is clear from the said Report, Transferor Company has maintained proper Books of Accounts as required by law. The Company has prepared Un- Audited Financial Statement of the Transferor /Transferee Company as at 30.06.2018, a copy of the said Financial Statement is annexed hereto and marked as **Exhibit-C** indicate the latest financial position of the Transferor Company as under:

- i. Transferor Company has not issued any Debentures.
- ii. Apart from the Current Liabilities, which are incurred and disposed off in the normal course of business.
- iii. The details of Shareholders Fund are as under on 30.06.2018

(Amount in Lakhs)

| | |
|-----------------------|---------------|
| Paid up Capital | 345.29 |
| Reserves & Surplus | 408.20 |
| Total | 753.49 |
| Represented by | |
| Fixed Assets | 55.74 |

| | |
|--|---------------|
| Non-Current Investment | 0.00 |
| Other Non-Current Assets | 666.05 |
| Deferred Tax Assets (Net) | 0.00 |
| Loans and Advances | 0.00 |
| Current Assets | 36.62 |
| Less Non-Current Liabilities | 0.00 |
| Less Current Liabilities | 4.92 |
| Excess of Assets over Liabilities | 753.49 |

Subsequent to the date of the aforesaid audited financial statements, there has been no other substantial change in the Capital Structure or Financial Position of the Transferor Company except those arising or resulting from the usual course of business. A copy of the Un-Audited Financial Statements of Transferor/Transferee Company as on 30th June, 2018 now in force is annexed hereto and marked as **Exhibit-C** to the affidavit in support of Company Scheme Application filed by the Transferor Company in this Hon'ble National Company Law Tribunal.

The object of this application is to ultimately file a Petition and obtain sanction of this Hon'ble National Company Law Tribunal, Hyderabad Bench, to a Scheme of Amalgamation whereby and hereunder Pharmaids Pharmaceuticals Limited shall amalgamate with Emergent Bio Naturals Limited. The copy of the Scheme of Amalgamation is annexed hereto and marked as **Exhibit-D**

Mulkala and Associates., Chartered Accountants having their office at 6-3-1090/C-4, Above Andhra Bank, Raj Bhavan Road, Hyderabad-500082., were entrusted with the work of determining Share swap ratio and have examined the relevant facts and have submitted their report dated 05th July, 2018 in that behalf. I crave leave to refer to and rely upon the said report dated 05th July, 2018 of the Chartered Accountant when produced is annexed in **Exhibit-E**

Messrs Inventure Merchant Banker Services Pvt Ltd, a Merchant Banker Registered with Securities and Exchange Board of India (SEBI) having their corporate office at 2nd

Floor, Viraj Tower, Andheri Flyover, Western Expressway, Andheri(East), Mumbai-400069 Maharashtra., were entrusted with the work of giving fairness opinion on the Valuation report issued by Messrs. Mulkala and Associates., Chartered Accountants, the Valuer and have examined the relevant facts and have submitted their opinion dated 05th July, 2018 in that behalf. I crave leave to refer to and rely upon the said Fairness Opinion report dated 05th July, 2018 of the Merchant banker when produced is annexed in **Exhibit-F**

The Directors of the Transferor Company and Transferee Company are as under:

- Emergent Bio Natural Limited
 1. Mr. Dasi Rakesh Reddy
 2. Mr. P.Bhushan Rao
 3. Mr. Bipin Kumar Shah
- Pharmaids Pharmaceuticals Limited
 1. Mr. Dr Ghisulal Jain
 2. Ms. Seema Jain
 3. Mr. Mahendra K Ranka
 4. Mr. Sudheer Anand

11. BENEFITS OF SCHEME

This Scheme of Amalgamation provides for the amalgamation of the Transferor Company with the Transferee Company pursuant to Sections 230 to 232 and other relevant provisions of the Company Act, 2013. 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 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, standardisation and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses.

In view of the aforesaid, the Board of Directors of the Transferor Company and the Transferee Company have considered and proposed the amalgamation of the entire undertaking and business of the Transferor Company with the Transferee Company in order to benefit the stakeholders of both the companies. Accordingly, the Board of Directors of the Transferor Company and the Transferee Company have formulated this Scheme of Amalgamation for the transfer and vesting of the entire Undertaking (as defined in the Scheme of Amalgamation) and business of the Transferor Company with and into the Transferee Company pursuant to the provisions of Section 230 to Section 232 and other relevant provisions of the Act.

12. BRIEF SUMMARY OF SCHEME

A brief Summary of the Scheme of Amalgamation is as under: -

- (i) The Appointed Date as per the Scheme is 1st April, 2018.

(ii) VESTING OF AN UNDERTAKINGS

Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Undertaking, pursuant to the sanction of this Scheme by the NCLT under and in accordance with the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, shall stand transferred to and be vested in or be deemed to have been transferred to and vested in the Transferee Company, as a going concern without any further act, instrument, deed, matter or thing to be made, done or executed so as to become, as and from the Appointed Date, the Undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.

(iii) ASSETS

All the assets and properties comprised in the Transferor Company of whatsoever nature and whosoever situated, shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act or deed, be and stand transferred to and vested in the Transferee Company or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become the assets and properties of the Transferee Company.

Without prejudice to the provisions of above Clause, in respect of such of the assets and properties of the Transferor Company as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same shall be so transferred by the Transferor Company and shall, upon such transfer, become the assets and properties of the Transferee Company as an integral part of the Undertaking, without requiring any separate deed or instrument or conveyance for the same.

In respect of movables other than those dealt with in above Clause including sundry debts, receivables, bills, credits, loans and advances of the Transferor Company, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Governmental Authority or with any Company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company.

All interests of the Transferor Company in their respective subsidiaries and associates as on the Appointed Date will become the interests, subsidiaries and associates of the Transferee Company.

All the licenses, permits, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date, shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date licenses, permits, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.

The Transferor Company shall, if so required, also give notice in such form as it may deem fit and proper to the debtors, that pursuant to the sanction of this Scheme by NCLT under and in accordance with Sections 230 and 232 and all other applicable provisions, if any, of the Act, the said debtors should pay to the Transferee Company the debt, loan or advance or make the same on account of the Transferor Company and the right of the Transferor Company to recover or realize the same stands extinguished.

All assets and properties of the Transferor Company as on the Appointed Date, whether or not included in the books of the respective Transferor Company, and all assets and properties which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Transferee Company, and shall under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without

any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme. Provided, however, that no onerous assets shall have been acquired by the Transferor Company after the Appointed Date without the consent of the Transferee Company as provided for in this Scheme.

(iv) TRANSFER OF LIABILITIES:

Upon the coming into effect of this Scheme and with effect from the Appointed Date all liabilities relating to and comprised in the Transferor Company including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities(including contingent liabilities), duties and obligations and undertakings of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations (herein referred to as the "**Liabilities**"), shall, pursuant to the sanction of this Scheme by the NCLT under and in accordance with the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, along with any charge, encumbrance, lien or security thereon, and the same shall be assumed by the Transferee Company to the extent they are outstanding as on the Effective Date so as to become as and from the Appointed Date the liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities have arisen in order to give effect to the provisions of this Clause.

All debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date, whether or not provided in the books of the respective Transferor Company, and all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to the Transferor Company on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts, loans

raised, duties, liabilities and obligations incurred by the Transferee Company by virtue of this Scheme.

Where any such debts, loans raised, liabilities, duties and obligations of the Transferor Company as on the Appointed Date have been discharged or satisfied by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of the Transferee Company.

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 and the Transferee Company shall, *ipso facto*, stand discharged and come to an end and there shall be no liability in that behalf on any party and appropriate effect shall be given in the books of accounts and records of the Transferee Company.

(v) ENCUMBRANCES:

The transfer and vesting of the assets comprised in the Transferor Company to and in the Transferee Company under shall be subject to the mortgages and charges, if any, affecting the same, as and to the extent hereinafter provided all the existing securities, mortgages, charges, encumbrances or liens (the "**Encumbrances**"), if any, as on the Appointed Date and created by the Transferor Company after the Appointed Date, over the 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 Encumbrances secure or relate to liabilities 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 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 the Transferor Company over its assets after the Appointed Date without the consent of the Transferee Company as provided for in this Scheme.

The existing Encumbrances over the assets and properties 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 Undertaking transferred to and vested in the Transferee Company by virtue of this Scheme.

Any reference in any security documents or arrangements (to which the Transferor Company are a party) to the Transferor Company and its assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Company transferred to the Transferee Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Transferor Company and the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge(s), with the Registrar of Company to give formal effect to the above provisions, if required.

Upon the coming into effect of this Scheme, the Transferee Company alone shall be liable to perform all obligations in respect of the Liabilities, which have been transferred to it in terms of the Scheme.

It is expressly provided that, 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.

The provisions of this Scheme shall operate in accordance with the terms of the Scheme, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall be deemed to stand modified and/or superseded by the foregoing provisions.

(vi) INTER SE TRANSACTIONS:

Without prejudice to the provisions of the Scheme, with effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes.

(vii) CONTRACTS, DEEDS etc.:

Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, assurances and other instruments of whatsoever nature to which the Transferor Company are a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect by, for or against or in favour of, as the case may be, the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee or obligor thereto or thereunder.

Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which the Transferor Company are a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company

For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all

consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company shall without any further act or deed, stand transferred to the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.

(viii) LEGAL PROCEEDINGS:

On and from the Appointed Date, all suits, actions, claims and legal proceedings by or against the Transferor Company pending and/or arising on or before the Effective Date shall be continued and / or enforced as desired by the Transferee Company and on and from the Effective Date, shall be continued and / or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been originally instituted and/or pending and/or arising by or against the Transferee Company. On and from the Effective Date, the Transferee Company shall have the right to initiate, defend, compromise or otherwise deal with any legal proceedings relating to the Undertaking, in the same manner and to the same extent as would or might have been initiated by the Transferor Company as the case may be, had the Scheme not been made; If any suit, appeal or other proceedings relating to the Undertaking, of whatever nature by or against the Transferor Company be pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the amalgamation of the Undertaking or by anything contained in this Scheme but the 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.

(ix) CONDUCT OF BUSINESS:

The Transferor Company shall carry on and shall be deemed to have carried on all its business and activities as hitherto and shall hold and stand possessed of and shall be deemed to have held and stood possessed of the Undertaking on account of, and for the benefit of and in trust for, the Transferee Company.

All the profits or income accruing or arising to the Transferor Company and all expenditure or losses arising or incurred (including all taxes, if any, paid or accruing in respect of any profits and income) by the Transferor Company shall, for all purposes, be treated and be deemed to be and accrue as the profits or income or as the case may be, expenditure or losses (including taxes) of the Transferee Company.

Any of the rights, powers, authorities and privileges attached or related or pertaining to and exercised by or available to the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of and as agent for the Transferee Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Undertaking that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken or discharged for and on behalf of and as agent for the Transferee Company.

With effect from the first of the date of filing of this Scheme with the NCLT and up to and including the Effective Date:

The Transferor Company shall preserve and carry on their business and activities with reasonable diligence and business prudence and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments either for itself or on behalf of its group Company or any third party or sell, transfer, alienate, charge, mortgage or

encumber or deal with the Undertaking or any part thereof save and except in each case in the following circumstances:

If the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with NCLT; or

If the same is permitted by this Scheme; or

If consent of the Board of Directors of the Transferee Company has been obtained.

The Transferor Company shall not take, enter into, perform or undertake, as applicable (i) any material decision in relation to its business and operations other than decisions already taken prior to approval of the Scheme by the respective Board of Directors (ii) any agreement or transaction; and (iii) any new business, or discontinue any existing business or change the capacity of facilities (iv) such other matters as the Transferee Company may notify from time to time save and except in each case in the following circumstances:

If the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with NCLT; or

If the same is permitted by this Scheme; or

If consent of the Board of Directors of the Transferee Company has been obtained.

(x) TREATMENT OF TAXES:

Any tax liabilities under the Income-tax Act, 1961, Wealth Tax Act, 1957, Customs Act, 1962, Central Excise Act, 1944, Central Sales Tax Act, 1956, any other state Sales Tax / Value Added Tax laws, service tax, luxury tax, stamp laws, Goods and Service Tax (GST) or other applicable laws/ regulations (hereinafter in this Clause referred to as "**Tax Laws**") dealing with taxes/ duties/ levies allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to Transferee Company.

All taxes (including income tax, wealth tax, sales tax, excise duty, customs duty, service tax, luxury tax, VAT, GST etc.) paid or payable by the Transferor Company

in respect of the operations and/or the profits of the business on and from the Appointed Date, shall be on account of the Transferee Company and, insofar as it relates to the tax payment(including without limitation income tax, wealth tax, sales tax, excise duty, customs duty, service tax, luxury tax, VAT, GST etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the business on and from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and shall, in all proceedings, be dealt with accordingly.

Any refund under the Tax Laws due to Transferor Company consequent to the assessments made on 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.

Without prejudice to the generality of the above, all benefits including under the income tax, sales tax, excise duty, customs duty, service tax, luxury tax, VAT, GST etc., to which the Transferor Company are entitled to in terms of the applicable Tax Laws of the Union and State Governments, shall be available to and vest in the Transferee Company.

(xi) STAFF WORKMEN AND EMPLOYEES:

All the permanent employees of the Transferor Company who are in its employment as on the Effective Date shall become the permanent employees of the Transferee Company with effect from the Effective Date without any break or interruption in service and on terms and conditions as to employment and remuneration not less favorable than those on which they are engaged or employed by the Transferor Company. It is clarified that the employees of the Transferor Company who become employees of the Transferee Company by virtue of this Scheme, shall not be entitled to the employment policies and shall not be entitled to avail of any schemes and benefits that may be applicable and available to any of the employees of the Transferee Company(including the benefits of or under any employee stock option schemes applicable to or covering all or any of

the employees of the Transferee Company), unless otherwise determined by the Board of Directors of the Transferee Company. The Transferee Company undertakes to continue to abide by any agreement/ settlement, if any, validly entered into by the Transferor Company with any union/employee of the Transferor Company (as may be recognized by the Transferor Company). After the Effective Date, the Transferee Company shall be entitled to vary the terms and conditions as to employment and remuneration of the employees of the Transferor Company on the same basis as it may do for the employees of the Transferee Company.

The existing provident fund, gratuity fund and pension and/or superannuation fund or trusts or retirement funds or benefits created by the Transferor Company or any other special funds created or existing for the benefit of the concerned permanent employees of the Transferor Company (collectively referred to as the "**Funds**") and the investments made out of such Funds shall, at an appropriate stage, be transferred to the Transferee Company to be held for the benefit of the concerned employees. The Funds shall, subject to the necessary approvals and permission and at the discretion of the Transferee Company, either be continued as separate funds of the Transferee Company for the benefit of the employees of the Transferor Company or be transferred to and merged with other similar funds of the Transferee Company. In the event that the Transferee Company does not have its own fund with respect to any such Funds, the Transferee Company may, subject to necessary approvals and permissions, continue to maintain the existing Funds separately and contribute thereto, until such time as the Transferee Company creates its own funds at which time the Funds and the investments and contributions pertaining to the employees of the Transferor Company shall be transferred to such funds of the Transferee Company.

(xii) SAVING OF CONCLUDED TRANSACTIONS:

Subject to the terms of this Scheme, the transfer and vesting of the Undertaking of the Transferor Company under of the 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.

(xiii) ISSUE OF SHARES BY THE TRANSFEE COMPANY:

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 69,05,734 (Sixty Nine Lacs Five Thousand Seven hundred and Thirty Four) equity shares of Transferor Company held by Transferee Company, will be cancelled without any act, deeds or instrument and 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 Transferee Company., held by such shareholder in the Share 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.

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.

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.

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.

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.

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 and combined with the Authorised Share Capital of the

Transferee Company pursuant to the Scheme, Since the present combined with 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 7,50,00,000/- to 11,00,00,000/- accordingly clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent / approval also to the alteration of the Memorandum and Articles of Association of the Transferee Company as maybe required under the Act. Clause 'V' of the Memorandum of Association of the Transferee Company shall stand substituted by virtue of the Scheme to read as follows:

Clause 'V' of the Memorandum of Association

The authorised Share Capital of the Company is Rs.11,00,00,000/- (Rupees eleven crores Only) divided into 1,10,00,000 (one Crores Ten Lacs) Equity Shares of Rs. 10/- (Rupees Ten) each

The equity shares of the Transferee Company allotted pursuant to the scheme shall remain frozen in the depositories system till listing / trading permission is given by the designated stock exchanges. Till the listing of the New Equity Shares of the Transferee Company, there will be no change in the pre-arrangement capital structure and shareholding pattern or controls in the Transferee Company, which may affect status of the approval of the stock exchanges to this scheme.

Approval of the Scheme by the shareholders of Transferee Company shall be deemed to be due compliance of the provisions of section 42, 62 if any and other relevant or applicable provisions of the Companies Act, 2013 and Rules made thereunder for the issue and allotment of the Equity shares by Transferee Company to the shareholders of Transferor Company as provided hereinabove.

(xiv) NO ALLOTMENT OF SHARES TO THE TRANSFEE COMPANY:

Upon the Scheme coming into effect, all equity shares which the Transferee Company holds in the Transferor Company (either directly or through nominees) shall stand cancelled without any issue or allotment of New Equity Shares or payment whatsoever by the Transferee Company in lieu of such Equity Shares of the Transferor Company.

(xv) 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 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.

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.

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.

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.

All inter-corporate deposits, loans and advances, outstanding balances or other obligations between Transferee Company and Transferor Company shall be cancelled and there shall be no obligation/outstanding in that behalf.

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.

(xvi) 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 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.

Upon coming into effect of the Scheme, the Transferee Company and/or the Transferor Company shall, with reasonable dispatch apply for transition of all licenses and statutory registrations of the Transferee Company including but not limited to product registrations (including applications and authorizations for product registrations), manufacturing licenses, product permissions, certificates, market authorizations, filings, (including experience and prequalification submissions), industrial licences, municipal permissions, approvals, consent, permits, incentives and subsidies. The period between the Effective Date and the last date on which the transfer of all such aforementioned licenses and statutory registrations have occurred is hereinafter referred to as "Transitory Period".

(xvii) DISSOLUTION OF TRANSFEROR COMPANY:

On the coming into effect of this Scheme, the Transferor Company shall stand dissolved without winding-up, and the Board of Directors and any committees

thereof of the Transferor Company shall without any further act, instrument or deed be and stand dissolved.

(xviii) VALIDITY OF EXISTING RESOLUTIONS, ETC.

Upon the coming into effect of this Scheme the resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

(xix) MODIFICATION OF SCHEME:

Subject to approval of NCLT, the Transferor Company and the Transferee Company by their respective Board of Directors or any director/executives or any committee authorised in that behalf (herein after referred to as the "**Delegate**") may assent to, or make, from time to time, any modification(s) or addition(s) to this Scheme which NCLT or any authorities under law may deem fit to approve of or may impose and which the Board of Directors of the Transferor Company and the Transferee Company may in their discretion accept, or such modification(s) or addition(s) as the Board of Directors of the Transferor Company and the Transferee Company or as the case may be, their respective Delegate may deem fit, or required for the purpose of resolving any doubts or difficulties that may arise in carrying out this Scheme. The Transferor Company and the Transferee Company by their respective Boards of Directors or Delegates are authorised to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or review the position relating to the satisfaction of the conditions of this Scheme and if necessary, waive any of such conditions (to the extent permissible under law) for bringing this Scheme into effect, and/or give such consents as may be required in terms of this Scheme. In the event that any conditions are imposed by NCLT or

any Governmental Authorities, which the Board of Directors of the Transferor Company or the Transferee Company find unacceptable for any reason, then the Transferor Company and the Transferee Company shall be at liberty to withdraw the Scheme.

For the purpose of giving effect to this Scheme or to any modification(s) thereof or addition(s) thereto, the Delegates (acting jointly) of the Transferor Company and Transferee Company may give and are authorised to determine and give all such directions as are necessary for settling or removing any question of doubt or difficulty that may arise under this Scheme or in regard to the meaning or interpretation of any provision of this Scheme or implementation thereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholders or depositors, if any of the Transferor Company) or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any such conditions (to the extent permissible in law) and such determination or directions or waiver, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme. For the avoidance of doubt it is clarified that where this Scheme requires the approval of the Board of Directors of the Transferor Company or the Transferee Company to be obtained for any matter, the same may be given through their Delegates.

(xx) SEVERABILITY:

If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Board of Directors of the Transferor Company and the Transferee Company, affect the validity or implementation of the other parts and/or provisions of this Scheme.

(xxi) BSE OBSERVATIONS:

The Application we have submitted our proposal to the BSE listing Department on 4th Sept, 2018, and time to time BSE has asked clarifications which are addressed by us completely and no queries are pending with BSE subsequently

BSE issued No Objection Certificate vide Letter.no. CFD/DIL3/CIR/2017/21, dated January 17th,2019 as annexed in Exhibit-L

(xxii) SEBI OBSERVATIONS:

Our proposal has being forwarded to SEBI by BSE on 22nd Nov,2018 and we have recently received a query from the SEBI on 20th Dec,2018. In connection with the some of the Directors whose names are appearing in the list of SBIL/SEBI ATR and the company has clarified the same the note is referred in.

(xxiii) 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.

(xxiv) 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.

(xxv) SCHEME CONDITIONAL UPON SANCTIONS, ETC:

This Scheme is conditional upon and subject to:

- a. The Scheme being agreed to by the requisite majority of the respective members and/or creditors of the Transferor Company and of the Transferee Company as required under the Act and the requisite orders of the NCLT being obtained; and
- b. The certified copies of the orders of the NCLT sanctioning this Scheme being filed with the Registrar of Companies, Hyderabad.

(xxvi) COSTS, CHARGES, EXPENSES AND STAMP DUTY:

All costs, charges and expenses (including any taxes and duties) incurred or payable by the Transferor Company and Transferee Company in relation to or in connection with this Scheme and incidental to the completion of the amalgamation of the Transferor Company with the Transferee Company in pursuance of this Scheme, including stamp duty on the orders of NCLT, if any and to the extent applicable and payable, shall be borne and paid by the Transferee Company.

The Board of Directors of Transferor Company (EBNL) and PPL/Transferee Company at their respective Board Meetings passed resolution and unanimously approved the said Scheme of Amalgamation. The true copies of the resolutions of the Board of Directors of both the Companies are annexed hereto and marked as **Exhibit-G &H**

A copy of the certificate issued by the statutory auditors of the Transferee Company to the effect that the accounting treatment specified in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act, 2013, is annexed hereto and marked as **Exhibit-I**

13. COMPANY SCHEME APPLICATION - ORDER DETAILS

a. Holding of Meeting of Equity Shareholders

The Petitioner states that the Petitioner Company had filed a Company Scheme Application No.CA(CAA)No.81/230/HDB/2019, wherein this Hon'ble Bench vide Order dated 20th ,March 2019 directed that a meeting of the Equity shareholders of the Petitioner Company be convened and held at 4-4-211/212/3,Inderbagh, Sultan Bazar, Hyderabad on Saturday, the, 11th May, 2019, at 10:.30 a.m. for the purpose of considering and, if thought fit, to approve, with or without modification(s), the Scheme of Amalgamation between Emergent Bio Naturals Limited, (the Transferor Company) and Pharmaids Pharmaceuticals Limited, (the Transferee Company) and their respective Shareholders.

The said Order also contains several directions as regards publication of Public Notices in the newspapers and also dispatch of individual notices to shareholders.

b. Dispensation of Meeting of unsecured Creditors

The Petitioner states that the Petitioner Company had filed Affidavit for dispensation of meeting of unsecured creditors through Application No.CA(CAA)No.81/230/HDB/2019, wherein this Hon'ble Bench vide Order dated 20th March, 2019 as excepting the request for dispensation of the meeting of unsecured Creditors of the Petitioner/ Transferee Company.

c. Directions passed with respect to issuance of notices to Regulatory Authority

The Petitioner states that the Petitioner Company had filed a Company Scheme Application No.CA(CAA)No.81/230/HDB/2019, wherein this Hon'ble Bench vide Order dated 20th March, 2019 directed that the Petitioner Company shall issue individual notices pursuant to Section 230(5) of the Companies Act, 2013 as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 to notice to all concerned regulatory authorities i.e. Regional Director, Registrar of Companies, concerned Income Tax Authority the Securities and Exchange Board of India, Official Liquidator and BSE Limited

A copy of the said Order dated 20th March, 2019 is annexed hereto and marked as **Exhibit-H**

DETAILS OF COMPLIANCES OF COMPANY SCHEME APPLICATION(CSA) ORDER, CHARIMAN'S REPORT & RESULT OF MEETING OF MEETING OF THE EQUITY SHAREHOLDERS

Compliances of CSA Order

The Petitioner / Transferee Company states that in pursuance of the aforesaid order dated 20th March, 2019, the Petitioner / Transferee Company published notice convening the meeting of the Equity Shareholders of the Petitioner Company in Business Standard (English Daily) dated 06th, April 2019 and Nava Telangana (Telugu Daily) dated 06th April, 2019 respectively.

Furthermore, the Petitioner / Transferee Company state that pursuance of the aforesaid order dated 20th March, 2019, the Petitioner / Transferee Company dispatched individual notices to 3138 Equity Shareholders by Courier and 1493 notices to Equity Shareholders through emails on 08th April, 2019. The Petitioner /Transferee

Company crave leave to refer to and rely upon an affidavit dated, 01th May, 2019 of Ms. Kopal Sharraf chairperson appointed for the meeting proving publication of public notices and dispatch of individual notices.

14. Details of convening of meeting of Equity shareholder & Chairman's Report

1. The Petitioner / Transferee Company states that pursuance to the directions contained in the aforesaid order dated 20th March, 2019 passed by this Hon'ble Bench, meeting of the Equity Shareholders was held on Saturday, 11th May, 2019 at 10:30 a.m. at 4-4-211/212/3, 1st Floor, Inderbagh, Sultan Bazar, Hyderabad-500095. The chairman person Ms Kopal Sharraf appointed for the said meeting, in pursuance of the aforesaid direction of this Hon'ble Bench. The Chairperson of the meeting Ms.Kopal Sharraf has submitted his report dated 17th of May, 2019 together with the affidavit verifying the report dated 17th of May, 2019, filed before this Hon'ble Bench. A copy of the said report of Ms.Koapl Sharraf the Chariperson of the meeting dated 17thMay, 2019 is annexed hereto and marked as **Exhibit -K**
2. As is clear from the said report and the aforesaid affidavit that, the meeting as directed by this Hon'ble Bench of the Equity Shareholders was duly convened and held after sufficient public and/or private communication to the said parties.

Result of Meeting

(ii) The Petitioner / Transferee Company further say and submit that from the aforesaid report it is clear that: -

- (a) A total of 72 (seventy-two) Equity Shareholders were present at the meeting;
- (b) A total of 72 (seventy-two) Equity Shareholders cast their votes through ballot at the meeting out of which 66 (sixty-six) Equity Shareholders casted in favour of the resolution, 1 (One) Equity Shareholder against the Resolution and 5 (Five) Equity Shareholders are invalid votes.
- (c) A total of 15 (fifteen) Equity Shareholders cast their votes through e-voting in favour of the resolution.

Voted in favour of the resolution being adopted and carried into effect:

| Mode of voting | Number of members voted | % of total number of members voted | Number of votes cast by members | % of total number of valid votes cast |
|-----------------------|--------------------------------|---|--|--|
| Ballot | 66 | 99.84% | 64,721 | 40.78 |
| Remote e-voting | 15 | 100% | 93,967 | 59.22 |
| Total | 81 | | 1,58,688 | 100 |

Voted against the resolution being adopted and carried into effect:

| Mode of voting | Number of members voted | % of total number of members voted | Number of votes cast by members | % of total number of valid votes cast |
|-----------------------|--------------------------------|---|--|--|
| Ballot | 1 | 0.16% | 100 | 0.16% |
| Remote e-voting | 0 | 0 | 0 | 0 |
| Total | 1 | 0.16 | 100 | 0.16 |

Note: There were a total of 5 invalid votes.

The ballots and the other relevant records have been handed over to the 2nd Applicant/ Transferee Company for safekeeping.

(iii) The Equity Shareholders who attended the meeting and voted and the Equity shareholders who voted through e-voting and ballot passed the resolution for the proposal of Scheme of Amalgamation with requisite majority without any modification pursuant to the provisions of Sections 230 to 232 of the companies Act, 2013. The Resolution passed by the Equity Shareholders is as under:

RESOLVED THAT pursuant to the provisions of Sections 230 to 232 and other applicable provisions, of the companies Act,2013 and subject to the approval of the National Company Law Tribunal, Hyderabad Bench (NCLT) and subject to other approvals, permissions and sanctions of regulatory and other authorities as may be necessary and subject to such conditions and modifications, as ,may be prescribed or imposed by NCLT or by any regulatory or other authorities, while granting such consents , approvals and permissions, which may be approved by the equity shareholders, the proposed, scheme of Amalgamation between Pharmaids Pharmaceuticals Limited and the Emergent Bio Naturals Limited and their respective shareholders ("**Scheme**") placed before this meeting and 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 to give effect to this resolution and effectively implement the Amalgamations embodied in the Scheme of Amalgamation and to accept such modifications imposed by the NCLT 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."

- (ii) The Petitioner states that in compliance with the Order dated 20th March, 2019 as passed, the Petitioner Company has also given individual notices pursuant to Section 230(5) of the Companies Act, 2013 as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 to notice to all concerned regulatory authorities i.e. Regional Director, Registrar of Companies, concerned Income Tax Authority, the Securities and Exchange Board of India, Official Liquidator and BSE Limited. Further the necessary public notices as directed in the said order was published. The Petitioner craves leave to refer and rely upon copy of the Affidavit filed by the Chairperson Appointed by the NCLT, dated 17th May, 2019 filed in Company Scheme Application No. CA(CAA)No.81/230/HDB/2019 in respect of Service and Publication when produced
- (iii) The Petitioner is approaching this Hon'ble Bench by way of this Petition which is being filed within 1 (One) week from the date of filing of Chairman's Report for an order sanctioning the Scheme.

- (iv) The Petitioner states that there is no change or modification in the Scheme of Amalgamation since the passing of the Order dated 20th March, 2019.
- (v) Since the Petitioner / Transferee Company has its registered office at Hyderabad in the State of Telangana, the necessary Petition under Sections 230 to 232 of the Companies Act, 2013 has been made to the Hon'ble National Company Law Tribunal, Hyderabad Bench, Hyderabad, and this Hon'ble Bench has jurisdiction to entertain and dispose off the present Petition. The Petitioner submits that the Transferor Company has its respective registered office within the jurisdiction of this Hon'ble Bench and the Transferor Company are also filing similar Petitions for necessary direction of this Hon'ble Bench.

The shares of the Transferor Company are not listed on any of the Stock Exchanges being closely held Company. However, the shares of the Transferee Company are listed on **BSE Limited**. As per the provisions of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 the Transferee company has filed draft Scheme with BSE Limited pursuant to Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements), 2015 and obtained No Objection letters from BSE Limited, vide their letter.no.CFD/DIL3/CIR/2017/21 Dated 17th January, 2019 respectively are enclosed as an **Exhibits-L**

- (vi) The Assets of the Transferor Company and Petitioner / Transferee Company are sufficient to meet all their liabilities and the said scheme will not adversely affect the rights of any of the creditors of the Transferor and Transferee Companies in any manner whatsoever. Further there is no compromise or sacrifice called from any of creditors of the Petitioner Company.
- (vii) The Petitioner/Transferee Company further submits that none of the Directors of the Transferor and Transferee Companies have any material interest in the said Scheme of Amalgamation except to the extent of their Shareholding in the Company.

- (viii) Neither Transferor nor Transferee Companies are registered under the Monopolies & Restrictive Trade Practices Act and no investigation is pending against either of these Companies under Sections 210 and 213 and other applicable provisions of the Companies Act, 2013.
- (ix) No winding up petition is filed or pending against the Transferor Company or the Transferee Company.
- (x) This Petition is being made bona fide and in the interest of justice.
- (xi) The Petitioner submits that no one will be prejudiced if an order is made and/or directions are given as prayed for.
- (xii) The Petitioner submits that the Chairman's Report dated 16th May, 2019 is filed on 17th May, 2019. The Present Petition is filed within 1 (One) week from the date of filing of Chairman's Report i.e. within time prescribed under the Companies (compromises, Arrangements and Amalgamations) Rules, 2016, hence the present petition is not barred by laws of limitation. The Petitioner states that the Petitioner will rely upon documents referred and annexed to the present Petition.
- (xiii) The Notice of hearing of the Petition will be advertised in the newspaper English Daily and Telugu Daily by the Petitioner Company as per requisite format and in terms of the Order of this Hon'ble Bench.
- (xiv) The publication of notice in the Government Gazette to be dispensed with.
- (xv) The Petitioner Company submits that the sanctioning the scheme of Amalgamation will be for the benefit of the Petitioner Company and it will not prejudicially affect the rights and interests of the Shareholders and Creditors of the Petitioner Company.
- (xvi) The Petitioner Company states that the proposed Scheme of Amalgamation does not in any way violate, override or circumscribe any provisions of the Companies Act, 2013 and rules, regulations, guidelines made under the said Act.
- (xvii) Notice of this Petition is not required to be served on any person.

(xviii) The Petition is declared by Mr. Ghisulal Jain Director of the Petitioner/ Transferee Company herein who is familiar with the facts and is able to depose the same has signed and verified the present Petition.

15. The Petitioner Company therefore prays:

- a) That the said Arrangement as embodied in the Scheme of Amalgamation between Emergent Bio Naturals Limited, (the Transferor Company) with Pharmaids Pharmaceuticals Limited, the Transferee Company (being **Exhibit "D"** be sanctioned under Sections 230 to section 232 of the Companies Act, 2013 by this Hon'ble Bench with or without modification and declare the same to be binding on the Transferor Company and the Transferee Company and also their respective members/shareholders and Creditors and also all other Agencies, Departments and Authorities of the Central, State and any other local authorities.
- b) That liberty be reserved to the Petitioner/Transferee Company and all other persons interested in this Petition to apply to this Hon'ble Bench herein as and when occasion may arise for any direction that may be necessary.
- c) For such further or other orders as may be necessary in circumstances as the NCLT shall deem fit.

for Pharmaids Pharmaceuticals Ltd

Ghisulal Jain
Managing Director
(Petitioner/Transferee Company)

Exhibit-A

Company No.: 01-09679

FRESH CERTIFICATE OF INCORPORATION CONSEQUENT
ON THE CONVERSION UNDER SECTION 31/44 OF THE
COMPANIES ACT, 1956 (1 OF 1956).

In the Office of the Registrar of Companies, Andhra Pradesh
--000--

IN THE MATTER OF Pharmaids Pharmaceuticals Private Limited

I hereby certify that Pharmaids Pharmaceuticals
Private Limited which was originally incorpo-
rated on 1st day of March, 1989 under the
name Pharmaids Pharmaceuticals Private Limited
having duly passed the necessary Special Resolution on
20th day of April, 1992 in terms of
Section 31(1)/44 of the Companies Act, 1956 the name of
the Company is this day changed to PHARMAIDS PHARMACEUTICALS
LIMITED

This Certificate is issued pursuant to Section 23(1) of the
said Act.

Given under my hand at HYDERABAD this the 8th
day of May, One thousand Nine hundred
and Ninety Two.



P. Rajagopalan
(P. RAJAGOPALAN)
ASST. REGISTRAR OF COMPANIES
ANDHRA PRADESH:HYDERABAD.



Form I. R.

CERTIFICATE OF INCORPORATION

No. 01-09679 of 1988-89.

I hereby certify that PHARMAIDS PHARMACEUTICALS
PRIVATE LIMITED is this day incorporated under the Companies Act, 1956.
(No. 1 of 1956) and that the Company is limited.

Given under my hand at Hyderabad this 1st day of March One
thousand nine hundred and eighty nine.

(10th Phalguna 1910 Saka)

COMMON SEAL

Sd/-

(R. VASUDEVAN)
Registrar of Companies
Andhra Pradesh.

J. S. C - 1.

UNDER THE COMPANIES ACT, 1956

(1 of 1956)

(A Company Limited by Shares)

MEMORANDUM OF ASSOCIATION

OF

PHARMAIDS PHARMACEUTICALS LIMITED

- I The Name of the Company is PHARMAIDS PHARMACEUTICALS LIMITED.
- II The Registered Office of the Company will be situated in the State of Andhra Pradesh.
- III The objects for which the Company is established are :

(A) The Main objects to be pursued by the Company on its Incorporation are :

1. 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 & Homeopathy.
2. To prepare, formulate and compound proprietary medicine and articles and chemicals and scientific equipment, soaps, cleaning compounds and detergents.

3. To manufacture and deal in anatomical, orthopaedic and surgical instruments and appliances and providers of all requisites for hospitals, patients and invalids.
4. To establish, promote, encourage and contribute to manage. Control support sick funds and any associations or institutions for providing, upon any terms and conditions, drugs, medicines, restoratives during sickness and illness and also for research and development in drugs and pharmaceutical lines.

(B) THE OBJECTS ANCILLARY OR INCIDENTAL TO THE ATTAINMENT OF THE ABOVE MAIN OBJECTS ARE :

1. To manufacture, buy, sell, import and export and to carry on any business in machines, spares and accessories used in Pharmaceuticals Industry.
2. To carry on all or any of the above objects, manufacture, purchase, import, deal in hire take on lease or otherwise acquire and erect install or put into commission all the necessary plants, machineries, equipment, tool accessories rigs and fixtures whether for company's own use or for sale and disposal as may be conducive to the carrying on of the objects of the company or that may assist the company in any other manner and to construct erect, hire, take on lease or mortgage, own or otherwise acquire buildings, workshops, godowns, sheds, factories or any place to places and to pay for the same out of the funds of the company.
3. To purchase, to take on lease, or in exchange for hire or otherwise acquire any immovable or movable property, any rights or privileges which the company may think necessary or convenient with reference to any of these objects and capable of being profitably dealt with in connection with any of the company's property or rights for the time being and to pay for the same out of the funds of the company.
4. To establish agencies, appoint or employ representatives, distributors commission agents for the manufacture, sale, purchase, exchange hire or distribution supply or otherwise of the products of the company (or for carrying out any of the aforesaid main objects of the company) and regulate and discontinue the same and to provide for the remuneration of such persons for their services by payment in cash or otherwise.
5. To pay out of the funds of the company all costs, charges and expenses of and incidental to, the promotion, formation, registration, and establishment of the company and the issue of its capital and to remunerate any person or persons for services rendered or to be rendered in introducing any property or business which the company may deem fit.
6. To promote and establish companies, associations, syndicates or other suitable organisation for achieving any of the main objects of the company.
7. To train or to pay for the training of any apprentice technical or professional hand, unskilled or skilled labour or any other person either in the present or likely to be in employment of or engaged or likely to be engaged in rendering any service to the company, its customers or associated which training in the opinion of the company is likely to benefit the company in its day to day working knowledge, management, administration.
8. To draw, accept, make, endorse, discount and negotiate promissory notes, hundies bills of exchange and other negotiable instruments connected with the business of the company.
9. To create any reserve fund, sinking fund, insurance fund or any other special fund whether for depreciation or for repairing, improving extending or maintaining any property of the company or for any other purpose conducive to the interest of the company.
10. To enter into partnership or into any arrangement for sharing profit, amalgamations, union of interests, co-operation, joint venture reciprocal concessions or otherwise with any person, corporation, firm or company carrying on or engaged in or about to carry on or engaged in any business or transaction which

the company is authorised to carry on or engage in as aforesaid and which may seem capable or being carried on or conducted so as directly or indirectly to benefit the company and to lend money to, to guarantee the contract of or otherwise acquire and hold shares or securities of any such persons firm or company and to sell hold re-issue without guarantee or otherwise deal with the same.

11. To acquire construct and maintain factories plants, establishments, works, buildings and erections, for carrying out all or any of the objects aforesaid and to acquire or make or manufacture plant, machinery, implements and articles required to be used for any such purposes and to carry on as principals or agents, any branch or manufacture or business for which the company's properties may be conveniently applicable constantly with all or any of the objects.
12. To deal with and invest moneys of the company in any investments, movable and immovable and in particular to subscribe for and hold and deal with perpetual or redeemable shares or debentures of any company as may from time to time seem expedient and be determined.
13. Subject to the Banking Regulation Act, 1949 and section 58A of the Companies Act, 1956 to borrow or raise money or to receive money or deposit at interest or otherwise in such manner as the company may think fit from members, directors, banks, financial institutions and from public in general and in particular by the issue of debenture, perpetual or otherwise including debentures convertible into shares of this company and in security of such money so borrowed raised or received to mortgage, pledge or charge the whole or any part of the property, assets to revenue of the company, present or future, including uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders power of sale and other powers as may seem expedient and to purchase redeem or pay off any such securities.
14. To lend money and guarantee the performance of contracts by others.
15. To undertake and execute any trust which may seem beneficial to the company and to vest its property in such trustees which may seem to the company desirable either gratuitously or otherwise.
16. To distribute all or any of the properties of the company amongst the members in specie or kind upon winding up.
17. To promote and form and to be interested in and to take, hold and dispose of share in any subsidiary or other companies for all or any of the objects mentioned above, and to transfer to any such company any property of this company and to take over or otherwise acquire held and dispose of shares, debentures and other securities in or of any such company any property of this company and to take over or otherwise acquire hold and dispose shares, debentures and other securities in or of any such company and to subsidise or otherwise assist any such company.
18. To make donations or give subscriptions to charities, private or public or private trusts or societies or for other useful objects and to establish and support or aid in the establishment and support of associations, instruments, or provident, pension, loan or other funds for the benefit of the staff and employees or ex-employees of the company and to their wives, widows, children and dependents and to contribute towards the premium on any insurance on the lives of any such staff or employees and to grant pension gratuities or other financial assistance, either temporary or permanent, to any of such staff or employees and ex-employees or their wives widows, children or dependents upon such terms and conditions as may be deemed expedient.
19. To improve, manage work, develop, lease, mortgage, abandon or otherwise deal with all or any part of the properties, rights and concessions of the company.
20. To acquire and hold shares in any other company and to pay for any properties, rights, or privileges acquired by this company either in cash or by shares or this company or partly in cash or otherwise and to give shares or stocks of this company in exchange for shares or stocks of any other company.

21. To sell or dispose of the undertaking of the company or any part thereof for such consideration as the company may think fit.
22. To amalgamate with any company or companies having objects altogether or as far similar to those of this company.
23. To carry on any other business whether of manufacturing or otherwise which may seem to the company to be conveniently capable of being carried on in connection with the aforesaid or calculated directly or indirectly to enhance the value of or render profitable any of the company's properties or rights or activities.

(C) OTHER OBJECTS OF THE COMPANY.

1. To manufacture, buy, sell and trade in mineral waters, wines, cordials, liquors, soaps, broths and other restoratives or food, specially invigorating or deemed to be suitable for invalids, convalescents and children.
2. To manufacture or deal in all kinds of household utensils made of stainless steel plastic, brass and other metals.
3. To engage in or deal with electronic equipment, goods, articles, appliances, gadgets and also engage in assembling the same for sale.
- IV. The liability of the members of the company is limited.

Four-

- V. The Authorised Share Capital of the Company is **Rs. 4,00,00,000 (-Crores only)** divided into **40,00,000 (Forty Lakhs only)** Equity shares of Rs. 10/- (Rupees ten) each and with the rights, privileges and conditions attached thereto with power to vary, modify or abrogate such rights, privileges and conditions as may be provided in the Regulations of the company for the time being. The company has power to increase and reduce the capital and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified and special rights, privileges and conditions as may be determined by or in accordance with the Regulations of the company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Regulations of the company.

We, the several persons whose names, and addresses are subscribes hereunder, and desirous of being formed into a Company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the capital of the Company set opposite to our respective names.

| Sl. No. | Name, address, description, occupation and signature of the subscriber | No. of Equity Shares taken by each Subscriber | Name, address, description occupation and Signature of the witness |
|----------------------------------|--|---|---|
| 1. | Sd/- SRI BHUTMAL S/o. M.G. Raj Lal Wani D.No. 4-3-55, K.S.Lane Sultan Bazar HYDERABAD. (Business) | 10 (Ten only) | |
| 2. | Sd/- SRI GHISULAL JAIN S/o. B.M. Lal Wani D.No. 4-3-55, K.S.Lane Sultan Bazar HYDERABAD. (Business) | 10 (Ten only) | |
| 3. | Sd/- SRI SUBHASH B. ALAL WANI S/o. B.M. Lal Wani D.No. 4-3-55, K.S.Lane Sultan Bazar HYDERABAD. (Business) | 10 (Ten only) | Sd/- P. RADHA KRISHNA S/o. Sri Laxmi Narayana D. No. 1-1-336/2/1, 1st Floor, Chikkadpally, HYDERABAD - 500 020 (Chartered Accountant) |
| 4. | Sd/- Smt. HULIDEVI W/o. B.M. Lal Wani D.No. 4-3-55, K.S.Lane Sultan Bazar HYDERABAD (House Wife) | 10 (Ten only) | |
| Total No. of Equity Shares taken | | 40 (Forty only) | |

PLACE: HYDERABAD.

DATE: 30-1-1989

The regulations contained in Table 'A' of the first Schedule to the Companies Act, 1956 shall not apply to the Company except in so far as they are embodied in the following Articles, which shall be the regulations of the Company.

Interpretation Clause: In the interpretation of these Articles, unless repugnant to the subject or context.

We, the several persons whose names, and addresses are subscribes hereunder, and desirous of being formed into a Company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the capital of the Company set opposite to our respective names.

| Sl. No. | Name, address, description, occupation and signature of the subscriber | No. of Equity Shares taken by each Subscriber | Name, address, description occupation and Signature of the witness |
|----------------------------------|--|---|---|
| 1. | Sd/- SRI BHUTMAL S/o. M.G. Raj Lal Wani D.No. 4-3-55, K.S.Lane Sultan Bazar HYDERABAD. (Business) | 10 (Ten only) | |
| 2. | Sd/- SRI GHISULAL JAIN S/o. B.M. Lal Wani D.No. 4-3-55, K.S.Lane Sultan Bazar HYDERABAD. (Business) | 10 (Ten only) | |
| 3. | Sd/- SRI SUBHASH B. ALAL WANI S/o. B.M. Lal Wani D.No. 4-3-55, K.S.Lane Sultan Bazar HYDERABAD. (Business) | 10 (Ten only) | Sd/- P. RADHA KRISHNA S/o. Sri Laxmi Narayana D. No. 1-1-336/2/1, 1st Floor, Chikkadpally, HYDERABAD - 500 020 (Chartered Accountant) |
| | Sd/- - Smt. HULIDEVI W/o. B.M. Lal Wani D.No. 4-3-55, K.S.Lane Sultan Bazar HYDERABAD (House Wife) | 10 (Ten only) | |
| Total No. of Equity Shares taken | | 40 (Forty only) | |

PLACE - HYDERABAD.

DATE - 30-1-1989

The regulations contained in Table 'A' of the first Schedule to the Companies Act, 1956 shall not apply to the Company except in so far as they are embodied in the following Articles, which shall be the regulations of the Company.

Interpretation Clause: In the interpretation of these Articles, unless repugnant to the subject or context.

**UNDER THE COMPANIES ACT, 1956
(1 OF 1956)
COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION
OF**

PHARMAIDS PHARMACEUTICALS LIMITED

- | | |
|--|---|
| <p>Table 'A' not to apply but company to be Govered by these Articles Interpretation</p> | <ol style="list-style-type: none"> 1. The regulations contained in Table 'A' of the first Schedule to the Companies Act, 1956 shall not apply to the Company except in so far as they are embodied in the following Articles, which shall be the regulations of the Company. 2. Interpretation Clause : In the interpretation of these Article, unless repugnant to the subject or context. |
|--|---|

"The Company" or "This Company" : "The Company" or "This Company" means PHARMAIDS PHARMACEUTICALS LIMITED

"The Act" : "The Act" means the "Companies Act" means the "Companies Act, 1956" or any statutory Modification or re-enactment thereof for the time being in force.

"Board" : "Board" means a meeting of the directors duly called and constituted, or as the case may be, the Directors assembled at a Board.

"Auditors" : "Auditors" means and includes those persons appointed as such for the time being by the Company.

"Capital" : "Capital" means the share capital for the time being raised or authorised to be raised, for the Company.

"Debentures" : "Debentures" include Debenture Stock.

"Dividend" : "Dividend" includes bonus.

"Directors" : "Directors" means the Directors for the time being of the Company or, as the case may be, the Directors assembled at a Board.

"Gender" : Words importing the masculine gender also include the feminine gender.

"Inwriting" and "Written" : "In Writing and Written" include printing, lithography and other modes of representing or reproducing words in a visible form.

"Member" : "Member" means the duly registered holder, from time to time of the shares of the Company and includes the subscribers of the Memorandum of the Company.

"General Meeting" : "General Meeting" means a meeting of members.

"Annual General Meeting" : "Annual General Meeting" means General Meeting of the Members held in accordance with the provisions of Section 166 of the Act.

"Extra-ordinary General Meeting" : "extra-ordinary General Meeting" means an Extra-ordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof.

"Office" : "Office" means the Registered Office for the time being of the Company.

"Paid-up" : "Paid-up" includes credited as paid-up

"Persons" : "Persons" includes corporation and firms as well as individuals.

"Register of Members" : "Register of Members" means the Register of Members to be kept pursuant to the Act.

"The Registrar" : "The Registrar" means the Registrar of Companies Andhra Pradesh.

"Secretary" : "Secretary" includes a temporary or assistant secretary and any person appointed by the Board to perform the duties of a Secretary.

"Seal" : "Seal" means the Common Seal for the time being of the Company.

"Share" : "Share" means Share in the Share Capital of the Company and includes Stock except where a distinction between stock and shares is expressed or implied.

"Singular number" : Word importing the singular number include, where the context admits or requires, the plural number and vice versa.

"Special Resolution" : "Special Resolution" shall have the meaning assigned thereto by Section 189 of the Act.

"Year" and "Financial Year" : "Year" means the Calendar years and "Financial Year" shall have the meaning assigned thereto by Section 2(17) of the Act.

"Marginal notes" : The "Marginal notes" used in the Articles shall not affect the construction.

Save as aforesaid any words or expressions defined in the Act shall if not inconsistent with the subject or context bear the same meaning in these Articles.

CAPITAL AND INCREASE AND REDUCTION IN CAPITAL

Amount of Capital

3. The Authorised Share Capital of the Company is Rs. 4,00,00,000 (-crores only) divided into 40,00,000 (fourty lakhs only) Rs.10/- (Rupees Ten only) each. **Four-**

New Capital same as Existing Capital

4. Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered as part of the existing capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

Redeemable Prefer-
ence Shares

5. Subject to the provisions of Section 80 of the Act, any preference share may be issued on the terms that they are or at the option of the Company are liable to be redeemed on such terms and in such manner as the Company, before the issue of such shares, may by special resolution determine.

Restriction on Allot-
ment

6. (a) The directors shall in making the allotments duly observe the provision of the Act.
(b) The amount payable on application of each share shall not be less than 5 per cent of the nominal amount of the share.

- (c) Nothing herein contained shall prevent the Directors from issuing fully paid up shares either on payment of the entire nominal value thereof in cash or satisfaction of any outstanding debt or obligation of Company.
- Increase of Capital by the Company and how carried into effect 7. The Company in General Meeting may from time to time. Increase the Authorised Capital by the Creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. The new share shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such shares may be issued with a preferential or qualified right to dividends and in the distribution of the Company and with a right of voting at General Meeting of the Company has been increased under the provisions of the Article, the Directors shall comply with the provisions of Section 97 of the Act.
- Provisions to the apply on Issue of Redeemable Preference Shares 8. On the issue of Redeemable Preference Shares under the provisions or Article 5 hereof the following provisions shall take effect :
- (a) no such shares shall be redeemed except out of profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption.
 - (b) no such shares shall be redeemed unless they are fully paid.
 - (c) the premium, if any payable on redemption must have been provided for out of the profits of the Company or the Company's Share Premium Account before the shares are redeemed.
 - (d) where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called the "Capital Redemption Reserve Account" a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the Share Capital of the Company shall except as provided in Section 80 of the Act, apply as if the Capital Redemption Reserve Account were Paid-up Share Capital of the Company.
- Reduction of Capital 9. Subject to the provisions of Section 78, 80, 100 to 105 inclusive of the Act the Company in General Meeting may, from time to time, by Special Resolution reduce its Capital and any Capital Redemption Reserve Account or Shares Premium account in any manner for the time being authorised by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have if it were omitted.
- Sub-division and consolidation of Shares 10. Subject to the provisions of Sections 94 of the act the Company in General Meeting may by an ordinary resolution, from time to time, sub-divide or consolidate its shares, or any of them and the resolution whereby any share is sub-divided, may determine that, as between the holders of the resulting from such sub-division one or more of such shares shall have some preference or special advantage as regards dividend,

- capital or otherwise over or as compared with the others or other. Subject to aforesaid the Company in General Meeting may by an ordinary resolution also cancel share which have not been taken or agreed or its share capital by the amount of the shares so cancelled.
11. The Company shall cause to be kept an Index of Members in accordance with Section 150 and 151 of the Act.
12. The Shares in the Capital shall be numbered progressively according to their several denominations and except in the manner herein before mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.
13. The Board shall observe the restrictions as to allotment of shares to the public contained in Section 69 and 70 of the Act and shall cause to be made the returns as to allotment provided for in Section 75 of the act.
14. (a) Where at any time after the expiry of two years from the formation of the Company or at any time after expiry of one year from the allotment of shares made for the first time after formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares whether out of unissued share capital or out of increased share capital, then such further shares shall be offered to the persons who at the date of the offer, are holders of the shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than 30 days from the date of the offer within which the offer if not accepted will be deemed to have been declined. After the expiry of the time specified in the notice aforesaid or on receipt of either intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they think most beneficial to the Company.
- (b) Notwithstanding anything contained in the preceeding sub-clause of the Company :
- (i) by special resolution or
- (ii) by an ordinary resolution and with the consent of the Central Government, issue further shares to any person or persons and such person or persons may or may not include the persons who at the date of the offer are the holders of the equity shares of the Company.
- (c) Notwithstanding anything contained in sub-clause (a) above, but subject, however, to Section 81 (3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures issued or loans raised by the Company to convert such debentures or loans into shares or to subscribe for shares of the Company.

- Shares under control of Directors 15. Subject to the provisions of these articles and of the Act, the shares shall be under the control of the Directors, who may allot or otherwise dispose of the same to such person on such terms and conditions and at such times as the Directors think fit and full power to give and persons the option to call for or be allotted shares of any class of the Company either subject to the provisions of Sections 78 and 79 of the Act at a premium or at par or at a discount and such option being exercisable for such time and for such consideration as the Directors think fit. The Board shall cause to be made the returns as to allotment provided for in Section 75 of the Act. Provided that option or right to call of share shall not be given to any person except with the sanction of the Company in General Meeting.
- Power also to Company in General Meeting to Issue 16. In addition to and without derogation from the powers for that purpose conferred on the Board under articles 15 and 16, the Company in General Meeting may, subject to the provisions of Section 81 of the Act, determine that any shares (where forming part of the original capital or of increased capital or of any increased capital of the Company) shall be offered to such persons (whether Members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of section 78 and 79 of the Act) at a premium or at par or at a discount, such General Meeting shall determine and with full power to give any person (whether a member or not) the option to call for or be allotted shares of any class of the Company either (Subject to compliance with the provisions of Section 71 and 79 of the Act) at a premium or at par or at a discount, such option being exercisable at such times and for consideration as may be directed by such General Meeting or the provisions what so ever for issue, allotment or disposal of any share.
- Acceptance of Shares 17. Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is on the Register shall, for the purposes of these Articles, be a Member.
- Deposits and Calls etc. to be a Debt payable immediately 18. The money (if any) which the Board shall, on the allotment of any share being made by them; require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them shall immediately on the inscription of the name of the allottee in the Register of Member as the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof and shall be paid by him accordingly.
- Liability of Members 19. Every Member or his heirs, executors or administrators, shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being remain unpaid thereon, in such amounts at such times and such manner, as the Board shall, from time to time, in accordance with the Company's regulations require or fix for the payment thereof.
- Share Certificates 20. (a) Every Member or allottee of share be entitled without payment, to receive one certificate specifying the name of the person in whose favour it is issued, the shares to which it relates and the amount paid up thereon, Such certificates shall be issued only in pursuance to a resolution passed by the Board and or

surrender to the Company of its letter or allotment or its fractional coupons of requisite value, save in cases of issues against letters of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Secretary or some other person appointed by the Board for the purpose and the two Directors or their attorneys and the Secretary or some other persons shall sign the share-certificate, provided that the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or a wholtime Director, particulars of every share, share-certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued indicating the date of issue.

(b) Any two or more joint allottees of share shall, for the purpose of this Article be treated as a single Member, and the Certificate of any share, which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of them. For any further certificate the Board shall be entitled but shall not be bound to prescribe a charge not exceeding Rupee One. The Company shall comply with provisions of Section 113 of the Act.

(c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment of other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Directors shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

Renewal of Share Certificate 21.

(a) No Certificate of any share shall be issued either in exchange for those which are subdivided or consolidated or in replacement of those which are defaced, torn, or old, decrepit, wornout, or where the pages on the reverse for recording transfers have been duly utilised unless the certificate in lieu of which it is issued is surrendered to the Company. No fee shall be charged for a certificate issued in terms of this Article.

(b) When a new share certificate has been issued in pursuance of clause (a) of this Article it shall state on the face of it and against the stub or counterfoil to the effect that it is issued in lieu of share certificates No. subdivided/replaced/ on consolidation of shares.

(c) If share certificate is lost or destroyed, a new Certificate in lieu thereof shall be issued only with the prior consent of the Board and on payment of such fee, not exceeding rupees two as the Board may from time to time fix and on such terms, if any, as to evidence and indemnify as to payment of out of pocket expenses incurred by the Company in investigating evidence, as the Board think fit.

(d) When a new share certificate has been issued in pursuance of clause (c) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is 'Duplicate in lieu of share Certificate No.

'The word duplicate' shall be stamped or punched in bold letters across the face of the share certificate.

- (e) Where a new share-certificate has been issued in pursuance of clause (a) or clause (c) of this Article particulars of every such share shall be entered in a Register of Renewal and duplicate Certificate indicating against the names of the persons to whom the certificate is issued the number of the persons to whom the certificate is issued the number and the date of issue of share certificate in lieu of which the new certificate is issued and the necessary changes indicated in the Register of Members by suitable cross reference in the "Remarks" column.
- (f) All blank forms to be issued for issue of share certificates shall be printed and printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively machine-numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or such other person as the Board may appoint for the purpose and the Secretary or the other person aforesaid shall be responsible for rendering account of these forms to the Board.
- (g) The Managing Director of the Company for the time being or if the Company has no Managing Director, every Director of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificate except the blank forms of share certificates referred to in sub-article (f).
- (h) All books referred in sub-article (g) shall be preserved in good order permanently.

The first name of Joint-holder deemed Sole holder 22. If any share stands in the names of two or more persons, the person first named in the Register shall as regards receipt of dividends or bonus, or service of notices all or any other matter connected with the Company, except voting at meetings and the transfer of the shares, be deemed the sole holder thereof but the joint holders of a share shall be severally as well as jointly holders of a share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such share and for all incidents thereof according to the Company's regulations.

Company to recognise interest only of registered shareholder 23. Company not bound to recognise any interest in share other than that of registered holder :- Except as ordered by a court of competent jurisdiction as by law required, the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, thereof; but the Board shall be at liberty at their sole discretion to register any share in the joint name of any two or more persons or the survivors of them.

Funds of company may not be applied in 24. None of the funds of the Company shall be applied in the purchase of any shares of the Company, and it shall not give any financial assistance for or in connection with

purchase of shares of
the Company

the purchase or subscription of any shares in the Company or in its holding
Company save as provided by Section 77 of the Act.

UNDER WRITING AND BROKERAGE

Commission may be
paid

25. Subject to the provisions of Section 76 of the Act the Company may at any time pay a commission to any person in consideration of his subscribing, agreeing to subscribe (whether absolutely or conditionally) for any shares of debentures in the Company, or procuring or agreeing to procure subscription (whether absolute or conditional) for any shares or debentures in the Company, but so that the commission shall not exceed in the case of shares five per cent of the price at which the debentures are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.

Brokerage

26. The Company may pay a reasonable sum for brokerage, which may be lawful.

INTEREST OUT OF CAPITAL

Interest out of Capital

Interest may be paid out of Capital:

The Board may, if it thinks fit, agree to and receive from any Member willing to advance the same, all or any part of the amounts of his shares beyond the sums actually called up and upon the monies so paid in Advance or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made, the Board may pay or allow interest on such rate not exceeding without the sanction of the Company in General Meeting, 9 per cent per annum, as the member paying the sum in advance and the Board agree upon provided that money paid in advance of calls shall not confer a right to dividend or to participate in profits. The Board may agree to repay at any time amount so advanced or may at any time repay the same upon giving to the Member three months notice in writing.

VOTING ON ADVANCE CAPITAL

27. No member paying any such sum in advance shall be entitled to voting rights in respect of the money so paid by him until the same would but for such payment, becomes presently payable.

CALLS

Directors may make
calls

28. The Board may, from time to time, subject to the terms on which any shares may, have been issued and subject to the condition of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such calls as it thinks fit upon the Members in respect of all monies unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board. A call may be made payable by instalments.

Notice of Calls

29. Thirty days notice in writing of any call shall be given by the Company specifying the

- time and place of payment and the person or persons to whom such call shall be paid.
- Calls to date from Resolution 30. A call shall be deemed or have been made at the time when the resolution authorising such call was passed at a meeting of the Board.
- Liability of joint-holders 31. The Joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- Directors may extend time 32. The Board may from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the Members who from residence at a distance or other cause, the Board may deem fairly entitled to such extension; but no Member shall be entitled to such extension save as a matter of grace and favour.
- Call to carry interest 33. If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 18% per annum but nothing in this article shall render it obligatory for the Board to demand or recover any interest from any such Member.
- Sums Deemed to be calls 34. Any sum, which by the terms of issue of a share becomes payable and on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium shall for the purposes of these Articles be deemed to be a call duly made and payable on the dates on which by terms of issue the same become payable and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture for otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- Partial payment not to preclude Forfeiture 35. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from there after proceeding to enforce a forfeiture of such shares as hereinafter provided.
- Lien 36. Company to have Lien on share : The Company shall have a first and paramount lien upon all the shares (other than fully paid-up shares) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all monies (whether presently payable or not) called or payable at fixed time in respect of such shares and no equitable interest in any share shall be created except upon the footing and condition that Articles 23 is to have full effect : and such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares.
- As to enforcing Lien of Sale 37. For the purpose of enforcing such lien the Board may sell the shares subject thereto in such manner as they shall think fit and for the purpose may cause to be issued a

duplicate certificate in respect of such shares and may authorise on of their members to execute a transfer thereof on behalf of and in the name of such Member. No sale shall be made until period as aforesaid shall have arrived and until notice in writing of the intention to sell have been served on such Member or his representatives and default shall have been made by him or them in payment, fulfilment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.

Application of proceeds of sale 38. The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale be paid to the persons entitled to the shares at the date of the sale).

Forfeiture of Shares 39. If money payable on shares are not paid Notice to be given to Member; if any Member fails to pay any call or instalment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid the Board may, at any time thereafter, during such time as the call or instalment remains unpaid, give notice to him requiring him to pay expenses that may have been incurred by the Company by reasons of such non-payment.

FORFEITURE OF SHARES

Forfeiture of Shares 40. Terms of Notice : The notice shall name a day (not being less than fourteen days from the date of the notice) and a place on and at which such call or instalment and such interest thereon at such rate not exceeding 10 percent per annum as the Directors shall determine from the day on which such call or instalment ought to have been paid ~~are to be paid~~ are to be paid. the notice shall also state that in the event of non-payment on or before the time and at the place appointed, the shares in respect of which the call was made or instalment is payable will be liable to be forfeited.

In default of payment shares 41. If the requirements of any such notice as aforesaid not be complied with every or any share in respect of which such notice has been given may at any time thereafter before payment of all calls or instalments, interest ~~and expenses~~ due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other monies payable in respect of the forfeited share and not actually paid before the forfeiture.

Notice of Forfeiture to a Member 42. When any share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

Forfeited Share to be property of the Company and may be sold etc. 43. Any share so forfeited shall be deemed to be the property of the Company and be sold, reallocated, or otherwise disposed off, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit.

Member still liable to 44. Any Member whose shares have been forfeited shall, notwithstanding the forfeiture pay Money owing at be liable to pay and shall forth with pay to the Company on demands all calls, time of forfeiture and instalments, interest and expenses ~~owing upon~~ or in respect of such shares at the interest time of the forfeiture, together with interest thereon from the time of the forfeiture until payment at such rate not exceeding 10 per cent per annum as the Board may determine and the Board may enforce the payment thereof if it thinks fit.

Effect of Forfeiture 45. The forfeiture of a share shall involve extinction, at the time of the forfeiture of all interest in and all claims and demands against the Company, in respect of the shares and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.

Evidence of Forfeiture 46. A declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles and a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.

Validity of sale under 47. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the Articles 48 & 46 powers herein before given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the shares sold, and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damage only and against the company exclusively.

Power to Annul 48. The Board may at any time before any share so forfeited shall have been sold, Forfeiture reallocated or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

TRANSFER AND TRANSMISSION OF SHARES

Register of Transfers 49. The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share.

Form of Transfer 50. The instrument of transfer shall be in writing and in the prescribed form under Companies (Central Government General Rules and Forms 1959). All the provisions of Section 108 of the Companies Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers shares and the registration thereof.

To be executed by 51. Every such instrument of transfer shall be executed both by the transferor and the Transferor and Trans- transferee and the transferor shall be deemed to remain the holder of such share until feree the name of the transferee thereof.

Transfer Books when 52. The Board shall have power on giving not less than thirty days previous notice by closed advertisement in a newspaper circulating in the district in which the registered office

of the Company is situated to close the transfer books, the register of Member or register of Debenture holders such time or times and for such period or periods not exceeding thirty days at time and not exceeding in the aggregate forty-five days in each year; as to it may seem expedient.

Directors may refuse to Register Transfers

53. Subject to the provisions of Section 111 of the Act, Section 22 (a) of the Securities contracts (Regulation) Act, 1956 and to any other law for the time being in force, the Board may, within one month from the date on which the instrument of transfer was delivered to the Company, decline to register any transfer of shares and, in the case of shares not fully paid up, may refuse to register a transfer to a transferee of whom they do not approve. If the Board refuses to register the transfer of any shares, Company shall, within one months from the date on which the instrument of transfer was lodged with the Company send to the transferee and the transferor notice of the refusal. Registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the company on any account whatsoever except lien on shares.

Notice of Application when to be given

54. Where in the case of partly paid shares an application for registration is made by the Transferor the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.

Death of one or more jointholders of Share of survivors

55. In case of the death of any one or more of the persons named in the Register or Members as the joint-holders of any share, the survivor or survivors shall be the only person recognised by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased jointholder from any liability on shares held by him jointly with any other person.

Title of Shares of Deceased Member

56. The executors or administrators or holders of a succession certificate or the legal representatives of a deceased Member (not being one or two more joint-holders) shall be the only person recognised by the Company as having any title to the shares registered in the name of such Member, and the company shall not be bound to recognise such executors, or administrators or holders of a succession certificate or the legal representatives unless such executors or legal representatives shall have first obtained probate or Letter of Administration or Succession Certificate as the case may be, from a duly constituted court in the Union of India; provided that in any case where the Board in its absolute discretion thinks fit, may dispense with production of probate or Administration or Succession Certificate, upon such terms so as to indemnify; or otherwise as the Board in its absolute discretion may think necessary and under Article f58 register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased Member, as a Member.

No Transfer to Infant or Unsound Mind

57. No share shall in any circumstance be transferred to any infant, insolvent or person of unsound mind.

Registration of persons becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any Members, or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give), upon pro-

58. Subject to the provision of Articles 55 and 56, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any Members, or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give), upon pro-

ducing such evidence that he sustains the character in respect of which he proposes to act under this Article or of his title, as the Board thinks sufficient, either be registered himself as such holder provided, nevertheless that if such person shall elect to have his nominee registered he shall testify the election by executing in favour of his nominee as instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares.

Persons entitled may 59. A person entitled to a share by transmission shall, subject to the right of the Directors receive dividend; with- to retain such dividends or money has hereinafter provided, be entitled to receive, out being registered as and may give discharge for, and dividends or other monies payable in respect of the Member share.

Fees of Transfer 60. The transfer or transmission of shares in the Company shall not be subject to the levy of any fee by the Company.

The Company not 61. The company shall incur no liability or responsibility whatsoever in consequence of liable for Disregard of its registering or giving effect to any transfer of shares made or purporting to be made a Notice prohibiting by any apparent legal owner thereof (as shown or appearing in the Register of Mem- Registration of a Trans- bers) to the prejudice of persons having or claiming any equitable right, title, or fer interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entitled such notice, or referred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be give to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some books of the Company; but the Company, shall nevertheless be at liberty to regard and attend to any notice, and effect thereto if the Board so thinks fit.

COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS

Copies of Memorandum and Articles of Association to be sent 62. Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 39 of the Act shall be sent by the Company to every member at his request within seven days of the request on payment of the sum of Rupees one for each copy.

BORROWING POWERS

Power of Borrowal 63. Subject to the provisions of Section 292 of the Act and or these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board, accept deposits from Members, either in advance of calls or otherwise, and generally raise or borrow or secure the payment or any sum or sum of money for the Company. Provided however where the monies to be borrowed together with the monies already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board shall not borrow such monies without the consent of the Company in General Meeting.

The payment or repayment of monies borrowed 64. The Payment or repayment of monies borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by a resolution passed at a meeting of the Board (and not by circular resolution) by the issue of debenture stock of the Company, charged upon all or any part of the property of the "Company (both present and future) including its uncalled capital for the time being, and debentures, debenture stock and other securities may be made assignable from any equities between the Company and the person whom the same may be issued.

Terms of Issue of Debentures 65. Any debentures, debenture stock or other securities may be issued at a discount, premium or otherwise and may be issued on conditions that they shall be convertible into share of any denomination and with any privileges and conditions as to redemption surrender, drawing, allotment of shares on attending (but not voting) at General Meeting appointment of directors and otherwise. Debentures with right of conversion into or allotment of shares shall be issued only with the consent of the Company in General Meeting.

Register of Mortgage etc. to be kept 66. The Board shall cause a proper Register to be kept in accordance with the provisions of Section 143 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company and shall cause the requirements of Section 118, 135 and 127 to 144 (both inclusive) of the act in that behalf to be duly complied with.

Register and Index of Debenture Holders 67. The Company shall if at any time issues debentures, keep a Register and index of Debentures.

MEETING OF MEMBERS

Annual General Meeting Annual Summary 68. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meeting in that year. All General Meetings other than Annual General Meeting shall be called extra-ordinary General Meetings, the first Annual General Meeting shall be held within eighteen months from the date of incorporation of the Company and next Annual General Meeting shall be held within six months after the expiry of the financial year in which the first Annual General Meeting was held and thereafter an Annual General Meeting shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next. The notice calling the Meeting shall specify it as the Annual General Meeting. Every Member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the company shall be the right to attend be heard which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table the Directors Report and Audited Statement of Accounts. Auditors Report (if not already incorporated in the Audited Statement of Accounts), the proxy Register with Proxies and the Registers of Director's share holdings which latter register shall remain open and accessible during the continuance of the meeting. The Board shall prepare Annual list of Members, summary of the Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Register of Companies, Andhra Pradesh, in accordance with Section 159, 161 and 220 of the Act.

- Extra-Ordinary General Meeting 69. The Board may whenever it thinks fit, call an Extra-ordinary General Meeting and it shall do so upon a requisition in writing by any Member or Members holding in the aggregate not less than one tenth of such of the paid up capital as at that date carries the right of voting in regard to the matter in respect of which the requisition has been made.
- Requisition of Members to state object of Meeting 70. Any valid requisition so made by Members must state the object or objects of the meeting proposed to be called and must be signed by the requisitionists and be deposited at the office; provided that such requisition may consist of several documents in lieu like from each signed by one or more requisitionists.
- On receipt of Requisition Directors to call meeting and in default Requisition may do so 71. Upon the receipt of any such requisition, the Board shall forthwith call an Extra-ordinary General Meeting and if they do not proceed within twentyone days from the requisition being deposited at the Office to cause a meeting to be called on a day not later than 45 days from the date of deposit of the requisition, the requisitionists or such of their number as represent either a majority in value of the paid up-share capital held up by all of them or not less than one tenth of such of the paid-up share capital of the Company as is referred to in Section 169 (4) of the Act, whichever is less, may themselves call the meeting but in either case any meeting so called shall be held three months from the date of the delivery of the requisition as aforesaid.
- Meeting called by Requisitionist 72. Any Meeting called under the "foregoing" Article by the requisitionists shall be called in the same manner, as nearly as possible as that in which meetings are to be called by the Board.
- Twentyone days Notice of Meeting to be given 73. Twenty one day's notice of atleast of every General Meeting, Annual or Extra-ordinary, and by whomsoever called, specifying the day, place and hour of meeting and the General nature of the business to be transacted there at, shall be given in the manner hereinafter provided to such persons as are under these Articles entitled to receive notice from the Company, provided that in the case of an Annual General Meeting with the consent of Members holding not less than 95% of such part of the paid-up share capital of the Company as gives a right to vote at the meeting, a meeting may be convened by a shorter notice in the case of an Annual General Meeting if any business other than (1) the consideration of the accounts, balance sheets and reports of the Board of Directors and Auditors, (ii) the declaration of dividend, (iii) the appointment of Directors in place of those retiring (iv) the appointment of and fixing of the remuneration of the Auditors, is to be transacted and in the case of any other meeting in any event, there shall be annexed to the notice of Meeting a statement setting out all material facts concerning each such item of business, including in particular the nature of the concern of interest if any, therein to every Director and the Manager (if any), where any such item of business relates to or affects any other Company, the extent of share holding interest in that Company of every Director and the Manager, if any, of the Company. Where any item of business consists of the according of approval to any document by the meeting the time and place where the document can be inspected shall be specified in the statement aforesaid.
- Omission to give 74. The accidental omission to give any such notice as aforesaid to any of the

- notice not invalidate a Resolution passed
- Members, or the non-receipt thereof, shall not invalidate any resolution passed at such Meeting.
- Business mentioned in the Notice only to be discussed
75. No General Meeting, Annual or extra-ordinary shall be competent to enter upto, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.
- Quorum at General Meeting
76. Five Members present in person shall be quorum for General Meeting. A body corporate being a member shall be deemed to be personally present if is represented in accordance with Section 187 of the Act. No business shall be transacted at any General Meeting unless the requisite quorum shall be present.
- Quorum not present, meeting to be dissolved adjourned
77. If within half an hour from the time appointed for holding a Meeting of the Company, a quorum shall not be present, the meeting if convened or upon the requisition of Members, shall stand dissolved, but in any other case the Meeting shall stand adjourned to the same day in the next week or if that day is public holiday until the next succeeding day which is not a public holiday at the same time and place or to such other day and at such other time and place within the city in which the office is situated as the Board may determine and if at such adjourned meeting a quorum is not present within half-an-hour from the time appointed for holding the meeting the members present shall be quorum to transact the business of for which the meeting was called.
- Chairman of General Meeting
78. The Chairman of the Board of Directors shall be entitled to take the chair at every General Meeting or if there be no such chairman, or if at any meeting he shall not be present within 30 minutes of the time appointed for holding such meeting or is unwilling to act, the Directors present shall elect one from amongst themselves to be the Chairman of the meeting in default of their doing so, the members present shall choose a Director as Chairman, and if no Director present, or if all Directors present decline to take the chair, then the members present shall choose one of their members to be the Chairman.
- Business confined to election of Chairman when Chair Vacant
79. No business shall be discussed at any General Meeting except the election of a Chairman, whilst the chair vacant.
- Chairman with consent may adjourn meeting
80. The chairman with the consent of the meeting may adjourn any meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting in which the adjournment took place.
- Questions at General Meeting how decided
81. At any General Meeting a resolution put to vote of the Meeting shall be decided on a show of hands, unless a poll is (before or) on the declaration of the result of the show of hands demanded by atleast five Members having the right to vote on the resolution and present in person or by proxy, or by the Chairman of the Meeting or by any Member or Members holding not less than one tenth of the total voting power in respect of the resolution or by any Member or Members present in person or proxy holding share in the Company conferring a right to vote on the resolution being shares on which an aggregate sum has been paid up which is not less than one tenth

of the right and unless poll is so demanded, a declaration by Chairman that a resolution has, in a show of hands, been carried unanimously, or by a particular majority, or lost and an entry to that effect in the Minute Books of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.

Chairman to have casting vote 82. In the case of an equality of votes the Chairman shall both on a show of hands and at a poll (if any) have a Casting vote in addition to the vote or votes to which he may be entitled as a Member.

Poll to be taken if demanded 83. (a) Before or on the declaration of the result of the voting on any resolution on a show of hands, poll may be ordered to be taken by the chairman of meeting on his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the company which confer a power to vote on the resolution, not being less than one tenth of the total voting power in respect of the resolution, or on which an aggregate sum of not less than fifty thousand rupees has been paid up.

(b) The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

Scrutineers at poll 84. Where a poll is to be taken the Chairman of the Meeting shall appoint two scrutineers to scrutinise the voter given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a Member (not being an officer or employee of the Company) present at the meeting, provided such a Member is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared to remove a scrutineer from office and fill vacancies in the office of scrutineer arising from such removal or from any other cause.

In what case poll taken without Adjournment 85. Any poll duly demanded on the election of Chairman of a meeting or on any question of adjournment shall be taken at the meeting forthwith.

Demand for poll not to prevent transaction of other Business 86. The demand for a poll except on the question of the election of the Chairman and of an Adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

VOTE OF MEMBERS

Votes of Members in Areas not to vote 87. No member shall be entitled to vote either personally or by proxy for another Member at any General Meeting or a class of share holders either upon a show of hands or upon a poll in respect of any share registered in his name on which any calls or other sums presently payable by him have been paid or in regard to which the Company has exercised, any right of lien.

Number of votes to which member entitled 88. Subject to provisions of these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of share for the time being forming part of the Capital of the Company every Member, not disqualified by

the last proceeding Article shall be entitled to be present and to speak and vote at such meeting, and on a show of hands every Member whether present in person or by proxy shall be in proportion to his share of the paid-up equity capital of the Company provided, however, if any preference share holder be present at any meeting of the Company, same as provided in clause (b) of sub-section (2) of Section 87, he shall have a right to vote only on resolution placed before the meeting which directly affects the rights attached to his preference shares.

Voting in person or by Proxy

89. Subject to the provisions of these Articles votes may be given either personally or by proxy. A body corporate being a Member may vote either by a proxy or by a representative duly authorised with Section 187 of the Act and such representative shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual Member.

Appointment of Proxy

90. Every proxy (whether a Member or not) shall be appointed writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the Common seal of the Corporation, or be signed by an officer or an attorney duly authorised by it, and any committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the meetings.

No Proxy except for a Body Corporate to vote on a Show of hands

91. No Member present by proxy shall be entitled to vote on a show of hands, unless such Member is a body Corporate present by a proxy who is not himself a Member, in which case such proxy shall have a vote on the show of hands as if he were Member.

Deposit Instrument of Appointment

92. The instrument appointing proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, shall be deposited at the office not later than forty-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after expiration of twelve months from date of execution.

Form of Proxy

93. Every instrument of proxy whether for a specified meeting or otherwise shall, as early as circumstance will admit be in any of the form set out in Schedule IX of the Act.

Time for objection of votes

94. No objection shall be made to the validity of any vote, except at the meeting or poll at which such vote shall be tendered and every one whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

Chairman of any Meeting to be sole judge of validity of any vote

95. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

Minutes of General Meeting and Inspection thereof by Members

96. (a) The Company shall cause minutes of proceedings of every General Meeting to be kept in accordance with Section 193 of the Act.

(b) Any such minutes shall be evidence of the proceedings recorded therein.

- (c) The book containing the minutes of proceedings of General Meetings shall be kept at the office and shall be open, during business hours, for such periods not being less than two hours in each day as the Director may determine to the inspection of any Member without charge.

DIRECTORS

- Directors** 97. Until otherwise determined by General Meeting, the number of Directors shall neither be less than three nor more than twelve inclusive of the ex-officio Directors, nominee Directors, Technical Directors, Special Directors and Debenture Directors, alternate whole time and additional directors if any.
- First Directors** 98. The following shall be the First Directors of the Company :
1. **SRI GHISULAL JAIN**
 2. **SRI SUBHASH LALWANI**
- Directors may fill up vacancies and Add to their number** 99. Subject to the provisions of Section 260, 261 and 234 (6) of the Act, the Directors shall have power at any time and from time to time to appoint any person as a Director either to fill a casual vacancy or as addition the Board, but so that the total number of Directors shall not at any time exceed the maximum number fixed as above. Any Director appointed to fill a casual vacancy shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if he has not been vacated. Any person appointed as an additional Director shall hold office only upto the conclusion of the next Annual General Meeting of the Company, but he shall be eligible for re-appointment at such meeting.
- Tenure of Office of substitute Directors or Additional Directors** 100. Without prejudice to the powers of Directors under Article 100 the Company in General Meeting may appoint any person to be a Director either to fill casual vacancy or as an additional to the Board. A person appointed to fill a casual vacancy shall hold office only upto the date on which the Director in whose place he is appointed, would have held office if he had not been vacated.
- Appointment of Alternate Directors** 101. The Directors of the Company appoint an Alternate Director to act for a Director (hereinafter called the original Director) during his absence for a period of not less than three months from the State in which meetings of the Board are ordinarily held. An alternate Director shall vacate office if any when the original Director returns to State, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default or of another appointment shall apply to the original Director and not to the Alternate Director.
- Special Directors** 102. i) Subject to the provisions of Section 255 of the Act, the Company may, as result of special arrangement arrived at with any person or body corporate, allow such person's Body Corporate's nominating (including power to replace or remove) representative on the Board of the Company. This discretion shall vest in Board of Directors.
- ii) The Directors appointed under the provisions of Sub-Clause (i) above shall be

deemed ex-officio Directors within the meaning of these Articles. The ex-officio Directors as aforesaid shall not be liable to retire by rotation nor shall their number taken into account for determining the number of Directors liable to retire by rotation.

- iii (a) Notwithstanding anything to the contrary contained in these Articles, (but subjects to the provisions of the Act) so long as any monies remain owing by the Company to the Industrial Credit and Investment Corporation of India Limited (I.C.I.C.I.), Industrial Development Bank of India (I.D.B.I.), Industrial Finance Corporation of India (I.F.C.I.), Life Insurance Corporation, any other Credit Corporation, or Body (each of which ICICI, IDBI, IFCI, Finance Corporation, Credit, Corporation or Body is hereinafter in this Article referred to as "The Corporation") out of any loans granted by them to the Company by direct subscription or private placement or so long as the Corporation holds and Equity and or/ preference shares of the Company as a result to underwriting and/or direct subscription the corporation shall have a right to appoint from time to time, any person as non-whole time Director (which Director is hereinafter referred to as Corporation") on the Board of Directors of the Company and to remove from such office any person so appointed and to appoint any other person in his place.
- (b) The Corporation Director appointed as aforesaid shall not be required to hold any share qualification in the Company nor shall he be liable to the provision of retirement of Directors rotation. Subject as aforesaid, the Corporation Director shall be entitled to the rights and privileges be subject to the same obligations as any other non-whole time Director of the Company.
- (c) The Corporation Director appointed as aforesaid shall hold office so long as any monies remain owing by the Company to the Corporation or so long as the Corporation hold Debentures in the Company as a result of direct subscription or private placement or so long as the Corporation hold any equity/or preference Shares of Company as a result of underwriting and/or direct subscription and the Corporation Director appointed as aforesaid shall ipso facto/vacate office immediately the monies owing by the Company to the Corporation are paid off or on the Corporation ceasing to hold Debentures or Shares in the Company.
- (d) The Corporation Director appointed by the Corporation under this Article as well as the Corporation shall be entitled to receive notices of all General Meetings of the Committee of which the Corporation Director is a Member and also minutes of such meetings. The Company shall pay the Corporation Director normal allowances, other remuneration, travelling and boarding expenses as applicable to other non-whole time Directors of the Company, provided that if such Corporation Director is an Officer of Reserve Bank of India (RBI) or IDBI otherwise decides no

sitting fees or any other remuneration shall be payable to him but that the Company shall reimburse RBI or IDBI as the case may be, the amounts paid or payable under the rules or RBI or IDBI to such Corporation Director on account of travelling and halting allowances and any other expenses for attending any General Meeting or Meeting of the Board or Committee of the Company.

- (iv) In connection with any Collaboration arrangement with any Company or Corporation or any firm or person for supply of technical know-how and/or machinery or technical advice the Directors may authorise such Company, Corporation, firm or person (hereinafter in this clause referred to as "Collaborator") to appoint, from time, any one or more person(s) as Director(s) of the Company (hereinafter referred to as "Special Director(s)") and may agree that such Special Director(s) shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for the office of such Director, so however that such Special Director shall hold office so long as such collaboration arrangements or at any time thereafter. The collaboration arrangements or at any time thereafter. The collaborator may at any time from time to time remove any such Special Director(s) appointed by it and may at the time of such removal and also the case of death or resignation of the person so appointed, at any time, appoint any other person(s) as Special Director(s) in his place and such appointment or removal shall be made in writing signed by such Company or Corporation or any Partner or such person and shall be delivered to the Company at its Registered Office. It is clarified that every Collaborator entitled to appoint a Director and so that if more than one Collaborator is so entitled there may be at any time as many, Special Directors as the Collaborators are eligible to make the appointment. Every Collaborator entitled to appoint Directors under this Articles may appoint one or more person(s) as Director(s).

Qualification Shares 103. No share qualification shall be necessary for any Director.

Remuneration of Director 104. The remuneration of every Director, inclusive of the Alternative Director, if any and the Debenture Director, if any, or a Special invitee if any, shall be such sum as may be prescribed by the Act or the Central Government from time to time for every meeting or the Board of a Committee Directors attended by him. Notwithstanding any thing contained in the Article the Directors may at any time and from time to time at their absolute discretion resolve, without being bound to do so, for reasons of commercial expediency, to waive or forge a part or the whole of the remuneration payable to one or more of them under the aforesaid Article.

Special remuneration of Director performing extra service Whole-time Directors 105. (a) If any Director being willing shall be called upon to leave and reside away from his usual place of residence on the Company's business, or to perform extra services (which expression shall include the work done by a Director in signing certificates or Debentures issued by the Company; or work done by him as a member of any Committee appointed by the Directors in terms of these Articles) the Directors may have an arrangement with such a Director for special remuneration for the extra services performed either by way of salary

or commission, or by way of participation in profits or by a fixed sum of money and such remuneration may be either in addition to or in lieu of his remuneration.

- (b) A Director shall also be paid in addition to the fee for attending meetings of the Board and Committee, a fair compensation to cover his travelling lodging, boarding and other expenses incurred by him in the process of attending the meeting of the Board or Committees at a venue in municipal limits whereof, he is not ordinarily a bonafied resident. The Directors shall be entitled to be reimbursed any travelling and other expenses incurred in connection with the business of the Company.

106. The Office of directors shall be vacated on happening of any of the following :

- (a) He is found to be of unsound mind by a Court of Competent jurisdiction; or
- (b) He is adjudged an insolvent; or
- (c) He applies to be adjudicated as insolvent; or
- (d) He fails to pay any call made on him in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the date fixed for the payment of such calls unless the Central Government has by notification in Official Gazette removed the disqualification incurred by such failure; or
- (e) If the provision of the Section 314 (1) are contravened and therefore, he is deemed to have vacated office under sub-clause (2) of Section 314 of the Act : or
- (f) he becomes disqualified by an Order of Court under Section 203 of the Act, or
- (g) he (whether by himself or by any person for his benefit or on his account) or any firm in which he is a partner of any Private Company of which he is a Director, accepts a loan or any guarantee or security for loan from the Company in contravention of Section 295 of the Act; or
- (h) he is removed in pursuance of Section 284 of the Act; or
- (i) he acts in contravention of Section 299 of the Act; or
- (j) he is convicted by a Court of any offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than six months; or
- (k) he absents himself from three consecutive meetings of the Board of Directors or from all meetings of the Board for a continuous period of three months whichever is longer, without obtaining leave of absence from the Board; or

(1) he having been appointed a Director by virtue of his holding any office or any employment in the Company cease to hold such office or other employment in the Company.

Directors may contract with the Company 107. (1) A director or his relative, a firm in which such Director a relative is a partner, any other person in such Firm, or Private Company of which the director is member or Director may enter into any contract with the Company for sale, purchase or supply of any goods, materials or services of for underwriting the subscription of any shares, in or debentures of the Company provided that the sanction of the Board is obtained before or within three months of the date on which the contract is entered into in accordance with Section 297 of the Act:

(2) No Sanction however shall be necessary to

- (a) any purchase of goods and materials from the Company, or the sale of goods are materials to the Company by any such Director, relative, firm, partner or Private Company as aforesaid for cash at prevailing market price3s; or
- (b) any contract or contracts between the Company on one side and any such Director, relative, firm, partner, or Private Company on the other for sale, purchase, or supply of any goods, materials and services in which either the Company as the case may be regularly trades or does business where the value of the goods and materials or the cost of such services do not exceed Rs.5,000/- in the aggregate in any comprised in the period of contract or contracts.
- (c) provided that in circumstances of urgent necessity, the Company may without obtaining the consent of the Board enter into any such contract or contracts with the Director, relative firm, partner or private company even if the value of such goods or materials or the cost of such services exceed Rs.5,000/- in the aggregate in any years comprised in the period of the agreement in the consent of the Board shall be obtained to such contracts at a meeting within three months of the date on which the contract was entered into.

Disclosure of interests 108. A Director of the Company, whether directly or indirectly, concerned or interested in a contract or arrangement entered into, or a proposed contract or arrangement entered into by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 299(2) of the Act; provided that it shall not be necessary for a Director to disclose his concern or interest in any contract arrangement entered into or be entered into with any other company where any of the Directors of the company or any such other Company where any or more of them together holds or hold not more than two per cent of the paid-up share capital in any such other Company or the Company, as the case may be. A General Notice given to the Board by the Director, to the effect that he is Director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement

which may, after the date of the notice be entered to with that body corporate or firm shall be deemed to be a sufficient disclosure. Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for a further period of one financial year at a time by a fresh notice given in the last month of the financial year in which it would have otherwise expired. No such general notice and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

Interested Directors not
to Participate or vote
in Board's proceedings

109. No Director shall as a Director, take any part in the discussion of or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly concerned or interested in such contract or arrangement nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void; provided that the Board, or any of its members may vote on any contract or indemnity against loss which it or any one or more of its members may suffer by reason of becoming or being sureties or surety for the Company; provided however that nothing herein contained shall apply to (a) any contract or indemnity against any loss which the Directors, or any one or more, of them suffer by reason of becoming or being sureties or a surety for the Company; (b) any contract or arrangement entered into or to be entered into with a public Company or a private company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely.

i) in his being

(a) a director of such company, and

(b) the holder of not more than shares of such number value therein as is requisite to qualify him for appointment as director thereof he having been nominated as such Director by the Company; or

ii) in his being a member holding not more than 2% of its paid-up share capital.

Register of Contracts
in which Director are
interested

110. The Company shall keep a register in accordance with Section 301 (1) of the Act and shall within the time specified in Section 301(2) of the Act enter there in such of the particulars as may be relevant having regard to the application thereto of Section 297 or Section 299 of the Act as the case may be. The Register aforesaid shall also specify, in the bodies corporate and firms of which notice has been given by him under Article 197. The register shall be kept at the Registered Company and shall be open to inspection at such office, and extracts may be taken there from and copies thereof may be obtained by any Member of the Company to the same extent in the same manner as on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 163 of the Act shall apply accordingly.

Retirement and Rotation
of Directors

111. At every Annual General Meeting of the Company one third of such of the Directors not being whole-time-Director, as appointed under Act 102 above for the time being as are liable to retire by rotation or if their number is not three or multiple of three the number nearest to one-third shall retire from office.

- 5) To execute all deeds, agreements, contracts, receipts and other documents that may be necessary or expedient for the purposes of the Company and to make and give receipts release and other discharges for months or property received in usual course of business of the Company or rent or payable to or belonging to the Company and for the claims and demands of the Company.
- 6) To institute, conduct, defend, compound or abandon an action suits, legal and taxation proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound or compromise or submit to arbitration the same actions, suits, and legal proceedings.
- 7) To enter into vary or cancel all manner or contracts on behalf of the Company.
- 8) To invest subject to the provisions of Section 49 of the Companies Act, 1956, all monies and properties of the Company on such terms and in such manner as the Managing Director thinks fit and to alter vary or realise by sale mortgage or otherwise such investments from time to time.
- 9) To engage and in his discretion to remove, suspend, dismiss and remunerate bankers, legal advisers, accounts, office Managers, clerks, agents, commission agents, dealers, brokers, foremen, servants, employees of every description and to employ such professional or technical or skilled assistants as from time to time may in his opinion be necessary or advisable in the interest of the Company and such terms as to duration of employment, remuneration or otherwise and may require security in such a instance and to such amounts as the Managing Director thinks fit.
- 10) To acquire by purchase, lease, exchange, pledge, hypothecation of otherwise transfer land, estates, buildings, office, show rooms and other buildings in the State of Andhra Pradesh or otherwise, machinery entire plant, rolling stock, tools, machine tools, outfits, stores, hardware and any other materials of whatever description either on credit or for cash and for present or future delivery.
- 11) To plan, develop, improve, cut down process, sell or otherwise dispose of the products of the Company and to incur all expenses in this behalf.
- 12) To erect, maintain, repair, equip alter and extend buildings and machinery in the State of Andhra Pradesh or in any other place.
- 13) To enter into all such negotiations and contracts and rescind and vary all such contractors and to do all such acts, deeds and things in the name and on behalf of the company as he may consider expedient for or in relation to any of the matters aforesaid or otherwise for the Company.
- 14) To pay all money due by the Company and look after the finance of the Company.

- 15) To open current and time deposit accounts or other accounts with bankers at his choice and to operate on such accounts and also when necessary to overdraw or take loans on such accounts on the security of the Company or of any of its asset.
- 16) To draw, accept, enforce, discount, negotiate and discharge on behalf of the Company all bills of exchange, promissory notes, cheques, hundies, drafts, railway receipts, dock warrant delivery orders, Government Promissory notes, other Government instruments, Bonds, Debentures or debenture stock or corporation, Local Bodies, Port Trusts, Improvement trust or other Corporate Bodies and to execute transfer deeds for transferring Stock, shares or stock certificates of the Government and other local or corporate bodies in connection with any business or any subject of the Company.
- 17) To borrow from time to time such sums of money for the purposes of the Company upon terms as may be expedient and with or without security.
- 18) To make loans from time to time upon terms and of such sums as may be expedient, with or without security.
- 19) To receive and give effectual receipt and discharge on behalf of and against the Company for monies, funds, goods or property lend, payable or belonging to the Company or for advances against the goods of the Company.
- 20) To make or receive advance of money, machinery, plants and other things by way of sale, mortgage, hypothecation, lien pledge, deposit or otherwise in such manner and on such terms as may deem fit.
- 21) To submit to arbitration and enforce the fulfillment of awards regarding any claims which the Company may be interested, to adjust, settle or compromise and claims due to or the Company and to give to debtors of the Company time for payment.
- 22) To institute appear in or defend any legal proceedings in the name and on behalf of the Company to sign any pleading and other documents, engage and to instruct any Advocate, Solicitors and Lawyers and to execute any vakaltnama or other authority in their favour and to compound and compromise any claim, suit and proceedings.
- 23) To make all manner of insurance.
- 24) To delegate all or any of the powers authorities and discretions for the time being vested in the Managing Director and Joint Managing Director and also from time to time provided by the appointment of an Attorney or Attos to sign, seal, execute, deliver register or cause to be registered all instruments, deeds, documents goings usually necessary or expedient for any of the purpose of the Company not requiring for Common Seal of the Company.

- 25) To provide for the welfare of the employees or ex-employees of the Company and their wives, widows and families or dependents of such person by buildings, houses, dwellings or by grants of monies, pensions, gratuities, allowances, bonus or other payments or by creating and from time to time subscribing for trusts and by subscribing towards places of instruction and recreation, hospital and dispensaries, medical and other attendances and other assistance as the Company shall think fit and to subscribe or contribute or otherwise to assist or guarantee money to charitable benevolent, religious, scientific, national, educational or other institutions or objects which shall have in the opinion of the Company either by reason of loyalty or operation or of public and general utility or otherwise.

Restrictions of Management. The Managing Director or Managing directors not to exercise the powers

116. (a) Make calls on shareholders in respect of money unpaid or other shares in the Company and;
(b) Issue of debentures and except to the extent mentioned in the resolution passed at the Board meeting under Section 292 of the Act.

Special Position of Managing Director, Joint Managing Director, Whole-time Director

117. The Managing Director, Joint Managing Director, whole-time Director shall not while he continues to hold that office be required to retire by rotation nor shall he be required to hold any qualification shares. If he ceases to hold the office of Director, he shall ipso facto and immediately cease to be a Managing Director, Joint Managing Director, Whole-time Director.

PROCEEDINGS OF THE BOARD OF DIRECTORS

Meeting of Directors

118. The Directors may meet together as a Board for the despatch of business from time to time and shall so meet once in every three months, as provided in Section 285 of the Companies Act, 1956. The Directors may adjourn and otherwise regulate their meetings as they think fit.

Notice of Meeting

119. Save with the consent in writing of all the Directors not less than seven days notice in writing shall be given of every meeting of the Board such notice shall be given to every Director for the time being in India and at his usual address in India, to every other Director. Notice of the date of such meeting shall also be given by cable to every Director not for the time being in India. No meeting of the Directors shall be competent to enter upon discussion or transact any business which has not been mentioned in the notices upon which it was convened unless the Directors present at the meeting unanimously agree to discuss or transact such business.

Quorum

120. Subject to Section 297 of the Act the quorum for a meeting for the Board shall be one-third of its total strength (excluding directors, if any, whose places may be vacant at the time and any fraction contained in that one third being rounded off as one) or two Directors, whichever is higher provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength the number of the remaining Directors, that is to say the number of the Directors who are not interested present at the meeting being not less than two shall be the quorum during such time.

- Adjournment of meeting of want to Quorum 121. If a meeting of the Board could not be held for want of Quorum, then meeting shall automatically stand adjourned to such other time as may be fixed by the Chairman not being later than seven days from the date originally fixed for the meeting.
- When Meeting to be convened 122. A Director may at any time and the Secretary upon the request of a Director, shall convene a meeting of the Board.
- Chairman 123. The Chairman of the Company will be appointed by the Board of Directors and shall have a casting vote. The said Chairman shall have a casting vote in addition to his own vote. If at any meeting of the Board the Chairman is not present within fifteen minutes after the time appointed for holding the same the Directors present may choose one of their members to be chairman of the meeting.
- Question at Board Meeting how decided 124. The question arising at any Meeting of the Board of Directors shall be decided by a majority of votes and in the case of any equality of votes, the Chairman shall have a second or casting vote.
- Powers of Board Meeting 125. A meeting of the Board for the being at which a quorum in present shall be competent to exercise all or an of the authorities, powers and discretions which by or under the Articles of the Company which are for the time being vested in or exercisable by the Board generally.
- Directors may appoint Committees 126. Subject to the restriction contained in Section 292 of the Act the Board may delegate any of their powers to committees of the Board consisting of such members of its body as it thinks fit and it may from time to time revoke and discharge any such committees of the Board either wholly or in part and either as to persons or purpose, but every committee of the Board so formed shall in the exercise of the powers so delegated confirm to any regulations that may from time to time be imposed on it by the Board. All the acts done by any such committee of the Board in conformity with such regulations and in fulfilment of the purpose of their appointment but not otherwise, shall have the like force and effects as if done by the Board.
- Meeting of Committee how to be governed 127. The meetings and proceedings of any such committee of the Board consisting of two or more Members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last proceeding Article.
- Resolution by Circular 128. No resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation unless the resolution has been circulated in draft together with the necessary papers, if any, to all the Members of the Committee, then in India (not being less in number the quorum fixed for a meeting of the Board or Committee, as the case may be), and to all other Directors or Members of the Committee at their usual address in India and has been approved by such of the Directors or Members of the Committee as are then in India or by a majority of them as are entitled to vote on the Resolution.
- Acts of board of Committee valid not 129. All acts done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall not withstanding that it shall afterwards be

withstanding informal
appointment

discovered that there was some defect in the appointment of such Directors or persons acting as aforesaid, or that they any of them were disqualified or had vacated office or the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if such person had been duly appointed and was qualified to be a Director and had not vacated his office or his appointment had not been terminated. Provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

Minutes of Proceed-
ings of Meetings of the
Board

130. The Company shall cause minutes of all proceedings of every meeting of the Board to be kept in accordance with Section 193 of the Act.

131. Any such minutes shall be evidence of the proceedings recorded therein.

Powers of the Board

132. Subject to the provisions of the Act, the control of the Company shall be vested in the Board who shall be entitled to exercise all such powers and to do all such act things as the Company is authorised to exercise and so provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act or any other statute or by the Memorandum of the Company or by these Articles or otherwise to be exercised or done by the Company in General Meeting. Provided further that in exercising any such power or doing any such act or thing the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of the Company or in these Articles or any regulations not inconsistent therewith any duly make there-under, including regulations made by the Company in General Meeting but not regulation made by the Board which would have been valid if that regulations had not been made.

SECRETARY

The Secretary

133. The Directors, may from time to time appoint and at their discretion, remove any individual (therein after called "the Secretary") to perform any function, which by Act are to be performed by the Secretary, and to execute any other ministerial or administrative duties which may from time to time be assigned by the Secretary by the Directors. The Directors may also at any time appoint a person (who need not be the Secretary) to keep the registers required to be kept by the Company.

SEAL

The Seal, its custody
and use, deeds how
executed

134. The Board shall provide a Common Seal for the purposes of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being and the seal shall never be used except by the authority of the Board or a Committee of the Board previously given. The Company shall also be at liberty to have an official seal in accordance with Section 50 of the Act, for use in any territory district or place outside India. Every deed or other instrument to which the Seal of the Company is required to be affixed shall unless the same is executed by a duly constituted Attorney be signed by two Directors or one Director and some others appointed by the directors for the purpose.

DIVIDENDS

- Division of Profits** 135. The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles and subject to the provisions of these Articles shall be divisible among the members in proportion to the amount of capital paid up on the shares held by them respectively.
- The Company in General Meeting may declare a dividend** 136. The Company in Annual General Meeting may declare dividends, to be paid to Members according to their respective right but no dividends shall exceed the amount recommended by the Board but the Company in Annual General Meeting may declare a smaller dividend.
- Dividends only to be paid out of Profits** 137. No dividend shall be declared otherwise than out of Profits of the Financial year arrived at after providing for depreciation in accordance with the provisions of Section 205 of the Act or out of the profits of the financial year or out of the profits of any other previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both provided that.
- (a) If the Company has not provided for depreciation for any previous financial year or years it shall, before declaring or paying dividend for any financial year provide for such depreciation out of the profits of the financial year or out of the profits of any other previous financial year or years.
- Interim Dividend** 138. The Board may from time to time pay to the Members such interim dividends as in their judgement the positions of the Company justifies.
- Capital paid up in advance carrying interest not to earn Dividends** 139. Where capital is paid in advance of calls upon the footing that the same shall carry interest, such capital shall not while carrying interest, confer a right to participate in profit.
- Dividends in proportion to amount paid-up** 140. The Company shall pay dividends in proportion to the amount paid up or credited as paid up on each share where a large amount is paid up or credited as paid up on some shares than on other. Moneys paid in advance of calls shall not in respect thereof confer a right to dividends or to participate in the profits of the Company.
- Retention of Dividends until completion of Transfer under Article 58** 141. The Board may retain the dividends payable upon shares in respect of which any person, under Article 51 entitled to become a Member or which any person under that Article is entitled to transfer until such person shall become a Member, in respect of such shares or shall duly transfer the same.
- Dividend etc. to Joint Holders** 142. Any one of the several persons who are registered as the Joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends or bonus or other monies payable in respect of such shares.
- No Member to receive dividend whilst indebted to the** 143. No Member shall be entitled to receive payment of any interest or dividend in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares otherwise however, either alone or

- Company and
Company's right of
reimbursement
- Transfer of Shares must be Registered
- Dividend how remitted
- Unclaimed dividend
- No interest on dividends
- Dividend and call together
- Capitalisation
144. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.
145. Unless otherwise directed any dividends may be paid by cheque or warrant or by a payslip or receipt having the force of a cheque or warrant sent through the post to the registered address of the Member or person entitled or in case of joint holders to that one of them first named in the Register in respect of the joint holding every such cheque or warrants shall be made payable the order of the person to whom it is sent. the Company shall not be liable or responsible for any cheque or warrant or payslip or receipt lost in transmission, or for any dividend lost to the Member or person entitled thereto by the forged endorsement of any cheque or warrant to the forged signature of any payslip or receipt or the fraudulent recovery of the dividend by any other means.
146. No unpaid dividends shall be forfeited by the Board and dividends unclaimed or unpaid shall be dealt with in accordance with Section 205 A of the Act.
147. No unpaid dividend shall bear interest as against the Company.
148. Any General Meeting declaring a dividend may on the recommendation of the Director make a call on the members of such amount as the meeting fixed, but so that the call on each member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the Members be set off against the calls.
149. The Company in General Meeting may resolve that any monies investments or others assets forming part of the undivided profits of the Company standing to the credit of reserve fund or any Capital Redemption Reserve Account or in the hand of the Company and available for dividend (or representing premium received on the issue of shares and standing to the credit of the Share Premium Account) be capitalised and distributed amongst such of the share holders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised funds be applied on behalf of such shareholders in paying up in full either at par or at such premium as the resolution may provide any unissued shares of the Company which shall be distributed according or in or towards payment of the uncalled liability on any issued shares and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the same capitalised sum provided that a share premium account and a Capital Redemption Reserve Account may for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to Members of the Company as fully paid bonus shares.

ACCOUNTS

150. The Company shall keep at the office or at such other place in India as the Board

- Account thinks fit proper books of accounts in accordance with Section 209 of the Act with respect to :
- (a) all sums of money received and expended by Company and the matters in respect of which the receipts and expenditure take place.
 - (b) all sales and purchased of goods by the Company.
 - (c) the assets and liabilities of the Company.
- When the Board decides to keep all or any of the books of accounts at any place other than the office of the Company, the company shall within seven days of the decision, file with the register notice in writing giving the full address of that other place. The Company shall preserve in good order the books of account relating to a period of not less than eight years preceeding the current year. When the shall be deemed to have complied with this Article if proper books of account relating to the transactions effected at the branch office are kept at the branch office and proper summarised returns made upto date at intervals of not more than three months, are sent by the branch office of the Company and its Registered Office or other place in India at which the Company's books of Accounts are kept at aforesaid. The Books of Accounts shall give a true and fair view of the state of affairs of the Company or branch office as the case may be and explain its transactions and shall be open to inspection by any Director during business hours.
- As to inspection of Accounts or Books by Members 151. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be opened to the inspection of Members not being Directors and no Member (not being a Director) shall have any right of inspecting any account or books or document of the Company except as conferred by law or authorised by the Board.
- Statement of Accounts to be furnished to 152. The Directors shall from time to time in accordance with Section 210, 211, 212, 215, 216 and 217 of the Act, cause to be prepared and to be laid before the Company in General Meeting such Balance Sheets, Profit and Loss Accounts and Reports as are required by these Sections.
- Copies of Balance Sheet, Auditors Report etc. 153. (a) A copy of every Balance Sheet including the profit and loss Account, the Auditor's Report and every other document required by law to be annexed or attached to the Balance Sheet which is to be laid before the company in General Meeting, shall be made available for inspection at the Registered office of the Company during working hours for a period of twenty one days before the date of the meeting and a statement containing the salient features of such documents in the prescribed form or at the discretion of the Board the copies of the documents aforesaid shall be sent to every member of the company and to every Trustee for the holders of any debentures issued by the Company, not less than twentyone days before the date of the meeting.
- (b) Any member or holder of debentures of the company and any person from whom the company has accepted a sum of money by way of deposit shall

demand, be entitled to be furnished free of cost, with a copy of the last balance sheet of the company and of every document required by law to be annexed or attached there to, including the profit and loss account and the auditors' report.

AUDIT

Accounts to be Audited

154. Auditors shall be appointed and their rights and duties regulated in accordance with Section 224 to 233 of the Act.

First Auditor or Auditors

155. The first Auditor or Auditors of the Company shall be appointed by the Board within one month of the date of registration of the Company and the Auditor or Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting provided that the Company may, at a General Meeting, remove any such auditor or all of such Auditors and appoint in his or their place any member of the Company and of whose nomination notice has been given to the members Company not less than 14 days before the date of the Meeting provided further that If the Board fails to exercise its powers under this Article, the Company in General Meeting may appoint to First Auditor or Auditors.

Accounts when audited and approved to be conclusive except as to errors discovered within three months

156. Every account of the Company when audited and approved by an annual general meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof whenever any such error is discovered within that period the account shall forthwith be corrected and henceforth shall be conclusive.

DOCUMENTS AND NOTICES

Service of Documents of Notices on Members by Company

157. (1) A document or notice may be served or given by the Company on any Member either personally or by sending it by post to him to his registered address or (if he has not registered address in India to the address, if any, in India supplied by him to the Company for serving documents of notice on him.

(2) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice provided that where a Member has intimated to the Company in advance that documents or notices should be sent to him under certificate of posting or registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the Member, and such service shall be deemed to have been effected in the case of a Notice of Meeting at the expiration of forty eight hours after letter containing the document of notice is posted and in any other case at the time at which the letter would be delivered in the ordinary course or post.

By Advertisement

158. A document or notice advertised in a newspaper circulating in the neighbourhood of the office shall be deemed to be duly served or sent on the day on which the advertisement appears on or to every Member who has no registered address in

India and has not supplied to the Company an address within India for the serving of documents or the sending of notices to him.

On Joint Holders 159. A document or a notice may be served or given by the Company on or to the joint holders of a share by serving or giving the document or notice on or to the joint-holders named first in the Register of Members in respect of the share.

On Personal Representative etc. 160. A document or a notice may be served or given by the Company on or to the persons entitled to a share in the consequence of the death or insolvency of a member by sending it through the post in a pre-paid letter addressed to them by the title of representatives of the deceased, or assignee of the insolvent or by any like description, at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been supplied) by serving the document or notice in and manner in which the same might have been given if the death or insolvency had not occurred.

To whom documents or Notices must be served or given 161. Documents or Notices of every General Meeting shall be served or given in same manner therein before authorised on or to (a) every member (b) every person entitled to share in consequence of the death or insolvency of a Member and (c) the auditor or auditors of or the time being of the Company.

Members bound by Documents or Notices served on or given to previous holders 162. Every person, who, by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every document or notice in respect of such, which previously to his name address being entered on the Register of Members shall have been duly served on or given to the person from whom he derived his title to such share.

Document or Notice by Company and Signature thereto 163. Any document or notice to be served or given by the Company may be signed by the Managing Director, if any, or some person duly authorised by the Board of Directors for such purpose and the signature thereto may be written, printed or lithographed.

Service or document or Notice by member 164. All documents or notices to be served or given by members on or to the Company or any officer thereof shall be served or given by sending into the Company or Officer at the office by post under a certificate of posting or by registered post or by leaving it at the office.

WINDING UP

Liquidator may divide Assets in specie 165. The Liquidator in any winding up (whether voluntary, under supervision or compulsory) may, with the sanction of a Special Resolution, buy subject to the rights attached to any preference share capital divide among the contributories in special any part of the assets of the Company, and may with the like sanction vest any part of the assets of the Company in trustee upon such trust for the benefit of the contributories as the liquidator with like sanction shall think fit.

INDEMNITY AND RESPONSIBILITY

Directors and other's
indemnity

166. Every Director, Officer, Employee or Agent for the time being of the Company shall be indemnified out of the assets of the Company against liability incurred by him in defending any proceeding whether civil or criminal in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 633 in which relief is granted to him by the Court.

Secrecy clause

167. Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions and affairs of the Company with the Customers and the state of the accounts with individuals and in matter thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these present contained. No Member shall be entitled to visit or inspect any works of the Company without the permission of the directors or to require discovery of or any information respecting any detail of the Company's trading, or any matter which is or may be in the nature secret, mystery of trade, secret process or and other matter which is or may be in the nature secret, mystery of trade, secret process or and other matter which may relate to the conduct of the business of the Company and which the opinion of the Directors, it would be in expedient in the interest of the Company to disclose.

| Sl. No. | Name, address, description, occupation and signature of the subscriber | Name, address, description occupation and Signature of the witness |
|---------|--|---|
| 1. | Sd/- SRI BHUTMAL S/o. M.G. Raj Lal Wani D.No. 4-3-55, K.S.Lane Sultan Bazar HYDERABAD. (Business) | |
| 2. | Sd/- SRI GHISULAL JAIN S/o. B.M.Lal Wani D.No. 4-3-55, K.S.Lane Sultan Bazar HYDERABAD. (Business) | |
| 3. | Sd/- SRI SUBHASH B. ALAL WANI S/o. B.M. Lal Wani D.No. 4-3-55, K.S.Lane Sultan Bazar HYDERABAD. (Business) | Sd/- P. RADHA KRISHNA S/o. Sri Laxmi Narayana D. No. 1-1-336/2/1, 1st Floor, Chikkadpally, HYDERABAD - 500 020 (Chartered Accountant) |
| 4. | Sd/- Smt. HULIDEVI W/o. B.M. Lal Wani D.No. 4-3-55, K.S.Lane Sultan Bazar HYDERABAD (House Wife) | |

PLACE : HYDERABAD.

DATE : 30-1-1989

1-2, 1-3, 1-4, 1-5, 1-6, 1-7, 1-8, 1-9, 1-10, 1-11, 1-12, 1-13, 1-14, 1-15, 1-16, 1-17, 1-18, 1-19, 1-20, 1-21, 1-22, 1-23, 1-24, 1-25, 1-26, 1-27, 1-28, 1-29, 1-30, 1-31, 1-32, 1-33, 1-34, 1-35, 1-36, 1-37, 1-38, 1-39, 1-40, 1-41, 1-42, 1-43, 1-44, 1-45, 1-46, 1-47, 1-48, 1-49, 1-50, 1-51, 1-52, 1-53, 1-54, 1-55, 1-56, 1-57, 1-58, 1-59, 1-60, 1-61, 1-62, 1-63, 1-64, 1-65, 1-66, 1-67, 1-68, 1-69, 1-70, 1-71, 1-72, 1-73, 1-74, 1-75, 1-76, 1-77, 1-78, 1-79, 1-80, 1-81, 1-82, 1-83, 1-84, 1-85, 1-86, 1-87, 1-88, 1-89, 1-90, 1-91, 1-92, 1-93, 1-94, 1-95, 1-96, 1-97, 1-98, 1-99, 1-100, 1-101, 1-102, 1-103, 1-104, 1-105, 1-106, 1-107, 1-108, 1-109, 1-110, 1-111, 1-112, 1-113, 1-114, 1-115, 1-116, 1-117, 1-118, 1-119, 1-120, 1-121, 1-122, 1-123, 1-124, 1-125, 1-126, 1-127, 1-128, 1-129, 1-130, 1-131, 1-132, 1-133, 1-134, 1-135, 1-136, 1-137, 1-138, 1-139, 1-140, 1-141, 1-142, 1-143, 1-144, 1-145, 1-146, 1-147, 1-148, 1-149, 1-150, 1-151, 1-152, 1-153, 1-154, 1-155, 1-156, 1-157, 1-158, 1-159, 1-160, 1-161, 1-162, 1-163, 1-164, 1-165, 1-166, 1-167, 1-168, 1-169, 1-170, 1-171, 1-172, 1-173, 1-174, 1-175, 1-176, 1-177, 1-178, 1-179, 1-180, 1-181, 1-182, 1-183, 1-184, 1-185, 1-186, 1-187, 1-188, 1-189, 1-190, 1-191, 1-192, 1-193, 1-194, 1-195, 1-196, 1-197, 1-198, 1-199, 1-200, 1-201, 1-202, 1-203, 1-204, 1-205, 1-206, 1-207, 1-208, 1-209, 1-210, 1-211, 1-212, 1-213, 1-214, 1-215, 1-216, 1-217, 1-218, 1-219, 1-220, 1-221, 1-222, 1-223, 1-224, 1-225, 1-226, 1-227, 1-228, 1-229, 1-230, 1-231, 1-232, 1-233, 1-234, 1-235, 1-236, 1-237, 1-238, 1-239, 1-240, 1-241, 1-242, 1-243, 1-244, 1-245, 1-246, 1-247, 1-248, 1-249, 1-250, 1-251, 1-252, 1-253, 1-254, 1-255, 1-256, 1-257, 1-258, 1-259, 1-260, 1-261, 1-262, 1-263, 1-264, 1-265, 1-266, 1-267, 1-268, 1-269, 1-270, 1-271, 1-272, 1-273, 1-274, 1-275, 1-276, 1-277, 1-278, 1-279, 1-280, 1-281, 1-282, 1-283, 1-284, 1-285, 1-286, 1-287, 1-288, 1-289, 1-290, 1-291, 1-292, 1-293, 1-294, 1-295, 1-296, 1-297, 1-298, 1-299, 1-300, 1-301, 1-302, 1-303, 1-304, 1-305, 1-306, 1-307, 1-308, 1-309, 1-310, 1-311, 1-312, 1-313, 1-314, 1-315, 1-316, 1-317, 1-318, 1-319, 1-320, 1-321, 1-322, 1-323, 1-324, 1-325, 1-326, 1-327, 1-328, 1-329, 1-330, 1-331, 1-332, 1-333, 1-334, 1-335, 1-336, 1-337, 1-338, 1-339, 1-340, 1-341, 1-342, 1-343, 1-344, 1-345, 1-346, 1-347, 1-348, 1-349, 1-350, 1-351, 1-352, 1-353, 1-354, 1-355, 1-356, 1-357, 1-358, 1-359, 1-360, 1-361, 1-362, 1-363, 1-364, 1-365, 1-366, 1-367, 1-368, 1-369, 1-370, 1-371, 1-372, 1-373, 1-374, 1-375, 1-376, 1-377, 1-378, 1-379, 1-380, 1-381, 1-382, 1-383, 1-384, 1-385, 1-386, 1-387, 1-388, 1-389, 1-390, 1-391, 1-392, 1-393, 1-394, 1-395, 1-396, 1-397, 1-398, 1-399, 1-400, 1-401, 1-402, 1-403, 1-404, 1-405, 1-406, 1-407, 1-408, 1-409, 1-410, 1-411, 1-412, 1-413, 1-414, 1-415, 1-416, 1-417, 1-418, 1-419, 1-420, 1-421, 1-422, 1-423, 1-424, 1-425, 1-426, 1-427, 1-428, 1-429, 1-430, 1-431, 1-432, 1-433, 1-434, 1-435, 1-436, 1-437, 1-438, 1-439, 1-440, 1-441, 1-442, 1-443, 1-444, 1-445, 1-446, 1-447, 1-448, 1-449, 1-450, 1-451, 1-452, 1-453, 1-454, 1-455, 1-456, 1-457, 1-458, 1-459, 1-460, 1-461, 1-462, 1-463, 1-464, 1-465, 1-466, 1-467, 1-468, 1-469, 1-470, 1-471, 1-472, 1-473, 1-474, 1-475, 1-476, 1-477, 1-478, 1-479, 1-480, 1-481, 1-482, 1-483, 1-484, 1-485, 1-486, 1-487, 1-488, 1-489, 1-490, 1-491, 1-492, 1-493, 1-494, 1-495, 1-496, 1-497, 1-498, 1-499, 1-500, 1-501, 1-502, 1-503, 1-504, 1-505, 1-506, 1-507, 1-508, 1-509, 1-510, 1-511, 1-512, 1-513, 1-514, 1-515, 1-516, 1-517, 1-518, 1-519, 1-520, 1-521, 1-522, 1-523, 1-524, 1-525, 1-526, 1-527, 1-528, 1-529, 1-530, 1-531, 1-532, 1-533, 1-534, 1-535, 1-536, 1-537, 1-538, 1-539, 1-540, 1-541, 1-542, 1-543, 1-544, 1-545, 1-546, 1-547, 1-548, 1-549, 1-550, 1-551, 1-552, 1-553, 1-554, 1-555, 1-556, 1-557, 1-558, 1-559, 1-560, 1-561, 1-562, 1-563, 1-564, 1-565, 1-566, 1-567, 1-568, 1-569, 1-570, 1-571, 1-572, 1-573, 1-574, 1-575, 1-576, 1-577, 1-578, 1-579, 1-580, 1-581, 1-582, 1-583, 1-584, 1-585, 1-586, 1-587, 1-588, 1-589, 1-590, 1-591, 1-592, 1-593, 1-594, 1-595, 1-596, 1-597, 1-598, 1-599, 1-600, 1-601,



INCORPORATED
UNDER THE COMPANIES ACT, 1956
(1 OF 1956)

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION
OF
EMERGENT BIO NATURALS LIMITED

CONSTITUTION:

- 1 The regulations contained in Table A in the First Schedule to the Companies Act, 1956 shall not apply to this Company, but the regulations for the management of the Company and for the observance of the Members thereof and their representatives shall, subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to this regulations by special resolution as prescribed by the Companies Act, 1956, be such as are contained in these Articles.

INTERPRETATION CLAUSE:

2. In these presents the following words and expressions shall have the following meanings excluded by the subject or context.

- a) "The Act" or "The Companies Act" shall mean "The Companies Act, 1956 or any statutory modification, re-enactments thereof for the time being in force.
- b) "The Board" or "The Board of Directors" means the Board of Directors of the Company, Directors assembled at a Board or the requisite number of Directors entitled to pass a resolution by circulation in accordance with these Articles.
- "The Company" or "This Company" means "EMERGENT BIO NATUTURALS LIMITED."
- c) "Directors" means the Directors including Alternate Directors for the time being of the Company.
- d) "In Writing" includes printing, lithography, typewriting and any other usual substitute for writing.
- e) "Members" mean Members of the Company holding a share in the share of any class.
- f) "Month" means a calendar month.
- g) "Paid-up" means paid up share capital of the company.
- h) "Person" shall include any Corporation or Company as well as individuals.
- i) "These Presents" or "These Regulations" or "These Articles" shall mean these Articles of Association as now framed or altered from time to time and shall include the Memorandum where the context so requires.
- j) "The Register" means the Register of Members kept as required by Section 150 of the Companies Act.
- k) "The Seal" shall mean the Common seal for the time being of the Company.
- l) "Sec" or "Section" means Section of the Act.
- m) "Special Resolution" shall have the meaning assigned thereto by Section 189 of the Act.
- n) "Words" importing the masculine gender include the female gender and vice-versa

e) Except where the context otherwise requires, words importing the singular shall include the plural and vice-versa.

p) "The Registrar" means the Registrar of Companies, Andhra Pradesh

q) "Secretary" includes any person or persons appointed by the Board to perform any of the duties of a secretary subject to the provisions of Section 383A of the Act.

r) "Year" means the calendar year and "Financial Year" shall have the meaning assigned thereto by section 2(17) of the Act.

s) The various Section quoted in these regulations will mean to refer to the relevant sections in the Companies Act, 1956

t) Save as aforesaid and words or expressions defined in the Act shall, if not inconsistent with the subject, bear the same meaning in these Articles.

SHARE CAPITAL

* 3 a) The Authorised Share capital of the company shall be such amount and be divided into such shares as may from time to time be provided under Clause V of the Memorandum of Association of the Company"

b) Subject to the Provisions of the Act, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are at the option of the Company are liable to be redeemed on such terms and in such manner as the Company, before the issue of the shares as Special resolution determine.

c). Where at any time, subsequent to the first allotment of shares, it is proposed to increase the subscribed capital by the issue of new shares, the same shall be subject to any directions given by the Company in General Meeting and shall be in accordance with the provisions of the Act, or any statutory modification thereof.

d) The Company shall have power to issue shares at a discount but in doing so, the Company shall comply with the provisions of the Act.

Signature

** Special Resolution passed at the EGM held on 31st March 2012 for Alteration of Article 4 of the Articles of Association*

- e) The company shall have power to issue shares at a premium, but in doing so, the company shall comply with the provisions of the Act.

Provided that not withstanding anything to the contrary contained in the foregoing Articles or contained in any other provisions of these Articles it shall be permissible for the Directors of the Company, without requiring any Resolution of the company in General Meeting or without making any offer to the existing shareholders of the Company, in the event of the Increase of the subscribed capital of the company being caused by allotment and/or reservation of any bonus shares and/or right shares by the exercise of any option to the debentures issued or loans raised by the company under the provisions of the Act.

4. Subject to the provisions of these Articles and of the Act, the shares shall be under the control of the Board, who may allot or otherwise dispose of the same to such persons on such terms and conditions at such times as the Board thinks fit and with full power to allot shares of any class of the Company either, subject to the provisions of the Act, at a premium or at par or at a discount provided that option or right to call of shares shall not be given to any person except with the sanction of the Company in General Meeting. The Board shall cause to be fully paid or partly paid up shares, as the case may be.
5. Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the capital of the Company in payment or in part payment for any property or assets of any kind whatsoever sold, supplied or transferred or for goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of the business, and any shares which may be so allotted may be issued as fully paid up or partly otherwise than in cash and if so issued, shall be deemed to be fully paid up or partly paid up shares, as the case may be.

ALTERATION OF SHARE CAPITAL :

6. I) The Company shall have power to alter the conditions of the Memorandum as follows, that is to say, if may:
 - a) Increase its share capital by such amount as it thinks expedient by issuing new shares.
 - b) Consolidate and divide all or any of its share capital into share of larger amount than its existing shares.
 - c) Sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum, so that in this sub-division the proportion between the amount paid and the amount unpaid, if any, on each reduced share shall be the same as it was in the case of the share form which the reduced shares is derived.

- d) Cancel shares which, at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares to be cancelled. However, cancellation of the shares in pursuance of the exercise of this power shall not be deemed to be reduction of share capital within the meaning of the Act.
- 2) The powers conferred by this regulation have to be exercised by the Company in General Meeting.

Subject to the provisions of the Act, the Company in General Meeting may, from time to time by a special resolution, reduce its Capital Redemption Reserve Account or Share Premium Account in any manner for the time being that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have if it were omitted.

UNDERWRITING AND BROKERAGE :

7. Subject to provisions of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures in the company or procuring or agreeing to procure subscription (where absolute or conditional) for any shares or debentures in the Company so that the commission shall not exceed in the case of shares, five percent of the price at which the shares are issued and in the case of debentures two and a half percent of the price at which the debentures are issued. Such commission may be satisfied by payment of cash or by allotment of full or partly paid shares or partly in one way and partly in other way.
8. The company may pay brokerage at the prevailing rates at the time of issue and nothing in the Memorandum and Articles of Association shall affect the power of the Company to pay such brokerage as it has therefore been lawful for the Company to pay.

VARIATION OF SHAREHOLDERS' RIGHTS :

9. a) If at any time the share capital is divided into different classes of shares, the right attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may subject to the provisions of the Act and whether or not the company is being wound up be varied with the consent in writing of the holders of three fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate General Meeting of holders of the shares of that class.
- b) Subject to the provisions of the Act, to every such separate General Meeting, the provisions of these Regulations relating to General Meetings shall mutates-mutandis apply so that the necessary quorum shall be two persons at least holding or representing by proxy one third of the issued shares of the class in question.

- c) The rights conferred upon the holders of the shares of any class issued with preferred for other rights shall not unless otherwise provided by the terms of issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking pari-passu therewith.
10. Except as required by Law, no person shall be recognised by the Company as holding any share upon any trust and the company shall not be bound or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any shares except an absolute right to the entirety thereof in the registered holder

SHARE CERTIFICATES :

11. a) The certificate of title to shares shall be issued, sealed and signed in conformity with the provisions of the Companies (Issue of Share Certificates) Rules, 1960 or any statutory modification or re-enactment thereof for the time being in force. Any two or more joint allottees or owners of a share shall, for the purpose of this Article, be treated as a single member and the Certificate of any share may be delivered to the first named person or Powers on behalf of all of them. The Company shall comply with the provisions of the Act.
- b) The company shall, within three months after the allotment of any of its shares, debentures or debenture stock and within one month after the application of the registration of the transfer of any such shares, debentures or debenture stock, complete and despatch the certificates of all shares and debentures and the certificates of all debenture stock allotted or transferred, unless the conditions of issue of the shares, debentures, or debenture stock otherwise provided.

RENEWAL OR ISSUANCE OF DUPLICATE SHARE CERTIFICATE :

12. a) The Board of Directors may renew a Share Certificate or issue a duplicate of a share certificate, if such share certificate
- I. is proved to have been lost or destroyed or
 - II. having been defaced or mutilated or torn is surrendered to the Company or
 - III. is old, decrepit or worn out or where the pages on the reverse for recording transfers are fully utilised.
- b) The company shall observe such rules and conditions as may be prescribed by the Government or required by the Stock Exchanges on which the shares are listed for renewal of share certificates or issue of duplicate share certificates.

- c) The Company shall not charge any fee for sub-division or consolidation of share and debenture certificates or for sub-division of letter of allotment or for splitting consolidation on or renewal of pucca transfer receipts into denominations corresponding to the market units of trading or for issue of new certificates in replacement of those which are old or worn out or where the pages on the reverse for recording transfers have been fully utilized.
- d) The Company shall not charge any fees exceeding those which may be agreed upon with the Stock Exchange on which the shares are listed for issue of new certificates in replacement of those which are torn, defaced, lost or destroyed or for sub-division or consolidation of shares and debenture certificates or for sub-division or consolidation of shares and debenture certificates or for sub-division of letter of allotment or for splitting, consolidation or renewal of pucca transfer receipts into denomination other than those fixed for the market units of trading.

CALLS ON SHARES :

13. a) i) The Board may, from time to time, make call upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times, Provided that no call shall exceed one-half of the share or be payable at less than one month from the date fixed for the payment of the last proceeding call.
- ii) Each member shall, subject to receiving at least thirty days notice specifying the time or times and place of payment, pay to the Company at the time or times and place so specified the amount called on his shares.
- iii) A call may be revoked or postponed at the discretion of the Board.
- b) A call may be deemed to have been made at the time when the resolution of the Board authorising call was passed and may be required to be paid by instalments.
- c) The joint-holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.
- d) i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at 18% per annum or at such lower rate, if any, as the Board may determine.
- ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

- e) i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the shares or by way of premium shall for the purpose of these Regulations be deemed to be a call duly made payable on the date on which by the terms of issue such sum becomes payable.
- ii) In case of non-payment of such sum, all the relevant provisions of these Regulations as to payment of interest and expense, forfeiture otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

Provided that where any amount is paid in advance of calls on any shares, such amount may carry interest but at the rate not less than 15% but shall not in respect thereof confer a right to dividend or to participate in profits.

DEMATERIALISATION OF SECURITIES :

14. Notwithstanding anything contained in these Articles, the Company shall be entitled to Dematerialise its securities in a Dematerialised form pursuant to the Depositories Act, 1996.

Options for Investors:

Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates of Securities.

If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

Securities in Depositories to be in fungible form:

All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 154, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

Rights of Depositories and Beneficial Owners:

- (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.
- (b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it
- (c) Every person holding securities of the company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a depository.

Service of Documents :

Notwithstanding anything in the Act, or these articles to the contrary, where securities are held in a depository, the records of the beneficial ownership shall be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

Transfer of Securities :

Notwithstanding contained in section 108 of the Act or these Articles shall apply to a transfer of securities affected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

Allotment of Securities dealt with in a depository :

Notwithstanding anything in the Act, or these articles, where securities are dealt with a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

Distinctive number of securities held in a depository :

Nothing contained in the Act these Articles regarding the necessity of having distinctive numbers for securities issued by the company shall apply to securities held with a depository.

Register and Index of beneficial owners :

The Register and Index of beneficial owners maintained by a depository under Depositories Act 1996, shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.

LIEN

15. a) The Company shall have a first and paramount lien upon all the shares other than fully paid up shares registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all monies (whether presently payable or not) called or payable at a fixed time in respect of such shares and no equitable interest in share shall be created except upon the footing and condition that Article 12 thereof will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares shall operate as a waiver of the Company's lien, if any, on such shares. The Directors may at any time declare any shares wholly or in part to be exempt from the provisions of this clause.

b) The Company may sell in such manner as the Board thinks fit, any shares on which the company has a lien provided that no sale shall be made:

Unless the sum in respect of which the lien exists is presently payable or Until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which lien exists is presently payable has been given to the registered holder for the time being of the share of the person entitled thereto by reason of his death or insolvency.

c) i) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.

ii) The purchaser shall be registered as the shareholder of the shares comprised in any such transfer.

iii) The purchaser shall not be bound to see the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

d) i) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

ii) The residue, if any, shall subject to a lien for sums not presently payable as existed upon the shares before the sale to be paid to the person entitled to the shares at the date of the sale.

e) No Member shall exercise any voting rights in respect of any shares registered in his name on which any calls or other sums presently payable by him, have not been paid or in respect of any shares registered in his name on which any calls or other sums presently payable by him, have not been paid or in regard to which the Company has exercised any right of lien.

FORFEITURE OF SHARES :

16. a) If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the Board may at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalments as is unpaid, together with any interest which may have accrued.
- b) The Notice aforesaid shall :
 - i) Name a further day (not earlier than the expiry of fourteen days from the date of service of notice) on or before which the payment required by the notice is to be made and
 - ii) State that in the event of non-payment on or before the day so named, the shares in respect of which the call was made will be liable to be forfeited
- c) If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
- d) i) A forfeited share may be sold or otherwise disposed of in such manner as the Board thinks fit.
- ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
- iii) A person whose shares have been forfeited shall cease to be a Member.
- iv) i) A duly verified declaration in writing that the declarant is a Director, the Manager or the Secretary of the Company has been duly forfeited on a date stated in the declaration shall be conclusive evidence of facts therein stated as against all persons claiming to be entitled to the share.
- ii) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed off
- iii) The Transferee shall thereupon be registered as the holder of share.
- iv) The Transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, or disposal of the share.

- v) The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a share become payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
- vi) The forfeiture of share shall involve the extinction of all interest in and also of all claims and demands against the Company in respect of the share, and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.

TRANSFER AND TRANSMISSION OF SHARES :

- 17. a) The instrument of transfer of any share in the Company shall be executed by or on behalf of both the Transferor and Transferee. The Transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the Register of Members in respect thereof.
- c) Shares in the Company shall be transferred in the form prescribed by the Companies (Central Government's) General Rules & Forms 1956. The Company shall not charge any fees for registration of transfer. The provisions of the Act for the time being in force shall be complied with in respect of all transfer of shares and registration thereof.
- d) Subject to the provisions of the Act and Section 22(A) of Securities Contracts (Regulations) Act, 1956 the Directors may in their absolute and unqualified discretion decline to register any transfer of shares without assigning any reason thereof. The Directors may also decline to recognise any instrument of transfer unless it is accompanied by the Certificate (s) of the Shares, to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. If the Directors refuse to register a transfer of any shares, they shall within one month after the date on which the transfer was lodged with the Company send to the transferee and the transferor notice of the refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor, being either alone or jointly with any other person or persons, indebted to the Company on any account whatsoever, except a lien on the share.
- e) The registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine.

Provided that such registration shall not be suspended for more than forty-five days in any year and provisions of the Act shall be complied with.
- f) The Company shall not charge any fees for the registration of any probate, letters of administration, certificate of death, marriage, power of attorney, etc.

18. (1) a) On the death of a Member, the survivors or survivor where the Member was a joint holder and his legal representatives where he was shareholder shall be the only person recognized by the Company as having any title to his interest in the shares.
- b) Nothing in Clause (a) shall release the estate of the deceased joint-holder from any liability in respect of any share, which had been jointly held by him or other persons.
- (2) Any person becoming entitled to a share in consequence of the death or insolvency of a Member may upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either:
- a) to be registered himself as holder of the share or
- b) to make such transfer of the share as the deceased or insolvent Member could have made.
- (3) a) If the person so becoming entitled shall elect, to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- b) If the person aforesaid shall elect to transfer the shares he shall testify his election by executing a transfer of the share.
- c) All the limitations, restrictions and provisions of these regulations relating to the rights to transfer and the registration of transfer of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that conferred by membership in relation to meetings of the company.
- 4) A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled if he were the registered holder of the share except that he shall not, before being registered as a member in respect of it, exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with to be registered himself or to transfer the share and if the notice is not complied within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect to the share until the requirements of the notice have been complied with.

BORROWING POWERS :

- 19) a) The Company shall have power to borrow from any person or persons and secure the payment of any sum or sums of money for the purpose of the Company and the Directors may from time to time at their discretion exercise this power and may themselves lend to the company on security or otherwise provided that the Directors shall not contravene the provisions of the Act.

Provided further that no debt incurred or security given in excess of limit imposed by the Act shall be invalid or ineffectual except in the case of express notice to the lender or the recipient of the security at the time when the debt was incurred or security given that the limit hereby imposed had been or was hereby exceeded

- b) The Directors may raise or secure the repayment of any sum or sums in such manner and upon such terms and conditions in all respects as they may think fit and in particular by creation of any mortgage or charge on the undertaking on the whole or any part of the property, present or future, or uncalled capital of the Company or by the issue of bonds, perpetual or redeemable debenture stock of the Company charged upon all or any part of the property of the Company both present and future, including its uncalled capital for the time being.
- c) Subject to the provisions of the Act and Companies (Acceptance of Deposit) Rules 1975, the Directors may receive deposits for such term and bearing interest at such rates as the Directors may decide from time to time. The deposit may be received from person or persons including the Directors and the Shareholders of the company.
- d) The Directors shall cause a proper register to be kept in accordance with the provisions of the Act of charges specially affecting the property of the Company and shall duly comply with the requirements of the Act with regard to the registration of mortgages and charges. The register of charges kept in pursuance of the Act shall be open during business hours subject to reasonable restrictions as the Company in General Meeting may impose so that not less than two hours in each day are allowed for such inspection to any creditor or Member of the Company without fee and to any other person on payment of a fee of Rs.1/- for each inspection at the registered office of the company.

DEBENTURES :

- 20) The Company shall have power to issue debentures but in exercising this power the provisions of the Act shall be complied with debentures, debenture stock, bonds, or other securities conferring the right to allotment or conversion into shares or the option to right to call for allotment of shares shall not be issued except with the sanction of the Company in General Meeting.

GENERAL MEETING.

- 21) a) The Company shall comply with the provisions of the Act in the calling and conducting the General Meetings.
- e) The Company shall hold a General Meeting of the Members of the Company, which shall be called the Statutory Meeting and the provisions of the Act shall be complied with.
- f) Without prejudice to the provisions of the Act, the Company shall in addition to any other meeting hold a General Meeting that shall be styled as the Annual General Meeting at such intervals and in accordance with the provisions of the Act.
- g) All General Meetings other than the Annual General Meeting of the Company shall be called Extraordinary General Meetings.
- e) i) The Board may, whenever it thinks fit, call an Extraordinary General Meeting.
- ii) If at any time they are not within India, Directors capable of acting who are sufficient in number to form a quorum, any Director or any two Members of the Company may call an Extraordinary General Meeting.
- iii) Extraordinary General Meetings may be called by the Members under provisions of the Act and under conditions mentioned therein and count under conditions mentioned in the Act.
- f) All business shall be deemed special that is transacted at an Extraordinary General Meeting and also that is transacted at an Annual General Meeting with the exceptions of
- i) the consideration of accounts, balance sheet and the reports of the Board of Directors and Auditors,
- ii) the declaration of a dividend,
- iii) the appointment of Directors in the place of those retiring and
- iv) the appointment of and fixing of the remuneration of Auditors.
- g) Where any item of business to be transacted at the meeting is deemed to be special as aforesaid, the provisions of the Act shall be complied with.

NOTICE OF GENERAL MEETING.

22. a) General Meeting of the Company may be called by giving not less than twenty one days notice in writing or after giving such shorter notice as provided for in the Act.
- b) Notice of every meeting of the Company shall be given:
- (i) to every Member of the Company.
 - (ii) to the persons entitled to a share in consequence of the death or insolvency of a Member,
 - (iii) to the Auditor or Auditors for the time being of the Company in the manner provided for in the Act.
- c) Accidental omission to give notice to or the non-receipt of notice by any Member or other person to whom it should be given shall not invalidate the proceedings of the meeting.

CONTENTS OF NOTICE :

23. a) Every notice of meeting of the Company shall contain the following:
- i) It shall specify the place, date and time of the meeting;
 - ii) It shall contain a statement of the business to be transacted therein.
- b) In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a Member entitled to attend and vote, is entitled to appoint a proxy or proxies to attend and vote instead of himself and that proxy need not be a member.
- c) The company shall, in the case of a resolution to be moved as a special resolution, duly specify in the notice calling the general meeting or other intimation given to the member, of the intention to propose the resolution as a special resolution.
- d) The Company shall in compliance with the Act give to its members notice of resolution requiring special notice at the same time and in the same manner as it gives notice of the meeting or if that is not practicable, shall give them notice thereof either by advertisement in a newspaper having circulation in the State in which the Registered Office is situated not less than twenty one days before the Meeting.
- e) Subject to the provisions of the Act the receipt of representation, if any, made under Section 225 by a retiring auditor or by a Director sought to be removed from office as a Director must be stated in the notice of meeting given to the Members of the Company if the representations are received in time.

DOCUMENTS TO BE ANNEXED TO THE NOTICE .

24. a) Where any items of business to be transacted at the meetings are deemed to be special in accordance with the provisions of the Act, statement setting out all material facts concerning each such item of business including in particular the nature and extent, of interest, if any, therein of every Director and the Manager, if any, shall be given.
- b) Where any item of business consists of according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified on the statement mentioned above.
- c) A copy of every Balance Sheet including the Profit and Loss Account, the Auditor's report and every other document required by law to be annexed or attached as the case may be to the Balance Sheet which is to be laid before the Company in General Meeting shall not be less than twenty one days before the date of the meeting, be sent to every Member of the Company in accordance with the provisions of the Act.
25. A copy of the representation, if any, made under the Act by a retiring Auditor or under Section 284 by a Director sought to be removed from office shall be sent to the Members of the company as provided for in the Act
26. Subject to the provisions of the Act, Members' resolution shall be circulated to the members of the Company entitled to receive notice of the next Annual General Meeting.
27. The Company shall allow the Members for inspection of Documents referred to in the Act at the commencement of or before the meeting.

REPRESENTATION AT MEETINGS :

28. a) A Body Corporate (whether a Company within the meaning of this Act or not) may, if it is a Member of the Company, by resolution of the Board of Directors or other Government body, authorise such person, as it thinks fit to act as its representative at any meeting of Members of the Company.
- b) The person authorised by the resolution as aforesaid shall be entitled to exercise the same right to vote by proxy on behalf of the body corporate, which he represents, as that body could exercise if it were a Member.
- c) Any Member of the Company entitled to attend and vote at meeting of the Company shall be entitled to appoint another person whether a Member or not, as his proxy to attend and vote instead of himself and the proxy so appointed shall have no right to speak at the meeting provided however the instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding poll.

- d) The instrument appointing a proxy and the power of attorney or authority, if any, under which it is signed or a notorally certified copy of that power or authority shall be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in the case of a poll, not less than 24 hours before the appointed time for the taking of the poll and in default the instrument of proxy shall not be treated as valid.
- e) An instrument appointing a proxy shall not be questioned, if it is as per the forms set out in schedule IX of the Act.
- f) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the shares in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.
- g) Every member entitled to vote at a meeting of the Company on any resolution to be moved there at shall be entitled during the period beginning twenty four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting to inspect the proxies lodged at any time during the business hours of the Company provided not less than three days notice in writing of the intention to inspect is given to the Company.

QUORUM :

29. a) No business shall be transacted at any General Meeting unless a quorum of Members is present at the time when the meeting proceeds to transact business. Five members present in person shall be a quorum.
- b) If within half an hour from the time appointed for holding meeting of the Company, quorum is not present, the meeting if called upon by the requisitions of members shall stand dissolved.
- i) In any other case, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day at such other time and place as the Board may determine.
- j) If at the adjourned meeting also, a quorum is not present within half an hour from the time appointed for holding the meeting, the Members present shall be the quorum.

CHAIRMAN OF MEETING :

30. a) The Chairman, if any, of the Board shall preside as Chairman at every General Meeting of the Company.

b) If there is no such Chairman or if he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as Chairman of the meeting, the Directors present shall elect one of their Members to be Chairman of the meeting.

c) If at any meeting, no Director is willing to act as the Chairman or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be the Chairman of the meeting in accordance with the provisions of the Act.

d) (i) The Chairman may, with the consent of any meeting at which a quorum is present shall adjourn the meeting from time to time and place to place.

(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of original meeting.

(iv) Save as aforesaid, it shall not be necessary to give any notice of any adjournment or of the business to be transacted at any adjourned meeting.

e) In case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands has taken place or which the poll is demanded, shall be entitled to a second or casting vote provided he is a Member entitled to vote at the meeting and on the resolution.

f) Any business other than that upon which a poll has been demanded may be proceeded with, pending taking of the poll.

g) Where a resolution is passed at an adjourned meeting of the Company, the resolution shall for all purposes be treated as having been passed on the date on which it was in fact passed and shall not deemed to have been passed on any earlier date.

31. a) On a show of hands, every Member present in person shall have one vote and on a poll the voting rights of Members shall be laid down in the Act.

b) Voting rights shall be exercised in accordance with the provisions of the Act.

- c) In the case of joint holders, the vote of the senior who tenders vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint-holders. For this purpose, seniority shall be determined by the order in the names stand in the Register of Members.
- d) In the case of Member who is of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy, the legal guardian or proxy appointed by the legal guardian may on behalf of him vote, whether on a show of hands or on a poll when demanded in the meeting.
- e) No Member shall be entitled to any General Meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
- f) No objection shall be raised to the qualification of any vote except at the
- g) meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes.

Any such objection made in due time shall be referred to the Chairman of the meeting whose decision shall be final and conclusive.

- 32. At a General Meeting of the Company, a motion shall not be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it.
- 33. In the election of a Director, the provisions of the Act shall be complied with.
- 34. In giving notice of an intention to propose a resolution as a special resolution of any matter, the company shall have regard to the provisions of the Act.
- 35. After passing of the resolution at the General Meeting of the company, the company shall comply with the provision of the Act.

DIRECTORS AND BOARD OF DIRECTORS :

- 36. a) Unless otherwise determined by the Company in General Meeting, the number of Directors shall not be less than 3 or more than 12 inclusive of the Directors, Nominated Directors, Technical Directors, Special Directors, Debenture Directors, Alternate Directors, Additional Directors, Corporation Directors, Co-opted Directors, Executive Directors, and Administrative Directors, if any.
- b) Only an individual and not a body corporate, association or firm shall be appointed as a Director of the Company.

- c) Subject to the provisions of the Act, the Company may in General Meeting increase or reduce the number of Directors.
- d) At the date of adoption of these Articles, the following persons are the First Directors of the Company, namely:
1. Mr. S. VENKATA RAO
 2. Dr. P K BHATTACHARYA
 3. Mr. S. PADMAJA
- e) The Board of Directors shall have power to appoint Additional Directors provided such Additional Directors shall hold office only up to the date of the next Annual General Meeting of the Company provided further that the number of Directors and Additional Directors together shall not exceed the maximum strength fixed for the Board by the Articles.
37. Subject to the provisions of the Act, the Board of Directors shall have the power to fill up casual vacancies.
38. Subject to the provisions of the Act, the Board of Directors shall have power to appoint a person as Alternative Director during the absence of a Director for a period of less than three months in the State in which meeting of the Board are ordinarily held.
39. Notwithstanding anything to the contrary contained in these Articles, so long as any monies remain owing by the Company to the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), The Industrial Credit and Investment Corporation of India limited (ICICI) and Life Insurance Corporation of India (LIC) or to any other Finance Corporation or Credit Corporation or to any other Financing Company or Body out of any loans granted by them to the Company or so long as IDBI, IFCI, ICICI, LIC and Unit Trust of India (UTI) or any other Finance Corporation or Credit Corporation or any other Financing Company or Body is hereinafter in this article referred to as "The Corporation" continue to hold debentures in the Company by direct subscription or private placement, or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or so long as any liability to the company arising out of any guarantee furnished by the corporation on behalf of the company remains outstanding, the corporation shall have right to appoint from time to time, any person or persons as a Director or Directors which Director or Directors is/are hereinafter referred to as 'Nominee Directors on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their places.

The Board of Directors of the Company shall have no power to remove from office the Nominee Directors. At the option of the Corporation such Nominee Directors/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Directors shall not be liable to retirement on rotation as Directors subject as aforesaid the Nominee Directors shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Directors appointed shall hold the said office only so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or the liability of the Company arising out of the guarantee is outstanding and the Nominee Directors so appointed in exercise of the said power shall ipso facto vacate such office immediately after the monies owing by the Company to the Corporation are paid off or on the Corporation ceasing or hold Debentures, shares in the Company or on the satisfaction of the liability of the Company arising out of the guarantee furnished by the Corporation.

The Nominees Directors appointed under this Article shall be entitled to receive all notices and attend all General Meetings, Board Meetings and Meetings of the Committee which the Nominee Directors is/are Members as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes.

The Company shall pay to the Nominee Directors sitting fees and expenses which the other Directors of the Company are entitled and any other fees, commission monies, or remuneration in any form which is payable to the Directors of the Company. The fees, commission, monies or remuneration in relation to such Nominee Directors shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Directors in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Directors.

In the event of the Nominee Directors being appointed as Whole-Time Directors such Nominees Directors shall exercise such powers and duties as may be approved by the Corporation and have such rights as are usually exercised or available to Whole-Time Director in the management of the affairs of the company. Such Nominee Directors shall be entitled to receive such remuneration, fees, commission, monies as may be approved by the Corporation.

40. A person who is not a retiring director shall not be appointed Director of the Company unless he has by himself or by his agent authorised in writing, signed and filed with the Registrar his consent in writing to act as such Director.

41. No share qualification shall be necessary for any Director.

42. (1) The office of a Director shall be vacated if :

- a) He is found to be of unsound mind by a Court of Competent Jurisdiction.
- b) He applies to be adjudicated as insolvent.
- c) He is adjudged an insolvent.

- d) He is convicted by a Court in India of any offence and is sentenced in respect thereof imprisonment for not less than six months.
- e) He fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others within six months from the last date fixed for the payment of the call.
- f) He absents himself from three consecutive meetings of the Board of Directors or from all meetings of the Board for a continuous period of three months whichever is longer without obtaining leave of absence from the Board.
- g) He or any firm in which he is a part or any Private Company of which he is a Director, accepts a loan, or any guarantee or security for a loan, from the Company in contravention of the Act.
- h) He acts in contravention of section 299
- i) He becomes disqualified by an order of the Court under Section 203, or
- j) He is removed in pursuance of Section 284

(2) Notwithstanding anything in clauses (c), (d) and (i) of sub-section 1, the disqualification referred to in those clauses shall not take effect.

- a) for thirty days from the date of adjudication, sentence or order.
- b) Where any appeal or petition is preferred within thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed of or
- c) Where within seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order and the appeal or petition, if allowed would result in the removal of the disqualification, until such further appeal or petition is disposed of.

43. (1) Subject to the provisions of Section 297, 299, 300 & 301 of the Act, a Director or his relative, a firm in which such Director or relative is a partner any other partner in such a firm or a Private Company of which such Director is Member or Director may enter into a contract with the Company for the sale, purchase or any supply of goods, materials or Company provided that the consent of the Director obtained by a resolution passed at a meeting of the Directors before the contract is entered into or within three months of the date on which it was entered into. No such consent however, shall be necessary to any such contract or contracts for the purchase or sale of goods and materials for rates at prevailing market price or for the sale, purchase or supply of goods, materials or services in which either the Company or the Directors or Partner of the Firm or Private Company, as the case may be, regularly trades or does business provided

that the value of such goods and the costs of such services do not exceed Five Thousand Rupees in the aggregate in any calendar year comprised in the period of the contract or contracts. The Directors so contracting or being so interested shall not be liable to the Company for any profit realised by any such contract or the fiduciary relation thereby established.

- (2) A Director who is anyway, whether directly or Indirectly, concerned or interested in a contract or arrangement entered into or a proposed contract or arrangement to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest in the meeting of the Board in the manner provided in the Act provided that it shall not be necessary for a Director to disclose his concern or interest in any contract or arrangement entered into or to be entered into with any other company where any of the Directors of the Company or any such other company or two or more of them together hold not more than two percent of the paid up share capital in such other company or the companies as the case may be. A general notice given to the Board by the Director, to the effect that he is a Director or member of a specified firm, shall be deemed to be of the effect unless either is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

- (3) No Director shall as a Director take any part in the discussion or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is in any way whether directly or indirectly concerned or interested in such contract or arrangement nor shall his presence count for the purpose of forming a quorum at the time any such discussion or vote and if he does vote, his vote shall be void provided however, that nothing herein contained shall apply to ;

- a) Any contract of indemnity against loss suffered by the Directors by reason of becoming or being sureties or a surety for the company.
- b) Any contract or arrangement entered into or to be entered into with a public company or a private company, which is subsidiary of a public company in which, the interests of the Director consists solely
 - i) in his being a Director of such company and
 - ii) in his being a Member holding not more than two percent of its paid up shares capital.

44. Acts done by a person as a Director shall be valid notwithstanding that it may afterwards be discovered that his appointment was invalid of any provisions in the Act or in the Articles provided that nothing in the Act shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

45. Every Director shall have such rights and powers as are provided for in the Act.

46. Every Director shall discharge such duties as are provided for in the Act.
47. Directors shall be subject to such civil liabilities as are provided for in the Act.
48. The office of a Director shall be vacated
- i. On the happening of any of the conditions provided for in Section 283 or any statutory modifications thereof.
 - ii. On the contravention of the provisions of Section 314 or any statutory modifications thereof.
 - iii. If a person is a Director of more than fifteen companies at a time.
 - iv. If he is disqualified under Section 274 or any statutory modification thereof.
 - v. In the case of an Alternate Director, on return of the original Director, to the State, under the provisions of Section 313 or any statutory modifications thereof.
49. Subject to the provisions of the Act, a Director may be appointed as Manager or Secretary of the Company.

ROTATION OF DIRECTORS :

50. a) At every Annual General Meeting one third of such of the Directors for the time being are liable to retire by rotation or if their number is not three or a multiple of three, then the number nearest to one third shall retire from office.
- b) The Director to retire at every Annual General Meeting shall be those who have been longest in office since their last election but as between persons who became Directors on the same day, those who are to retire shall, unless they otherwise agree among themselves, be determined by lot.
- c) At the Annual General Meeting at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto.
- d) If the place of the retiring Director is not filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week at the same time and place or if that day is a public holiday, till the next succeeding day which is not a public holiday at the same time and place.
- e) If in the adjourned meeting also the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting unless:

- i) At the meeting or at the previous meeting a resolution for the appointment of such Director has been put up to the meeting and lost.
- ii) The retiring Director has by a notice in writing addressed to the Company or its Board of Directors expressed his unwillingness to be so recommended.
- iii) He is not qualified or is disqualified for appointment.
- iv) A resolution whether special or ordinary is required for his appointment by virtue of any provisions of the Companies Act, 1956.
- v) The provision to sub-section (2) of section 203 is applicable to the case where a Director is to retire at an Annual General Meeting by virtue of Clause (b) hereof.

51. a) The Board of Directors may meet for the dispatch of business, adjourn and otherwise regulate its meeting as it thinks fit, provided however the Board shall meet once in every three months in accordance with the Act.
- b) A Director may, and the Manager or Secretary on the requisition of a Director shall at any time summon a meeting of the Board.
- c) The Board shall cause notice to be circulated to every Director of the Company who is for the time being in India in accordance with the Act.
- d) The quorum for a meeting of the Board shall be two Directors or one-third of its total strength whichever is greater as provided for in the Act.
- e) The continuing Director may act notwithstanding any vacancy in its body but if and so long as their number is reduced below the quorum fixed by Act for a meeting of the Board, the continuing Director or Directors may act for the purpose of increasing the number of Directors to that fixed for the quorum or of summoning a General Meeting of the Company but for no other purpose.
- f) The Board may elect a Chairman of its meetings and determine the period for which he is to hold office.
- g) If no such chairman is elected or if at any meeting, the Chairman is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of their members to be Chairman of the Meeting.
- h) The question arising at any meeting shall be decided by a majority of votes and in case of an equality of votes, the Chairman shall have a second or casting vote.

- j) Save as otherwise expressly provided by the Companies Act, 1956 a resolution in writing signed by all the members of the Board or of a Committee thereof for the time being entitled to receive notice of a meeting of the Board or Committee shall be as valid and effectual as if it had been passed at a meeting of the Board or committee duly convened and held.
- j) All acts done by any meeting of the Board or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defects in the appointment of Directors or persons acting as aforesaid or that they or he or any of them were or was disqualified be as valid as if every such person had been duly appointed and was qualified to be a Director.
- k) The Company shall cause to be kept minutes of all proceedings at meetings of its Board of Directors or of Committee of the Board. The minutes of a meeting shall contain a fair and correct summary of the proceedings there at.

The minutes shall also contain

- i) the names of the Directors present at the meeting.
- ii) in the copy of each resolution passed at the meeting the names of Directors, if any, dissenting there from or not concurring in the resolution, and
- iii) the Directors shall cause to be kept a Register of Directors in accordance with the provisions of the Companies Act, 1956. The Register aforesaid shall be open to inspection by any member of the public at any time during office hours on payment of the prescribed fee. The Company shall also keep a Register of Directors' shareholdings giving the particulars required by the Companies Act 1956.

GENERAL POWERS OF THE BOARD OF DIRECTORS .

52. a) The Board of Directors shall be entitled to exercise all such powers and to do all such acts and things as the company is authorised to exercise and do.

Provided that the Board shall not exercise any power or do any act or thing, which is directed or required by the Act or any other provision of law or by the Memorandum of Association of the Company or by these Articles, to be exercised or done by the Company in General Meeting.

Provided further that in exercising any such power of doing any such act or thing, the Board shall be subject to the provision contained in that behalf in the Act or any other provision of law or the Memorandum of Association of the Company or these Articles or in any regulation not inconsistent therewith and duly made there under, including regulations made by the Company in General Meeting.

- b) No regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made,

SPECIFIC POWERS OF THE BOARD :

53. Without prejudice to the general powers, the Board shall have the following specific powers :

- a) To carry out the objects and exercise the powers contained in clause III of the Memorandum of Association of the Company.
- b) To have the superintendence, control and direction over Managing Director, Managers, Whole-Time Directors and all other officers of the Company.
- c) To delegate, subject to the provision of the Act, by a resolution passed at a meeting, to any Committee of Directors, Managing Director or the Manager of the company:
 - i) Power to borrow money otherwise than on debentures.
 - ii) The power to invest the funds of the Company.
 - iii) The power to make loans.

Provided however that every resolution delegating the power in clause (i) shall specify the total amount upto which monies may be borrowed by the delegatee. Every resolution delegating the power referred to in clause (ii) shall specify the total amount upto which the funds may be invested and the nature of investment which may be made, every resolution delegating the power in clause (iii) shall specify the total amount upto which loans may be made, the purposes for which the loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.

Provided further that nothing in this regulation shall be deemed to affect the right of the Company in General Meeting to impose restrictions and conditions on the exercise by the Board of any or the powers specified above.

- d) To provide for the management of the affairs of the Company in any specified locality in or outside India and to delegate to person-in-charge of the local management such powers (not exceeding those which are delegatable by the Directors under these regulations).
- e) To appoint at any time and from time to time by a Power of Attorney under seal, any person or authorities to exercise such of the powers delegated to them (not exceeding those which are delegatable by the Directors under these presents) and for such period and subject to such conditions as the Board may from time to time think fit, with power for such attorneys, to sub delegate all or any of the powers, authorities and discretions vested in the attorney for the time being.

- f) To acquire by lease, mortgage, purchase or exchange or otherwise any property, rights or privileges which the company is authorised to acquire at any such price generally on such terms and conditions as the Board may think fit and to sell, let, exchange or otherwise dispose of absolutely or conditionally any property, rights or privileges and undertaking of the Company upon such terms and conditions and for such considerations as they think fit, subject however to the restrictions imposed on the Board by Act.
- g) To open any account or accounts with such Bank or Banks as the Board may elect or appoint to operate on such accounts, to make sign, draw, accept, endorse or otherwise execute all cheques, promissory notes, drafts, hundies, orders, bills of lading and other discharges for money payable to the company and for the claims and demands of the company to make contracts and to execute deeds, provided however the provisions of the Act shall be complied with.
- h) To appoint officer(s) clerks and servants for permanent, temporary or special service and the Board may from time to time think fit and to determine their powers and duties and to fix their salaries and emoluments and to require security in such instances and to such amount as the Board may think fit and to remove or suspend any such officers, clerks and servants.
- i) To sanction, pay and reimburse to the officers of the company in respect of any expense incurred by them on behalf of the Company.
- j) To invest and deal with any of the monies of the company, to vary or release such investments, subject to the provisions of the Act.
- k) To refer claims or demands by or against the Company to arbitration in accordance with the provisions of the Act.
- l) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment of any debt due and of claims or demands by or against the Company and to appoint Solicitors, Advocates, Counsel and other Legal Advisors for such purposes or for any other purposes and settle and pay their remunerations.
- m) To act on behalf of the Company in all matters in which the Company is interested.
- n) To pay and give gratuities, pensions and allowances to any person or persons including any Director, to his widow, children or other dependents, that may appear to the Directors just or proper whether any such person, widow, children or other dependents have or not a legal claim upon the Company and whether such person is still in the service of Company or has retired from its service or to make contributions to any

state whether any such employee is a relative of any Director or Manager of the Company and if so, the name of such Director or Manager.

- d) The Board shall cause to be laid before the Company in General Meeting the Balance Sheet and Profit and Loss Account in accordance with the Act.
- e) The Board shall cause to be kept at its Registered Office, Registers, Books and Documents, of the Company required to be maintained and kept open for inspection under the provisions of the Companies Act, 1956 and Schedule VIII to the Act be kept open for such inspection by the persons entitled thereto during office hours, under the above said provisions to the extent, in the manner and on payment of the fees, if any, specified on the aforesaid provision at Registered Office of the Company during office hours on any working day, except when the registers and books are closed under the provisions of the Companies Act, 1956 or by the Articles of Association of the Company.

Provided however that the Registers required to be maintained under the Act shall be open for inspection of the Members of holders of debentures of the Company if any, aforesaid between the times above mentioned during the period prescribed by sub-section 5(a) or Section 307.

- f) The Board shall cause to be sent to the Registrar as and when required the returns mentioned in the Act.
 - g) The Board shall cause to give copies of documents to any Member or to any other person in accordance with the provisions of the Act.
 - h) The Board shall cause the dispatch of abstracts and memorandum referred to in the Act.
55. a) The Board shall exercise the following powers on behalf on the Company only by means of resolutions passed at Meetings of the Board:
- i) The power to make calls on shareholders in respect of money unpaid on their shares.
 - ii) The power to issue debenture.
 - iii) The power to borrow money otherwise than on debentures.
 - iv) The powers to invest the funds of the company and
 - v) The powers to make loans and shall exercise these powers in accordance with the Act.
- b) The Board shall also exercise such of the powers required to be exercised by the Company as per the provisions of the Act.
56. a) Subject to the provisions of the Act apart from items requiring unanimous resolution of the Board of Directors, questions arising at any meeting of the Board shall be decided by a majority of votes
- b) In case of any equality of votes, the Chairman of the Board, if any, shall have a second or casting vote.

57. No resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors or to all Members of Committee then in India (not being less in number than the quorum fixed for a meeting of the Board or committee as the case may be) and to all other Directors or Members at their usual address in India and has been approved by such of the Directors or Members or by a majority of such of them as are entitled to vote on the resolutions.

RESTRICTIONS ON THE POWERS OF THE BOARD :

58. a) The Board shall not exercise the borrowing powers without the consent of the company in General Meeting and only to the extent mentioned there in or any statutory modifications thereof.
- b) In the appointment of sole selling agents for the Company for any area, the Board shall conform to the provisions of the Act.
- c) In giving loans to Directors and other persons mentioned in the relevant provisions of the Act, the Board shall conform to the provisions of that section.

MANAGEMENT :

59. The Board of Directors may from time to time and subject to the requisite approval of the Company in the General Meeting and where necessary also that of the Central government under the provisions of the Companies Act, 1956 appoint a Managing Director, Executive Director or such other Whole Time Directors, on such terms and conditions and for such period that they may consider proper.
60. The Managing Director and the Joint Managing Director shall be responsible for carrying on and conducting the business of the Company subject to the superintendence, direction and control of the Board of Directors and in the conduct and management of the said business, the Managing Director, Executive Director or such other Whole Time Directors may exercise such powers, authorities and directions as may from time to time be vested in them under an agreement or delegated to them by the Board of Directors.
61. The Managing Director, Executive Director or such other Whole Time Directors shall not be liable to retirement by rotation.

MANAGER :

62. Subject to the Act, the Company may appoint a person as Manager, as defined in Section 2(24) of the companies Act, provided, however, no Firm, Body Corporate or Association shall be appointed as Manager.

63. In the appointment of a person as Manager of the Company, the provisions of the Act shall be complied with.
64. Any appointment of office of the Manager of the Company shall be void if the provisions of the Act are not complied with.
65. No person shall be appointed as Manager of the Company for more than a period of five years and in making such appointment, the provisions of the Act shall be complied with.

REMUNERATION OF DIRECTORS, MANAGERS AND EMPLOYEES :

66. a) Payment of remuneration of Directors including Managing Director, Whole Time Directors and Manager, if any, shall be subject to the provisions of the Act.
- b) In fixing the remuneration of employees of the Company other than the Director and Manager, the provisions of the Act shall be complied with.
67. In fixing the remuneration of Directors, including Managing and Whole time Directors, the provisions of the Act shall be complied with.
68. The Managing Director of the Company may, subject to the provisions of the Act receive remuneration either by way of monthly payment or by way of specified percentage not exceeding 5% of the net profits of the company calculated in the manner laid down in the Act or partly by the one way and partly by the other subject to sections 269, 198, 308, 310, 311 read in the Schedule XIII of the companies Act 1956 and also subject to the approval of Central Government.
69. Every Director (including Ex-Officio Director) shall be paid a sitting fee not exceeding such sum as may be prescribed by the Act or the Central Government from time to time for each meeting in addition thereto all travelling, hotel and other expenses properly incurred by him in attending.
70. If any Director being willing shall be called upon to perform extra service or to make any special exertions in going or residing abroad or in negotiating any contract or arrangements or for any purposes of the Company, or act as trustees for the Company or its debenture holders, the Company may remunerate such Director either by a fixed sum or percentage of profits or otherwise as may be permissible under the Companies Act.

AUDIT :

71. Audit of Accounts:

Every Balance Sheet and Profit and Loss Account shall be audited by one or more Auditors to be appointed as hereinafter set out.

72. (1) Appointment of Auditors:

- a) The Company at each Annual General Meeting shall appoint an Auditor to hold office from the conclusion of that meeting until the conclusion of the next Annual General Meeting and every auditor, so appointed shall be intimated of his appointment within seven days and every Auditor so appointed unless he is a retiring Auditor, shall within 30 days of the receipt from the Company of the intimation of his appointment, inform the Registrar of Companies in writing that he has accepted or refused to accept the appointment.
- b) At any Annual General Meeting, a retiring Auditor by whatsoever authority appointed shall be reappointed unless.
 - (i) He is not qualified for re-appointment.
 - (ii) He has given the Company notice in writing of his unwillingness to be re-appointed.
 - (iii) A resolution has been passed at that meeting appointing somebody instead of him or providing expressly that he shall not be re-appointed
 - (iv) Where notice has been given of an intended resolution to appoint some person or persons in the place of a retiring Auditor, and by reason of the death, incapacity or disqualification of that person or any or all of those person as the case may be, the resolution cannot be proceeded with.
- (c) Where at an Annual General Meeting no Auditor is appointed or re-appointed, the Central Government may appoint a person to fill the vacancy.
- (d) The Company shall, within seven days of the Central Government's power under clause (c) becoming exercisable, give notice of that fact to that Government.
- (e) The Board may fill any casual vacancy in the office of an Auditor. However where any such vacancy continues, the remaining Auditor or Auditors (if any) may act but where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.
- (f) A Person other than a retiring Auditor shall not be capable of being appointed at an Annual General Meeting unless special notice of a resolution for appointment of any other person to the office of Auditor has been given by a Member to the Company not less than fourteen days before the meeting in accordance with Section 190 of the Act and the Company shall send a copy of such notice to the retiring Auditor and shall

give notice thereof to the Members and all the other provisions of Section 225 of the Act shall apply in the matter. The provisions of this clause shall also apply to a resolution that a retiring Auditor shall not be re-appointed.

- (g) Any Auditor may before the expiry of his term be removed from the office by the Company in General Meeting after obtaining the previous approval of the Central Government in that behalf.
- (h) The Auditors of the Company shall be only those referred to Section 226 of the Act.

(2) Audit of Branch Offices of the Company :

The Company shall comply with the provisions of Section 228 of the Act in relation to the Audit of the Accounts of branch offices of the Company.

(3) Remuneration of Auditors .

The Remuneration of the Auditors may be fixed by the Company in General Meeting, except the remuneration of any Auditors appointed to fill any casual vacancy may be fixed by the Board.

(4) Rights and Duties of Auditors :

- (a) Every Auditor of the company shall have right of access at all times to the Books and Accounts and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information and explanation as may be necessary for the performance of his duties as Auditor.
- (b) All notices and other communications relating to any General Meeting of the Company, which any Member of the Company is entitled to have sent to him shall also be forwarded to the Auditor and the Auditor shall be entitled to attend any General Meeting and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditors.
- (c) The Auditor shall make a report to the Members of the Company on the accounts examined by him and on every Balance Sheet and Profit and Loss Account and on every other document declared by this Act to be part of or annexed to the Balance Sheet or Profit and Loss Account which are laid before the Company in General Meeting during his tenure of office and the Report shall state whether, in his opinion and to the best of his information and according to the explanations given to him, the said accounts give the information required by this Act in the manner so required and give a true and fair view.

(i) In the case of the Balance Sheet of the State of the Company's affairs as at the end of its financial year and

(ii) In the case of the Profit and Loss Account, the Profit or Loss for its financial year.

(d) The Auditor's Report shall also state

(i) Whether he has obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit.

(ii) Whether, in his opinion, proper Books of Accounts as required by law have been kept by the Company so far as appears from his examination of those books and proper returns adequate for the purpose of his audit have been received from branches not visited by him.

(iii) Whether the report on the Accounts of any Branch Office under Section 228 of the Act by a person other than the Company's auditor has been forwarded to him as required by clause (c) of sub-Section (3) 228 of the Act and how he has dealt with same in preparing Auditor's Report and

(iv) Whether the Company's Balance Sheet and Profit and Loss Account dealt with by Report are in agreement with the books of accounts and returns.

(e) Where of the matters referred to in items (i) and (ii) of sub-clause (c) above or in items (i), (ii), (iii) and (iv) of sub-clause (d) above is answered in the negative or with a qualification, the Auditor's Report shall state the reasons for the answer.

(f) The Auditor's Report shall be read before the Company in General Meeting and shall be open to inspection by any Member of the Company.

SEAL :

73. The Directors shall provide a common seal for the purposes of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof.

74. The seal of the company shall not be affixed to any instrument except by the authority of the Board or a Committee of the Board authorised by it in that behalf. Every instrument to which the Seal is affixed shall be signed by the Managing Director or Joint Managing Director or other officer appointed by the Directors for the purposes and counter signed by a Director, Manager or Secretary.

DIVIDENDS AND RESERVE :

The Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.

75. The Board may from time to time pay to the Members such interim dividends subject to justification of the profits of the Company.
76. a) The Company shall transfer to a Reserve such of percentage of its profits for the year, as prescribed by transfer of (Profits to Reserves) Rules, 1975 before declaring or paying dividends out of profits of the current year.
- b) The Board may also carry forward any profits that it may think prudent not to divide.
- c) Subject to the rights of the persons, if any, entitled to a share with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect where the dividend is paid, but if and so long as the holding is paid up on any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
- d) No amount paid or credited as paid on share in advance of calls shall be treated for the purpose of this regulation as paid on the shares and not in respect thereof confer a right to dividend or to participate in the profits of the Company.
- e) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank *pari passu* for dividend as from a particular date, such share shall rank for dividend accordingly.
77. The Board may deduct from any dividend payable to any Member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the company.
78. a) Any General Meeting declaring a dividend or bonus may direct payment of such dividend or bonus wholly or partly by the distribution of specific assets and the Board shall give effect to the resolution of the meeting.
- b) Where any difficulty arises in regard to such distribution, the Board may settle the same as it thinks expedient and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Member upon the footing of the values so fixed in order to adjust the rights of all parties and may vest such specific assets in trustees as may seem expedient to the Board.
- c) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheques or warrants sent through the post to the registered address of the holder or in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Register of Members or to such person and to such address as the holder or joint holder may in writing direct.

- d) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent
- e) Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
- f) No dividend shall bear interest against the company.

79. Any Annual General Meeting declaring a dividend may make a call on the Members of such amount as the meeting fixes but the call on each Member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend if so arranged between the Company and the Member be set off against the call. The making of a call under this clause shall be deemed ordinary business of the General Meeting, which declares a dividend.

80. The board shall transfer the unpaid dividends within the 7 (seven) days of the expiry or 30 (thirty) days from the date of declaration of the dividend to special account with a scheduled Bank, to be known as "Unpaid Dividend Account". If the amount of the unpaid dividend is not so transferred, the company shall pay interest at the rate of 12% per annum. Any money transferred to the Unpaid Dividend Account of company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred to the Investors Education Fund established by the Central Government and any claim after such transfer must be referred to the Central Government. The Board of Directors shall not forfeit any unclaimed dividends unless, the claim thereto becomes barred by the law and the Company shall comply with all the provisions of the Act in respect of any unclaimed or unpaid dividend.

CAPITALISATION OF PROFITS :

81. a) The Company in General Meeting may upon the recommendation of the Board resolve

- i) that it is desirable to capitalise any part of the amount for the time being to the credit of the Company's Reserve Account or to the credit of the Profit and Loss Account or otherwise available for distribution and
- ii) that such sum be accordingly set free for distribution amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

b) The sum aforesaid shall not be paid in cash but shall be applied either in or towards

- i) Paying up any amounts for the time being unpaid on any shares held by such Members respectively.

- ii) Paying up in full, un-issued shares or debentures of the Company to be allotted and distributed, credited as fully paid up, to and amongst such Members as the proportions aforesaid or
 - iii) Partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).
 - c) A share premium account and a capital redemption reserve fund may for the purpose of the regulation only be applied in the paying up of un-issued shares to be issued to Members of the company as fully paid bonus shares.
 - d) The Board shall give effect to the resolution passed by the Company in pursuance of the regulations.
82. a) Wherever such a resolution as aforesaid shall have been passed, the Board shall
- i) make all appropriations and applications of the undivided profits resolved to be capitalised thereby and issue fully paid shares or debentures, if any, and
 - ii) generally do all acts and things required to give effect thereto.
- b) The Board shall have full powers:
- i) To make such provisions by the issue of fractional certificates or by payment in cash are otherwise as it thinks fit in the case of shares debentures becoming distributable in fractions and also
 - ii) To authorise any person to enter on behalf of all the Members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further share or debentures to which they may be entitled upon such capitalisation, or (as the case may require) for payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts remaining unpaid on the existing shares.
- c) Any agreement made under such authority shall be effective and binding on all such Members.

ACCOUNTS :

83. The Company shall comply with regard to the keeping of accounts, preparation of Balance Sheet and Profit and Loss Account.
84. a) The Board shall from time to time determine whether and to what extent and at what times and places and under which conditions or regulations, the accounts and books of the company or any of them shall be given to the inspection of the company or any of them shall be given to the inspection of Members not being Directors.

b) No Member (not being a Director) shall have any right of inspection any accounts or books or documents of the Company except as conferred by the regulations or authorised by the Board or Company in General Meeting.

85. Every account of the Company, when audited and approved by the Annual General Meeting, shall be totally conclusive.

WINDING UP :

86. If the Company shall be wound up and the assets, available for distribution among the Members as such, shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members, in proportion to the capital paid up or which ought to have been paid up, at commencement of the winding up on the shares held by them respectively. And if in a winding up, the assets available for distribution among the Members, shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the Members in proportion to the capital at the commencement of the winding paid up which ought to have been paid up on the shares held by them respectively. But this clause is to be without prejudice to the rights of the holders issued upon special terms and conditions.

87. If the Company shall be wound up, Whether voluntarily or otherwise, the Liquidators may with the sanction of a Special resolution, divide among the contributors, in specie or kind, any part of the assets of the Company in trustees upon such trusts for the benefit of the contributors or any of them, as the Liquidators, with the like sanctions, shall think fit but that any Member shall be compelled to accept any shares or other securities where there is any liability.

SECRECY :

88. Every Director, Secretary, Manager, Auditor, Member or Committee Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall before entering upon duties sign a declaration pledging himself to observe strict secrecy respecting all transactions of the company with the customers and the state of accounts with individuals and in full matters, relating there and shall be such declaration pledge him self not to reveal an of the matters which may have come to his knowledge in the discharge of his duties except when required to so by the directors or by any meeting of the share holders or by a court of law by the person to whom such matters relate and except for so far as may be necessary in order to comply with any of the provisions of this Articles of Association.

89. Any Director or Officer of the Company shall be entitled, if he thinks fit to decline to answer any question concerning the business of the Company which may be put him on any occasion including any meeting of the Company on the ground that the answer to such question would disclose or tend to disclose the trade secret of the Company.
90. Any officer or employee of the company proved to the satisfaction of the Board of Directors who have been guilty of disclosing the secrets of the Company shall be liable to instant dismissal with out notice and payment of damages.

INDEMNITY :

91. a) Every Director of the Company, Manager, Secretary and other officer or employee of the company shall be indemnified by the Company against, and it shall be the duty of the Director to pay out of the funds of the company costs, losses and expenses (including traveling expenses) which any such Director, officer or employee may incur or become liable to by reason of any contract entered in to or act or deed done by as such Director, officer or servant or any way in the discharge of his duties
- b) Subject to as aforesaid every Director, Manager, Secretary or officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in connection with any application under the provisions of this Act in which relief is given to him by the court.

92. No Director, Auditor or Officer of the Company shall be liable for the acts, receipts or defaults of any other Director or Officer, for joining in any receipts or other act for conformity, or for any loss or expenses happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for sufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency, or tortuous act of any person with whom any monies, securities, or effects shall be deposited, or for any loss occasioned by any error of judgment, commission, default or oversight on his part for any other loss damage or misfortune whatever which shall happen in relation to the execution of the duties of his office or in relation thereto unless the same happens through his own dishonesty.

| SL No | Names, Addresses, Description & Occupation of Subscribers & Signatures | Signature with Name, address, description & occupation of witness |
|--------------------------|---|--|
| 4 | SATYA HARI DEY S/O DIWAKAR DEY B. 208, I I T KHARGPUR KHARGPUR, WEST BENGAL BUSINESS <i>S. H. Dey</i> | |
| 5. | SUBHALAKSHMI BHATTACHARYA W/O PARTHASARATHI BHATTACHARYA FLAT NO-301, EASTFACE HOMES, VAMAN NAIK LANE, KUNDAN BAGH, BEGUMPET HYDERABAD - 500016 OCC: BUSINESS <i>Subhalakshmi</i> | Ramesh Srinivas Kinnath S/O V. S. R. Anjaneyulu G-2, 918/2, Khairatabad Hyderabad - 500004 Chartered Accountant <i>Ramesh</i> |
| 6. <i>M. K. Srinivas</i> | <i>M. K. Srinivas</i> MACHANAVATHULA VENKATA NARAYANA S/O M. KRISHNA BIRTHY 4/2, SHI VINAYA ENCLAVE 268/BT, S. R. NAGAR, HYDERABAD - 500038 BUSINESS <i>M. K. Srinivas</i> | |
| 7 | SADHANALA VISWA PRASAD S/O LAKH S. BHAGI RAO H. 9-148, 15th COLONY, VISAICHA PATNAM - 530016 OCC: BUSINESS <i>S. H. S. ad</i> | |

Place: Hyderabad

Date: 21-07-06

Exhibit-A



INCORPORATED
UNDER THE COMPANIES ACT, 1956
(1 OF 1956)
COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

EMERGENT BIO NATURALS LIMITED

- I). The name of the company is EMERGENT BIO NATURALS LIMITED.
- II). The Registered Office of the Company shall be situated in the State of Andhra Pradesh.
- III). The Objects for which the Company is established are:

(A) THE MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE: -

1. To undertake, promote, assist, procure or otherwise acquire or engage in all kinds, of developmental work in the fields of Biology, Bio-technology, Bio-Chemistry including molecular and cell biology for developing manufacturing, producing, processing, preparing, 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, fomenters and other industrial bio-products such as enzymes and gums.
2. To carry on the business of plantation Farming, Agriculture, Raising Nurseries, Tissue culture, Horticulture, Sericulture and Cultivation of mushroom growing in all their respective social forestry and to grow, produce, manufacture, process, prepare, refine, extract, pulverize, manipulate, hydrolyze, deodorize, grind bleach, hydrogenate, buy, sell or otherwise deal in all kinds of products, derivatives and oil seeds, plants, medicines, flowers, vegetables, fruits, oils, foods and food products, bio fuels of every description and to deal, trade, import and export of every agricultural and other products and oil resins and of medicinal and aromatic plants and herbs of every agricultural and other products to extract produce, manufacture essential oils and medicines and cosmetics of every description.
3. To carry on the business of research, design, develop, prepare and supply of technical know how and to act as consultants, technical consultants and advisory services in the fields of Biology, Biotechnology and Biochemistry.

B) THE OBJECTS INCIDENTAL AND ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS SPECIFIED IN CLAUSE (A) HEREOF ARE:

1. To purchase, take on lease or exchange or hire or otherwise acquire and undertake any movable or immovable property, patents, trade marks, rights or privileges designs, good-will, devices, licenses, businesses, concerns, undertakings, assets and liabilities of any person, firm, association, society, Company or corporation carrying on any business which the company may think necessary or convenient for the company's business and to pay for the same by shares or debentures of this company, or by cash or otherwise, or partly in one way and partly in another or others.
2. To purchase or otherwise acquire, erect, maintain, reconstruct and adopt any freehold, leasehold or other property, lands, buildings, roads, railways, train ways rolling stocks, vehicles, offices, workshops, mills, plant, machinery accessories and also to extend the business of the company adding to, altering, enlarging all or any of the lands, for the time being the

property of or in possession of the company and to manufacture and deal in all kinds of plant, machinery, apparatus, tools, utensils, materials and things necessary or convenient for carrying on any of the main objects of the company and to carry on any other business.

3. To employ or otherwise acquire technical experts, doctors, surveyors, Horticulturists, engineers, mechanics, foremen and skilled and unskilled labour for any of the purposes or business of the company.
4. To let on lease any machinery, buildings and equipment at any property of the company for the time being or property which will be acquired in due course whether as a whole or part to any person, firm or company to the best advantage of the company's business.
5. To establish, appoint, regulate and discontinue contractors, managers, brokers, canvassers, agents, distributors, retailers and other persons in all such places and wherever in the world as the company may from time to time determine for carrying out all or any of the company's objects and to act as the agents and to establish and maintain offices, agencies, branches in any part of India or elsewhere from time to time for the purpose of the company and / or to discharge and discontinue the same.
6. To purchase or by any other means acquire and protect, prolong and renew, whether in India or elsewhere, any patent rights, processes and secrets, brevet D inventions, licenses, protections and concessions which may appear likely to be advantageous or useful to the company, and to use or turn to account or to manufacture or grant licenses or privileges in respect of the same and to spend money, experimenting upon, testing and improving or seeking to improve any patents, inventions, process, secrets and rights which the company may acquire, or propose to acquire.
7. To make, undertake or encourage, experiment, research by establishing laboratories or subscribe, contribute or otherwise assist the undertakings which are engaged in research to carry on analysis experiment, investigation, opening out trade in connection with any of the objects of the company or affecting any class or department of its business directly or indirectly of the company.
8. To employ or otherwise acquire consultants, technical experts, engineers, technicians, scientists, mechanics, foremen, specialists in any field or activity, skilled and unskilled labour for any of the purposes or business of the company or to investigate and examine into the conditions prospects, value character and circumstances or any business concerns and undertakings and generally of any assets property or rights, and to remunerate them suitably.
9. To enter into partnership or any arrangements for sharing profits, co-operation, amalgamation union of interest, joint venture, reciprocal concession, or otherwise with any Government authority person, firm or company carrying on or engaged or about to carry on any business or transaction which the company is authorized to carry on or engage or any

business undertaking or transaction which may seem capable of being carried on or conducted so as directly or indirectly to benefit the company and to lend money, to guarantee the contracts or otherwise assist any such person, firm or company and to place, take or otherwise acquire and hold shares or securities of any such person, firm or company and to sell, hold, re-issue with or without guarantee, or otherwise deal with the same but the company shall not do the business of Banking as defined in the Banking Regulation Act, 1949.

10. To amalgamate with any other company or companies having objects altogether or in part similar to those of this company.
11. To enter into agreements and arrangements with any Government or authorities, municipal local or otherwise which may seem conducive to the company's objects or any of them, to obtain from any such government or authority any rights or privileges and concessions which the company may think desirable to obtain and to carry out, exercise and comply with any such agreements, rights, privileges and concessions and to oppose the grant of any such rights, privileges or concessions or others
12. To procure the registration or any other recognition of the company in any country state or place and to establish requisite agencies for the purpose of the company's business and to apply or join in applying to the parliament, local government municipal or other authority or body, Indian or foreign, for any Acts of parliament, laws, decrees, concessions, orders, rights or privileges that may seem conducive to the company's objects or any of them and to oppose any proceedings or applications which seem calculated directly or indirectly to prejudice the company's interests
13. To promote and form and to be interested and take hold and dispose off shares in other companies having all or any of the objects mentioned in the memorandum or which may be considered useful to the company and to transfer to any such company any property of the company and to take or otherwise acquire hold and dispose off shares, debentures and other securities, in or of any such company and to subsidise or otherwise assist such company
14. To train or pay for the training in India or abroad of any of the Company's Directors members, officers, employees or any candidates in the interest of or furtherance of the Company's objects.
15. To provide for the welfare of the Directors, officers, employees and Ex-Directors, ex-officers and ex-employees of the company and the wives and widows and families or dependents or connections of such persons by building or contributing to the building of the houses, dwellings or chaws, or by grant of money, pension, allowances, bonus or other payments or by creating and from time to time subscribing or contributing to Provident Fund or otherwise, association institutions, funds or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Company shall think fit to subscribe or to

contribute otherwise, to assist or to guarantee many to Charitable, benevolent, religious, scientific, national public or other institutions and objects which shall have any moral or claim to support or aid by the company either by reason of locality of operation or of public and general utility or otherwise, to incur expenditure in developing the education and to grant scholarships, aids or any other help to students including incurring and paying expenses in sending them for higher studies either in India or in any foreign Country.

16. Subject to provisions of the Companies Act, 1956 to indemnify, members officers Directors employees of the company or persons otherwise concerned with the company against proceedings costs, damages, claims and demands in respect of any thing done or ordered to be done by them for and in interest of the company or for any damages or misfortune whatsoever which may happen in the execution of duties of their office, freedom of contract and or in relation thereto.
17. 16.subject to the provisions of the Banking Regulation Act, 1949, to draw, make, accept, endorse, discount execute and issue promissory notes, hundies, bills of exchange, bills of trading, warrants, debentures and other negotiable and transferable instruments.
18. Subject to section 58A of the Companies Act, 1956 and the rules made there under to borrow or raise money at interest or otherwise in such manner as the company may think fit, and in particular by the issue of the debentures, perpetual or otherwise, including debentures convertible into shares of this or any other company, or perpetual annuities, and in security of any such monies borrowed, raised or received, to mortgage, pledge or charge the whole or any part of the property assets or revenue of the company, present or future, including its uncalled capital buy special assignment or otherwise and to transfer or convey the same absolutely or in trust and to give the lenders power of sale and other powers as may seem, expedient and to purchase, redeem or pay off any such securities but the Company shall not do any Banking business as defined in the Banking Regulation Act, 1949.
19. To open current deposit or other accounts with any individual, firm or Company or with any Bank or Banks or Shroffs and to pay withdraw money from such account or accounts.
20. To incur debts and obligations for the conduct of any business of the company and to purchase or hire the goods materials or machinery on credit or otherwise for any business or purpose of the company.
21. To invest, lend, advance, or deal with the monies belonging to, entrusted to or at the disposal of the company or to give credit to any company, companies, firms, or persons and in particular to the customers of the company with or without security on such terms as may seem expedient and to give guarantees or securities for any such persons, firms or companies.

22. To assist any company financially or otherwise or by issuing or subscribing or guaranteeing the subscription and issue of capital, shares, stocks, debentures debenture-stock or other securities and to hold and deal in shares, stocks and securities of any company not withstanding there may be liability thereon
23. To make advances of such sum or sums of money upon or in respect of or for the rendering of services to company, purchases of materials, goods, machinery stores or any other property, articles and things required for the purpose of the business of the company upon such terms with or without security as the company may deem expedient.
24. Subject to the provisions of the Companies Act, 1956, to invest in any real or personal property, rights or interest acquired by or belonging to the company in any person or company on behalf of or for the benefit of the company and with or without any declared trust in favor of the company.
25. To create any operate any Depreciation Fund, Reserve Fund, Sinking Fund, Investment Allowance Fund, Insurances Fund, or any other special fund, whether for depreciating, repairing, maintaining, replacing, improving or extending any of the property of the company for any other purpose conducive to the interests of the company.
26. Subject to the provisions of the Companies Act, 1956, to subscribe or donate money for charitable, benevolent, religious, scientific, public, political, national and other useful objects or for any exhibition.
27. To be interested in, promote or undertake in the formation and establish such institutions, businesses, companies (Industrial, Agricultural, Trading, Manufacturing or other) as may be considered to be conducive to the profit and interest of the company and to carry on any other business (Industrial, Agricultural, Trading, Manufacturing or other) which may seem to the company capable of being conveniently carried on in connection with any of the objects or otherwise calculated directly or indirectly or render any of the companies property or rights for the time being profitable and also to acquire, promote aid, foster, subsidies, acquire interest in any industry or undertaking in any country or countries whatsoever.
28. To promote freedom of contract and to assist insure against, counteract and discourage interference with freedom of contract and subscribe to any association or fund for such purpose within constitutional means.
29. To promote or oppose legislative and other measures affecting the industry, trade and commerce and manufacturers within constitutional means.
30. To insure with any person or company against losses, damages, risks and liabilities of any kind which may effect the company either wholly or partly, and if thought fit to effect any such insurance by joining or becoming members of any mutual, insurance or protection or indemnity association,

society of company and to accept any such insurances or part thereof for account of the company.

31. To adopt such means of making known the activities and the business carried on by the company as may seem expedient and in particular by advertising by circular or exhibition of works of art and interest and publication of books and periodicals and by granting prizes, awards and donations.
32. To apply for tender, purchase or otherwise acquire contracts, sub contracts and concessions for all or any of them and to sublet all or any contracts from time to time and upon such terms and conditions as may be thought expedient.
33. To undertake, carryout, promote and sponsor rural development including on any programme for promoting the social and economic welfare of, or the uplift of the public in any rural area and to incur expenditure on any programme of rural development and to assist execution and promotion thereof either directly or through any independent agency or in any other manner. Without prejudice to the generality of the foregoing, Programme on Rural Development shall also include any programme for promoting the social and economic welfare of or economic uplift of the public in any rural area which the directors consider it likely to promote and assist rural development and the word "Rural Area" shall include such areas as may be regarded as rural area under the Income Tax Act, 1961 or any other law relating to rural development for the time being in force or as may be regarded by the Directors as rural areas and Directors may at their discretion in order to implement any of the above mentioned objects or purposes transfer without consideration or at such fair or commission value as the Directors may think fit and divest the ownership of any property of the Company to or in favor of any Public or Local Body or Authority of Central or State or State Government or any public institutions or Trusts or Funds or Organization (s) as the Directors may approve.
34. To exchange, lease, mortgage, change, develop, dispose off or otherwise deal in with the undertaking of the company or any part thereof upon such terms and for such considerations as the company may think fit and in particular for shares or other securities of any other company having objects altogether or in part similar to those of this company.
35. To open and keep an Register or Registers in any country or countries where it may be deemed advisable to do so, and to allocate any number of shares in the company to such Register of registers.
36. In the event of winding up of the company to distribute any of the property of the company amongst the shareholders in specie or kind.
37. Subject to provisions of section 78 of the Companies Act, 1956 to place, to reserve or otherwise to apply, as the company may from time to time think fit, any money received by way of premium on shares or debentures

issued at a premium by the company and any money received in respect of forfeited shares.

38. To do all or any of the above things in any part of the world, either as principals or agents, trustees, contractors or otherwise by appointing agents and either alone or jointly with others and either by through agents, subcontractors, trustees or otherwise.
39. To do all such other things as may be deemed incidental or conducive to the attainment of the above objects or any of them.

C) OTHER OBJECTS OF THE COMPANY NOT INCLUDED IN (A)

1. To carry on the business of growers, general traders, distributors, representatives, merchants, contractors, buyers, sellers, exporters, importers, exchangers, barterers, processors, stockiest and dealers in all kinds of agricultural products.
2. To carry on the business of exporters and importers of merchandise machinery, equipment, goods, materials and articles of every description manufactured or otherwise produced of all kinds to or from any country and to act as representatives, commission agents and merchants.
3. Subject to the provisions of the Banking Regulations Act, 1949 to lend money and transact contracts regarding the borrowing and lending of money including negotiation for loans and to finance the activities of other companies, industrial undertakings or other bodies corporate for the purpose of their business either by way of lending money with or without securities and on such terms and conditions as might appear appropriate for the time being or arranging finances by providing guarantees or securities.
4. To work as an Investment Company and to invest or cause to be invested the capital and other Funds of the company and to finance industrial enterprises and to promote companies engaged in industrial and trading businesses.
5. To carry on the business of purchasing and letting on lease or hire of all kinds of machinery, plants, tools, vehicles, computers, office equipment and electronic equipment of all kinds and descriptions
6. To carry on the business of developing, manufacturing, producing, repairing, altering, buying, selling, importing, exporting, distributing, marketing and generally dealing in all kinds of Forgings, Forging dies, tools, jigs & fixtures to suit all industrial, automobile and other applications.
7. To carry on all or any of the business of the proprietors of flats, marionettes, dwelling houses, shops, offices and for these purpose to

Purchase take on lease or otherwise acquire and hold any lands or buildings of any tenure or description wherever situate, ~~or rights or interests therein or connected therewith.~~ to prepare building sites and to construct, reconstruct, pull down, alter, improve, decorate, furnish and maintain flats, ~~marionettes~~, dwellings houses, shops, offices, clubs, buildings, works and convenience of all kinds to lay out roads and pleasure gardens and recreation grounds to plant, drain or otherwise improve the land or any part thereof.

8. To purchase or otherwise acquire, manufacture, refine, treat, reduce, distill, blend, purify, pump, store, hold, transport, use, experiment with, market, distribute, exchange, supply, sell and otherwise dispose off, import, export and trade and generally deal in any and all kinds of petroleum and petroleum products, oils and chemicals and any products, by-products and derivatives thereof.

9. To purchase, manufacture, produce, boil, refine, prepare, import, export sell and generally to deal in sugar- candy, jiggery, sugar-beet, sugarcane, molasses, syrups, mildew, alcohol, spirits and all sugar products such as confectionery, glucose, sugar-candy, canned fruit, golden syrup and / or by-products such as biogases boards, paper pulp, paper, butyl alcohol acetone, carbon dioxide, hydrogen, potash, can wax and fertilizers and food products generally, and in connection therewith to acquire or manufacture factory machinery for any of the above purposes.

10. To carry on the business of manufacturing producing, designing, buying, selling, importing, exporting, marketing and generally dealing in all kinds of garments and apparel of every kind, nature and description.

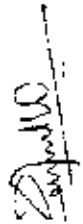
IV. The Liability of the members of the Company is limited.

* V. The Authorised Share Capital of the Company is Rs. 1,00,00,000/- (Rupees One Crore Only) divided into 1000000 (Ten Lakhs) equity shares of Rs. 10/- (Rupees Ten only) each with rights, privileges and conditions attached thereto as are provided by the regulations of the Company for the time being with power to increase or reduce the capital of the company and to divide the shares in the capital for the time being into several classes and attach thereto respectively subject to the laws for time being in the accordance with regulations of the Company and to vary, modify, abrogate, any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company

V. Venkata Rao

**The Authorised Share Capital of the Company is increased to Rs. 100 Lakhs from existing Rs.5 Lakhs vide Special Resolution passed at EGM held on 31st March 2012*

VI. We the several persons, whose names, addresses and descriptions are subscribed, are hereto and desirous of being formed into a company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the capital of the company as set opposite to our respective names.

| SL No | Names, Addresses, Description & Occupation of Subscribers & Signatures | Number of Equity Shares Taken by Each subscriber | Signature with Name, address, description and occupation of witness |
|-------|---|--|---|
| 1 | SADHANALA VENKAT RAO S/O Late S Bhogi Rao Flat No 202, Gharonda Pall Apts, Vittalwadi Street - 3, Narayana Huda - 29 Occ - Business S. Venkatesh Rao | 7000 Seven thousand | Ramra Sharma Yarradhi s/o Y S.R. Anjaneyulu G-2-911/2, Kharatatabad Hyderabad - 500 001 Chartered Accountant  |
| 2 | SADHANALA HAJIRAJA W/O S. VENKATA RAO Flat No. 202, GHARONDA PALL APTS, VITTALWADI, STREET NO. 3, NARAYANA HUDA, HYDERABAD - 29. Occ: BUSINESS S. Padmaiah | 7000 Seven Thousand | |
| 3. | PARTHASARATHI BHATTACHARYA S/O P.K. BHATTACHARYA Flat No. 501, EAST FACE HOMES, VAMAN NAIK LANE, KUNDANBAGH, BEGLUMPUR, HYDERABAD 500 016 Occ - BUSINESS Bhattacharya | 7000 Seven Thousand | |

Place: Hyderabad
Date: 24.7.06

| Sl. No | Names, Addresses, Description & Occupation of Subscribers & Signatures | Number of Equity Shares Taken by Each subscriber | Signature with Name, address, description and occupation of witness |
|--------------------------------|--|--|---|
| 4 | SATYA KARI DEY S/O DINAKAR DEY B 208, I.S.T KHARAG PUR, KHARAGPUR WEST BENGAL BUSINESS <i>S. Dey</i> | 7000 (Seven thousand) | |
| 5 | SUBHA LAKSHMI CHATTACHARYA W/O PARTHA SARTHI CHATTACHARYA FLAT NO - 301, EASTFACE HOME VAMAN RAJ LANE KUNDAM BASH BLUMPET, HYDERABAD - Social Occ: BUSINESS <i>Subha Lakshmi</i> | 7000 (Seven thousand) | |
| 6 | DR. HANUVAZHILA VENKATANARAYANA S/O N. KRISHNAKIRTHAN 402, SAI VIKAS ENCLAVE 268/307, S.R. NAGAR HYDERABAD-500038 BUSINESS <i>N. Lakshmi</i> | 7000 (Seven thousand) | |
| 7 | SADHANALA VISWA PRASAD S/O Late S. BHAGIRATH 43 9-148, TS N Colony VISAKHAPATNAM 530016 or: BUSINESS <i>S. Prasad</i> | 8000 (Eight thousand) | |
| Total no of equity share taken | | 50,000 (Fifty thousand) | |

Chartered Accountant
 S/o Y. S. R. Arjunareddy
 CO-2, SRS, Kharagbad
 Hyderabad - 500 004
 Chartered Accountant

Arjunareddy

Exhibit-B

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 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st 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 31st 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 31st 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 31st 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 31st 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 31st 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) |
|-----------------------------------|---------|----------------------------------|----------------------------------|
| I. EQUITY AND LIABILITIES | | | |
| 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 |
| TOTAL | | 7,58,41,794 | 7,56,46,190 |
| II. ASSETS | | | |
| 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 | - | - |
| TOTAL | | 7,58,41,794 | 7,56,46,190 |

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

EMERGENT BIO NATURALS LTD

Trading and Profit & Loss for the year ended 31st March, 2018

| Particulars | Note No | As At 31-03-2018 (Audited) | As At 31-03-2017 (Audited) |
|---|---------|----------------------------------|----------------------------------|
| <u>Income :-</u> | | | |
| Revenue from operations | 18 | 7,65,250 | 6,00,151 |
| Other Income | 19 | - | - |
| Total Revenue : | | 7,65,250 | 6,00,151 |
| <u>Expenses: -</u> | | | |
| 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 | 5,163 | 1,769 |
| Depreciation and Amortization Expenses | 11 | 4,42,375 | 4,42,375 |
| Other Expenses | 25 | 1,58,250 | 84,854 |
| Total Expenses : | | 6,05,788 | 5,28,998 |
| Profit Before Tax | | 1,59,462 | 71,153 |
| Tax Expense: | | | |
| Current Tax | | 30,385 | 13,558 |
| Deferred Tax | | -24,521 | -9,493 |
| Profit/ (Loss) for the period | | 1,53,598 | 67,088 |

Accompanying Notes 1 - 33 are an integral part of financial Statements in terms of our report of even date

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

(S Ashok Kumar)

Chartered Accountant

M No :- 223942

Director

Director

Dt : 15th June'2018

Place :- Hyderabad

| 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 & 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

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

| Note 3: RESERVES AND SURPLUS | As at 31.03.2018 (Audited) | As at 31.03.2017 (Audited) |
|--|---------------------------------------|---------------------------------------|
| Particulars | | |
| 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) | - | - |
| Total | 5,06,85,660 | 5,05,32,062 |

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

| Note 5: DEFFERED TAX LIABILITY (Net) | As at 31.03.2018 (Audited) | As at 31.03.2017 (Audited) |
|---|---------------------------------------|---------------------------------------|
| Particulars | | |
| 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 | -9,493 |
| Deferred Tax Liability at the beginning of the year | 3,12,730 | 3,22,223 |
| Total | 2,88,209 | 3,12,730 |

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

EMERGENT BIO NATURALS LTD

Notes Forming Part of Balance Sheet

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

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

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

| Note 10: SHORT TERM PROVISIONS | As at 31.03.2018 (Audited) | As at 31.03.2017 (Audited) |
|---------------------------------------|---------------------------------------|---------------------------------------|
| Particulars | | |
| provisions | 30,385 | 13,558 |
| Total | 30,385 | 13,558 |

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 | - | - |
| Vechicles | 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 | |

(Amount in Rs)

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

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

| Note 14: INVENTORIES | As at 31.03.2018 (Audited) | As at 31.03.2017 (Audited) |
|-----------------------------|---------------------------------------|---------------------------------------|
| Particulars | | |
| Raw Materials | - | - |
| Work-in progress | - | - |
| Total | - | - |

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

EMERGENT BIO NATURALS LTD

Notes Forming Part of Balance Sheet

| Note 16: CASH AND BANK BALANCES | As at 31.03.2018 (Audited) | As at 31.03.2017 (Audited) |
|---|---------------------------------------|---------------------------------------|
| Particulars | | |
| Cash and Cash Equivalents | | |
| (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) | - | - |
| Total | 22,990 | 1,18,47,990 |

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

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 | | |
| Revenue from Operations : | | |
| Income from operations | 7,65,250 | 6,00,151 |
| Total | 7,65,250 | 6,00,151 |

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

| 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 | - | - |
| Total | - | - |

| 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 | - | - |
| Increase or decrease in WIP | - | - |

| 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 | - | - |
| Total | - | - |

EMERGENT BIO NATURALS LTD

Notes Forming Part of Balance Sheet

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

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

| Note 25: OTHER EXPENSES | As at 31.03.2018 (Audited) | As at 31.03.2017 (Audited) |
|--------------------------------|---------------------------------------|---------------------------------------|
| Particulars | | |
| 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 |
| Total | 1,58,250 | 84,854 |

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 31st 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 relatable 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

Exhibit-B
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 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st 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

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

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 |
|--|----------|------------------------|------------------------|
| 1 Non-current assets | | | |
| 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 | - |
| 2 Current assets | | | |
| 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 | - | - |
| TOTAL ASSETS | | 12,953,888 | 20,205,192 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| 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) |
| Share application money pending allotment | | | |
| 1 Non-current liabilities | | | |
| Financial liabilities | | | |
| - Long term borrowings | 12 | - | - |
| Long term provisions | 13 | - | - |
| Deferred tax liabilities (Net) | 14 | - | - |
| Other non-current liabilities | 15 | 252,375 | 926,413 |
| 2 Current liabilities | | | |
| 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 | - | - |
| TOTAL EQUITY AND LIABILITIES | | 12,953,888 | 20,205,192 |

See accompanying notes to the financial statements

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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 |
|---|-----------|-------------------------------------|-------------------------------------|
| Revenue from operations | 20 | 4,491,436 | 12,025,258 |
| Other income | 21 | 200,717 | 100,696 |
| Total revenue | | 4,692,153 | 12,125,954 |
| Expenses | | | |
| 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 | 22 | 2,178,825 | 295,344 |
| Employee benefit expenses | 23 | 629,832 | 1,663,207 |
| Finance cost | 24 | 14,043 | 401,319 |
| Depreciation and amortisation expense | 1 | 10,888 | 637,086 |
| Other expenses | 25 | 2,778,939 | 7,052,605 |
| Total expenses | | 8,377,898 | 16,498,280 |
| Profit/ (loss) before exceptional items and tax | | (3,685,745) | (4,372,326) |
| Exceptional items | | - | 5,197,058 |
| Profit/ (loss) before tax | | (3,685,745) | 824,732 |
| Tax expenses | 26 | 171,645 | (272,161) |
| Profit/ (loss) for the period from continuing operations | | (3,857,390) | 1,096,893 |
| Profit/ (loss) from discontinued operations | | - | - |
| Tax expense of discontinued operations | | - | - |
| Profit/ (loss) from discounting operations (after tax) | | - | - |
| Profit/ (loss) for the period | | (3,857,390) | 1,096,893 |
| Other comprehensive income | | | |
| Total comprehensive income for the period | | (3,857,390) | 1,096,893 |
| <i>(Profit/ loss + other comprehensive income)</i> | | | |
| Earnings per equity share (for continuing operations) | | | |
| a) Basic | | (1.13) | 0.32 |
| b) Diluted | | (1.13) | 0.32 |
| Earnings per equity share (for discontinued operations) | | | |
| a) Basic | | - | - |
| b) Diluted | | - | - |
| Earnings per equity share (for discontinued & continuing operations) | | | |
| 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 |
|---|---|---|
| A Cash Flow from Operating activities : | | |
| Net Profit after Interest & Depreciation but before Tax | (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 | - | - |
| Operating Profit before working capital changes | (38,75,574) | 17,46,619 |
| Adjustments for : | | |
| 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) |
| Cash generated from operations | (19,58,421) | 32,58,697 |
| Add: Income Tax paid | (1,73,461) | - |
| Miscellaneous Expenditure | | |
| Net Cash flow from Operating activities (before & after extraordinary items) " A " | (21,31,882) | 32,58,697 |
| B Net Cash from Investing activities : | | |
| (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) |
| Net cash flow from Investing activities " B " | (9,17,425) | 32,57,172 |
| C Cash Flow from Financing activities | | |
| 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) |
| Net Cash flow from Financing activities " C " | (6,74,038) | (21,89,796) |
| D Net (Decrease) / Increase in Cash and Cash Equivalents (A + B + C) | (37,23,345) | 43,26,073 |
| 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 | |
| Balance as at 1 April 2016 | 336.31 | - | (204.50) | - | 131.81 |
| Total comprehensive income for the year ended 31 March 2017 | - | - | 10.97 | - | 10.97 |
| Other comprehensive income (net of tax) (refer note 23) | - | - | - | - | - |
| | 336.31 | - | (193.53) | - | 142.77 |
| Transactions recorded directly in equity | | | | | |
| Contributions and distributions: | | | | | |
| Nil | - | - | - | - | - |
| Balance as at 31 March 2017 | 336.31 | - | (193.53) | - | 142.77 |

For the year ended 31 March 2018

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

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 | - |
| | | | | - | - | - | | | | | | | | |
| | | | | - | - | - | | | | | | | | |
| | TOTAL | - | 33,400 | - | - | - | 33,400 | | - | 10,888 | - | 10,888 | 22,512 | - |
| | Previous Year | 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 |
| | Total Long Term Loans & Advances | 4,880,256 | 3,795,514 |

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 | - | - |
| | Deferred Tax Asset/ (Liability) - Net | 1,816 | - |

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 | - |
| | Total Non Current Assets | 530,000 | - |

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 |
| | Total Inventories | - | 2,445,711 |

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 |
| | Total Trade Receivables(net) | 5,155,587 | 7,876,906 |

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 |
| | Total Cash and Cash Equivalents | 2,363,717 | 6,087,061 |

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) | | |
| | Total Short Term Loans & Advances | - | - |

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: | Number of Shares | Number of Shares |
| | 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 | | |
| | Total Long Term Provisions | - | - |

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 | - | - |
| | Deferred Tax Liability/ (Asset) - Net | - | - |

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 |
| | Total other long term liabilities | 252,375 | 926,413 |

**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 | | |
| | Total Short Term Borrowings | - | - |

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 |
| | Total Trade Payables | 1,847,985 | 4,477,852 |

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 |
| | Total Other Current Liabilities | 433,430 | 523,440 |

**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 | | |
| | Total Short Term Provisions | - | - |

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 |
| | Total Revenue from Operations | 4,491,436 | 12,025,258 |

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 |
| | Total Other Income | 200,717 | 100,696 |

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 |
| | (Increase) / Decrease in Inventories (A+B) | 2,178,825 | 295,344 |

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 |
| | Total Employee Benefit Expenses | 629,832 | 1,663,207 |

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 | - | |
| | Total Finance Cost | 14,043 | 401,319 |

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 |
| | Total Other Expenses | 2,778,939 | 7,052,605 |

PHARMAIDS PHARMACEUTICALS LIMITED

NOTE NO. 26: TAX EXPENSES

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

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: | | |
| Earning | | |
| Net Profit/Loss for the period | (3,857,390) | 1,096,893 |
| Shares | | |
| 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 |
| Earning per share of par value Rs. 10/- Basic & Diluted (Rs) | (1.13) | 0.32 |

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]

PHARMAIDS PHARMCEUTICALS LTD

Notes to the IND AS financial Statements

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:

| <u>Assets</u> | <u>estimate of useful life</u> |
|----------------------|---------------------------------------|
| 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).

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) |
|-----------------------------------|---------|--------------------------------------|----------------------------------|
| I. EQUITY AND LIABILITIES | | | |
| 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 |
| TOTAL | | 7,59,41,200 | 7,58,41,794 |
| II. ASSETS | | | |
| 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 | - | - |
| TOTAL | | 7,59,41,200 | 7,58,41,794 |

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





Dt: 05th July '2018

Place :- Hyderabad




EMERGENT BIO NATURALS LTD

Provisional Trading and Profit & Loss for the period 30th June , 2018

| Particulars | Note No | As At 30-06-2018 (Provisional) | As At 31-03-2018 (Audited) |
|---|---------|--------------------------------------|----------------------------------|
| <u>Income :-</u> | | | |
| Revenue from operations | 18 | 3,20,500 | 7,65,250 |
| Other Income | 19 | - | - |
| Total Revenue : | | 3,20,500 | 7,65,250 |
| <u>Expenses: -</u> | | | |
| 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 |
| Total Expenses : | | 2,43,362 | 6,05,788 |
| Profit Before Tax | | 77,138 | 1,59,462 |
| Tax Expense: | | | |
| Current Tax | | 19,863 | 30,385 |
| Deferred Tax | | | -24,521 |
| Profit/ (Loss) for the period | | 57,275 | 1,53,598 |

Accompanying Notes 1 - 33 are an integral part of financial Statements in terms of our report of even date

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



 Director
 
 Director

Dt : 05th July '2018

Place :- Hyderabad

EMERGENT BIO NATURALS LTD

Notes Forming Part of Balance Sheet

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

| Note 3: RESERVES AND SURPLUS | | |
|--|-----------------------------------|-------------------------------|
| Particulars | As at 30.06.2018 (Provisional) | As at 31.03.2018 (Audited) |
| Share premium | 3,94,61,350 | 4,93,26,680 |
| Less : | | |
| 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) | - | - |
| Total | 4,08,77,605 | 5,06,85,660 |

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

| Note 5: DEFERRED TAX LIABILITY (Net) | | |
|---|-----------------------------------|-------------------------------|
| Particulars | As at 30.06.2018 (Provisional) | As at 31.03.2018 (Audited) |
| Deferred Tax Liability / (Asset) | - | - |
| On depreciation on fixed assets | - | - |
| Deferred Tax Asset | - | - |
| On employee benefit expenses | - | - |
| Deferred Tax Liability (Net) as on 31-3-2018 | - | -24,521 |
| Deferred Tax Liability at the beginning of the year | 2,88,209 | 3,12,730 |
| Total | 2,88,209 | 2,88,209 |



EMERGENT BIO NATURALS LTD

Notes Forming Part of Balance Sheet

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

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

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

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

| Note 10: SHORT TERM PROVISIONS | As at 30.06.2018 (Provisional) | As at 31.03.2018 (Audited) |
|--------------------------------|-----------------------------------|-------------------------------|
| Particulars | | |
| provisions | 50,248 | 30,385 |
| Total | 50,248 | 30,385 |



EMERGENT BIO NATURALS LIMITED

Statement of Depreciation on Fixed Assets for the assessment year 2019-2020 (As per Companies Act)

Note: 11

| S.No | Description of the Asset | GROSS BLOCK | | Total | Rate of Dept. | As on 1.4.2018 | Transferred to reserves & Surplus | Depreciation for the period | DEPRECIATION | | | NET BLOCK | |
|------|--------------------------|------------------|---------------------------|------------------|---------------|------------------|-----------------------------------|-----------------------------|------------------|------------------|------------------|-----------|--|
| | | As on 01.04.2018 | Additions During the year | | | | | | As on 30.06.2018 | As at 30.06.2018 | As at 31.03.2018 | | |
| 1 | Air Conditioners | 17,000 | | 17,000 | 12.50% | 14,875 | - | 531 | 15,406 | 1,594 | 2,125 | | |
| 2 | Computers | 1,00,000 | | 1,00,000 | 33.33% | 1,00,000 | - | - | 1,00,000 | - | - | | |
| 3 | Vehicle | 2,50,000 | | 2,50,000 | 12.50% | 2,31,250 | - | 7,813 | 2,39,063 | 10,938 | 18,750 | | |
| 3 | Machinery & EQUIPMENT | 40,90,000 | | 40,90,000 | 10.00% | 30,36,476 | - | 1,02,250 | 31,38,726 | 9,51,274 | 10,53,524 | | |
| | Total | 44,57,000 | - | 44,57,000 | | 33,82,601 | - | 1,10,594 | 34,93,195 | 9,63,805 | 10,74,399 | | |



EMERGENT BIO NATURALS LTD

Notes Forming Part of Balance Sheet

| Note 12: CAPITAL WORK IN PROGRESS | As at 30.06.2018 (Provisional) | As at 31.03.2018 (Audited) |
|-----------------------------------|-----------------------------------|-------------------------------|
| Particulars | | |
| Capitl Work in Progress | 45,00,000 | 45,00,000 |
| Total | 45,00,000 | 45,00,000 |

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

| Note 14: INVENTORIES | As at 30.06.2018 (Provisional) | As at 31.03.2018 (Audited) |
|----------------------|-----------------------------------|-------------------------------|
| Particulars | | |
| Raw Materials | - | - |
| Work-in progress | - | - |
| Total | - | - |

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



EMERGENT BIO NATURALS LTD

Notes Forming Part of Balance Sheet

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

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



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 (Provisional) | As at 31.03.2018 (Audited) |
|----------------------------------|-----------------------------------|-------------------------------|
| Particulars | | |
| Revenue from Operations : | | |
| Income from operations | 3,20,500 | 7,65,250 |
| Total | 3,20,500 | 7,65,250 |

| Note 19: OTHER INCOME | As at 30.06.2018 (Provisional) | As at 31.03.2018 (Audited) |
|------------------------------|-----------------------------------|-------------------------------|
| Particulars | | |
| Other Non - Operating Income | - | - |
| Interest Income | - | - |
| Total | - | - |

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

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

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



EMERGENT BIO NATURALS LTD

Notes Forming Part of Balance Sheet

| Note 23: EMPLOYEE BENEFITS EXPENSES | As at 30.06.2018 (Provisional) | As at 31.03.2018 (Audited) |
|-------------------------------------|-----------------------------------|-------------------------------|
| Particulars | | |
| Salaries | - | - |
| Mess Expenses | - | - |
| Staff welfare expenses | - | - |
| Total | - | - |

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

| Note 25: OTHER EXPENSES | As at 30.06.2018 (Provisional) | As at 31.03.2018 (Audited) |
|-------------------------------|-----------------------------------|-------------------------------|
| Particulars | | |
| 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 |
| Total | 1,31,518 | 1,58,250 |



PHARMAIDS PHARMACEUTICALS LIMITED

Balance sheet as at 5th July 2018

(Amount In Rupees)

| ASSETS | Note no. | As at 05 July 2018 | As at 31 March 2018 |
|--|----------|-----------------------|------------------------|
| 1 Non-current assets | | | |
| 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 |
| 2 Current assets | | | |
| 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 | - | - |
| TOTAL ASSETS | | 12,528,214 | 12,953,888 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | 10 | 33,630,850 | 33,630,850 |
| Other equity | 11 | | |
| - Equity component of other financial instrument | | (23,569,440) | (23,210,753) |
| - Retained earnings | | | |
| Share application money pending allotment | | | |
| 1 Non-current liabilities | | | |
| Financial liabilities | | | |
| - Long term borrowings | 12 | - | - |
| Long term provisions | 13 | - | - |
| Deferred tax liabilities (Net) | 14 | - | - |
| Other non-current liabilities | 15 | 252,375 | 252,375 |
| 2 Current liabilities | | | |
| 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 | - | - |
| TOTAL EQUITY AND LIABILITIES | | 12,528,214 | 12,953,888 |

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

(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
Statement of Profit and Loss for the year ended 05th July 2018

(Amount In Rupees)

| Particulars | Note no. | For the period ended 05 July 2018 | For the year ended 31 March 2018 |
|---|----------|--------------------------------------|-------------------------------------|
| Revenue from operations | 20 | - | 4,491,436 |
| Other income | 21 | 1,056 | 200,717 |
| Total revenue | | 1,056 | 4,692,153 |
| Expenses | | | |
| 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 | 22 | - | 2,178,825 |
| Employee benefit expenses | 23 | 48,330 | 629,832 |
| Finance cost | 24 | - | 14,043 |
| Depreciation and amortisation expense | 1 | 2,669 | 10,888 |
| Other expenses | 25 | 310,233 | 2,778,939 |
| Total expenses | | 361,232 | 8,377,898 |
| Profit/ (loss) before exceptional items and tax | | (360,176) | (3,685,745) |
| Exceptional items | | - | - |
| Profit/ (loss) before tax | | (360,176) | (3,685,745) |
| Tax expenses | 26 | (1,488) | 171,645 |
| Profit/ (loss) for the period from continuing operations | | (358,688) | (3,857,390) |
| Profit/ (loss) from discontinued operations | | | |
| Tax expense of discontinued operations | | - | - |
| Profit/ (loss) from discounting operations (after tax) | | (358,688) | (3,857,390) |
| Profit/ (loss) for the period | | | |
| Other comprehensive income | | (358,688) | (3,857,390) |
| Total comprehensive income for the period | | | |
| <i>(Profit/ loss + other comprehensive income)</i> | | | |
| Earnings per equity share (for continuing operations) | | | |
| a) Basic | | (0.11) | -1.13 |
| b) Diluted | | (0.11) | (1.13) |
| Earnings per equity share (for discontinued operations) | | | |
| a) Basic | | - | - |
| b) Diluted | | - | - |
| Earnings per equity share (for discontinued & continuing operations) | | | |
| 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

Place: Hyderabad
Date: 27/07/2018

Dr. Ghisura Jain [DIN No.7183511]
Chairman & Managing Director

Seema Jain
Director & CEO [DIN No.718351]



CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 05 TH JULY ,2018

| | For the Period ended on 05.07.2018 | For the Year ended on 31.03.2018 |
|---|--|--|
| A Cash Flow from Operating activities : | | |
| Net Profit after Interest & Depreciation but before Tax | (360,176) | (3,685,745) |
| Depreciation | 2,669 | 10,888 |
| Interest paid | - | - |
| Interest received | - | - |
| Loss on Sale of Fixed Assets | (1,056) | (200,717) |
| Profit on Sale of Assets / Investments | - | - |
| Bad Debts Written Off | - | - |
| Operating Profit before working capital changes | (358,563) | (3,875,574) |
| Adjustments for : | | |
| Trade and Other Payables | (43,325) | (2,629,867) |
| Inventories | - | 2,445,711 |
| Trade receivables | (70,239) | 2,721,319 |
| Loan and advances | - | - |
| Other Assets | - | (530,000) |
| other current liability | (23,661) | (90,011) |
| Cash generated from operations | (495,788) | (1,958,421) |
| Add: Income Tax paid | - | (173,461) |
| Miscellaneous Expenditure | - | - |
| Net Cash flow from Operating activities (before & after extraordinary items) " A " | (495,788) | (2,131,882) |
| B Net Cash from Investing activities : | | |
| (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 | 200,717 |
| investment in vardhaman bank(dividend income) | - | - |
| Sale of Fixed Assets | - | - |
| Sale of Investments | - | - |
| Long Term Loans and Advances | 260,000 | (1,084,742) |
| Net cash flow from Investing activities " B " | 261,056 | (917,425) |
| C Cash Flow from Financing activities | | |
| Issue of Share Capital | - | - |
| Bank borrowings & Unsecured Loan | - | (674,038) |
| Dividend and Dividend Distribution Tax Paid | - | - |
| Interest paid | - | - |
| Net Cash flow from Financing activities " C " | - | (674,038) |
| D Net (Decrease) / Increase in Cash and Cash Equivalents (A + B + C) | (234,732) | (3,723,345) |
| Cash and Cash Equivalents at the beginning | 2,363,717 | 6,087,061 |
| Cash and Cash Equivalents at the end | 2,128,985 | 2,363,716 |

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

Statement of changes in equity for the period ended 05 th July 2018

Amount in INR lakhs

For the period ended 05th July 2018

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

For the period ended 31 March 2018

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

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]

PHARMAIOS PHARMACEUTICALS LIMITED

NOTE NUMBERS TO BALANCE SHEET

NOTE NO. 2 : LONG TERM LOANS AND ADVANCES

| S. No. | Particulars | As on 05.07.2018 | As on 31.03.2018 |
|--------|--|------------------|------------------|
| | | Rupees | Rupees |
| 1 | Long - Term Loans and Advances: | | |
| | a) Security Deposit | | |
| | Secured | - | - |
| | Unsecured | 1,202,218 | 1,202,218 |
| | (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 | 3,418,038 | 3,678,038 |
| | Total Long Term Loans & Advances | 4,620,256 | 4,880,256 |

NOTE NO. 3 : DEFERRED TAX ASSET (NET)

| S. No. | Particulars | As on 05.07.2018 | As on 31.03.2018 |
|--------|---|------------------|------------------|
| | | Rupees | Rupees |
| 1 | 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 | - | - |
| | Deferred Tax Asset/ (Liability) - Net | 3,304 | 1,816 |

NOTE NO. 4 : OTHER NON- CURRENT ASSETS

| S. No. | Particulars | As on 05.07.2018 | As on 31.03.2018 |
|--------|---------------------------------|------------------|------------------|
| | | Rupees | Rupees |
| 1 | 1) Other non- current Asset | | |
| | Product Development advances | 530,000 | 530,000 |
| | Total Non Current Assets | 530,000 | 530,000 |

NOTE NO.5 : INVENTORIES

| S. No. | Particulars | As on 05.07.2018 | As on 31.03.2018 |
|--------|--------------------------|------------------|------------------|
| | | Rupees | Rupees |
| 1 | Inventories : | | |
| | a) Raw materials | - | - |
| | Sub Total | - | - |
| | b) Work - in - progress | - | - |
| | Sub Total | - | - |
| | c) Finished goods | - | - |
| | Sub Total | - | - |
| | Total Inventories | - | - |

PHARMATOS PHARMACEUTICALS LIMITED

NOTE NO. 6 : TRADE AND OTHER RECEIVABLES

| S. No. | Particulars | As on 05.07.2018 | 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 | - | - |
| | Other Receivables: | 5,225,826 | 5,155,587 |
| | Secured, Considered Good | | |
| | Unsecured, Considered Good | | |
| | Doubtful | - | - |
| | Total Trade Receivable (Gross) | 5,225,826 | 5,155,587 |
| | Less : Provision for bad & doubtful debts | - | - |
| | Total Trade Receivables(net) | 5,225,826 | 5,155,587 |

NOTE NO. 7 : CASH AND CASH EQUIVALENTS

| S. No. | Particulars | As on 05.07.2018 | 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 |
| | Total Cash and Cash Equivalents | 2,128,985 | 2,363,717 |

NOTE NO. 8 : SHORT TERM LOANS AND ADVANCES

| S. No. | Particulars | As on 05.07.2018 | 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 contractors ,advance to supplier and Travel advance to employees) | | |
| | Total Short Term Loans & Advances | - | - |

NOTE NO.9 : OTHER CURRENT ASSETS

| S. No. | Particulars | As on 05.07.2018 | As on 31.03.2018 |
|--------|------------------------------|------------------|------------------|
| | | Rupees | Rupees |
| I | Prepaid Expenses | | |
| | Interest Accrued on Deposits | | |
| | | - | - |



PHARMATDS PHARMACEUTICALS LIMITED

NOTE NO. 10 : SHARE CAPITAL

| S.NO. | Particulars | As on 05.07.2018 | As on 31.03.2018 |
|-------|---|--------------------|------------------|
| | | Rupees | Rupees |
| a | Equity Share Capital | 40,000,000 | 40,000,000 |
| | (a) Authorised | | |
| | 40,00,000 Equity Shares of Rs 10/- each | 34,055,000 | 34,055,000 |
| | (b) Issued, Subscribed and Paid-up | | |
| | 34,05,500 Equity Shares of Rs 10/- each fully paid up | 424,150 | 424,150 |
| | Less: Calls in Arrear | 33,630,850 | 33,630,850 |
| | Total Equity Share Capital | | |
| 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 | 3,405,500 | 3,405,500 |
| | At the end | | |
| 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 05.07.2018 | As on 31.03.2018 |
|--------|---|------------------|------------------|
| | | Rupees | Rupees |
| I | Other Equity | | |
| | a) Capital Subsidy | 993,750 | 993,750 |
| | As at the commencement of the year | - | - |
| | 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 | (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 | (24,563,190) | (24,204,503) |
| | | - | - |
| II | A Reserve specifically represented by earmarked investments | - | - |
| III | Negative balance of reserves and surplus account | (23,569,440) | (23,210,753) |
| | Total Reserves and Surplus | | |

NOTE NO. 12 : LONG TERM BORROWINGS

| S.No. | Particulars | As on 05.07.2018 | As on 31.03.2018 |
|-------|--|------------------|------------------|
| | | 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 05.07.2018 | As on 31.03.2018 |
|--------|-------------------------------------|------------------|------------------|
| | | Rupees | Rupees |
| I | a) Provisions for employee benefits | | |
| | Total Long Term Provisions | - | - |

NOTE NO. 14 : DEFERRED TAX LIABILITIES (NET)

| S. No. | Particulars | As on 05.07.2018 | 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 | - | - |
| | Deferred Tax Liability/ (Asset) - Net | - | - |

NOTE NO. 15 : OTHER LONG TERM LIABILITIES

| S. No. | Particulars | As on 05.07.2018 | 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 |
| | Total other long term liabilities | 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 05.07.2018 | 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 | | |
| | Total Short Term Borrowings | - | - |

NOTE NO. 17: TRADE AND OTHER PAYABLES

| S. No. | Particulars | As on 05.07.2018 | As on 31.03.2018 |
|--------|-----------------------------|------------------|------------------|
| | | Rupees | Rupees |
| I | a) Trade Payables | 1,804,660 | 1,847,985 |
| | Total Trade Payables | 1,804,660 | 1,847,985 |



PHARMAIDS PHARMACEUTICALS LIMITED

NOTE NO. 18 : OTHER CURRENT LIABILITIES

| S. No. | Particulars | As on 05.07.2018 | 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 |
| | Total Other Current Liabilities | 409,769 | 433,430 |

**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 05.07.2018 | As on 31.03.2018 |
|--------|-------------------------------------|------------------|------------------|
| | | Rupees | Rupees |
| I | a) Provisions for employee benefits | | |
| | b) Others | | |
| | Total Short Term Provisions | - | - |



PHARMAIDS PHARMACEUTICALS LIMITED

NOTE NUMBERS TO STATEMENT OF PROFIT & LOSS

NOTE NO. 20 : REVENUE FROM OPERATIONS

| S. No. | Particulars | Year Period 05.07.2018 | Year Ended 31.03.2018 |
|--------|---|------------------------|--------------------------|
| | | Rupees | Rupees |
| I | Revenue from operations in respect of non-finance company (a) Sale of Products | - | 4,491,436 |
| | Total Revenue from Operations | - | 4,491,436 |

NOTE NO. 21 : OTHER INCOME

| S. No. | Particulars | Year Period 05.07.2018 | 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) | | |
| | Total Other Income | 1,056 | 200,717 |

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

| S. No. | Particulars | Year Period 05.07.2018 | 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) | - | - |
| | (Increase) / Decrease in Inventories (A+B) | - | 2,178,825 |

NOTE NO. 23 : EMPLOYEE BENEFIT EXPENSES

| S. No. | Particulars | Year Period 05.07.2018 | 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 |
| | Total Employee Benefit Expenses | 48,330 | 629,832 |



PHARMAIDS PHARMACEUTICALS LIMITED

NOTE NO. 24 : FINANCE COST

| S. No. | Particulars | Year Period 05.07.2018 | 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 | - | - |
| | Total Finance Cost | - | 14,043 |

NOTE NO. 25 : OTHER EXPENSES

| S. No. | Particulars | Year Period 05.07.2018 | 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 | 0 | 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 |
| | Total Other Expenses | 310,233 | 2,778,939 |

NOTE NO. 26: TAX EXPENSES

| S. No. | Particulars | Year Period 05.07.2018 | 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 |
| | Total Other Income | (1,488) | 171,645 |



PHARMAIDS PHARMACEUTICALS LIMITED

1: PROPERTY, PLANT AND EQUIPMENT

| Particulars | Gross Block | | | | | | Depreciation/Amortization | | | | Net Block as on 05.07.2018 | 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 05.07.2018 | Rate of Depreciation | Dep. As on 01.04.2018 | Dep for the period ended 05/07/2018 | Adjustment Depreciation | | |
| ANT & MACHINERY | 33,400 | | | | - | 33,400 | 45.07% | 10,888 | 2,669 | - | 13,557 | 22,512 |
| | | | | | | | | | | | | |
| TOTAL | 33,400 | - | - | - | - | 33,400 | | 10,888 | 2,669 | - | 13,557 | 22,512 |
| Previous Year | 21,184,579 | - | - | - | 21,184,579 | - | | 16,817,051 | 637,086 | 5,197,058 | 8,927,500 | 4,367,527 |



Note-27 Notes Forming Part of Accounts

27.1 Details of Managerial Remuneration:

| | Managing Director | | Executive Director | |
|--------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 01/04/2018 to 05/07/2018 | 01/04/2017 to 31/03/2018 | 01/04/2018 to 05/07/2018 | 01/04/2017 to 31/03/2018 |
| 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

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

27.5 EARNING PER SHARE (EPS)

| | 01/04/2018 to 05/07/2018 | 01/04/2017 to 31/03/2018 |
|---|-----------------------------|-----------------------------|
| The computation of EPS is set out below: | | |
| Earning | | |
| Net Profit/Loss for the period | (358,688) | (3,857,390) |
| Shares | | |
| Number of Shares at the Beginning of the period | 3,405,500 | 3,405,500 |
| Add: Shares issued during the period | 3,405,500 | 3,405,500 |
| 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 | (0.11) | (1.13) |
| Earning per share of par value Rs. 10/- Basic & Diluted (Rs) | | |

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]



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.

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 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 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, 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 | Amount (Rs.) |
|--|---------------------|
| 35,00,000 Equity Shares of Rs.10 each | 3,50,00,000 |
| Total | 3,50,00,000 |
| Issued, Subscribed and Paid-up Capital | Amount (Rs.) |
| 24,66,334 Equity Shares of Rs. 10 each fully paid-up | 2,46,63,340 |
| 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 | Amount (Rs.) |
|--|---------------------|
| 40,00,000 Equity Shares of Rs. 10/- each | 4,00,00,000 |
| Total | 4,00,00,000 |
| Issued, Subscribed and Paid-up Capital | Amount (Rs.) |
| 34,05,500 Equity Shares of Rs. 10/- each fully paid-up | 3,40,55,000 |
| Less: Calls in Arrears | 4,24,150 |
| Total | 3,36,30,850 |

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.

Exhibit-E

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.





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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 5th, 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.

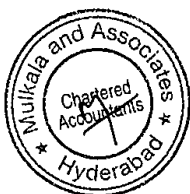
The company is currently serving the corporate and other clients from pharma, nutraceuticals and herbal medicines and products manufacturing companies.

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 5th, 2018 is as under:

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

The aforesaid share capital is held as follows:

| S.No | Particulars | % |
|------|--------------------|-------------|
| 1. | Promoter Group | 6.68% |
| 2. | Non-promoter Group | 93.32% |
| | Total | 100% |



1.4.2. Transferor Company

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

| Particulars | Amount in Rs. |
|---|---------------|
| Authorised | |
| 35,00,000 Equity Shares of Rs. 10/- each | 3,50,00,000 |
| Issued, subscribed and paid-up | |
| 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 | - |
| | Total | 100% |



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.

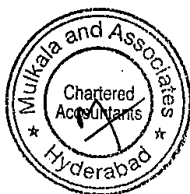
3. Approach to Valuation

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

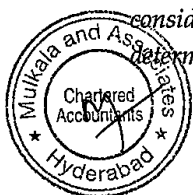
Based on the foregoing data, considerations and steps followed, it is considered that the fair ratio of exchange would as follows:

"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:

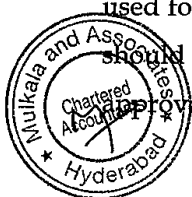
| Particulars | Transferee Company "Pharmaids Pharmaceuticals Limited" | | Transferor Company "Emergent Bio Naturals Limited" | |
|------------------------------|--|--------|--|--------|
| | Value per Share | Weight | Value per Share | Weight |
| Asset Approach | 3 | 1 | 22 | 1 |
| Earnings Approach | 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 5th, 2018.
4. Shareholding pattern of Transferee Company as on July 5th, 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.



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, 1st Floor,
Inderbagh, Sultan Bazar,
Hyderabad-500095.

And

The Board of Directors

Pharmaids Pharmaceuticals Limited

4-4-211/212/3, 1st 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

2nd 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, 1st 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

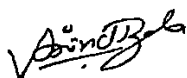


following the consummation of the Proposed Scheme.

- 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



"EXHIBIT-H"

CERTIFIED TRUE COPY OF THE RESOLUTION AT THE MEETING OF THE BOARD OF DIRECTORS OF PHARMAIDS PHARMACEUTICALS LIMITED ON 18.07.2018 AT THE REGISTERED OFFICE OF THE COMPANY AT 4-4-211/212/3, 1ST FLOOR, INDERBAGH, SULTAN BAZAR, HYDERABAD-500095.

TO CONSIDER A PROPOSAL FOR AMALGAMATION OF M/S. EMERGENT BIO NATURALS LIMITED (EBNL) AS PER DRAFT SCHEME OF AMALGAMATION:

"RESOLVED THAT pursuant to the provisions of section 230 to 232 of the Companies Act, 2013 as amended from time to time and in accordance with the Memorandum and Articles of Association of the company and subject to the requisite approval of the stock exchanges where the shares of the company are listed, shareholders/creditors of the company and the sanction of the NCLT, Hyderabad Bench ("the NCLT") and approval of such other competent authority(ies) as may be applicable, the consent of the Board of Directors be and is hereby accorded to the scheme of amalgamation of Emergent Bio Naturals Limited (Transferor Company), into and with the Pharmaids Pharmaceuticals Limited (Transferee Company) as per the terms and conditions mentioned in the scheme of Amalgamation (the scheme) placed before the Board and initiated by the Managing Director for the purposes of identification."

"RESOLVED FURTHER THAT the Valuation Report of M/s Mulkala & Associates, Chartered Accountants, Hyderabad determining the Report on Share Swap Ratio for issue shares to the shareholders of Transferor Company pursuant to the Scheme of Amalgamation of the Transferor Company into and with the Transferee Company be and is hereby taken on record."

"RESOLVED FURTHER THAT the fairness opinion issued by Inventure Merchant Banker Services Private Limited, SEBI Registered Investment Banker, Mumbai on the Report of Share Swap Ratio issued by M/s Mulkala & Associates, Chartered Accountants be and hereby taken on record."

“RESOLVED FURTHER THAT Shri Ghisulal Jain, Managing Director, Seema Jain, Director and/ or Ajay Kishan Company Secretary of the Company be and are hereby severally authorized to take all the necessary steps;

- (a) To File the Scheme of Amalgamation with the BSE Ltd (BSE) and to obtain approval if any under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (b) To file Company applications with the NCLT and / or such other competent authority as may be necessary and holding meetings of the shareholders / creditors of the Company as may be directed by the NCLT to give effect to the Scheme;
- (c) To file petitions for confirmation of the Scheme with the NCLT and / or such other competent authority as may be necessary;
- (d) For the above purposes, to engage Practicing Company Secretary / advocates / Solicitors / and if considered necessary, also to engage services of counsel(s), declare and file all pleadings, reports, and sign and issue public advertisements and notices;
- (e) To obtain approval and represent before the Stock Exchanges, Registrar of Companies, Hyderabad, Regional Director Southern Region, Income Tax Department and such other relevant Authorities and entities including the shareholders and creditors etc. as may be necessary to give effect to the said Scheme of Amalgamation;
- (f) To settle any question or difficulty that may arise with regard to the implementation of the above Scheme and to give effect to the above resolution;
- (g) To sign and execute the request letters for obtaining the necessary No - Objection / sanction letters for the dispensation of the meetings of the shareholders/creditors of the company for approving the Scheme of Amalgamation and thereafter submit the same on receipt thereof to the NCLT or any other appropriate authority;
- (h) To produce all documents, matters or any other evidence in connection with the matters aforesaid and any other proceedings incidental thereto and arising there from;

- (i) To take all procedural steps for having the Scheme of Amalgamation sanctioned by the NCLT of Hyderabad including filing necessary applications, affidavits, petitions and signing, verifying and affirming all applications, affidavits and petitions as may be necessary;
- (j) To accept services of notices or other processes which may from time to time be issued in connection with the matter aforesaid and also to serve any such notices or other processes to parties or persons concerned;
- (k) To make any alterations / changes in the Scheme upon the recommendations / instructions of any of the authority(ies) including but not limited to the NCLT, as may be expedient or necessary which does not materially change the substance of the Scheme;
- (l) To sign, execute, certify all applications, petitions, vakalatnamas, forms, affidavits, undertakings, resolutions and any other papers or documents relating to the Scheme and to file, submit, furnish all or any of such documents as are mentioned hereinbefore with respective authorities including but not limited to the NCLT, stock exchanges where the shares of the Company are listed, The Registrar of Companies, Hyderabad, The Regional Director, Income Tax Department, the Registrar of Stamps, Hyderabad etc.; and
- (m) Generally, to do and execute all acts, matters, things, deeds and documents as may be necessary and to take all such action as may be expedient for the purpose of giving effect to the Scheme.

“RESOLVED FURTHER THAT the draft report prepared pursuant to section 232(2)(c) of the Companies Act, 2013 explaining the effect of amalgamation on shareholders, promoters, non-promoters and Key managerial personnel laying out the in particular share swap ratio as placed before the Board and initialed by the Chairman for the purpose of identification be and is hereby adopted.”

//Certified true copy//

For Pharmaids Pharmaceutical Limited

Ghisulal Jain

“EXHIBIT-G”

**CERTIFIED TRUE COPY OF THE RESOLUTION AT THE MEETING OF THE BOARD
OF DIRECTORS OF EMERGENT BIO NATURALS LIMITED ON 12.06.2018 AT THE
REGISTERED OFFICE OF THE COMPANY AT 503, AMRUTHA ESTATE,
HIMAYATHNAGAR, HYDERABAD-500029.**

A proposal for amalgamation of our company M/s. Emergent Bio Naturals Limited (hereinafter referred to as ‘Transferor Company’) engaged in the business of trading of Nutraceuticals products and Drug Intermediaries & Cosmetic Chemicals, APIs and other Extractions into and with Pharmaids Pharmaceuticals Limited (hereinafter referred to as ‘Transferee Company’) through a Scheme of Amalgamation u/s 230 to 232 of the Companies Act, 2013 (hereinafter referred to as ‘Scheme’). A copy of the said Scheme was placed before the Board.

It was also informed to the Board that amalgamation of Transferor Company shall be beneficial to the stakeholders of the Transferor Company in view of the following reasons:

1. 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.
2. 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.
3. Cost savings are expected to flow from more focused operational efforts, rationalization, standardization 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.
4. Greater integration, financial strength and flexibility for the Transferee Company, which will improve the financial position of the Transferee Company on a standalone basis.
5. 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.

6. Greater financial flexibility to execute on other opportunities to accelerate the Transferee Company's long-term growth targets.
7. 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.
8. 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.
9. Greater leverage in operations planning and process optimization and enhanced flexibility in product offerings.
10. Greater liquidity to the shareholders of Transferor Company since the shares to be issued to them shall be listed with the Stock Exchanges. .

“RESOLVED THAT pursuant to the provisions of Section 230 to 232 of the Companies Act, 2013 as amended from time to time and in accordance with the Memorandum and Articles of Association of the Company and subject to the requisite approval of the shareholders/creditors of the Company and the sanction of the National Company Law Tribunal, Hyderabad Bench (“the NCLT”) and such other competent authority(ies) as may be applicable, the consent of the Board of Directors be and is hereby accorded to the Scheme of Amalgamation of Emergent Bio Naturals Limited (Transferor Company), into and with the Pharmaids Pharmaceuticals Limited (Transferee Company) as per the terms and conditions mentioned in the Scheme of Amalgamation (the Scheme) placed before the Board and initialed by the Chairman of the meeting for the purposes of identification.”

//Certified true copy//

For Emergent Bio Naturals Limited

Director



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, 1st Floor,
Inderbagh, Sultan Bazar,
Hyderabad-500095

Independent Auditors Certificate on the proposed accounting treatment.

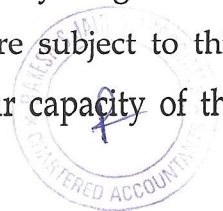
The Certificate is issued in accordance with the terms of our agreement dated 27.07.2018.

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



4

**NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH**

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 (Transferor Co.) & Pharmads 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 | Practising Chartered Accountant (M.A.) | 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)

Pavani

**'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

| |
|--|
| Emergent Bio Naturals Limited (Transferor Company) And Pharmaids Pharmaceuticals Limited (Transferee Company) And Their respective Shareholders |
|--|

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,
1st 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 31st March, 2018 was as under:

| Particulars | Amount in Rupees |
|--|---------------------|
| <u>Authorised:</u> | |
| 35,00,000 Equity Shares of Rs10/- each | 3,50,00,000 |
| <u>Issued, Subscribed and Paid-up:</u> | |
| 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 04th 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 08th 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, 1st 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 |
| <u>Authorized:</u> | |
| 40,00,000/- Equity Shares of Rs.10/- each | 4,00,00,000 |

| <u>Issued and Paid up Subscribed</u> | |
|--|-------------|
| 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 st 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 31st 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 17th 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 2nd Applicant/Transferee Company.
 - (iii) The dispense with the meeting of unsecured Creditors of the of the 2nd 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 Annexure12 &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, 1st 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.



RATAKONDA MURALI

Member (Judicial)

(Viswaraj)

Exhibit-K

BEFORE THE COMPANY LAW TRIBUNAL AT HYDERABAD

Company Application No. 81/230/Hdb/2018

In The Matter Of The Companies Act, 2013

And

In the matter of Sections 230 To 232 read with Sections 52 And 66 of the Companies Act, 2013

And

In the matter of M/s. Emergent Bio Naturals Limited ("Transferor Company")

And

In the matter of Pharmaids Pharmaceuticals Limited ("Transferee Company")

And

Their Respective Shareholders and Creditors

M/s. Emergent Bio Naturals Limited,

...Transferor Company

AND

Pharmaids Pharmaceuticals Limited,

...Transferee Company

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| 2. | Annexure-1 | 4-5 |
| 3. | Annexure-2(A) | 6-8 |
| 4. | Annexure-2(B) | 9-14 |


17/05/19
OFFICE OF THE NATIONAL COMPANY LAW TRIBUNAL,
Hyderabad Bench
Ground Floor, Corporate Bhawan, Bandlaguda,
Nagaya, Hayathnagar Mandal, Ranga Reddy District,
HYDERABAD-500 069.

Date: 17.05.2019

Place: Hyderabad


(Chairperson)

P. S. Sandhya Rani
S.V.L.NO. 1/2007
H.NO. 8-3-677/1/2
YELLAREDDYGUDA
HYDERABAD
LICENSE NO. 96/2007



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TELANGANA

BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, HYDERABAD BENCH AT
HYDERABAD

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

In the matter of the Companies Act, 2013

And

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

And

In the matter of M/s, Emergent Bio Naturals Limited ("Transferor Company")

And

In the matter of Pharmaids Pharmaceuticals Limited ("Transferee Company")

And

Their respective Shareholders

M/s Emergent Bio Naturals Limited,

Having its registered office at

Flat No. 503, Amrutha Estates,

Himayatnagar, Hyderabad – 500029

...Transferor Company

AND

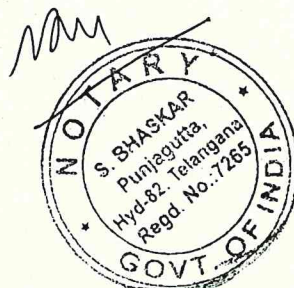
M/s. Pharmaids Pharmaceuticals Limited,

Having its registered office at 4-4-211/212/3,

1st Floor Inderbagh, Sultan Bazar,

Hyderabad – 500095

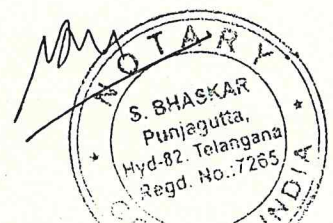
...Transferee Company



**REPORT OF RESULT OF MEETING OF THE EQUITY SHAREHOLDERS OF
PHARMAIDS PHARMACEUTICALS COMPANY PURSUANT TO THE ORDER OF
THE NATIONAL COMPANY LAW TRIBUNAL, HYDERABAD BENCH
("TRIBUNAL") BY THE CHAIRPERSON**

I, Kopal Sharraf, the person appointed by this Hon'ble Tribunal vide its order dated March 20, 2019 to act as chairperson of the meeting of the Equity Shareholders of the above 2nd Applicant Company/ Transferee Company, summoned by notice served individually upon them and by advertisement published in the 'Business Standard' (English daily) and 'Nava Telangana' (Telugu daily) dated 6th April, 2019, and held on the 11th day of May, 2019, at 10.30 AM at 4-4-211/212/3, 1st Floor, Sultan Bazar, Hyderabad – 500 029, India, do hereby report to this Hon'ble Tribunal as follows:

1. By an order made by this Hon'ble Tribunal on 20th March, 2019 in the above matter, I was appointed as Chairperson to preside over the meeting of the Equity Shareholders of the 2nd Applicant Company/ Transferee Company ordered to be convened at 10.30 AM at 4-4-211/212/3, 1st Floor, Inderbagh, Sultan Bazaar, Hyderabad – 500 095, on 11th May, 2019.
2. In compliance of the order of this Hon'ble Tribunal, a meeting of the Equity Shareholders of the 2nd Applicant/ Transferee Company was convened on 11th May, 2019 at 10:30 AM and as directed by this Hon'ble Tribunal, I presided over the said meeting. The quorum fixed for the meeting was 15 (fifteen) Equity Shareholders present in person. Since the required quorum was present, the said meeting was called to order. The extract of the attendance register is marked hereto as **Annexure-1**
3. The Scheme of Amalgamation was read out and explained at the meeting and the question submitted to the said meeting was whether the Equity Shareholders of the said company agreed to the compromise or arrangement submitted to the meeting and agreed thereto. That no amendments in the Scheme of Amalgamation were proposed by the Equity Shareholders.
4. After the Equity Shareholders present in person or through authorised representatives cast their votes in the ballot box, the Scrutinizer appointed for the meeting took charge of the ballot box at the conclusion of the poll and verified the ballot papers. The voting in terms of the order of this Hon'ble Tribunal dated 20th March, 2019, was also done through remote e-voting and the report relating to the same was also tendered by the appointed Scrutinizer. The consolidated report of the Scrutinizer is annexed herewith as **Annexure-2 (A)(B)**.



5. The majority of persons representing three-fourths in value of the members or class of members, as the case may be, are of the opinion that the compromise or arrangement should be approved and agreed to. The result of the voting upon the said question was as follows:

- (a) A total of 72 (seventy-two) Equity Shareholders were present at the meeting;
- (b) A total of 72 (seventy-two) Equity Shareholders cast their votes through ballot at the meeting out of which 66 (sixty-six) Equity Shareholders casted in favour of the resolution, 1 (One) Equity Shareholder against the Resolution and 5 (Five) Equity Shareholders cast invalid votes.
- (c) A total of 15 (fifteen) Equity Shareholders cast their votes through e-voting in favour of the resolution.

Voted in favour of the resolution being adopted and carried into effect:

| Mode of voting | Number of members voted | % of total number of members voted | Number of votes cast by members | % of total number of valid votes cast |
|-----------------|-------------------------|------------------------------------|---------------------------------|---------------------------------------|
| Ballot | 66 | 99.84% | 64,721 | 40.78 |
| Remote e-voting | 15 | 100% | 93,967 | 59.22 |
| Total | 81 | | 1,58,688 | 100 |

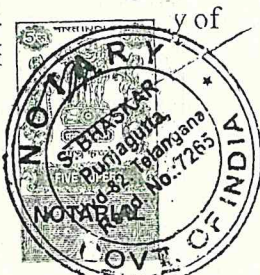
Voted against the resolution being adopted and carried into effect:

| Mode of voting | Number of members voted | % of total number of members voted | Number of votes cast by members | % of total number of valid votes cast |
|-----------------|-------------------------|------------------------------------|---------------------------------|---------------------------------------|
| Ballot | 1 | 0.16% | 100 | 0.16% |
| Remote e-voting | 0 | 0 | 0 | 0 |
| Total | 1 | 0.16 | 100 | 0.16 |

The ballots and the other relevant records have been handed over to the 2nd Applicant/ Transferee Company for safekeeping.

16 MAY 2019

Solemnly affirmed and signed
Before me on this 16th day of May, 2019, at Hyderabad



ATTESTED
S. BHASKAR B.A., LL.B.
ADVOCATE & NOTARY
H. No. 6-3-362, Punjagutta,
Behind Police Station
Hyderabad - 82, Telangana India
Ph: 9392535629 / 9246274099

DEPONENT

ANNEXURE - I

PPL. EGM HELD ON 11TH MAY, 2019

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MEMBERS ATTENDANCE

| Sl. No. | CONTO NO. | NAME | No. of Shares | Signature |
|---------|---------------------------|---------------------|---------------|-----------|
| 1 | 1NE1170010180001284 | HASNIK LA / 10000 | 3500 | |
| 2 | 1203690000012267 | Badal Duni | 1100 | |
| 3 | 1NE1170010180000004 | Subhash B Lalwan | 10200 | |
| 4 | 1NE1170010180005556 | Mangula Lalwan | 57420 | |
| 5 | 1205150000097347 | Akhilakha Jain | 16500 | |
| 6 | 1N3010920510791 | Veena Lalwan | 15645 | |
| 7 | 10180005544 | Chigulal Jain | 16480 | |
| 8 | 10180005860 | B. Venkateswamy | 21200 | |
| 9 | 1204720000123070 | Akhilakha Jain | 14651 | |
| 10 | 22801 | Srinivas K. Mithu | 200 | |
| 11 | 18472 | ANITA MITHU | 15 | |
| 12 | 297501 | S. K. MITHU | 80 | |
| 13 | 68856 | U. NIT MITHU | 80 | |
| 14 | 70909 | S. Iam | 82 | |
| 15 | 1201910101853755 | T. RAMANA RAO | | |
| 16 | 1201910102097415 | T. SARA | | |
| 17 | 9N5022110026472 | L. SRINIVASU | | |
| 18 | 1203810000017790 | CAUSSETTY Srinivas | | |
| 19 | 1N801022008798 | L. SRINIVASU | | |
| 20 | SURESH C 1205140000085948 | SURESH CHAND JAIN | | |
| 21 | 12051500000 | Srinivas K. Mithu | | |
| 22 | 12051500000 | Srinivas K. Mithu | | |
| 23 | 0023509 | Krishna Gop of Cupk | | |
| 24 | 1080048 | — | | |
| 25 | 01975018 | — | | |
| 26 | 031275 | Sanku. Cupk | | |
| 27 | 1301440000011001 | Ramesh Mangaluru | | |
| 28 | 12035100000068362 | ARS MW | | |
| 29 | 1N30273410032005 | N. Sgr | | |
| 30 | 1014113 | Sgr | | |
| 31 | 1201690000069332 | Y. V. Sanku | | |
| 32 | 1201690000069332 | Y. V. Sanku | | |
| 33 | 1201690000069332 | Y. V. Sanku | | |
| 34 | 1201690000069332 | Y. V. Sanku | | |
| 35 | 1201690000069332 | Y. V. Sanku | | |

| Sl. No. | Ref. / C/N | Registration Number | Signature |
|---------|-------------------|---------------------|---------------|
| 36 | 10302902/43157965 | Ramu Kennedy | Shw |
| 37 | 10302164/100092 | Arundhati Natarajan | Arundhati |
| 38 | 10180000004 | Surekha Natarajan | Shw |
| 39 | 1203070000089 | Charilal | |
| 40 | 11247630 | T. Ramaswami | T. Ramaswami |
| 41 | 10281538 | Ramesh Sankar Sola | Ramesh |
| 42 | 10283183 | Ramesh Sankar Sola | Ramesh |
| 43 | 18138399 | Ramesh Sankar Sola | Ramesh |
| 44 | 21579862 | Ramesh Sankar Sola | Ramesh |
| 45 | 120315000101508 | Ramesh Sankar Sola | Ramesh |
| 46 | 1203810000183898 | Ramesh Sankar Sola | Ramesh |
| 47 | 1205140000186071 | Ramesh Sankar Sola | Ramesh |
| 48 | 12044800000394058 | D. RAJA. | Shw |
| 49 | 12044700008791690 | P. Venkat Rao | P. Venkat Rao |
| 50 | 1204450000146932 | P. Venkat Rao | P. Venkat Rao |

XXX
 A. S. Sankar Sola
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**A. Sanmukha Reddy**PGDCA, M.B.A, L.L.B
ADVOCATE**CONSOLIDATED SCRUTINIZER'S REPORT**

To,
Miss. Kopal Sharraf
Chairman Appointed for the Meeting
M/s. Pharmaids Pharmaceuticals Limited
4-4-211/212/3, 1st Floor, Sultan Bazar
Hyderabad-50002

Date: 13th May, 2019

REPORT ON THE VOTING CONDUCTED THROUGH BALLOT AND E-VOTING AT THE NCLT CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF PHARMAIDS PHARMACEUTICALS LIMITED HELD ON SATURDAY, THE 11TH MAY, 2019 AT 10.30 A.M AT 4-4-211/212/3, 1ST FLOOR, SULTAN BAZAR, HYDERABAD-500029, INDIA.

- 1) I, A. Sanmukha Reddy, have been appointed by National Company Law Tribunal (NCLT), Hyderabad Bench vide its Final Order dated 20th March, 2019 as Scrutinizer for the purpose of scrutinizing:
 - i) The voting through remote e-voting process (electronic voting) held between 08th day of May, 2019 from 9.00 AM to 10th day of May, 2019 till 5.00 PM pursuant to the provisions of Section 108 of the Companies Act 2013 (the Act) read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended (the Rules) and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI LODR Regulations); and
 - ii) The poll conducted under the provisions of Section 109 of the Act read with Rule 21 of the Rules of e-voting conducted at the venue of the Meeting in respect of the resolution contained in the Notice dated 5th April, 2019 (the Notice) of the NCLT Convened Meeting of the Equity Shareholders of the company (the Meeting), held on Saturday, the 11th May, 2019 At 10.30 AM at 4-4-211/212/3, 1st Floor, Sultan Bazar, Hyderabad-500029, in the matter of Composite Scheme of Amalgamation amongst Pharmaids Pharmaceuticals Limited and Emergent Bio Naturals Limited and their respective Shareholders.
- 2) The management of the Company is responsible for ensuring compliance with the requirements of the Act and the Rules thereunder, and SEBI (LODR)



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2/4

A. Sanmukha Reddy

PGDCA, M.B.A, L.L.B

ADVOCATE

Regulations, 2015 relating to voting through remote e-voting and proxy or either by person on the resolution contained in the Notice of the Meeting.

- 3) The Company appointed Central Depository Services (India) Limited (CDSL), the Agency authorized under Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and the provisions of SEBI (LODR) Regulations, 2015 to provide remote e-voting facility and at the venue of the meeting to the Equity Shareholders of the company.
- 4) My responsibility as Scrutinizer for the voting process (through remote e-voting at the Meeting), was restricted to scrutinize the remote e-voting process-voting system at the meeting in a fair and transparent manner and to prepare a consolidated Scrutinizer's Report of the votes cast in favour and against the resolution stated in the Notice, based on the reports generated from the remote e-voting system provided by CDSL at the Meeting.
- 5) The voting was conducted to consider, and if thought fit, to pass the following resolution with or without modification:

"RESOLVED THAT pursuant to the provisions of Sections 230 - 232 read with Section 66 and other applicable provisions of the Companies Act, 2013, the rules, circulars and notifications made thereunder (including any statutory modification or re-enactment thereof) as may be applicable, the Securities and Exchange Board of India Circular No. CPD/DIL3/CIR/2017/21 dated 10th day of March, 2017, the observation letters issued by each of BSE Limited and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of Hon'ble National Company Law Tribunal, Bench, at Hyderabad ("NCLT") and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to mean and include one or more Committee(s) constituted to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the arrangement embodied in the Composite Scheme of Arrangement involving amalgamation between Pharmaid Pharmaceuticals Limited and Emergent Bio Naturals Limited and their respective Shareholders ("Scheme") placed before this meeting and 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 it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the

Plot No.30, Road No.2, Yadav Nagar, Alkapuri, R.K Puram Post, Hyderabad- 500102.

☎: 9000126126, ✉: sanmukhareddy@yahoo.com



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A. Sanmukha Reddy

PGDCA, M.B.A, LL.B

ADVOCATE

arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the NCLT while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper."

- 6) The Shareholders holding shares as on the "cut off" date i.e. 03.05.2019 were entitled to vote on the proposed resolution reproduced above.
- 7) The e-voting period commenced on 8th day of May, 2019 at 09:00 AM (09.00 hours) and ended on 10th day of May, 2019 at 5:00 PM (17.00 hours).
- 8) Accordingly, the remote e-voting cast were taken into account and at the end of this voting period, on 10th day of May 2019 (at 05:00 PM), the e-voting portal was blocked for voting.
- 9) The register has been maintained electronically to record the assent or dissent received, mentioning the particulars of name, address, folio number or client ID of the Shareholders, number of shares held by them and nominal value of such shares. There were no shares with differential voting rights in the Company; hence, there is no requirement of maintaining the list of shares with differential voting rights.
- 10) The details containing, inter alia, list of Equity Shareholders, who voted "For" or "Against" the resolution through e-voting were generated from the e-voting website of Central Depository Services (India) Limited i.e. <https://www.evotingindia.com>.
- 11) Shareholders holding shares in aggregate were present in person or through proxy at the NCLT Convened Meeting of the Equity Shareholders; out of which, Shareholders holding shares cast their vote and Shareholders holding shares did not cast their vote at the meeting. From among Shareholders who cast their vote, 1 shareholder holding shares cast his vote for shares and did not cast his vote for shares.
- 12) The votes cast through the e-voting module of CDSL were diligently scrutinized. The remote e-voting cast through the e-voting module of CDSL were reconciled with the records maintained by the Company / Registrar and Transfer Agents of the Company (Link Intime India Private Limited) and the authorizations / proxies lodged with the Company. The votes were also scrutinized for eliminating duplicate voting.

Plot No.30, Road No.2, Yadav Nagar, Alkapuri, R.K Puram Post, Hyderabad- 500102.

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A. Sanmukha ReddyPGDCA, M.B.A, L.L.B
ADVOCATE

13) The summary of voting through remote e-voting at the NCLT convened meeting is as under:

Voted in favour of the resolution

| Mode of Voting | Number of Members voted | % of total number of members voted | Number of votes cast by members | % of total number of valid votes cast |
|-----------------|-------------------------|------------------------------------|---------------------------------|---------------------------------------|
| Ballot | 66 | 99.84% | 64721 | 40.78 |
| Remote e-voting | 15 | 100% | 93967 | 59.22 |
| | 81 | | 158688 | 100 |

Voted against the resolution:


| Mode of Voting | Number of Members voted | % of total number of members voted | Number of votes cast by members | % of total number of valid votes cast |
|-----------------|-------------------------|------------------------------------|---------------------------------|---------------------------------------|
| Ballot | 1 | 0.16% | 100 | 0.16% |
| Remote e-voting | 0 | 0 | 0 | 0 |
| | | | | |

Note: Excluding invalid votes

There were 5 numbers invalid votes.

The Ballots all other relevant records are handed over to the Company official of the Company for safe custody.

Place :Hyderabad
Date :13th May 2019


A. SANMUKHA REDDY
ADVOCATE
Enrolment No. AP/1506/2015

Plot No.30, Road No.2, Yadav Nagar, Alkapuri, R.K Puram Post, Hyderabad- 500102.
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**A. Sanmukha Reddy**

PGDCA, M.B.A, L.L.B

ADVOCATE

FORM NO. MGT-13

SCRUTINIZER REPORT ON POLL

[Pursuant to section 109 of the Companies Act, 2013 and rule 21(2) of the Companies
(Management and Administration) Rules, 2014]

To

Ms. KopalSharraf,

Chairperson appointed by the Hon'ble National Company Law Tribunal, Bench at Hyderabad,
for the Tribunal Convened Meeting of the Equity Shareholders of M/s. Pharmaids
Pharmaceuticals Limited Held on Saturday, The 11th May, 2019 At 10.30 A.M At 4-4-
211/212/3, 1st Floor, Sultan Bazar, Hyderabad - 500029, India

Dear Madam,

Sub: Report on voting by poll conducted at the Tribunal Convened Meeting of M/s.
Pharmaids Pharmaceuticals Limited on 11th day of May, 2019.

I, A. Sanmukha Reddy, Practicing Advocate, have been appointed as the Scrutinizer by the
Hon'ble National Company Law Tribunal, Bench at Hyderabad vide its order dated 20th day
of March, 2019, for the purpose of scrutinizing the poll taken on the resolution mentioned in
the Notice convening the Tribunal Convened Meeting dated 5th April, 2019, at the Tribunal
Convened Meeting of the Equity Shareholders of M/s. Pharmaids Pharmaceuticals Limited,
held on Saturday the 11th day of May, 2019, at 10:30 A.M. at 4-4-211/212/3, 1st Floor,
Sultan Bazar, Hyderabad - 500029, India, submit my report as under:

1. After the time fixed for closing of the poll by you, the ballot box kept for polling was locked in my presence with due identification marks placed by me.
2. The locked ballot box was subsequently opened in my presence and poll papers were diligently scrutinized. The poll papers were reconciled with the records maintained by the Company / Registrar and the authorizations / proxies lodged with the Company.
3. The result of the Poll is as under:

To consider and approve the proposed Scheme of Amalgamation and Arrangement between Pharmaids Pharmaceuticals Limited (Transferee Company) and Emergent Bio Naturals Limited (Transferor Company) and their respective Shareholders:

(i) Voted in favor of the resolution:

| Number of members present and voted (in person or by proxy) | Number of votes cast by them | % of total number of valid votes cast |
|---|------------------------------|---------------------------------------|
| 66 | 64721 | 99.84 |



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A. Sanmukha Reddy

PGDCA, M.B.A, L.L.B

ADVOCATE

(ii) Voted against the resolution:

| Number of members present and voted (in person or by proxy) | Number of votes cast by them | % of total number of valid votes cast |
|---|------------------------------|---------------------------------------|
| 1 | 100 | 0.154 |

(iii) Invalid votes:

| Total number of members (in person or by proxy) whose votes were declared invalid | Total number of votes cast by them |
|---|------------------------------------|
| 5 | 100 |

4. The poll papers and all other relevant records were sealed and handed over to the Company Secretary of the Company authorized by the Board for safe keeping.

Thanking You,

Place: Hyderabad
Date: 13.05.2019

A. Sanmukha Reddy
A. SANMUKHA REDDY
ADVOCATE
Enrolment No. AP/1506/2015



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A. Sanmukha Reddy

PGDCA, M.B.A, L.L.B

ADVOCATE

Scrutinizers Report – E Voting

[Pursuant to section 108 of the Companies Act, 2013 and rule 20(4) of the Companies (Management and Administration) Rules, 2015 as amended]

To

Ms. KopalSharraf,

Chairperson appointed by the Hon'ble National Company Law Tribunal, Bench at Hyderabad, for the Tribunal Convened Meeting of the Equity Shareholders of M/s. Pharmaids Pharmaceuticals Limited Held on Saturday, the 11th day of May, 2019 at 10.30 A.M at 4-4-211/212/3, 1st Floor, Sultan Bazar, Hyderabad – 500029, India.

Dear Madam,

Sub: Report on E-voting conducted during 8th day of May 2019, 9.00 Am (IST) to 10th day of May 2019, 5.00 PM (IST) by M/s. Pharmaids Pharmaceuticals Limited.

1. I, A. Sanmukha Reddy, Practicing Advocate, have been appointed as the Scrutinizer by the Hon'ble National Company Law Tribunal, Bench at Hyderabad vide its order dated 20th day of March, 2019, for the purpose of scrutinizing e-voting process and ascertain the requisite majority of e-voting in respect of the below mentioned resolution considered at the Tribunal convened meeting of the Equity Shareholders of the Company held on 11th May 2019.
2. The Notice dated 5th April, 2019, convening the Tribunal Convened Meeting of the Equity Shareholders of the company along with the statement required as per Section 102 read with Sections 230 to 232 and other applicable provisions of the Companies (Compromises, Arrangements & Amalgamations) Rules, 2016, was sent to the shareholders whose email addresses were registered with the RTA and also hard copies delivered to the shareholders through courier to the registered address whose emails are not available.
3. The Company availed the services of M/s.CDSL for providing the E-voting facility to the shareholders of the company.
4. The Shareholders holding shares in either in physical form or in dematerialized form as on the cutoff date i.e. 03rd May 2019 were entitled to vote electronically on the proposed resolutions as set out in the notice convening the Tribunal convened meeting of the Equity Shareholders of the Company.
5. The E-voting platform remained open during 8th day of May 2019 at 9.00 Am (IST) to 10th day of May 2019. 5.00 Pm (IST) and was blocked thereafter.

Plot No.30, Road No.2, Yadav Nagar, Alkapuri, R.K Puram Post, Hyderabad- 500102.

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A. Sanmukha Reddy

PGDCA, M.B.A, L.L.B

ADVOCATE

6. The votes cast by the Shareholders during the aforesaid E-voting period were duly unblocked by me on 10th May 2019 in the presence of two witnesses who were not in the employment of the Company.
7. The details containing inter alia list of Equity shareholders who voted "for", "against", the resolution that was put to vote, were generated from E-voting website of the CDSL and based on such data the result of the E-voting is as under:

Item: Extra-ordinary Special Resolution (Majority in number and special in value)

To consider and approve the proposed Scheme of Amalgamation and Arrangement between Pharmaids Pharmaceuticals Limited (Transferee Company) and Emergent Bio Naturals Limited (Transferor Company) and their respective Shareholders of the Company:

(i) Voted in favor of the resolution:

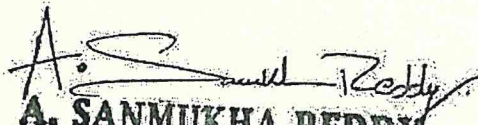
| Particulars | No. of members voted | Number of votes cast | % of total number of valid votes cast |
|----------------------------------|----------------------|----------------------|---------------------------------------|
| Voted in favor of the resolution | 15 | 93967 | 100 |
| Voted against the resolution | Nil | Nil | Nil |

Invalid Votes:

| Total number of members whose votes were declared invalid | Total number of votes cast by them |
|---|------------------------------------|
| Nil | Nil |

Thanking You,

Place: Hyderabad
Date: 13.05.2019


A. SANMUKHA REDDY
ADVOCATE
Enrolment No. AP/1506/2015

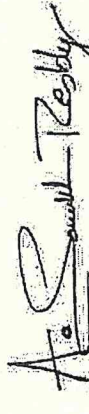
Plot No.30, Road No.2, Yadav Nagar, Alkapuri, R.K Puram Post, Hyderabad- 500102.

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Report Generation Date and Time : 10-05-2019 17:15:56

190405005
EVSIN
ISIN
No. of Folios Voted
15
INE17D01018

Voting Start Date and Time : 08-05-2019 09:00
Voting End Date and Time : 10-05-2019 17:00
Meeting Date and Start Time : 11-05-2019 10:30

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A. SANMUKHA REDDY
ADVOCATE
Enrolment No. AP/1506/2015

File Generated Date and Time: 10-05-2019:17:15:56

| Shareholder Substatus | Member ID | Member Name | to. of Share | Entity Voted | BR File name | POA File name |
|------------------------------|-------------------|-------------------------|--------------|--------------|--------------|---------------|
| Substatus unavailable in EVS | 1203450000009022 | SUBRATA KUMAR MITRA | 200,000 | INVESTOR | NONE | NONE |
| Substatus unavailable in EVS | 1203690000011599 | B. VENKATSWAMY | 1070,000 | INVESTOR | NONE | NONE |
| Substatus unavailable in EVS | 1204720001230712 | ABHISHEK JAIN | 14851,000 | INVESTOR | NONE | NONE |
| Substatus unavailable in EVS | 1205450000097347 | ABHILEKHA JAIN | 16500,000 | INVESTOR | NONE | NONE |
| Substatus unavailable in EVS | 1205450000107829 | B VENKATA SWAMY | 5000,000 | INVESTOR | NONE | NONE |
| Substatus unavailable in EVS | 12066900000280893 | T SHIVA KUMAR | 25,000 | INVESTOR | NONE | NONE |
| Substatus unavailable in EVS | IN30039419524315 | YARRA CHANDRA RAO | 25,000 | INVESTOR | NONE | NONE |
| Substatus unavailable in EVS | IN30102220510799 | VEENA LALWANI | 15645,000 | INVESTOR | NONE | NONE |
| Substatus unavailable in EVS | IN30102220510820 | SUBHASH B LALWANI | 16400,000 | INVESTOR | NONE | NONE |
| Substatus unavailable in EVS | IN30102220777749 | GHISULAL JAIN | 18030,000 | INVESTOR | NONE | NONE |
| Substatus unavailable in EVS | IN30115128713217 | JAGABATHULA SRINIVAS | 25,000 | INVESTOR | NONE | NONE |
| Substatus unavailable in EVS | IN30177418295911 | TAPASVILAL DEORA | 25,000 | INVESTOR | NONE | NONE |
| Substatus unavailable in EVS | IN30177418757141 | ZOHEB SULTAN ALI SAYANI | 25,000 | INVESTOR | NONE | NONE |
| Substatus unavailable in EVS | IN30286310202271 | D SITA MAHA LAKSHMI | 25,000 | INVESTOR | NONE | NONE |
| Substatus unavailable in EVS | IN30311611026740 | BABULAL JAIN | 6321,000 | INVESTOR | NONE | NONE |

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A. Sanmukha Reddy

A. SANMUKHA REDDY
ADVOCATE

Enrollment No. AP/1506/2015

**BEFORE THE COMPANY LAW
TRIBUNAL AT HYDERABAD**

Company Application No. 81/230/Hdb/2018

In The Matter Of The Companies Act, 2013

And

In the matter of Sections 230 To 232 read with
Sections 52 And 66 of the Companies Act, 2013

And

In the matter of M/s. Emergent Bio Naturals Limited
("Transferor Company")

And

In the matter of Pharmaids Pharmaceuticals Limited
("Transferee Company")

And

Their Respective Shareholders and Creditors

M/s. Emergent Bio Naturals Limited,

...Transferor Company

AND

Pharmaids Pharmaceuticals Limited,

...Transferee Company

**Chairperson Report of Pharmaids
Pharmaceuticals Limited**

Filed on: 17.05.2019

Filed by: Kopal Sharraf

Address for Service:

301, South Block, Mythri Villa,
Road No. 13, Banjara Hills,
Hyderabad – 500 034.
Ph: No. 7702228282.

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.

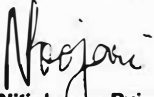
(2)


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

VERIFICATION

I, D.Rakesh Reddy, Director of the Petitioner/ Transferor Company residing at presently residing at Plot.No.5, APIIC Colony, IDA Jeedimetla, Hyderabad hereby solemnly affirms and state as under:

I say that I am Director of the Petitioner / Transferor Company and I am well acquainted with the facts of the case and am also competent to affirm affidavit on behalf of the Petitioner Company.

I say that I have read a copy of the accompanying Petition declared on even date for Amalgamation and I verify and confirm the contents of the said Petition and repeat and reiterate all the statements and submissions contained therein as if they form part of this affidavit.

I say and submit that it is in the interest of justice that the reliefs as sought for in the Petition be granted in favour of the Petitioner and the Petition be made absolute with costs.

Solemnly affirmed at Hyderabad

This 14th day of June,2019

Emergent Bio Naturals Limited

D.Rakesh Reddy
Director
(Applicant/Transferor Company)

VERIFICATION

I, Ghisulal Jain, Director of the Petitioner/ Transferee Company residing at presently residing at 4-4-211/212/3, 1st Floor, Inderbagh, Sultan Bazar, Hyderabad-500095 hereby solemnly affirms and state as under:

I say that I am Director of the Petitioner / Transferee Company and I am well acquainted with the facts of the case and am also competent to affirm affidavit on behalf of the Petitioner Company.

I say that I have read a copy of the accompanying Petition declared on even date for Amalgamation and I verify and confirm the contents of the said Petition and repeat and reiterate all the statements and submissions contained therein as if they form part of this affidavit.

I say and submit that it is in the interest of justice that the reliefs as sought for in the Petition be granted in favour of the Petitioner and the Petition be made absolute with costs.

Solemnly affirmed at Hyderabad

This 21st day of May,2019

Emergent Bio Naturals Limited

Pharmaids Pharmaceuticals Limited

D.Rakesh Reddy
Director
(Applicant/Transferor Company)

Ghisulal Jain
Managing Director
(Petitioner/Transferee Company)

FORM NO. NCLT. 12
Memorandum of appearance

To
The Deputy Register,
National Company Law Tribunal,
Hyderabad Bench,
Hyderabad,
Sir,

We, the Petitioner / Transferee Company, do hereby appoint Mr. D.Srinivas Reddy, Chartered Accountant, partner of Brand & Associates, duly authorized to, act, appear and plead for us in the above matter.

In witness whereof, we have set and subscribed our hands to this writing at Hyderabad.

Dated this 21st day of May, 2019

D. Srinivas Reddy
Partner (Brand & Associates)

Chartered Accountant
(for Petitioner/Transferee Company)

Emergent Bio Naturals Limited

Pharmaids Pharmaceuticals Limited

D.Rakesh Reddy
Director
(Applicant/Transferor Company)

Ghisulal Jain
Managing Director
(Petitioner/Transferee Company)