

**SCHEME OF AMALGAMATION  
OF  
GIL LIFESCIENCES PRIVATE LIMITED  
WITH  
GRANULES INDIA LIMITED  
AND  
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS  
(UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956)**

**GENERAL**

**I. PURPOSE OF SCHEME**

This Scheme of Amalgamation provides for the amalgamation of GIL Lifesciences Private Limited (hereinafter referred to as “GILLPL” or “Transferor Company”) with Granules India Limited (hereinafter referred to as “GRANULES” or “Transferee Company”) pursuant to Sections 391 to 394 and other relevant provisions of the Companies Act, 1956.

**II. RATIONALE FOR THE SCHEME**

The Transferor Company and the Transferee Company are engaged in the business of manufacture and supply of Active Pharmaceutical Ingredients, Pharmaceutical Finished Intermediates and Finished Dosages etc., The Transferor Company is a wholly owned subsidiary of Transferee Company.

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:

- Simplify management structure, leading to better administration and a reduction in costs from more focused operational efforts, rationalization, standardization and simplification of business processes, elimination of duplication and rationalization of administrative expenses
- Will result in creation of a single larger unified entity in place of various entities under the same management and control, thus resulting in efficient synergies of operations and streamlined business transactions

- Management and financial resources of transferee company will help the transferor company in setting up the green field manufacturing facility with appropriate international quality standards

In view of the above benefits, the proposed amalgamation would result in an enhanced shareholder value.

### **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 incorporation details, share capital and objects of the Transferor Company and the Transferee Company;
- (ii) **Part B** – dealing with the transfer and vesting of the Undertaking(s) of the Transferor Company with 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 meanings:

- 1.1 “**Act**” means the Companies Act, 1956 and Companies Act, 2013, to the extent its provisions relevant for this scheme are notified and rules and regulations made thereunder and shall include any statutory modifications, re-enactment or amendment thereof for the time being in force; reference to Sections 391 to 394 of the Companies Act, 1956 shall mean and include reference to any provisions in the Companies Act, 2013 duly notified which replace/ amend/ modify the said provisions.
- 1.2 “**Appointed Date**” means 1<sup>st</sup> April, 2016 or such other date as the Hon’ble High Court or such other authorities may direct.

- 1.3 **“Assets”** shall mean all the business, undertakings, estates, assets, properties, rights, titles and interests of whatsoever nature and kind and wheresoever situate in India and abroad, of the Transferor Company, including but not limited to:
- all assets, movable and immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, freehold or leasehold, fixed or current, including computers and telecommunication equipments, computer hardware, software and programs, plant and machinery, office equipments, furniture and fixtures, vehicles, sundry debtors, cash and bank balances, loans and advances, deposits, buildings, go downs, warehouses, offices, inventories, bills of exchange, peripherals and accessories, receivables, investments, goodwill, investment in shares, debentures, bonds, mutual funds etc.
  - All the registrations, permits, quotas, entitlements, industrial and other licenses, concessions, incentives, subsidies, approvals, authorizations, consents, tenancies, trademarks, patents, copyrights, all intellectual property, rights and licenses there under, technical knowhow, permits, designs, patterns, inventions, leasehold rights, leases, tenancy rights privileges, all other rights, benefits and entitlements including sales tax deferrals and other benefits, lease rights (including the benefit of any applications made therefor) powers and facilities of every kind, nature and description whatsoever, right to use and avail of telephones, telexes, facsimile connections, e-mail connections, communication facilities and installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements, benefits under Letter of Credit, Guarantees, Letters of Comforts etc. Issued for the benefit of the Transferor company, benefits under government schemes, deferred tax benefits and other benefits accruing on account of past expenditure and all such other interests/ benefits;
  - All earnest moneys and/ or security deposits;
  - All records, files, papers, engineering and process information, manuals, data, catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customers credit information, customer pricing information and all other records pertaining to business.
- 1.4 **“Board of Directors”** or **“Board”** means the Board of Directors of the Transferor Company or the Transferee Company, as the case may be, and shall include a duly constituted committee thereof.

- 1.5 “**Effective Date**” means the last of the dates on which the certified true copies of the order of the Hon’ble High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh, sanctioning the Scheme is filed with the Registrar of Companies, Andhra Pradesh and Telangana at Hyderabad, by the Transferor Company and the Transferee Company (defined hereinafter).
- 1.6 “**High Court**” means the Hon’ble High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh, having jurisdiction in relation to the Transferor Company and the Transferee Company, and shall include the National Company Law Tribunal, if applicable.
- 1.7 “**Liabilities**” shall mean all the debts, secured and unsecured loans, liabilities, responsibilities, obligations, duties of the Transferor Company.
- 1.8 “**GIL LPL**” or “**Transferor Company**” means GIL Lifesciences Private Limited, a Private limited company incorporated under the Companies Act, 1956, and having its registered office at Second Floor, Block III, My Home Hub, Madhapur, Cyberabad, Hyderabad – 500 081.
- 1.9 “**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 19 of this Scheme, as approved or directed by the High Court or any other appropriate authority.
- 1.10 “**GRANULES**” or “**Transferee Company**” means Granules India Limited, a Public Limited company incorporated under the Companies Act, 1956, and having its registered office at 2<sup>nd</sup> Floor, 3<sup>rd</sup> Block, My Home Hub, Madhapur, Hyderabad – 500 081.
- 1.1. “**Undertaking** of the Transferor Company" shall mean and include :-
- 1.1.1 any and all immovable property, including land if any, buildings, movable assets including plant, machinery and equipments, whether leased or otherwise, any and all rights, title, interest, covenant, undertakings, including continuing rights, title and interest in connection with the immovable properties whether leasehold or otherwise comprised in its business together with all present and future liabilities including contingent liabilities and debts appertaining to its business, as per the records of GIL LPL;

1.1.2 any other property or assets, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent, owned, held, used or otherwise enjoyed by GIL LPL;

1.1.3 any and all permits, quotas, rights, approvals, consents, entitlements, licences or any other specific approvals/ permissions obtained from various statutory / Government / Quasi Government agencies which are not mentioned in the said annexure, approvals, tenancies, trademarks, patents, copyrights, privileges and benefits of all contracts, agreements and all other rights, permissions / approvals applied which are under process or to be applied, whether available as on date or vested in future, including lease rights, licences, approvals, exemptions, tax benefits, concessions, subsidies and other beneficial interests, powers and facilities of every kind and description of whatsoever nature, appertaining to its business, as per the records of GIL LPL;

1.1.4 any and all debts, borrowings and liabilities, present or future, whether secured or unsecured, pertaining to the business, as per the records of GIL LPL;

1.1.5 any and all permanent, temporary, daily rated, casual and contractual employees of GIL LPL engaged in or in relation to its business at their respective offices, branches, factories, depots or otherwise at their current terms and conditions as per the records of GIL LPL;

1.1.6 any and all earnest monies and / or security deposits, or other entitlements in connection with or relating to its business, as per the records of GIL LPL;

1.1.7 any and all investments, current assets, funds, and loans and advances including accrued interest, in connection with or relating to its business, as per the records of GIL LPL; and

1.1.8 All records, files, papers, documents, process information, computer programs, manuals, data, catalogues, quotations, internal control information / material, technical know-how, present and prospective list of customers and suppliers, customer credit information, customer pricing information, books of accounts and other supporting data, documents, invoices etc. and all other records whether in physical or electronic form, pertaining to the business of GIL LPL.

Any reference in the Scheme to “upon the Scheme becoming effective” or “upon the Scheme coming into effect” shall mean the Effective Date.

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.

## INCORPORATION, SHARE CAPITAL AND MAIN OBJECTS.

### 2. Transferor Company / GIL LPL

a) Incorporation

GIL Lifesciences Private Limited / transferor Company was incorporated as a Limited company in then the State of Andhra Pradesh on 19.07.2007 and its Corporate Identity No is U24230TG2007PTC054839.

b) The Present Share Capital of GIL Lifesciences Private Limited is as under:

| <b>PARTICULARS</b>                                     | <b>AMOUNT IN RUPEES</b> |
|--|-------------------------|
| <b><u>Authorised:</u></b>                              |                         |
| 1,60,00,000 Equity Shares of Rs 10/- each              | 16,00,00,000            |
| <b>Issued, Subscribed and Paid-up:</b>                 |                         |
| 13,830,614 Equity Shares of Rs 10/- each fully paid-up | 13,83,06,140            |

c) The Main Objects of the Transferor Company presently enables it to carry on the business of:

- (i) To engage in and carry on business in India or elsewhere as manufacturers, dealers, distributors, stockists, agents, exporters, importers, brokers, developers, rectifiers, consultants, manipulators, preservers, hirers, sellers, collaborators, processors, developers, converters of all types of drugs and chemicals used in chemical, drug paint, food leather, Dairy and all other types of drugs formulations, medical preparations including basic drugs, formulations, Intermediaries, catalysts and other materials used or useful in Pharmaceutical and drug industry, food, food products, food additives feed supplements, confectioneries, bakery products, dairy products, beverages, food concentrates, cosmetics, toilet preparations, disinfectants surgical dressings and equipments, biological and non-biological, chemical, synthetic and natural raw materials for human, animal and agricultural use.

### 3. Transferee Company / GRANULES

a) Incorporation

Granules India Limited / transferee Company / GRANULES was incorporated as a private limited on 18<sup>th</sup> day of March 1991 under Certificate of Incorporation no. 01-12471 of 1990-91. Later on the Company had changed its name to present name i.e. Granules India Limited and fresh certificate of incorporation consequent on change of name was issued by Registrar of Companies, Andhra Pradesh,

Hyderabad on 8<sup>th</sup> February, 1993 after complying with the necessary formalities under the Companies Act, 1956.

b) The Present Share Capital of GRANULES / Transferee Company is as under:-

| <b>PARTICULARS</b>                                      | <b>AMOUNT IN RUPEES</b> |
|---|-------------------------|
| <b><u>Authorized:</u></b>                               |                         |
| 34,50,00,000 Equity Shares of Re 1/- each               | 34,50,00,000            |
| <b>Issued, Subscribed and Paid-up:</b>                  |                         |
| 21,67,11,770 Equity Shares of Re 1/- each fully paid-up | 21,67,11,770            |

c) The Main Objects of GRANULES / The Transferee Company presently enables it to carry on the business of:

i) To engage in and carry on business in India or elsewhere as manufacturers, dealers, distributors, stockists, agents, exporters, importers, brokers, developers, rectifiers, consultants, manipulators, preservers, hirers, sellers, collaborators, processors, developers, converters of all types of drugs and chemicals used in chemical, drug paint, food leather, Dairy and all other types of drugs formulations, medical preparations including basic drugs, formulations, Intermediaries, catalysts and other materials used or useful in Pharmaceutical and drug industry, food, food products, food additives feed supplements, confectioneries, bakery products, dairy products, beverages, food concentrates, cosmetics, toilet preparations, disinfectants surgical dressings and equipments, biological and non-biological, chemical, synthetic and natural raw materials for human, animal and agricultural use.

#### **4. 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 Hon'ble High Court or in terms of this Scheme, shall be effective from the Appointed Date, but shall be operative from the Effective Date.

**PART B****TRANSFER AND VESTING OF UNDERTAKING OF THE TRANSFEROR COMPANY WITH THE TRANSFEE COMPANY****5. TRANSFER AND VESTING OF UNDERTAKING**

- 5.1 Subject to the provisions of the Scheme as specified hereinafter and with effect from the Appointed Date, the entire business Undertaking of the Transferor Company, including all 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 (more specifically described under schedule 'I' ) 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 secrets, brands, registrations, licenses, (more specifically described under schedule 'II' ) 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, approvals, shall, under the provisions of Sections 391 to 394 of the Act, and pursuant to the order of the High Court 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.
- 5.2 Without prejudice to the generality of clause 5.1 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.

- 5.3 Without prejudice to the generality of clause 5.1 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.
- 5.4 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.
- 5.5 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 by 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 account 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 by the Transferor Company and the Transferee Company, with effect from the Appointed Date.
- 5.6 All existing securities, mortgages, charges, liens or other encumbrances, if any, as on the Appointed Date and created by 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 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 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.

- 5.7 The existing encumbrances if any 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.
- 5.8 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.
- 5.9 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 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 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.
- 5.10 The amalgamation of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date and shall be in accordance with Section 2(1B) of the Income-Tax Act, 1961. If any terms or provisions of the Scheme is/ are inconsistent with the provisions of section 2(1B) of the Income Tax Act, 1961, the provisions of Section 2(1B) shall prevail and the Scheme shall stand modified to the extent necessary to comply with such provisions. Such modifications will however not affect the other parts of the Scheme.

## **6. CONSIDERATION**

- 6.1 The entire issued and paid-up equity share capital of the Transferor Company is held by the Transferee Company. Accordingly, the shares held by the Transferee Company in the Transferor Company shall, on and from the Effective Date, be

cancelled or shall be deemed to have been cancelled without any further act or deed, and accordingly no shares of the Transferee Company shall be issued to the shareholders of the Transferor Company in lieu of the said amalgamation.

- 6.2 The shares or the share certificates of the Transferor Company, in relation to the shares held by its members, shall without any further application, act, instrument or deed, be deemed to have been automatically cancelled and be of no effect on and from the Effective Date.

## **7. INCREASE IN AUTHORISED CAPITAL OF TRANSFEEE COMPANY**

- 7.1 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 stand enhanced without any further act, instrument or deed on the part of the Transferee Company, including without payment of stamp duty and fees payable to the Registrar of Companies, by an amount of Rs.16,00,00,000 (Rupees Sixteen Crores 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 Section 13, Section 14, Section 61 of the Companies Act, 2013 or 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 not be required to pay any fees/ stamp duty on the authorised share capital so increased.

- 7.2 Accordingly, in terms of this Scheme, the authorised share capital of the Transferee Company shall stand enhanced to an amount of Rs. 50,50,00,000 (Rupees Fifty Crores Fifty Lakhs Only), divided into 50,50,00,000 (Fifty Crores fifty lakhs) equity shares of Rs. 1/- each and the capital clause being Clause V of the Memorandum of Association of the Transferee Company shall stand substituted to read as follows:

The Authorized Share Capital of the Company is Rs. 50,50,00,000/- (Rupees Fifty Crores Fifty Lakhs Only) divided into 50,50,00,000 (Fifty Crores Fifty Lakhs Only) Equity Shares of Re.1/-(Rupee One Only) each. The Equity shares shall have

the rights, privileges and conditions attaching thereto as are provided by the regulations of the Company for the time being, with power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential rights, privileges or conditions as may be determined by or in accordance with the regulation 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.

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

8.1 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 favourable than those applicable to them with reference to their employment with the Transferor Company on the Effective Date.

8.2 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 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.

## **9. LEGAL PROCEEDINGS**

9.1 If any suit, appeal or other proceeding of whatever nature by or against the Transferor Company is 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.

- 9.2 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.

## **10. 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.

## **11. TAXATION MATTERS**

- 11.1 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.

- 11.2 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.
- 11.3 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.

## **12. CONTRACTS, DEEDS AND INSTRUMENTS**

Subject to the other provisions of the Scheme, all contracts, including contracts for all tenancies and licenses, rentals, deeds, bonds, agreements, bonds, Lease deeds, Rental Agreements, Agreements of any and all usage, business purchase agreements, schemes, Trade Marks, exemption schemes, Memorandum of Understanding or memoranda of agreement, memoranda of agreed points, letters of agreed points, character merchandising licenses, technology transfer agreements, distribution licenses and agreements, usage agreements, arrangements, undertakings whether written or otherwise and other instruments if any, of what so ever nature to which the Transferor Company is a party, or the benefits to which the Transferor Company is entitled, or subsisting or operative immediately on or before the effective date shall be in full force and effective against or in favour of the Transferee Company and may be enforced as fully and effectively as it would be against or for the Transferor Company and the Transferee Company, shall enter into and / or issue and / or execute deeds, or bonds in writing or confirm in writing or enter into tripartite agreements, confirmations or notations to which the

Transferor Company is a party, to give full effect and formal authenticity to the provisions of this Scheme, if so required or becomes necessary. Further, the Transferee Company shall be deemed to be authorized to execute any such deeds, writings, or confirmations on behalf of the Transferor Company and to implement or carry out all the formalities and obligations required on the part of the Transferor Company to give effect to the provisions of this Scheme.

**PART C**

**ACCOUNTING TREATMENT FOR THE AMALGAMATION  
IN THE BOOKS OF THE TRANSFEREE COMPANY**

**13. ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEREE COMPANY**

On the Scheme becoming effective, the accounting for the amalgamation would be done in accordance with the “Purchase Method” referred in Accounting Standard 14 – Accounting for Amalgamation (AS 14) issued by the Institute of Chartered Accountants of India and notified by the National Advisory Committee on Accounting Standards, Ministry of Corporate Affairs, as amended from time to time, which *inter alia* provides for the following:

- 13.1 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 the Transferee Company, as the case may be pursuant to the Scheme and shall be recorded by Transferee Company at their respective fair values.
- 13.2 The carrying amount of investments in the shares of the Transferor Company to the extent held by the Transferee Company, shall stand cancelled in the books of the Transferee Company, without any further act or deed.
- 13.3 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.
- 13.4 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.
- 13.5 The amount of any inter-company balances, amounts between 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.

- 13.6 The surplus arising between (A) the aggregate values of assets of the Transferor Company acquired and recorded by the Transferee Company in terms of clause 13.1 or cancelled in terms of clause 13.2 and 13.5 after making necessary adjustments as per clause 13.4, and (B) the aggregate of (a) the liabilities of the Transferor Company acquired and recorded by the Transferee Company in terms of clause 13.1 or cancelled in terms of clause 13.5 after making necessary adjustments as per clause 13.4, and (b) reserves of the Transferor Company recorded by the Transferee Company as per clause 13.3, shall be credited to the Capital Reserve Account of the Transferee Company. In case of a deficit, as computed above, such deficit shall be debited to Goodwill.

**14. TRANSACTIONS BETWEEN THE APPOINTED DATE AND THE EFFECTIVE DATE**

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

- 14.1 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;
- 14.2 The Transferor Company shall carry on their respective business and activities in the ordinary course of business with reasonable diligence and business prudence;
- 14.3 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;
- 14.4 With effect from Appointed Date 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 its 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 High Court; 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.
- 14.5 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
- 14.6 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.

**15. SAVING OF CONCLUDED TRANSACTIONS**

Subject to the terms of this Scheme, the transfer and vesting of the Undertaking(s) of the Transferor Company under Clause 5 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**

**16. 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 High Court may direct or determine.

**17. CONDITIONALITY OF THE SCHEME**

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

- (i) Approval by the Hon'ble High Court;
- (ii) The certified copy of the order of the High Court sanctioning the Scheme being filed with the Registrar of Companies by the Transferor Company and the Transferee Company; and
- (iii) Compliance with such other conditions as may be imposed by the High Court.

**18. APPLICATION TO THE HIGH COURT**

The Transferor Company being a wholly owned subsidiary of the Transferee Company, the Transferor Company shall alone, with all reasonable despatch, make and file an Application/ Petition to the High Court, within whose jurisdiction the registered office of the Transferor Company is situated, for sanctioning the Scheme, and for dissolution of the Transferor Company without being wound-up.

**19. 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 High Court 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.

**20. 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 High Court, 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.

**21 POWER TO WITHDRAW THE SCHEME AT ANYTIME**

In the event of any condition or amendment or modification that may be imposed by the High Court 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.

**22. COSTS, CHARGES AND EXPENSES**

In the event of the Scheme being sanctioned by the High Court, the Transferee Company shall bear and pay all costs, charges, expenses and taxes, including duties and levies in connection with the Scheme. The Transferor Company is a wholly owned subsidiary of the Transferee Company and no shares would be issued by the Transferee Company to the shareholders of the Transferor Company as mentioned in clause 6 of the scheme. Hence, Schedule 1A, Article 20(d) of Indian Stamp Act, as applicable to the State of Telangana is not applicable and accordingly no stamp duty is payable by the Transferee Company for merger of the Transferor Company with the Transferee Company.

**23**    **MISCELLANEOUS**

In case of 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.

\*\*\*

**Schedule I**

(This Schedule forms an Integral Part of the Scheme of Amalgamation of GIL Lifesciences Private Limited with Granules India Limited and their respective shareholders and Creditors)

**Immovable properties of M/s. GIL Lifesciences Private Limited**

| Sl. No | Land Details   | Regd. Sale Deed & Document no.                                   |
|--------|--|--|
|        | <p>All that the land totally admeasuring 18.35 acres equivalent 74,262.45 sq.mts situated in plot no. 30 under survey nos. part of 27 &amp; 1 of Thanam, part of 12 &amp; 5 of Ponnuru &amp; 8,9,29,30,31,32 &amp; 33 of E-Bonangi revenue villages of Parawada Mandal, Visakhapatnam District in the state of Andhra Pradesh and bounded By:</p> <p style="padding-left: 40px;">NORTH - 30 M Wide Road</p> <p style="padding-left: 40px;">SOUTH : 22 M Wide Road</p> <p style="padding-left: 40px;">EAST - Plot No. 31</p> <p style="padding-left: 40px;">WEST -30 M Wide Road.</p> | <p>535 of 2008 Registered at Sub Registrar, Lankelapalem, AP</p> |

**Schedule II**

(This Schedule forms an Integral Part of the Scheme of Amalgamation of GIL Lifesciences Private Limited with Granules India Limited and their respective shareholders and Creditors)

**(i) Statutory Licenses, Registrations, approvals on the name of GIL Lifesciences Private Limited**

| Sl.No | Name of the Issuing Authority  | Description                                  | Number  | Date                       |
|-------|--|--|---|----------------------------|
| 1     | Government of Andhra Pradesh Commercial Taxes Department                       | VAT & CST Registrations                      | 37820537600                                     | 15.06.2015                 |
| 2     | Central Board of Excise and Customs  | Central Excise and Service Tax Registrations | AADCG0605MEM001<br>ADCG0605MSD001               | 09.07.2015 &<br>10.07.2015 |
| 3     | Government of India Income-Tax Department                                      | PAN Number                                   | AADCG0605M                                      | 19.07.2007                 |
| 4     | Government of Andhra Pradesh State Disaster Response & Fire Service Department | Fire NOC                                     | 1824/G1/2015                                    | 20.04.2016                 |
| 5     | Ministry of Commerce and Industry  | IEM  | 851/SIA/IM O/2015                               | 09.08.2015                 |
| 6     | Government of Andhra Pradesh, Labour Department                                | Integrated Labour License                    | AP-03-32-012-0212196                            | 09.04.2016                 |
| 7     | APEPDCL  | Power Connection                             | Lr.No.SE/O/VSP/A DE/Coml/F.HT.Doc/ D.No.2383/15 | 26.08.2015                 |
| 8     | INS DEGA   | NOC  | Applied for                                     |                            |
| 9     | APIIC  | For approval of drawing                      | Applied for                                     |                            |



# Granules India Limited

Regd. Off. :

2nd Floor, 3rd Block, My Home Hub, Madhapur, Hyderabad - 500 081. INDIA

Ph : +91-40-30660000, 66760000 Fax : +91-40-23115145

E-mail : mail@granulesindia.com URL : www.granulesindia.com

CIN : L24110TG1991PLC012471

## ANNEXURE - II

### Report of the Audit Committee of the Granules India Limited

#### Members Present:

|                       |   |          |
|-----------------------|---|----------|
| Mr. C. Parthasarathy  | - | Chairman |
| Mr. L. S. Sarma       | - | Member   |
| Mr. A.P.Kurian        | - | Member   |
| Mr. C. Krishna Prasad | - | Member   |
| Mr. A. Arun Rao       | - | Member   |

#### Background:

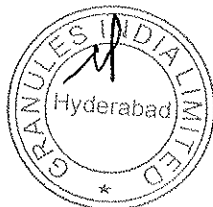
Granules India Limited (Transferee Company / Company) is a Public Limited Company incorporated under the Companies Act, 1956 with its registered office at 02<sup>nd</sup> Floor, 03<sup>rd</sup> Block, My Home Hub, Madhapur, Hyderabad (TS) – 500 081. The Company is engaged in the business of developing, manufacturing and marketing pharmaceutical products in various jurisdictions on a global scale. The equity shares of the Company are listed on the BSE Limited and the National Stock Exchange of India Limited.

GIL Lifesciences Private Limited, a Company incorporated under the Companies Act, 1956 with its registered office at 02<sup>nd</sup> Floor, 03<sup>rd</sup> Block, My Home Hub, Madhapur, Hyderabad (TS) – 500 081 (Transferor Company / GIL Lifesciences Private Limited). The Transferor Company, GIL Lifesciences Private Limited has been incorporated to manufacture and supply of pharmaceutical products. GIL Lifesciences Private Limited is yet to commence its operations.

In terms of the SEBI circular No. CIR/CFD/CMD/16/2015 dated 30<sup>th</sup> November 2015 (the Circular) the Audit Committee is required to recommend the Scheme. The report of the Audit Committee is made in order to comply with requirements of the said circular.

The Audit Committee considered the following documents:

- (a) The Scheme of Arrangement;





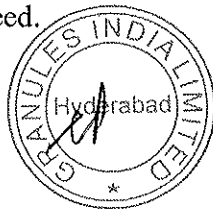
- (c) Fairness opinion from the Merchant Banker dated 27<sup>th</sup> April 2016; and
- (d) Certificate under Para 1(A)(5)(a) of the Circular from M/s. Kumar & Giri Chartered Accountants, Statutory Auditors of the Company, confirming that the accounting treatment contained in the scheme is in compliance with all the Accounting Standards specified by the Central Government in Section 133 of the Companies Act, 2013.
- (e) An undertaking by the statutory auditors dated 28<sup>th</sup> April 2016, issued by M/s. Kumar & Giri Chartered Accountants, in relation to non-applicability of Para 1(A)(9)(a) of the Circular.
- (f) Pre Scheme and Post Scheme Net worth certificates of the Company both dated 28<sup>th</sup> April 2016 issued by statutory auditors M/s. Kumar & Giri Chartered Accountants.
- (g) Audited financial statement of Gil Lifesciences Private Limited for the years March 31, 2016, March 31, 2015 and March 31, 2014.

The Transferee Company owns 100% of the paid-up share capital of the Transferor Company and as a result of the amalgamation, the shares of Gil Lifesciences Private Limited held by the Company will stand cancelled, with no issuance of shares or payment of other consideration to the Transferor Company. There will be no change in the shareholding pattern of the Transferee Company on account of amalgamation.

**Proposed Scheme of Arrangement:**

The Committee noted that the salient features of the Scheme are as under:

- The Scheme provides for amalgamation of Gil Lifesciences Private Limited into the Company.
- Proposed Appointed Date for the amalgamation will be 1<sup>st</sup> April 2016.
- Certificate has been obtained from the statutory auditors of the Company on the accounting treatment prescribed in the Scheme.
- “Nil Consideration” (Gil Lifesciences Private Limited will be amalgamated into Granules India Limited and all assets and liabilities of Gil Lifesciences Private Limited will get transferred to Granules India Limited). No new shares shall be issued or payment made in cash whatsoever by the Company in lieu of the cancellation of such shares of the Gil Lifesciences Private Limited.
- Upon the proposed amalgamation becoming effective, all assets, liabilities, contracts, rights, obligations etc. of Gil Lifesciences Private Limited shall stand transferred to Granules India Limited.
- Upon Scheme coming into effect, Gil Lifesciences Private Limited shall stand dissolved without any further act or deed.
- 



**Recommendation of the Audit Committee:**

The Audit Committee recommends the draft Scheme, inter-alia taking into consideration that there would not be any issuance of shares, for favorable consideration by the Board of Directors of the Company, Stock Exchange(s) and SEBI.

Date: 28.04.2016  
Place: Hyderabad

  
(C. PARTHASARATHY)  
Chairman, Audit Committee

SEBI Regn. No. INM000011658

April 28, 2016

FAIRNESS OPINION  
ON THE  
SCHEME OF AMALGAMATION  
OF

GIL LIFESCIENCES PRIVATE LIMITED

WITH

GRANULES INDIA LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

TO

|   |   |
|---|---|
| <b>GRANULES INDIA LIMITED</b><br>Second Floor, Block III, My Home Hub Madhapur<br>Hyderabad – 500 081 | <b>GIL LIFESCIENCES PRIVATE LIMITED</b><br>Second Floor, Block III, My Home Hub Madhapur<br>Hyderabad – 500 081 |
|---|---|

Dear Sirs,

**Sub: Fairness Opinion on the Scheme of Amalgamation of GIL Lifesciences Private Limited with Granules India Limited.**

**BACKGROUND, SCOPE AND PURPOSE OF THIS REPORT**

We refer to our discussion and engagement letter dated March 30, 2016 wherein the management of 'Granules India Limited' has requested 'akasam consulting private limited', to give fairness opinion on the proposed amalgamation of GIL Lifesciences Private Limited ('GIL Lifesciences' or the 'Transferor Company') with Granules India Limited ('Granules' or the 'Transferee Company') under a Scheme of Amalgamation (hereinafter referred to as the "Scheme").

Granules India Limited was incorporated as a private limited on 18th day of March 1991 under Certificate of Incorporation no. 01-12471 of 1990-91. Later on Granules had changed its name to



**akasam consulting private limited**

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CIN No. U74140AP2000PTC035024

present name i.e. Granules India Limited and fresh certificate of incorporation consequent on change of name was issued by Registrar of Companies, Andhra Pradesh, Hyderabad on 8th February, 1993 after complying with the necessary formalities under the Companies Act, 1956. Its Corporate Identity No is L24110TG1991PLC012471. The registered office of Granules is situated at 2nd Floor, 3rd Block, My Home Hub, Madhapur, Hyderabad – 500 081.

Granules is engaged in the business of manufacture and supply of Active Pharmaceutical Ingredients, Pharmaceutical Formulation Intermediates and Finished Dosages.

GIL Lifesciences Private Limited was incorporated as a Private Limited company on 19<sup>th</sup> July 2007 and its Corporate Identity No. is U24230TG2007PTC054839. Its registered office is situated at Second Floor, Block III, My Home Hub, Madhapur, Hyderabad – 500 081.

GIL Lifesciences Private Limited has been incorporated to manufacture and supply of pharmaceutical products. GIL Lifesciences Private Limited is yet to commence its operations.

The Transferor Company is a wholly owned subsidiary of Transferee Company.

### RATIONALE OF THE SCHEME

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:

- Simplify management structure, leading to better administration and a reduction in costs from more focused operational efforts, rationalization, standardization and simplification of business processes, elimination of duplication and rationalization of administrative expenses.
- Will result in creation of a single larger unified entity in place of various entities under the same management and control, thus resulting in efficient synergies of operations and streamlined business transactions
- Management and financial resources of Transferor Company will help the Transferee Company in setting up the green field manufacturing facility with appropriate international quality standards.



*Fairness opinion on the proposed Scheme of Amalgamation*

**akasam**

## SOURCES OF INFORMATION

For the purpose of this exercise, we have relied upon the following sources of information:

- a. Scheme of Amalgamation under Sec 391 to 394 of the Companies Act, 1956;
- b. Such other information and explanation as we required and which have been provided by the management of the Transferor and Transferee companies.

## EXCLUSIONS AND LIMITATIONS

- Our conclusion is based on the information furnished to us being complete and accurate in all material respects. We have relied upon the financials and other information and representations furnished to us without carrying out any audit or other tests to verify its accuracy with limited independent appraisal.
- We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the companies.
- Our work does not constitute verification of financials or including the working results of the companies referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report.
- Our opinion is not intended to and does not constitute a recommendation to any shareholder as to how such shareholder should vote or act in connection with the Scheme of Amalgamation or any matter related therein.
- Our liability (statutory or otherwise) for any economic loss or damage arising out of the rendering this opinion shall be limited to the amount of fee received for rendering this Opinion as per our engagement with Granules India Limited.
- Our opinion should not be construed as our opining or certifying the compliance of the proposed amalgamation with the provisions of any law including the Companies Act, Income Tax Act, and capital market related laws or as regards any legal implications or issues arising thereon.
- We assume no responsibility for updating or revising our opinion based on the circumstances or events occurring after the date hereof.



*Fairness opinion on the proposed Scheme of Amalgamation*

**akasa™**


- We do not express any opinion as to the price at which shares of Granules India Limited may trade at any time, including subsequent to the date of opinion.
- The certificate has been issued for the sole purpose to facilitate the companies to comply with Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular no. CIR/CFD/CMD/16/2015 dated November 30, 2015 and it shall not be valid for any other purpose.

### CONCLUSION

With reference to above and based on the information and explanation provided by the management representative of Granules and after analyzing the Scheme of Amalgamation, we understood that since GIL Lifesciences is a wholly owned subsidiary of Granules, and no shares are being issued by Granules as a consideration for the proposed amalgamation, and there is no change in the shareholding pattern of Granules, post proposed amalgamation. Hence the valuation of the companies has not been undertaken by Granules from an independent valuer as per SEBI circular no. CIR/CFD/CMD/16/2015 dated November 30, 2015.

On the basis of the foregoing and based on the information and explanation provided to us, in our opinion, the proposed amalgamation of GIL Lifesciences with Granules under the proposed Scheme of Amalgamation is fair and reasonable to the holders of equity shares of Granules.

For akasam consulting private limited

  
Srinivas M.R.S.



Director

DIN: 01446644

H.NO.10-2-289, F No.101

Jyothi Nitya Sree Apts

Shanthi Nagar, Hyderabad - 500028

| Holding of Specified securities - Pre Amalgamation |  | YES        | NO        |
|--|--|------------|-----------|
| 1.   | Name of the Entity: <b>GIL Lifesciences Private Limited</b>  |            |           |
| 2.   | Scrip Code/Name of Scrip/Class of Security: <b>NA</b>  |            |           |
| 3.   | Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg.31(1)(b)/Reg.31(1)(c):<br>a. if under 31(1)(b) then indicate the report for quarter ending: <b>NA</b><br>b. if under 31(1)(c) then indicate date of allotment/extinguishment: <b>NA</b> |            |           |
| 4.   | <b>Declaration</b> : The entity is required to submit the following declaration to the extent of submission of information:<br><br><b>Particulars</b>  |            |           |
| a  | Whether the Entity has issued any partly paid up shares  | <b>YES</b> | <b>NO</b> |
| b  | Whether the Entity has issued any Convertible Securities or Warrants?  |            | No        |
| c  | Whether the Entity has any shares against which depository receipts are issued?  |            | NO        |
| d  | Whether the Entity has any shares in locked-in?  |            | No        |
| e  | Whether any shares held by promoters are pledge or otherwise encumbered?   |            | No        |
| 5  | The tabular format for disclosure of holding of specified securities is as follows:  |            | No        |



*Handwritten signature*

| Category | Category of Shareholder         | No of Shareholders | No of fully paid up equity shares held | No of Partly paid up equity shares held | No of Shares Underlying Depository Receipts | Total No of Shares Held (VII) = (IV)+(V)+(VI) | Shareholding as a % of total no of shares (As a % of (A+B+C2)) | Number of Voting Rights of securities | No of Shares Underlying convertible securities (including Warrants) | Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) | Number of Locked in Shares |                             | Number of Shares pledged or otherwise encumbered | Number of equity shares held in dematerialized form |
|----------|---------------------------------|--------------------|--|---|---|---|--|---------------------------------------|---|---|----------------------------|-----------------------------|--|---|
|          |                                 |                    |  |   |   |   |  |                                       |   |   | No.                        | As a % of total Shares held |  |   |
|          | (i)                             | (ii)               | (iv)                                   | (v)                                     | (vi)  | (vii)   | (viii)   | Class X                               | Class Y   | Total   | (ix)                       | (x)                         | (xi)   | (xii)   |
| (A)      | Promoter & Promoter Group       | 2                  | 13830614                               | 0                                       | 0   | 13830614                                      | 100.00   | 13830614                              | 0   | 13830614  | 0                          | 0.00                        | 0  | 0.00  |
| (B)      | Public                          | 0                  | 0                                      | 0                                       | 0   | 0   | 0.00   | 0                                     | 0   | 0   | 0                          | 0.00                        | 0  | 0.00  |
| (C)      | Non Promoter-Non Public         | 0                  | 0                                      | 0                                       | 0   | 0   | 0.00   | 0                                     | 0   | 0   | 0                          | 0.00                        | 0  | 0.00  |
| (C1)     | Shares underlying DPs           |                    |  |   |   |   |  |                                       |   |   |                            |                             |  |   |
| (C2)     | Shares held by Employees Trusts |                    |  |   |   |   |  |                                       |   |   |                            |                             |  |   |
|          | Total:                          | 2                  | 13830614                               | 0                                       | 0   | 13830614                                      | 100.00   | 13830614                              | 0   | 13830614  | 0                          | 0.00                        | 0  | 0.00  |



T. C. N. Srinivasan





Table III - Statement showing shareholding pattern of the Public shareholder

| Category | Category & Name of the Shareholder  | No of Shareholders | No of fully paid up equity shares held | No of Party paid up equity shares held | No of Shares Underlying Depository Receipts | Total No of Shares Held (IV+V+VI) | Shareholding as a % of total no of shares (A+B+C2) | No of Voting Rights of securities | No of Shares Underlying convertible securities (including Warrants) | Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) | Number of Locked in Shares | Number of Shares pledged or otherwise encumbered | Number of equity shares held in dematerialized form |
|----------|---|--------------------|--|--|---|-----------------------------------|--|-----------------------------------|---|---|----------------------------|--|---|
|          |   | (iii)              | (iv)                                   | (v)                                    | (vi)  | (vii)                             | (viii)   | Class X                           | (ix)  | (xi)  | (xii)                      | (xiii)   | (xiv)   |
|          |   |                    |  |  | No of Voting Rights held in each class      |                                   |  |                                   |   |   |                            |  |   |
|          |   |                    |  |  | Total as a % of (A+B+C)                     |                                   |  |                                   |   |   |                            |  |   |
|          |   |                    |  |  | Class X                                     | Class Y                           | Total  |                                   |   |   |                            |  |   |
| (1)      | Institutions  |                    |  |  |   |                                   |  |                                   |   |   |                            |  |   |
| (a)      | Mutual Funds  |                    |  |  |   |                                   |  |                                   |   |   |                            |  |   |
| (b)      | Venture Capital Funds   |                    |  |  |   |                                   |  |                                   |   |   |                            |  |   |
| (c)      | Alternate Investment Funds  |                    |  |  |   |                                   |  |                                   |   |   |                            |  |   |
| (d)      | Foreign Venture Capital Investors   |                    |  |  |   |                                   |  |                                   |   |   |                            |  |   |
| (e)      | Foreign Portfolio Investors   |                    |  |  |   |                                   |  |                                   |   |   |                            |  |   |
| (f)      | Financial Institutions/Banks  |                    |  |  |   |                                   |  |                                   |   |   |                            |  |   |
| (g)      | Insurance Companies   |                    |  |  |   |                                   |  |                                   |   |   |                            |  |   |
| (h)      | Provident Funds/Pension Funds   |                    |  |  |   |                                   |  |                                   |   |   |                            |  |   |
| (i)      | Any Other   |                    |  |  |   |                                   |  |                                   |   |   |                            |  |   |
|          | <b>Sub Total (B)(1)</b>   | 0                  | 0                                      | 0                                      | 0   | 0                                 | 0.00   | 0                                 | 0   | 0   | 0                          | 0.00   | 0   |
| (2)      | Central Government/State Government(s)/President of India                           |                    |  |  |   |                                   |  |                                   |   |   |                            |  |   |
|          | <b>Sub Total (B)(2)</b>   | 0                  | 0                                      | 0                                      | 0   | 0                                 | 0.00   | 0                                 | 0   | 0   | 0                          | 0.00   | 0   |
| (3)      | Non-Institutions  |                    |  |  |   |                                   |  |                                   |   |   |                            |  |   |
| (a)      | i. Individual Shareholders holding nominal share capital up to Rs.2 lakhs           |                    |  |  |   |                                   |  |                                   |   |   |                            |  |   |
| (b)      | ii. Individual shareholder's holding nominal share capital in excess of Rs. 2 Lakhs |                    |  |  |   |                                   |  |                                   |   |   |                            |  |   |
| (c)      | NBFCs Registered with RBI   |                    |  |  |   |                                   |  |                                   |   |   |                            |  |   |
| (d)      | Employee Trusts   |                    |  |  |   |                                   |  |                                   |   |   |                            |  |   |
| (e)      | Overseas Depositories (Holding DRs)(Balancing figure)                               |                    |  |  |   |                                   |  |                                   |   |   |                            |  |   |
| (f)      | Any Other   |                    |  |  |   |                                   |  |                                   |   |   |                            |  |   |
|          | <b>Sub Total (B)(3)</b>   | 0                  | 0                                      | 0                                      | 0   | 0                                 | 0.00   | 0                                 | 0   | 0   | 0                          | 0.00   | 0   |
|          | <b>Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)</b>                         | 0                  | 0                                      | 0                                      | 0   | 0                                 | 0.00   | 0                                 | 0   | 0   | 0                          | 0.00   | 0   |

  
 of. Chairperson



**GIL LIFESCIENCES PRIVATE LIMITED**

CIN: U24230TG2007PTC054839

Regd. Off: 2<sup>nd</sup> Floor, 3rd Block, My Home hub Madhapur Hyderabad-50081Email: [chaitanya.tummala@granulesindia.com](mailto:chaitanya.tummala@granulesindia.com)**ANNEXURE V**

The audited financial details of the Transferor Company for the previous 3 years as per the audited statement of Accounts:

Name of the Company: Gil Lifesciences Private Limited

(Rs. in Crores)

|                           | As per last Audited Financial Year | 1 year prior to the last Audited Financial Year | 2 years prior to the last Audited Financial Year |
|---------------------------|------------------------------------|---|--|
|                           | As on 31 <sup>st</sup> March 2016  | As on 31 <sup>st</sup> March 2015               | As on 31 <sup>st</sup> March 2014                |
| Equity Paid up Capital    | 13.83                              | 2.95  | 2.95   |
| Reserves and surplus      | -                                  | -   | -  |
| Carry forward losses      | -                                  | -   | -  |
| Net Worth                 | 13.56                              | 2.95  | 2.95   |
| Miscellaneous Expenditure | -                                  | -   | -  |
| Secured Loans             | -                                  | -   | -  |
| Unsecured Loans           | 0.10                               | 0.10  | 0.10   |
| Fixed Assets              | 14.53                              | 2.97  | 2.97   |
| Income from Operations    | -                                  | -   | -  |
| Total Income              | -                                  | -   | -  |
| Total Expenditure         | -                                  | -   | -  |
| Profit before Tax         | -                                  | -   | -  |
| Profit after Tax          | -                                  | -   | -  |
| Cash profit               | -                                  | -   | -  |
| EPS                       | -                                  | -   | -  |
| Book value                | Rs. 10                             | Rs. 10  | Rs. 10   |

**FOR, GIL LIFESCIENCES PRIVATE LIMITED**

  
  
**(VVS MURTHY)**  
**DIRECTOR**



ANNEXURE- XVI

KUMAR & GIRI  
CHARTERED ACCOUNTANTS

ANNEXURE VIII

To,  
The Board of Directors,  
M/s. Granules India Limited.  
2<sup>nd</sup> Floor, 3<sup>rd</sup> Block, Madhapur,  
Hyderabad -500081

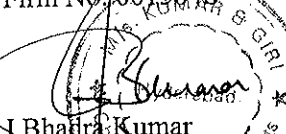
We, the statutory auditors of M/s. Granules India Limited, herein after referred to as "the Company"), have examined the proposed accounting treatment specified in Part C of the Draft Scheme of Amalgamation between M/s. GIL Lifesciences Private Limited and M/s. Granules India Limited in terms of the provisions of section(s)391 to 394 of the Companies Act, 1956 with reference to its compliance with the applicable Accounting Standards notified under the Companies Act, 1956/ Companies Act, 2013 and Other Generally Accepted Accounting Principles.

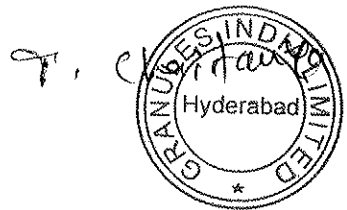
The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved. Our responsibility is only to examine and report whether the Draft 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, 1956/ Companies Act, 2013.

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

For Kumar & Giri  
Chartered Accountants  
Firm No: 1001584S

  
J. Bhadrakumar  
Partner  
M.No: 25480  
Date: April 28, 2016  
Place: Hyderabad



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# Granules India Limited

Regd. Off. :

2nd Floor, 3rd Block, My Home Hub, Madhapur, Hyderabad - 500 081. INDIA

Ph : +91-40-30660000, 66760000 Fax : +91-40-23115145

E-mail : mail@granulesindia.com URL : www.granulesindia.com

CIN : L24110TG1991PLC012471

## Format to be submitted by listed entity on quarterly basis

1. Name of Listed Entity: **GRANULES INDIA LIMITED**
2. Quarter ending : **31.03.2016**

| <b>I. Composition of Board of Directors</b> |                            |  |   |         |   |   |  |
|---|----------------------------|--|---|---------|---|---|--|
| Title (Mr/ Ms)                              | Name of the Director       | Category (Chairperson /Executive/ Non-Executive/independent/ N ominee) & | Date of Appointment in the current term /cessati on | Tenure* | No of Directorship in listed entities including this listed entity<br><br>(Refer Regulation 25(1) of Listing Regulations) | Number of memberships in Audit/ Stakeholder Committee(s) including this listed entity<br><br>(Refer Regulation 26(1) of Listing Regulation s) | No of post of Chairperson in Audit/ Stakeholder Committee held in listed entities including this listed entity<br><br>(Refer Regulation 26(1) of |
| Mr.   | Krishna Prasad Chigurupati | Executive - Chairman and Managing Director                               | 01.09.2014  | NA      | 1 (One)   | 2(Two)  | NIL  |
| Mr.   | L.S. Sarma                 | Independent  | 28.08.2014  | 15Years | 1(One)  | NIL   | NIL  |
| Mr.   | A.P. Kurian                | Independent  | 28.08.2014  | 12Years | 3(Three)  | 3(Three)  | 1(One)   |
| Mr.   | C. Parthasarathy           | Independent  | 28.08.2014  | 6Years  | 3(Three)  | 2(Two)  | 1(One)   |

|      |                      |               |            |        |         |        |        |
|------|----------------------|---------------|------------|--------|---------|--------|--------|
| Mr.  | Krishna Murthy Ella  | Independent   | 28.08.2014 | 6Years | 1 (One) | NIL    | NIL    |
| Mr.  | Arun Rao Akinepally  | Independent   | 28.08.2014 | 5Years | 1 (One) | 2(Two) | 1(One) |
| Mr.  | K. B. Sankar Rao     | Non-Executive | 19.02.2013 | NA     | 1 (One) | NIL    | NIL    |
| Mrs. | Uma Devi Chigurupati | Executive     | 31.05.2012 | NA     | 1 (One) | NIL    | NIL    |
| Mr.  | Harsha Chigurupati   | Non-Executive | 31.10.2015 | NA     | 1 (One) | NIL    | NIL    |

§PAN number of any director would not be displayed on the website of Stock Exchange  
 \*Category of directors means executive/non-executive/independent/Nominee. If a director fits into more than one category write all categories separating them with hyphen  
 \* to be filled only for Independent Director. Tenure would mean total period from which Independent director is serving on Board of directors of the listed entity in continuity without any cooling off period.

## II. Composition of Committees

| Name of Committee                            | Name of Committee members | Category (Chairperson/Executive/Non-Executive/independent/No) |
|--|---------------------------|---|
| 1. Audit Committee                           | Mr.C.Parathasarathy       | Chairperson-Independent                                       |
| 2.   | Mr. L. S. Sarma           | Independent   |
| 3.   | Mr. A. P. Kurian          | Independent   |
| 4.   | Mr. Arun Rao              | Independent   |
| 5.   | Mr Krishna Prasad         | Executive   |
| 6. Nomination & Remuneration Committee       | Mr.C.Parathasarathy       | Chairperson-Independent                                       |
| 7.   | Mr. L.S. Sarma            | Independent   |
| 8.   | Mr. K. B. Sankar Rao      | Non-Executive   |
| 9.   | Mr. Arun Rao              | Independent   |
| 10.  | Mr. Krishna Prasad        | Executive   |
| 11. Risk Management Committee(if applicable) |                           |   |
| 12. Stakeholders Relationship Committee'     | Mr. Arun Rao              | Chairperson-Independent                                       |
| 13.  | Mr. Krishna Prasad        | Executive   |
| 14.  | Mrs. Uma Devi             | Executive   |

\*Category of directors means executive/non-executive/independent/Nominee. If a director fits into more than one category write all categories separating them with hyphen

| <b>III. Meeting of Board of Directors</b>                  |  |  |
|--|--|--|
| <i>Date(s) of Meeting (if any) in the previous quarter</i> | <i>Date(s) of Meeting (if any) in the relevant quarter</i> | <i>Maximum gap between any two consecutive (in number of days)</i> |
| 31 <sup>st</sup> October 2015                              | 17 <sup>th</sup> January 2016                              | 59   |
| 30 <sup>th</sup> December 2015                             | 28 <sup>th</sup> January 2016                              | 10   |

| <b>IV. Meeting of Committees</b>                                   |  |  |  |
|--|--|--|--|
| <i>Date(s) of meeting of the committee in the relevant quarter</i> | <i>Whether requirement of Quorum met (details)</i> | <i>Date(s) of meeting of the committee in the previous quarter</i> | <i>Maximum gap between any two consecutive meetings in number of days*</i> |
| <b>Audit Committee</b>   |  |  |  |
| 27 <sup>th</sup> January 2016                                      | Yes  | 31 <sup>st</sup> October 2015                                      | 87 days  |

\* This information has to be mandatorily be given for audit committee, for rest of the committees giving this information is optional

| <b>V. Related Party Transactions</b>   |  |
|--|--|
| <i>Subject</i>   | <i>Compliance status (Yes/No/NA)refer note below</i> |
| Whether prior approval of audit committee obtained   | Yes  |
| Whether shareholder approval obtained for material RPT   | Yes  |
| Whether details of RPT entered into pursuant to omnibus approval have been reviewed by Audit Committee | NA   |

**Note**

- In the column "Compliance Status", compliance or non-compliance may be indicated by Yes/No/N.A.. For example, if the Board has been composed in accordance with the requirements of Listing Regulations, "Yes" may be indicated. Similarly, in case the Listed Entity has no related party transactions, the words "N.A." may be indicated.
- If status is "No" details of non-compliance may be given here.

| <b>VI. Affirmations</b>  |
|--|
| <ol style="list-style-type: none"> <li>The composition of Board of Directors is in terms of SEBI (Listing obligations and disclosure requirements) Regulations, 2015.</li> <li>The composition of the following committees is in terms of SEBI(Listing obligations and disclosure requirements) Regulations, 2015 <ol style="list-style-type: none"> <li>Audit Committee</li> <li>Nomination &amp; remuneration committee</li> <li>Stakeholders relationship committee</li> <li>Risk management committee (applicable to the top 100 listed entities)</li> </ol> </li> <li>The committee members have been made aware of their powers, role and responsibilities as specified in SEBI (Listing obligations and disclosure requirements) Regulations, 2015.</li> <li>The meetings of the board of directors and the above committees have been conducted in the manner as specified in SEBI (Listing obligations and disclosure requirements) Regulations, 2015.</li> <li>This report and/or the report submitted in the previous quarter has been placed before Board of Directors. Any comments/observations/advice of Board of Directors may be mentioned here:</li> </ol> |

**For Granules India Limited**


**CHAITANYA TUMMALA**  
**Company Secretary & Compliance Officer**