



Innovating for
affordable healthcare

Shilpa Medicare Limited

Manufacturers and Exporters of Bulk Drugs

12-6-214/A-1, Hyderabad Road,

RAICHUR - 584 135, Karnataka, India.

Phone : +91-8532 - 238704, Fax : +91 - 8532 - 238876

E-Mail : info@vbshilpa.com Web: http://www.vbshilpa.com

CIN No. L85110KA1987PLC008739

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH
T.P No. 267/2017 In C.A No.743/2016**

In the matter of the Companies Act, 2013;
And

In the matter of Sections 230 - 232 read with other
relevant provisions of the Companies Act, 2013;

And

In the matter of Shilpa Medicare Limited;

And

In the matter of Scheme of Amalgamation of Navya
Biologicals Private Limited with Shilpa Medicare Limited
and their respective shareholders and creditors;

Shilpa Medicare Limited,
a company Incorporated under
the provisions of the Companies Act, 1956
and having its registered office
at # 12-6-214/A1, Hyderabad Road,
Raichur, Karnataka- 584 135

....Applicant Company

**To,
National Stock Exchange of India Limited
Listing Department,
Exchange Plaza, 5th Floor, Plot No.C/1, G
Block, BandraKurla Complex, Bandra (E).
Mumbai-400 051.**

Notice is hereby given in pursuance of sub-section (5) of section 230 of the Companies Act, 2013, that as directed by the Bengaluru Bench of the National Company Law Tribunal at Bengaluru, by an order dated 8th March, 2017 under sub-section (1) of section 230 of the Act, a meeting of the members of Shilpa Medicare Limited shall be held on Saturday the 29th day of April, 2017 to consider the scheme of amalgamation of Navya Biologicals Private Limited with Shilpa Medicare Limited at # 12-6-214/A1, Hyderabad Road, Raichur, Karnataka- 584 135.

Contd.....2



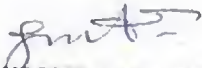
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A copy of the notice and scheme of the compromise or arrangement are enclosed.

You are hereby informed that representations, if any, in connection with the proposed compromise and / or arrangement may be made to the Tribunal within thirty days from the date of receipt of this notice. Copy of the representation may simultaneously be sent to the concerned company.

In case no representation is received within the stated period of thirty days, it shall be presumed that you have no representation to make on the proposed scheme of compromise or arrangement.

for **SHILPA MEDICARE LIMITED**


MADHUSUDHAN REDDY
COMPANY SECRETARY



Dated this 28th day of March, 2017

Place: Raichur

Enclosures:

- i) Copy of notice with statement as required under section 230(3);
- ii) Copy of scheme of compromise or arrangement



SHILPA MEDICARE LIMITED

Registered Office : #12-6-214/A1, Hyderabad Road, Raichur,
Karnataka – 584 135
Tel. No. : +91-8532-238704
CIN : L85110KA1987PLC008739
E-mail : cs@vbshilpa.com
Website : www.vbshilpa.com

MEETING OF THE EQUITY SHAREHOLDERS OF SHILPA MEDICARE LIMITED (Convened pursuant to order dated 8th day of March 2017 passed by the Hon'ble National Company Law Tribunal, Bengaluru Bench)

MEETING:

Day :	Saturday
Date :	29th day of April 2017
Time :	10.30 a.m.
Venue :	# 12-6-214/A1, Hyderabad Road, Raichur, Karnataka – 584 135

POSTAL BALLOT AND E-VOTING:

Start Date and Time :	30th day of March, 2017 at 10.00 a.m.
End Date and Time :	28th day of April, 2017 at 5.00 p.m.

INDEX

Sr. No.	Contents	Page Nos.
1.	Notice convening the meeting of the equity shareholders of Shilpa Medicare Limited under the provisions of Sections 230-232 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016	03-08
2.	Explanatory Statement under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016	09-17
3.	Annexure 1 Scheme of Amalgamation of Navya Biologicals Private Limited with Shilpa Medicare Limited and their respective shareholders and creditors under Sections 230-232 of the Companies Act, 2013	18-27
4.	Annexure 2 Summary of Valuation Report dated 27 th day of June 2016 issued by M/s. Nekkanti Srinivasu & Co., Chartered Accountants.	28-36
5.	Annexure 3 Fairness Opinion dated 11 th day of July 2016 issued by Quintessence Enterprises Private Limited	37-42

6.	Annexure 4 Copy of Observation letter dated 6 th day of October 2016 from BSE Limited.	43
7.	Annexure 5 Copy of Observation letter dated 4 th day of October 2016 from National Stock Exchange of India Limited.	44-45
8.	Annexure 6 Complaints Report dated 25 th day of August 2016 filed with BSE Limited and Complaints Report dated 1st September, 2016 the National Stock Exchange of India Limited, respectively.	46-49
9.	Annexure 7 Report adopted by the Board of Directors of Shilpa Medicare Limited in its meeting held on 9 th day of March, 2017.	50
10.	Annexure 8 Supplementary Unaudited Accounting Statements of Shilpa Medicare Limited for the period ended 31 st December, 2016	51-54
11	Annexure 9 Supplementary Unaudited Accounting Statement of Navya Biologicals Private Limited for the period ended 31 st December, 2016.	55-60
12.	Proxy Form	61-62
13.	Attendance Slip	63
14.	Postal Ballot Form with instructions and self addressed postage prepaid Business Reply Envelope	Loose Leaf Insertion

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH
T.P No. 267/2017 In C.A No.743/2016

In the matter of the Companies Act, 2013;

And

In the matter of Sections 230-232 read with other relevant rules and provisions of the Companies Act, 2013;

And

In the matter of Shilpa Medicare Limited;

And

In the matter of Scheme of Amalgamation of Navya Biologicals Private Limited with Shilpa Medicare Limited and their respective shareholders and creditors;

Shilpa Medicare Limited, }
a company incorporated under }
the provisions of the Companies Act, 1956 }
and having its registered office at }
12-6-214/A1, Hyderabad Road, }
Raichur, Karnataka– 584 135. }

....Applicant Company

**NOTICE CONVENING THE MEETING OF THE
EQUITY SHAREHOLDERS OF THE APPLICANT COMPANY**

To,

All the Equity shareholders of Shilpa Medicare Limited (the “Applicant Company”):

NOTICE is hereby given that by an Order dated 8th day of March 2017, the Hon'ble Bengaluru Bench of the National Company Law Tribunal (the “**Tribunal**” or “**NCLT**”) has directed a meeting to be held of the equity shareholders of the Applicant Company for the purpose of considering, and if thought fit, approving, with or without modification(s), the amalgamation proposed to be made between the Applicant Company and Navya Biologicals Private Limited and their Equity Shareholders and creditors.

In pursuance of the said Order and as directed therein further notice is hereby given that a meeting of the equity shareholders of the Applicant Company will be held at the registered office of the Applicant Company at #12-6-214/A1, Hyderabad Road, Raichur, Karnataka – 584 135 on Saturday, the 29th day of April, 2017 at 10.30 a.m., at which time and place the said equity shareholders are requested to attend. At the meeting, the following resolution will be considered and if thought fit, be passed, with or without modification(s):

“RESOLVED THAT pursuant to the provisions of Sections 230-232 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of the Hon'ble National Company Law Tribunal 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 the Hon'ble National Company Law Tribunal 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 other person authorized by it to exercise its powers including the powers conferred by this Resolution), the proposed amalgamation embodied in the scheme of amalgamation of Navya Biologicals Private Limited with Shilpa Medicare Limited and their respective shareholders and creditors (“**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 amalgamation 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 Hon'ble National

Company Law Tribunal at Bengaluru while sanctioning the amalgamation embodied in the Scheme 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, as the Board may deem fit and proper.”

Copies of the said amalgamation, and of the statement under Section 230(3), 232(1) and (2) and 102 of the Companies Act, 2013, can be obtained free of charge at the registered office of the Company.

Persons entitled to attend and vote at the meeting, may vote in person or by proxy, provided that all proxies in the prescribed format required to be deposited at the registered office of the company at # 12-6-214/A1, Hyderabad Road, Raichur, Karnataka – 584 135, not later than 48 hours before the meeting. Forms of proxy can be obtained at the registered office of the Company.

The Tribunal has appointed CS. D.S Rao, Practicing Company Secretary and failing him, Shri Omprakash Inani, Director of the Company to be the Chairman of the said meeting of the Applicant Company.

The above mentioned amalgamation, if approved by the meeting, will be subject to the subsequent approval of the Tribunal.

Sd/-

CS. D.S. RAO

Chairman appointed for the Meeting

Dated this 25th day of March, 2017

Place: Raichur

NOTES:

1. Explanatory Statement of material facts for the proposed Resolution pursuant to Section 102 read with Section 110 and Section 108 of the Companies Act, 2013 along with applicable rules thereunder and provisions of Section 230 and 232 of the Companies Act, 2013 read with Rule 6(3) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 setting out material facts forms part of this Notice booklet.
2. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member.
3. Only registered equity shareholders of the Applicant Company may attend and vote either in person or by proxy (a proxy need not be an equity shareholder of the Applicant Company) or in the case of a body corporate or Registered Foreign Portfolio Investors (“RFPI”) or Foreign Institutional Investors (“FII”), by a representative authorized under Section 113 of the Companies Act, 2013 at the meeting of the equity shareholders of the Applicant Company. The authorized representative of a body corporate / RFPI / FII which is a registered equity share holder of the Applicant Company may attend and vote at the meeting of the equity shareholders of the Applicant Company provided a copy of the resolution of the board of directors or other governing body of the body corporate/RFPI/FII authorizing such representative to attend and vote at the meeting of the equity shareholders of the Applicant Company, duly certified to be a true copy by a director, the manager, the secretary or other authorized officer of such body corporate/RFPI/FII, is deposited at the registered office of the Applicant Company not later than 48 (forty eight) hours before the scheduled time of the commencement of the meeting of the equity shareholders of the Applicant Company.
4. The form of proxy can be obtained free of charge from the registered office of the Applicant Company.
5. All alterations made in the form of proxy should be initialed.
6. During the period beginning 24 (twenty four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, an equity shareholder would be entitled to inspect the proxies lodged at any time during the business hours of the Applicant Company, provided that not less than 3 (three) days of notice in writing is given to the Applicant Company.
7. NCLT by its Order has directed that a meeting of the equity shareholders of the Applicant Company shall be convened and held at the registered office of the Applicant Company on Saturday, the 29th day of April 2017 at 10.30 a.m. for the purpose of considering, and if thought fit, approving, with or without modification(s), the amalgamation embodied in the Scheme. Equity shareholders would be entitled to vote in the said meeting either in person or through proxy.

8. In compliance with the provisions of (i) Section 230(4) read with Sections 108 and 110 of the Companies Act, 2013; (ii) Rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; (iii) Rule 22 read with Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014; (iv) Regulation 44 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Applicant Company has provided the facility of voting by postal ballot and e-voting so as to enable the equity shareholders, to consider and approve the Scheme by way of the aforesaid resolution. Accordingly, voting by equity shareholders of the Applicant Company to the Scheme shall be carried out through (i) postal ballot or e-voting and (ii) ballot or polling paper at the venue of the meeting to be held on 29th day of April 2017.
9. The quorum of the meeting of the equity shareholders of the Applicant Company shall be 30 (thirty) equity shareholders of the Applicant Company, present in person.
10. A registered equity shareholder or his proxy, attending the meeting, is requested to bring the Attendance Slip duly completed and signed.
11. The registered equity shareholders who hold shares in dematerialized form and who are attending the meeting are requested to bring their DP ID and Client ID for easy identification.
12. The registered equity shareholders are informed that in case of joint holders attending the meeting, only such joint holder whose name stands first in the register of members of the Applicant Company/ list of beneficial owners as received from National Securities Depository Limited ("NSDL")/ Central Depository Services (India) Limited ("CDSL") in respect of such joint holding, will be entitled to vote.
13. The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the equity shareholders at the registered office of the Applicant Company between 10.00 a.m. and 12.00 noon on all days (except Sundays and public holidays) up to the date of the meeting.
14. Equity shareholders holding equity shares as on 25th day of March, 2017, being the Cut off Date, will be entitled to exercise their right to vote on the above resolution.
15. The Notice, together with the documents accompanying the same, is being sent to all the equity shareholders either by registered post or speed post or by courier service or electronically by e-mail to those equity shareholders who have registered their e-mail ids with the Applicant Company/registrar and share transfer agents/ NSDL/CDSL, whose names appear in the register of members/list of beneficial owners as received from NSDL/CDSL as on 25th day of March, 2017. The Notice will be displayed on the website of the Applicant Company www.vbshilpa.com and on the website of Karvy www.evoting.karvy.com
16. A person, whose name is not recorded in the register of members or in the register of beneficial owners maintained by NSDL/CDSL as on the cut off date i.e. 25th day of March 2017 shall not be entitled to avail the facility of e-voting or voting through postal ballot or voting at the meeting to be held on 29th day of April 2017. Voting rights shall be reckoned on the paid-up value of the shares registered in the names of equity shareholders as on Saturday, the 25th day of March 2017. Persons who are not equity shareholders of the Applicant Company as on the cut-off date i.e. 25th day of March, 2017 should treat this notice for information purposes only.
17. The voting by the equity shareholders through the postal ballot or e-voting shall commence at 10.00 a.m. on 30th day of March 2017 and shall close at 5:00 p.m. on 28th day of April 2017.
18. The notice convening the meeting will be published through advertisement in (i) The Hindu in English language; and (ii) Kannada Prabha in Kannada language.
19. In accordance with the provisions of Sections 230 – 232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority of persons representing three fourth in value of the equity shareholders of the Applicant Company, voting in person or by proxy or by postal ballot or e-voting, agree to the Scheme.
20. The Applicant Company has engaged the services of Karvy Computershare Private Limited ("Karvy") for facilitating e-voting for the said meeting to be held on 29th day of April 2017. Equity shareholders desiring to exercise their vote by using e-voting facility are requested to follow the instructions mentioned in Note 33 below.
21. A postal ballot form along with self-addressed postage pre-paid envelope is also enclosed. Equity shareholders' voting in physical form are requested to carefully read the instructions printed in the attached postal ballot form. Equity shareholders who have received the postal ballot form by e-mail and who wish to vote through

postal ballot form, can download the postal ballot form from the Applicant Company's website www.vbshilpa.com or seek duplicate postal ballot form from the Applicant Company.

22. Equity shareholders shall fill in the requisite details and send the duly completed and signed postal ballot form in the enclosed self-addressed postage pre-paid envelope to the scrutinizer so as to reach the scrutinizer before 5.00 p.m. on or before 28th day of April 2017. Postal ballot form, if sent by courier or by registered post/speed post at the expense of an equity shareholder will also be accepted. Any postal ballot form received after the said date and time period shall be treated as if the reply from the equity shareholders has not been received.
23. Incomplete, unsigned, improperly or incorrectly tick marked postal ballot forms will be rejected by the scrutinizer.
24. The vote on postal ballot cannot be exercised through proxy.
25. There will be only 1 (one) postal ballot form for every registered folio/client ID irrespective of the number of joint equity shareholders.
26. The postal ballot form should be completed and signed by the equity shareholders (as per specimen signature registered with the Applicant Company and/or furnished by the Depositories). In case, shares are jointly held, this form should be completed and signed by the first named equity shareholder and, in his/her absence, by the next named equity shareholder. Holder(s) of Power of Attorney ("PoA") on behalf of an equity shareholder may vote on the postal ballot mentioning the registration number of the PoA with the Applicant Company or enclosing a copy of the PoA authenticated by a notary. In case of shares held by companies, societies etc., the duly completed postal ballot form should be accompanied by a certified copy of the board resolution/ authorisation giving the requisite authority to the person voting on the postal ballot form.
27. Mr. V. Ajay, Practicing Company Secretary (Membership No. A36089/CP15460) has been appointed as the scrutinizer to conduct the postal ballot and e-voting process and voting at the venue of the meeting in a fair and transparent manner.
28. The scrutinizer will submit his combined report to the Chairman of the meeting after completion of the scrutiny of the votes cast by the equity shareholders of the Applicant Company through (i) e-voting process, (ii) postal ballot and (iii) ballot or polling paper at the venue of the meeting. The scrutinizer's decision on the validity of the vote (including e-votes) shall be final. The results of votes cast through (i) e-voting process, (ii) postal ballot and (iii) ballot or polling paper at the venue of the meeting including the separate results of the postal ballot and e-voting exercised by the Shareholders will be announced on or before 1st day of May 2017 at the registered office of the Applicant Company. The results, together with the scrutinizer's Reports, will be displayed at the registered office of the Applicant Company, on the website of the Applicant Company, www.vbshilpa.com and on the website of Karvy, www.evoting.karvy.com, besides being communicated to BSE Limited, National Stock Exchange of India Limited
29. The equity shareholders of the Applicant Company can opt only one mode for voting i.e. by postal ballot or e-voting or voting at the venue of the meeting. If an equity shareholder has opted for e-voting, then he/ she should not vote by postal ballot form also and vice versa. However, in case equity shareholder(s) cast their vote both via postal ballot and e-voting, then voting validly done through e-voting shall prevail and voting done by postal ballot shall be treated as invalid.
30. The equity shareholders of the Applicant Company attending the meeting who have not cast their vote either through postal ballot or e-voting shall be entitled to exercise their vote at the venue of the meeting. Equity shareholders who have cast their votes through postal ballot or e-voting may also attend the meeting but shall not be entitled to cast their vote again.
31. The voting through postal ballot and e-voting period will commence at 10.00 a.m. on 30th day of March 2017 and will end at 5.00 p.m. on 28th day of April 2017. During this period, the equity shareholders of the Applicant Company holding shares either in physical form or in dematerialized form, as on the cut off date, i.e. 25th day of March 2017 may cast their vote electronically or by postal ballot. The e-voting module shall be disabled by Karvy for voting on 28th day of April 2017 at 5.00 p.m. Once the vote on the resolution is cast by an equity shareholder, he or she will not be allowed to change it subsequently

32. Any queries / grievances in relation to the voting by postal ballot or e-voting may be addressed to Mr. Madhusudhan Reddy, Company Secretary of the Applicant Company at #12-6-214/A1, Hyderabad Road, Raichur, Karnataka – 584 135, or through email to cs.vbshilpa@gmail.com. Any query/grievance related to the e-voting may be addressed to Mr. Rajendra Prasad. V, Karvy Comptershare Private Limited, Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 038. E-mail : rajendra.v@karvy.com Phone 040-6716 1520.

33. Voting through Electronic Means

In compliance with provisions of Section 108 of the Companies Act, 2013, rule 20 of the Companies (Management and Administration) Rules 2014 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Applicant Company provides to its equity shareholders facility to exercise their right to vote on the resolution proposed to be considered at the meeting by electronic means and the business may be transacted through e-voting services provided by Karvy. The procedure and instructions for equity shareholders for voting electronically are as under:

A. Equity shareholders whose email ids are registered with the Applicant Company/DPs will receive an email from Karvy informing them of their User-ID and Password. Once an equity shareholder receives the email, he or she will need to go through the following steps to complete the e-voting process:

- (i) Launch internet browser by typing the URL: <https://evoting.karvy.com>.
- (ii) Enter the login credentials (i.e. User ID and Password). Your Folio No./ DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- (iii) After entering these details appropriately, Click on “LOGIN”.
- (iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- (v) You need to login again with the new credentials.
- (vi) On successful login, the system will prompt you to select the “EVENT” i.e. ‘Company Name’ i.e. Shilpa Medicare Limited.
- (vii) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut Off date under “FOR/AGAINST” or alternatively, you may partially enter any number in “FOR” and partially in “AGAINST” but the total number in “FOR/AGAINST” taken together should not exceed your total shareholding as mentioned hereinabove. You may also choose the option ABSTAIN. If the shareholder does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.
- (viii) Equity shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folios/demat accounts.
- (ix) You may then cast your vote by selecting an appropriate option and click on “Submit”.
- (x) A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, equity shareholders can login any number of times till they have voted on the Resolution.
- (xi) Corporate/Institutional equity shareholders (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: ajay@vcancs.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format “Corporate Name_ EVENT NO .”

B. In case an equity shareholder receives physical copy of the Notice

- (i) Initial Password is provided, at the bottom of the Postal Ballot Form sent along with Notice of the Meeting.
- (ii) Please follow all steps from Sr. No. (i) to Sr. No. (xi) above in A., to cast your vote.

C. Other Instructions:

- (i) A person, whose name is recorded in the Register of Members of the Applicant Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of e-voting as well as voting at the Meeting.
- (ii) The voting rights of the equity shareholders shall be in proportion to their shares of the paid up equity share capital of the Applicant Company as on the cut-off date i.e 25th day of March 2017.

Sd/-
CS. D.S. RAO
Chairman appointed for the Meeting

Dated this 25th day of March, 2017
Place: Raichur

**EXPLANATORY STATEMENT UNDER SECTIONS 230(3), 232(1) AND (2) AND 102
OF THE COMPANIES ACT, 2013**

**READ WITH RULE 6 OF THE COMPANIES
(COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016**

1. Pursuant to the order dated 8th day of March 2017, passed by the Hon'ble National Company Law Tribunal, Bench at Bengaluru (the "NCLT"), in **T.P.NO.267/2017 IN C.A.NO.743/2016 ("Order")**, a meeting of the equity shareholders of Shilpa Medicare Limited (hereinafter referred to as the "**Applicant Company**" or the "**Transferee Company**" or "**Shilpa**" as the context may admit) is being convened at the registered office of the Applicant Company at #12-6-214/A1, Hyderabad Road, Raichur, Karnataka-584135 on **Saturday, the 29th day of April 2017 at 10.30 a.m.** for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme of Amalgamation of Navya Biologicals Private Limited (hereinafter referred to as the "**Transferor Company**" or "**Navya**" as the context may admit) with Shilpa Medicare Limited and their respective shareholders under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 (the "**Scheme**"). A copy of the Scheme, which has been, inter alia, approved by the Audit Committee and the Board of Directors of the Applicant Company at their respective meetings held on 27th June, 2016, is enclosed as **Annexure 1**. Capitalised terms used herein but not defined shall have the meaning assigned to them in the Scheme, unless otherwise stated.
2. In terms of the said Order, the quorum for the said meeting shall be 30 (thirty) shareholders in accordance with section 103 of the Companies Act, 2013. Further in terms of the said Order, NCLT, has appointed CS. D.S.Rao, a Practicing Company Secretary and in his absence, Mr. Omprakash Inani, Director of the Applicant Company as the Chairman of the said meeting including for any adjournment or adjournments thereof.
3. This statement is being furnished as required under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 (the "**Act**") read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the "**Rules**").
4. As stated earlier, NCLT by its said Order has, inter alia, directed that a meeting of the equity shareholders of the Applicant Company shall be convened and held at the registered office of the Applicant Company on **Saturday, the 29th day of April 2017 at 10.30 a.m** for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme of Amalgamation. Equity shareholders would be entitled to vote in the said meeting either in person or through proxy.

The scrutinizer appointed for conducting the postal ballot and e-voting process will however submit his separate report to the Chairman of the Applicant Company after completion of the scrutiny of the postal ballot including e-voting submitted/cast by the Shareholders so as to announce the results of the postal ballot and e-voting exercised by the Shareholders of the Applicant Company.

In accordance with the provisions of Sections 230 – 232 of the Act, the Scheme shall be acted upon only if a majority in persons representing three fourths in value of the equity shareholders of the Applicant Company, voting in person or by proxy or by postal ballot or e-voting, agree to the Scheme.

5. Particulars of Shilpa:

- (a) The Applicant Company was originally incorporated under the name and style of Shilpa Antibiotics Private Limited on 20-11-1987 in the State of Karnataka under the provisions of the Companies Act, 1956. Later on the Company was converted into Public Limited Company and got its name changed to Shilpa Antibiotics Limited w.e.f. 03-11-1993. Subsequently the Transferee Company had changed its name to Shilpa Medicare Limited and obtained fresh Certificate of Incorporation bearing No.Co.No.08/8739 from Registrar of Companies, Karnataka on 13-12-2002. The Corporate Identification Number is L85110KA1987PLC008739. There has been no further change in the name during the last five (5) years. The Permanent Account Number of Shilpa is AADCS8788F. The shares of Shilpa are listed on BSE and NSE.
- (b) The Registered Office of Shilpa is situated at #12-6-214/A1, Hyderabad Road, Raichur, Karnataka-584135. Earlier Registered Office of Shilpa was shifted from Plot No.10, Shop No.80, Rajendra Gunj, Raichur, Karnataka to #12-6-214/A1, Hyderabad Road, Raichur, Karnataka-584135 with effect from 3rd day of May, 2016. The e-mail address of Shilpa is cs@vbshilpa.com.

- (c) The objects for which Shilpa has been established are set out in its Memorandum of Association. Some of the Main objects of Shilpa are as follows:

The Main Objects of Transferee Company inter-alia enables it to carry on the business of:

III(A)(1) To carry on India or elsewhere the industry, trade or business of manufacturers, Traders, Dealers, Agents, Suppliers, Licensors, Licensees, Loan Licenses, Importers, Exporters, Consultants, Discoverers, Inventors and Producers of Drugs, Bulk Drugs, Pharmaceuticals, Pharmaceutical Formulations, Alcohol, Blended Laboratory Preparations and general medicinal preparation and or their by-products and packing and re-packings of the above.

III(A)(2) To carry on the business of formulating, developing, improving, designing, marketing, selling, franchising, exporting and licensing software and program products of any and all description.

There has been no change in the object clause of Shilpa in the last 5 years.

- (d) The brief description of main businesses being carried out by Shilpa along with its subsidiaries, joint ventures and associates are as under:

Manufacture and trading of active pharmaceuticals ingredients (APIs), Bulk Drugs and other pharmaceutical preparations, formulations and carrying on the development and research of new drugs, processes and formulations.

- (e) The Authorised, Issued, Subscribed and Paid up Share Capital of Shilpa as on 31st December 2016 was as follows:

Share Capital	Rupees
Authorised Share Capital: 8,50,00,000 Equity Shares of Re.1/- each	8,50,00,000
Issued, subscribed and paid-up Equity Share Capital: 8,01,26,904 ^s Equity Shares of Re.1/- each	8,01,26,904

^sSubsequent to approval of the scheme by the Boards of Shilpa and Navya, Paid-up Share Capital of Shilpa increased from Rs.7,71,01,904/- to Rs.8,01,26,904/- on allotment of 30,25,000 equity shares pursuant to shareholders resolution dated 26th December, 2016.

- (f) The name and addresses of the Promoters of Shilpa as on this Notice Date are as under:

PROMOTER & PROMOTER GROUP

Name	Address
Vishnukant C Bhutada	H No 7-5-216 Radhakrupa, Opp. Jawahar Nagar School, Jawahar Nagar, Raichur – 584 101
Kantadevi Inani	10/80, Rajendra Gunj, Raichur – 584 102
Dharmavati Bhutada	H No 7-5-216 Radhakrupa, Opp. Jawahar Nagar School, Jawahar Nagar, Raichur – 58 4101
Kamal Kishore Inani	H No 7-5-211, Near Karnataka Samya, Jawahar Nagar, Raichur – 584 103
Nathmal Inani	10/80, Rajendra Gunj, Raichur – 584 102
Manjulata Inani	H No 7-5-211, Jawahar Nagar, Near Tutbin Tagore School, Raichur – 584 101
Omprakash Inani	190, Ward - 7, Block – 5, Raichur – 584 101
Brijgopal Inani	10/80, Rajendra Gunj, Raichur – 584 102
Deepak Kumar Inani	10/80, Rajendra Gunj, Raichur – 584 102
Ravi Inani	7-5-159, Mohini Krupa, Jawahar Nagar, Raichur – 584 101
Keshav Bhutada	10/80, Rajendra Gunj, Raichur – 584 102
Shakuntalabai Inani	10/80, Rajendra Gunj, Raichur – 584 102
Vishnukant C Bhutada	H No 7-5-216 Radhakrupa, Opp. Jawahar Nagar School, Jawahar Nagar, Raichur – 584 101
Ramakant Inani	7-5-204, Hawahar Nagar, Raichur – 584 101
Madhav Bhutada	10/80, Rajendra Gunj, Raichur – 584 102
Triveni Inani	H No 7-5-160, Tulsi Sadan, Jawahar Nagar, Raichur – 584 101
Taradevi Inani	H No 7-5-153, Jawahar Nagar, Raichur – 584 101
Vishnukanta Inani	H No 7-5-153, Jawahar Nagar, Raichur - 584 101
Namratha Bhutada	H No 7-5-216 Radhakrupa, Opp. Jawahar Nagar School, Jawahar Nagar, Raichur – 58 4101

(g) The details of the Directors of Shilpa as on this Notice Date are as follows:

Name of Director	Address
Mr. Omprakash Inani	190, Ward - 7, Block – 5, Raichur – 584 101.
Mr. Vishnukant C Bhutada	H No 7-5-216 Radhakrupa, Opp. Jawahar Nagar School, Jawahar Nagar, Raichur – 584 101
Mr. Narinder Pal Singh	H.No.78, Dream Valley, 8-1-405/A/7, Manikonda, Hyderabad – 500 008.
Mr. Carlton Felix Pereira	72, Buena Vista, General J, BhosaleMarg, Nariman Point, Mumbai - 400 021.
Mr. Ajeet Singh Karan	H. No. 36, Sector- 37, Arunvihar, Noida, Uttar Pradesh – 201 303
Mr. Pramod Kasat	24 III, Tarangan Complex, Samatanagar, Opp.J.K.Gram, Thane-400 606
Mr. Rajender Sunki Reddy	H. No. 4-4-402/117, Anusha Nagar, Yergera Road, Raichur.
Mr. Naresh Patwari	A 1104, Ashok Gardens, T.J. Road, Sewri, Mumbai – 400015
Ms.Namrata Bhutada	H No 7-5-216 Radhakrupa, Opp. Jawahar Nagar School, Jawahar Nagar.

6. Particulars of Navya:

- Navya Biologicals Private Limited was incorporated on 08-06-2006 in the State of Karnataka; vide Certificate of Incorporation bearing CIN U73200KA2006PTC039657 issued by the Registrar of Companies, Karnataka as Private Limited Company. There has been no change in the name of Navya in the last five (5) years. The Corporate Identification Number is U73200KA2006PTC039657. The Permanent Account Number of Navya is AACCN3203B. Navya is Private Limited Company as such its shares are not listed any where.
- The Registered Office of Navya is situated at 126/C, St. Bed, 3rd Cross 4th Block, Koramangala, Bengaluru, Karnataka- 560034. There has been no change in the registered office address of Navya in last five (5) years. The e-mail address of NAVYA is vkonaje@navyamail.com.
- The objects for which NAVYA has been established are set out in its Memorandum of Association. Some of the relevant objects of NAVYA are, inter alia, as follows:

III(A)(1) To develop, create, establish, buy, sell, trade, deal in, import, export, license out, innovate, import knowledge and act to as; dealers, distributors, commission agents, developers, system consultants, business process outsourcing agents, knowledge process outsourcing agents, data research and mining, system implementation, listening agents, stockists, representative, in Bio Tech application, undertake projects for organizations in India and abroad, and conduct research, in Bio Technology nanotechnology and life sciences with special emphasis on human areas such as human health care and industrial applications, to produce genetically modified organisms, pharmaceuticals products and intermediates, diagnostics and the like.

III(A)(2) To develop, manage and market bioinformatics and chemiinformatics solutions and products for the life sciences industry.

III(A)(3) To undertake Manpower Consultancy and promote, develop, encourage, advice and help enterprises in India and Abroad in the Biotech Field.

There has been no change in the object clause of Navya during the last 5 years.

- The brief description of the major activities being carried out by NAVYA along with its subsidiaries and joint venture are as under:

Navya is in the development of Bio-similiars and has approved IPs, rights, know-how and is in the Research and Development of various bio-similars.

- The Authorised, Issued, Subscribed and Paid up Share Capital of Navya as on 31st day of January 2017 was as follows:

Share Capital	Rupees
Authorised Share Capital: 1,00,000 number of Equity Shares of Rs.100/- each	1,00,00,000
Issued, subscribed and paid-up Share Capital: 73,000 number of Equity Shares of Rs.100/- each fully paid up	73,00,000

(f) The name and addresses of the Promoters of Navya as on this Notice Date are as under:

S.No	Name of Promoters	Address of Promoters
1	Lalitha Krishnamurty	126 / C, St. Bed, 3rd Cross 4th Block, Koramangala, Bangalore 560034
2	Vinay Konaje	Flat No 212, Chitrapur Apartments # 68, 15th Cross, Malleswaram, Bangalore 560055
3	Geetha Nagesh Konaje	Flat No B12, II Floor, Sri Chitrapur Hsg. Society, 15th Cross, Malleswaram, Bangalore- 560055
4	Rajyashri Karur Ramakrishnan	126/C, St. Bed, 3rd Cross, Koramangala, 4th Block, Koramangala, Bangalore 560034

(g) The details of the Directors of Navya as on this Notice Date are as follows:

S.No	Name of Promoters	Address of Promoters
1	Lalitha Krishnamurty	126 / C, St. Bed, 3rd Cross 4th Block, Koramangala, Bangalore 560034
2	Vinay Konaje	Flat No 212, Chitrapur Apartments # 68, 15th Cross, Malleswaram, Bangalore 560055
3	Geetha Nagesh Konaje	Flat No B12, II Floor, Sri Chitrapur Hsg. Society, 15th Cross, Malleswaram, Bangalore 560055
4	Rajyashri Karur Ramakrishnan	126/C, St. Bed, 3rd Cross, Koramangala, 4th Block, Koramangala, Bangalore 560034

7. Other Disclosures

(a) Parties Involved in the aforesaid scheme are:

- Shilpa Medicare Limited, Transferee Company
- Navya Biologicals Private Limited, Transferor Company
- Shareholders and Creditors of Shilpa and Navya

(b) Appointed Date : 1st April, 2016

(c) Share Exchange Ratio : 19.178 shares of Re.1/- each of Shilpa for 1 share of Rs.100/- each held in Navya

(d) "Effective Date" means the date on which the last of the dates on which the conditions referred to below occurs, unless waived by the Board of Directors of the Transferee Company:

- The Scheme being agreed to by the respective requisite majority of members and creditors of each of the Transferor Company and the Transferee Company as required under the Act and any other applicable law (including the regulations and other circulars issued by SEBI);
- The Scheme being approved by the National Company Law Tribunal;
- Certified copy of the orders of the Hon'ble NCLT sanctioning this Scheme having been filed with the Registrar of Companies by the Transferor Company and the Transferee Company; and
- all other approvals and sanctions including approval/sanction of any Governmental Authority, or as may be required by law or contract, having been obtained.

However, as per the provisions of section 232(6) of the Companies Act, 2013 the scheme is effective from the Appointed Date upon the sanction of Tribunal.

(e) Summary of Valuation Report is attached as **Annexure - 2**

(f) Description, Rationale and benefits of the amalgamation:

- I. The Scheme provides for, inter alia,
 - i) The amalgamation of NAVYA with Shilpa;
 - ii) Issuance of equity shares by Shilpa to the equity shareholders of NAVYA;
 - iii) Dissolution without winding up of NAVYA;
 - iv) Merger of the authorised share capital of NAVYA with the authorised share capital of Shilpa;
 - v) Listing of the equity shares issued to shareholders of Navya on BSE and NSE; and
 - vi) Various other matters consequential to or otherwise integrally connected with the above.
 - vii) The proposal is to be implemented in terms of the Scheme under Sections 230 - 232 of the Act.
- II. The rationale behind the proposed merger of the Transferor Company with the Transferee Company and the benefits are as specified below.
 - i) The amalgamation would result in the Transferee Company having presence in the research and related activities in the fields of biologicals which at present the Transferee Company does not have;
 - ii) Since, the Transferor Company is in the development of niche products and has approved products which will facilitate Transferee Company to access new process technologies such as IPs, rights, know-how and consolidation is expected to bring strengths that each company may not necessarily possess individually, provides more focused management of the Transferee Company;
 - iii) Improved organizational capability and leadership, arising from the pooling of resources and expertise that has the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry;
 - iv) Greater leverage in operations, planning and process optimization and enhanced flexibility in operations;
 - v) Consolidation of Intellectual Properties, R& D capabilities, Physical Infrastructure into one enterprise;
 - vi) Cost savings are expected from utilizing the existing manufacturing facilities of Transferee Company with more focus on operational efforts, rationalization, standardization and simplification of business processes, productivity improvements, usage of common resource pool like human resource, administration, finance, accounts, legal, other related functions, leading to elimination of duplication and rationalization of administrative expenses;
 - vii) The amalgamation is expected to make strong the product port-folio of the Transferee Company thereby enhancement of competitiveness in the market;
 - viii) The amalgamation is expected to have synergistic results in operations and effective integration of the existing chemicals based drug development of Transferee Company with the biologicals based research and development available with the Transferor Company; and;
 - ix) The amalgamation is expected to give such opportunity to the Transferee Company without any additional cash flow to the Transferee Company, since the shareholders of the Transferor Company will be allotted shares in the Transferee Company, as consideration for the amalgamation.

g) Details of Capital or debt restructuring, if any:

On occurrence of the Effective Date, the Authorized Share Capital of the Transferor Company shall stand merged with the Authorized Share Capital of the Transferee Company, without any further act of the Transferee Company or its shareholders. Consequently, the Authorized Share Capital of the Transferee Company shall stand increased by Rs. 1,00,00,000/- comprising 1,00,00,000/- equity shares of Re.1/- each, over and above the Authorized Share Capital of the Transferee Company immediately prior to the Effective Date, without any further act to be done by the Transferee Company or obligation to pay any further registration fee, filing fee or other charges. The Memorandum and Articles of Association of the Transferee Company shall automatically stand amended accordingly, and the words and figures in Clause V of the Memorandum of Association of the Transferee Company shall be substituted to read as follows

“The Authorized Share Capital of the Company is Rs.9,50,00,000 (Rupees Nine Crores and fifty Lakhs Only) divided into 9,50,00,000 (Nine Crores and fifty Lakhs) Equity Shares of Re.1 /- (Rupee one) each”

On occurrence of the effective date, the Transferee Company shall (without further application, act or deed) issue and allot to each of the shareholders of the Transferor Company (whose names are registered in the Register of Members of the Transferor Company on the Record Date, or his/ her/ its legal heirs, executors, administrators or successors), equity shares in the Transferee Company credited as fully paid up in the ratio of 19.178 equity shares of Re.1/- each in the Transferee Company for every 1 equity shares of Rs.100/- each held as fully paid up in the Transferor Company (“Share Exchange Ratio”). If, any of the shareholders of the Transferor Company become entitled to receive fraction of such an Equity Share in the capital of the Transferee Company, such fraction shall be rounded off to the next higher integer.

No Debt Restructuring is envisaged under the scheme either in Shilpa or Navya.

h) Disclosure about the effect of the compromise or arrangement on:

- a) Under the Scheme, an arrangement is sought to be entered into between Shilpa and its equity shareholders to amalgamate Navya with Shilpa. Upon the effectiveness of the Scheme, Shilpa shall allot equity shares, based on the Share Exchange Ratio and in the manner as stipulated in Clause 6.2.1 of the Scheme, to the equity shareholders of NAVYA.
- b) In respect of the Scheme, there is no arrangement with the creditors, either secured or unsecured of Shilpa. No compromise is offered under the Scheme to any of the creditors of Shilpa. The liability of the creditors of Shilpa, under the Scheme, is neither being reduced nor being extinguished.
- c) As on date, Shilpa has no outstanding towards any public deposits and therefore, the effect of the Scheme on any such public deposit holders does not arise. As on date, Shilpa has not issued any debentures. In the circumstances, the effect of the Scheme on the debenture trustee does not arise.
- d) Under the Scheme, no rights of the Employees of Shilpa are being affected. The services of the Employees of either Shilpa under the Scheme shall continue on the same terms and conditions on which they were engaged.
- e) There is no effect of the Scheme on the key managerial personnel and/or the Directors of Shilpa.
- f) Upon the Scheme implementation, the shareholding of Shilpa will be increased to the extent of new shares to be issued to the shareholders of Navya as per Clause 6.2.1 of the scheme. Shareholding of the Promoters and Non-promoter members will get diluted to the extent of issue of these shares.
- g) Upon the Scheme implementation no material interest of directors or key managerial personnel of Shilpa will get affected in any way.
- h) Further, none of the Directors, the Key Managerial Personnel or Promoters(as defined under the Act and rules framed thereunder) of Shilpa or their relatives (as defined under the Act and rules framed thereunder) have any interest. Further, None of the Directors or the Key Managerial Personnel of Shilpa has any material interest in the Scheme.
- i) Under the Scheme, an arrangement is sought to be entered into between NAVYA and its equity shareholders. Upon the sanctioning of the Scheme and in terms of the Scheme, the equity shareholders of NAVYA shall become the equity shareholders of Shilpa based on the Share Exchange Ratio as stipulated in Clause 6.2.1 of the Scheme and that the said equity shareholders would no longer remain the equity shareholders of NAVYA as upon the effectiveness of the Scheme, NAVYA shall stand dissolved without winding up.
- j) Under the Scheme, there is no arrangement with the creditors, either secured or unsecured (including debentureholders) of NAVYA, the creditors of NAVYA shall become the creditors of Shilpa in the manner as provided in the Scheme. The liability of the creditors of NAVYA, under the Scheme, is neither being reduced nor being extinguished. The creditors of NAVYA would in no way be affected by the present Scheme.

- k) As on date, NAVYA has no outstanding towards any public deposits or debentures and therefore, the effect of the Scheme on any such public deposit or debenture holders does not arise.
- l) Upon the Scheme implementation new shares of Shilpa will be issued to the shareholders of Navya as per Clause 6.2.1 of the scheme.
- m) Upon the Scheme implementation no material interest of directors or key managerial personnel of Navya will get affected in any way.
- n) Under Clause 4.2.11 of the Scheme, on and from the effective date, Shilpa undertakes to engage all the Employees of NAVYA on the same terms and conditions on which they are engaged by NAVYA without any interruption of service and in the manner provided under said clause of the Scheme. In the circumstances, the rights of the Employees of NAVYA would in no way be affected by the Scheme.
- o) The key managerial personnel of NAVYA will become the Employees of Shilpa.
- p) Upon the effectiveness of the Scheme, the Directors of NAVYA shall cease to be its Directors as NAVYA shall stand dissolved without winding up.
- q) The Directors and the Key Managerial Personnel (as defined under the Act and rules framed thereunder) of NAVYA are considered as interested in the Scheme as they are the ultimate shareholders of Navya holding 100% of shares of NAVYA.

i) Corporate Approvals:

- a) The proposed Scheme, was placed before the Audit Committee of Shilpa at its meeting held on 27th June, 2016. The Audit Committee of Shilpa took into account the Valuation Report/ Share Exchange Ratio/ Share Entitlement Ratio, dated 27th June, 2016, issued by M/s. Nekkanti Srinivasu & Co., Chartered Accountants (FRN NO.008801S) (the “**Valuation Report**”) appointed for this purpose by Shilpa. A Summary of the Valuation Report is enclosed as **Annexure 2**. The Valuation Report is also open for inspection. The Audit Committee of Shilpa based on the aforesaid, inter alia, recommended the Scheme to the Board of Directors of Shilpa.
- b) A copy of the Fairness Opinion dated 11th July, 2016 provided by Quintessence Enterprises Private Limited, a category-I Merchant Banker is enclosed as **Annexure-3**.
- c) The Scheme along with the Valuation Report was placed before the Board of Directors of Shilpa, at its meeting held on 27th June, 2016. The report of the Audit Committee was also submitted to the Board of Directors of Shilpa. Based on the aforesaid, the Board of Directors of Shilpa approved the Scheme. The meeting of the Board of Directors of Shilpa, held on 27th June, 2016, was attended by 9 (Nine) directors (namely, Mr. Omprakash Inani, Mr.Vishnukant C. Bhutada, Ms. Namrata Bhutada, Mr. Rajender Sunki Reddy, Mr. Venugopal Loya in person and by Mr.Ajeet Singh Karan, Mr.Carlton Pereira, Mr.N.P.Singh and Mr. Pramod Kasat through conference). None of the directors of Shilpa who attended the meeting voted against the Scheme. Thus, the Scheme was approved unanimously by the directors of Shilpa who attended and voted at the meeting.
- d) The Scheme along with the Valuation Report was placed before the Board of Directors of NAVYA, at its meeting held on 27th June, 2016. The Board of Directors of NAVYA approved the Scheme. The meeting of the Board of Directors of NAVYA, held on 27th June, 2016, was attended by 4 (Four) directors (namely, Ms. Lalitha Krishnamurty, Mr. Vinay Konaje, Ms. Geetha Nagesh Konaje, Ms. Rajyashri Karur Ramakrishnan). None of the directors of NAVYA who attended the meeting voted against the Scheme. Thus, the Scheme was approved unanimously by the directors of NAVYA who attended and voted at the meeting.

j) Approvals and actions taken in relation to the Scheme:

- a) BSE has been appointed as the designated stock exchange by Shilpa for the purpose of coordinating with the SEBI, pursuant to the SEBI Circular. Shilpa has received observation letters regarding the Scheme from BSE and NSE, respectively, both on 6th October 2016 and 4th October, 2016 respectively. In terms of the observation letters they conveyed their no adverse observations/no objection for filing the Scheme

with the Hon'ble High Court. Copies of the observation letters received from BSE and NSE are enclosed as **Annexure - 4 and 5**.

- b) As required by the SEBI Circular, Shilpa had filed the complaints report with BSE and NSE. This report indicates that Shilpa received NIL complaints. A copy of the complaints report submitted by Shilpa to BSE and NSE, dated 25th day of August 2016 and 1st day of September, 2016 respectively are enclosed as **Annexure - 6**.

k) Other matters:

- a) The accounting treatment as proposed in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act. The Certificate issued by the Statutory Auditors of the Shilpa is open for inspection.
 - b) In compliance with the provisions of Section 232(2)(c) of the Act, the Board of Directors of Shilpa, in their meeting held on 9th day of March 2017, have adopted a report, inter alia, explaining effect of the Scheme on shareholders, key managerial personnel, promoters and non-promoter shareholders amongst others. Copy of the Report adopted by the Board of Directors of Shilpa is enclosed as **Annexure - 7**.
 - c) No investigation proceedings have been instituted or are pending in relation to any of the Companies under the Companies Act.
 - d) To the knowledge of the Companies, no winding up proceedings have been filed or are pending against them under the Act or the corresponding provisions of the Act of 1956.
 - e) The copy of the proposed Draft Scheme has been filed by Shilpa to the Registrar of Companies on 20th day of March, 2017.
 - f) The Supplementary Unaudited Accounting Statements of Shilpa and NAVYA for the period ended 31st December 2016 are enclosed as **Annexure - 8 and Annexure - 9** respectively.
 - g) As per the books of accounts (as on 31st December 2016) of Shilpa and NAVYA, the amount due to the Unsecured Creditors (including Trade Payables) are Rs.9,709.57 Lakhs and Rs.1,029.61 Lakhs, respectively.
8. The following documents will be open for inspection by the equity shareholders of the Applicant Company at its registered office at #12-6-214/A1, Hyderabad Road, Raichur, Karnataka-584135, between 10.00 a.m. and 12.00 noon on all days (except Sundays and public holidays) up to the date of the meeting:
- (i) Copy of the order passed by NCLT, Bengaluru Bench, in **T.P.NO.267/2017 IN C.A.NO.743/2016**, dated 8th day of March 2017 directing Shilpa to convene the meeting of its equity shareholders.
 - (ii) Copy of the Memorandum and Articles of Association of Shilpa and NAVYA, respectively;
 - (iii) Copies of the annual reports of Shilpa and NAVYA for the financial years ended 31st March 2016 and 31st March 2015, respectively;
 - (iv) Copy of the Supplementary Unaudited Accounting Statements of Shilpa and NAVYA respectively, for the period ended 31st December 2016;
 - (v) Copy of the Register of Directors' shareholding of each of the Companies;
 - (vi) Copy of Valuation Report submitted by M/s. Nekkanti Srinivasu & Co., Chartered Accountants;
 - (vii) Copy of the Fairness Opinion, dated 11th day of July 2016, issued by Quintessence Enterprises Private Limited, to the Board of Directors of Shilpa;
 - (viii) Copy of the Audit Committee Report, dated 27th June, 2016, of Shilpa;

- (ix) Copy of the resolutions, all dated 27th June, 2016, passed by the respective Board of Directors of Shilpa, and NAVYA approving the Scheme;
 - (x) Copy of the extracts of the minutes of the meetings, all held on 27th June, 2016, of the Board of Directors of Shilpa and NAVYA, respectively, in respect of the approval of the Scheme;
 - (xi) Copy of the Statutory Auditors' certificate dated 2nd day of July, 2016 issued by M/s. Bohara Bhandari Bung and Associates LLP, Chartered Accountants to Shilpa certifying that to the effect that the accounting treatment proposed in the scheme of amalgamation is in conformity with the Accounting Standards prescribed under section 133 of the Companies Act, 2013.
 - (xii) Copy of the no adverse observations/no objection letter issued by BSE and NSE, dated 6th October, 2016 and 4th October, 2016 respectively;
 - (xiii) Copy of Form GNL-2 filed by the Shilpa with the Registrar of Companies along with challan dated 20th day of March, 2017, evidencing filing of the Draft Scheme;
9. This statement may be treated as an Explanatory Statement under Sections 230(3), 232(1) and (2) and 102 of the Act read with Rule 6 of the Rules. A copy of the Scheme, Explanatory Statement and Form of Proxy shall be furnished by Shilpa to its shareholders/creditors, free of charge, within one (1) day (except Sundays and public holidays) on a requisition being so made for the same by the shareholders/creditors of Shilpa.
10. After the Scheme is approved, by the equity shareholders of Shilpa, it will be subject to the approval/sanction by NCLT.

Dated this 25th day of March, 2017
Place: Raichur.

Sd/-
CS D.S. Rao
Chairman appointed for the Meeting

SCHEME OF AMALGAMATION
AMONG
SHILPA MEDICARE LIMITED
AND
NAVYA BIOLOGICALS PRIVATE LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PART-A
INTRODUCTION AND DEFINITIONS

1. INTRODUCTION

- 1.1. Shilpa Medicare Limited (**“Transferee Company”**), is a company incorporated under the Companies Act, 1956 having its registered office at 12-6-214/A1, Hyderabad Road, Raichur, Karnataka 584 135 that is engaged in the business, inter alia, of the business of manufacturing and selling pharmaceuticals and other allied products.
- 1.2. Navya Biologicals Private Private Limited (**“Transferor Company”**) is a company incorporated under the Companies Act, 1956 having its registered office at 126/C, Street Bed 3rd Cross, 4th Block, Koramangala, Bangalore 560 034 and is engaged, in the business of carrying on research and development activities in the field of biologicals.
- 1.3. Considering that the biologicals are expected to play a major role in the development of new pharmaceutical products in the future, it has been decided by the Board of Directors of the Transferee Company and the Transferor Company that that it would be in the interest of each of the companies and their respective stakeholders to take appropriate steps to effect an amalgamation of the Transferor Company with the Transferee Company.
- 1.4. The proposed merger of the Transferor Company with the Transferee Company, is expected to result in the following advantages:
 - (a) The amalgamation would result in the Transferee Company having presence in the research and related activities in the fields of biologicals which at present the Transferee Company does not have;
 - (b) Since, the Transferor Company is in the development of niche products and has approved products which will facilitate Transferee Company to access new process technologies such as IPs, rights, know-how and consolidation is expected to bring strengths that each company may not necessarily possess individually, provides more focused management of the Transferee Company;
 - (c) Improved organizational capability and leadership, arising from the pooling of resources and expertise that has the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry;
 - (d) Greater leverage in operations, planning and process optimization and enhanced flexibility in operations;
 - (e) Consolidation of Intellectual Properties, R& D capabilities, Physical Infrastructure into one enterprise;
 - (f) Cost savings are expected from utilizing the existing manufacturing facilities of Transferee Company with more focus on operational efforts, rationalization, standardization and simplification of business processes, productivity improvements, usage of common resource pool like human resource, administration, finance, accounts, legal, other related functions, leading to elimination of duplication and rationalization of administrative expenses;

- (g) The amalgamation is expected to make strong the product port-folio of the Transferee Company thereby enhancement of competitiveness in the market;
 - (h) The amalgamation is expected to have synergistic results in operations and effective integration of the existing chemicals based drug development of Transferee Company with the biologicals based research and development available with the Transferor Company; and
 - (i) The amalgamation is expected to give such opportunity to the Transferee Company without any additional cash flow to the Transferee Company, since the shareholders of the Transferor Company will be allotted shares in the Transferee Company, as consideration for the amalgamation.
- 1.5 It is therefore considered desirable and expedient by the Board of Directors of the Transferee Company and of the Transferor Company to formulate the Scheme to carry out the Scheme of Amalgamation pursuant to Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 and of the relevant provisions of any other law (including the Companies Act, 2013) as may be in force at the relevant time and from time to time.
- 1.6 The Scheme has been divided into three parts viz., Part-A, Part-B and Part-C. Part-A contains an introduction and definitions in relation to the Scheme; Part-B contains provisions relating to the merger of the Transferor Company into and with the Transferee Company; and Part-C contains general provisions that are applicable to the Scheme.
- 1.7 The amalgamation of the Transferor Company with the Transferee Company is proposed in the Scheme in accordance with the provisions of Section 2(1B) and other applicable provisions of the Income Tax Act, 1961 (the "Income Tax Act"). If any of the provisions of the Scheme are interpreted or found to be inconsistent with the relevant provisions of the Income Tax Act, including any amendments to the said law, such provisions of the Scheme shall stand modified to the extent required to comply with the provisions of the Income Tax Act.

2. DEFINITIONS

- 2.1 In this Scheme, unless repugnant to the subject or context or meaning thereof, the following expressions shall have the meanings as set out herein below:

"Act" shall mean the Companies Act, 1956, and will include any statutory modifications, re-enactments or amendments thereof, including the relevant provisions of the Companies Act, 2013 and rules made there under that are notified and made applicable from time to time.

"Appointed Date" shall mean the opening of business hours on April 1, 2016, unless the Transferor Company and the Transferee Company agree to any other date, and approved by the High Court.

"Board of Directors" or **"Board"** shall mean the board of directors of the Transferor Company and/or the Transferee Company as the context may require, and will include the committee of the relevant Board of Directors, if the context so requires;

"BSE" shall mean the BSE Limited;

"Effective Date" means the last of the dates on which the conditions referred to in Clause 12.1 of Part C of the Scheme occurs, unless waived by the Board of Directors of the Transferee Company.

"Governmental Authority" shall include any Indian or foreign, national, state, provincial or other governmental, statutory, regulatory, administrative, judicial, quasi-judicial or any other authority, and will include the Securities and Exchange Board of India ("**SEBI**"), stock exchanges and Reserve Bank of India, and also includes any ministry or department of the government (or any enterprise set up by it), funding agency or public sector bank.

"High Court" shall mean the Hon'ble High Court of Karnataka, and will include any other judicial or other authority, including the National Company Law Tribunal, that may be conferred with the powers to sanction the Scheme at the relevant time.

"Long Stop Date" shall have the meaning as provided in Clause 12.2 of the Scheme;

"NSE" shall mean the National Stock Exchange of India Limited;

“Undertaking” shall mean the entire business and undertaking of the Transferor Company as a going concern, along with all its assets, rights, licenses, powers, liabilities, employees, contracts and other obligations including, but not limited to the following:

- (i) All the assets and properties (including, movable, immovable, tangible, intangible, present, future or contingent) situated anywhere in the world, including laboratories, other research & development facilities, manufacturing facilities, go-downs, warehouses, plant and machinery, equipment, stocks, molecules and other ingredients, furniture and fittings, investments, cash and bank balances, book debts, receivables, royalties, actionable claims, leases, hire purchase contracts, all forms of intellectual or industrial property rights (including patents, patents applications, trademarks, domain names, service marks and copyrights, whether entitled to protection, registration or otherwise, engineering and process information, approvals, records, files, papers, data, technology (including all cell lines, technical information, constructs, platforms, methods, processes, R&D outputs and works in progress, recipes, formulae) and other business information/ documents, in any form whatsoever), all know-how and trade secrets, all tax benefits and credits (including without limitation, minimum alternate tax credits, service tax credits and VAT credits), and will include all other rights, benefits, privileges, concessions and other benefits available to the Transferor Company in any manner whatsoever, anywhere in the world;
- (ii) All contracts, agreements, understanding, entitlements (including any grants, loan amounts, advances or other financial facilities), licenses, assignments, permits, permissions, authorizations, orders, consents, whatsoever, including any such documents issued by any Governmental Authority;
- (iii) All liabilities including secured and unsecured debts, sundry creditors, duties and obligations of every kind; and
- (iv) All employees that are on the rolls of the Transferor Company as at the Effective Date.

"Record Date" means the date fixed by the Board of Directors of the Transferee Company for the purpose of determining names of equity shareholders of the Transferor Company that will be issued shares in the Transferee Company;

“Scheme” or “Scheme of Amalgamation” shall mean this scheme of amalgamation as may be modified with the approval or direction of the High Court;

- 2.2 The expressions which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, 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 of re-enactment thereof from time to time.

PART-B

Amalgamation of the Transferor Company with the Transferee Company

SECTION-1:

CAPITAL STRUCTURE

3. SHARE CAPITAL

3.1 Transferor Company:

The Transferor Company, Navya Biologicals Private Limited was incorporated on 08-06-2006 in the State of Karnataka; vide Certificate of Incorporation bearing CIN U73200KA2006PTC039657 issued by the Registrar of Companies, Karnataka.

- 3.1.1 The capital structure of the Transferor Company as at March 31, 2016 is as under:

Share Capital	Rupees
Authorised Share Capital: 1,00,000 number of Equity Shares of Rs.100/- each	1,00,00,000
Issued, subscribed and paid-up Share Capital: 73,000 number of Equity Shares of Rs.100/- each fully paid up	73,00,000

- 3.1.2 The Transferor Company does not have any other forms of share capital, convertible instruments, employee stock options or such other securities or schemes that will give a right in favour of the holder of such instrument or beneficiary of such scheme to seek or obtain shares in the Transferor Company.
- 3.1.3 The shares of the Transferor Company are not listed in any of the stock exchanges.

The Main Objects of Transferor Company as per its Objects Clause of Memorandum of Association are as follows:

- (a) To develop, create, establish, buy, sell, trade, deal in, import, export, license out, innovate, import knowledge and act to as; dealers, distributors, commission agents, developers, system consultants, business process outsourcing agents, knowledge process outsourcing agents, data research and mining, system implementation, listening agents, stockists, representative, in Bio Tech application, undertake projects for organizations in India and abroad, and conduct research, in Bio Technology nanotechnology and life sciences with special emphasis on human areas such as human health care and industrial applications, to produce genetically modified organisms, pharmaceuticals products and intermediates, diagnostics and the like.
- (b) To develop, manage and market bioinformatics and cheminformatics solutions and products for the life sciences industry.
- (c) To undertake Manpower Consultancy and promote, develop, encourage, advice and help enterprises in India and Abroad in the Biotech Field.

3.2 Transferee Company:

The Transferee Company was originally incorporated under the name and style of Shilpa Antibiotics Private Limited on 20-11-1987 in the State of Karnataka. Later on the Company was converted into Public Limited Company and got its name changed to Shilpa Antibiotics Limited w.e.f.03-11-1993. Later the Transferee Company had changed its name to Shilpa Medicare Limited and obtained fresh Certificate of Incorporation bearing No.Co.No.08/8739 from Registrar of Companies, Karnataka on 13-12-2002. The Certificate of Incorporation is L85110KA1987PLC008739.

- 3.2.1 The capital structure of the Transferee Company as at March 31, 2016 is as under:

Share Capital	Rupees
Authorised Share Capital: 8,50,00,000 Equity Shares of Re.1/- each	8,50,00,000
Issued, subscribed and paid-up Equity Share Capital: 7,71,01,904 Equity Shares of Re.1/- each	7,71,01,904

- 3.2.2 The Transferee Company does not have any other forms of share capital, convertible instruments, employee stock options or such other securities or schemes that will give a right in favour of the holder of such instrument or beneficiary of such scheme to seek or obtain shares in the Transferor Company.
- 3.2.3 The shares of the Transferee Company are listed on the BSE and NSE.
- 3.2.4 Objects

The Main Objects of Transferee Company inter-alia enables it to carry on the business of:

- (a) To carry on India or elsewhere the industry, trade or business of manufacturers, Traders, Dealers, Agents, Suppliers, Licensors, Licensees, Loan Licenses, Importers, Exporters, Consultants, Discoverers, Inventors and Producers of Drugs, Bulk Drugs, Pharmaceuticals, Pharmaceutical Formulations, Alcohol, Blended Laboratory Preparations and general medicinal preparation and or their by-products and packing and re-packings of the above.
- (b) To carry on the business of formulating, developing, improving, designing, marketing, selling franchising, exporting and licensing software and program products of any and all description.

Section-2

4. TRANSFER AND VESTING OF THE UNDERTAKING

- 4.1 The Scheme shall become effective on occurrence of the Effective Date but shall be deemed to be operative from the Appointed Date.
- 4.2 Subject to the provisions of the Scheme in relation to the modalities of transfer and vesting given below, on occurrence of the Effective Date, the Undertaking shall stand transferred to and be vested in the Transferee Company, pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Act, so as to become as and from the Appointed Date, the business, assets, properties, rights, IP rights, patents, privileges and debts, liabilities, duties and obligations, as the case may be, of the Transferee Company and further that 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 assets, properties, rights, IP rights, patents, privileges, debts, liabilities, duties and obligations, as the case may be, have arisen, in order to give effect to the provisions of this Clause 4.2. In particular:
- 4.2.1 All the assets and properties of the Transferor Company as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery by vesting and recording pursuant to this Scheme, shall stand vested in the Transferee Company, with effect from the Appointed Date, and shall become the property and an integral part of the Transferee Company.
- 4.2.2 All the assets and properties of the Transferor Company as are immovable in nature, shall stand transferred without any additional consideration and the relevant Governmental Authorities shall effect appropriate change of name / mutation in their records as may be required under the applicable law based on the order of the High Court.
- 4.2.3 With effect from the Appointed Date, all movable property of the Transferor Company, other than those specified in sub-clause 4.2.1 above, including sundry debtors, receivables, credits, loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, any Governmental Authority or other person shall without any act, instrument or deed become the property of the Transferee Company.
- 4.2.4 With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of accounts or disclosed in the balance sheets of the Transferor Company, shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Transferor Company. Without prejudice to the generality of the provisions contained herein, all benefits arising or accruing to, and other obligations or liabilities suffered by, the Transferor Company after the Appointed Date but before the Effective Date shall be deemed to be of the Transferee Company.
- 4.2.5 The transfer and vesting of the entire Undertaking as aforesaid shall be subject to existing securities, charges and mortgages, over any of the assets of the Undertaking.
- 4.2.6 With effect from the Appointed Date, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Transferor Company to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect against or in favour of 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 thereto.
- 4.2.7 With effect from the Appointed Date, all permits, approvals, quotas, rights, entitlements, licenses including those relating to trademarks, tenancies, patents, copy rights, privileges, powers, technologies, facilities of every kind and description of whatsoever nature in relation to the Transferor Company to which the Transferor Company is party or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be enforceable as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.
- 4.2.8 With effect from the Appointed Date, any statutory licenses, no-objection certificates, permissions or approvals or consents required to carry on operations of the Transferor Company or granted to the Transferor Company shall stand vested in or transferred to the Transferee Company without further act or deed, and shall be

appropriately transferred or assigned by the Governmental Authorities concerned therewith in favour of the Transferee Company upon the vesting of the Transferor Company Undertaking pursuant to this Scheme.

- 4.2.9 The Transferee Company will, 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, execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the Transferor Company or to which the Transferor Company is a party, in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized 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 part of the Transferor Company.
- 4.2.10 With effect from the Appointed Date, the Transferee Company shall bear the burden and the benefits of any legal or other proceedings initiated by or against the Transferor Company. If any suit, appeal or other proceedings of whatever nature instituted by or against the Transferor Company is pending, the same shall not abate, and shall not in any way be prejudicially affected by reason of the transfer of the Undertaking or of 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.
- 4.2.11 On occurrence of the Effective Date, all persons that were employed by the Transferor Company immediately before such date shall become employees of the Transferee Company with the benefit of continuity of service on same terms and conditions as were applicable to such employees of the Transferor Company prior to such transfer and without any break or interruption of service. 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 avail any additional benefits or advantages that are applicable and available to any other employees of the Transferee Company, unless and otherwise so stated by the Transferee Company in writing in respect of all such employees, class of employees or any particular employee. With regard to provident fund, gratuity fund, super-annuation fund or any other special fund or obligation created or existing for the benefit of such employees of the Transferor Company, upon occurrence of the Effective Date, the Transferee Company shall stand substituted for the Transferor Company, for all purposes whatsoever relating to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to such schemes or funds shall become those of the Transferee Company and the same shall not be less-beneficial to the employees. It is however clarified that all members of the Board of Directors of the Transferor Company shall cease to be a member of the Board of Directors on and with effect from the Effective Date and shall not be entitled to be a member on the Board of Directors of SML, though their employment terms existing with the Transferor Company shall continue to be valid and binding on SML.
- 4.2.12 The Transferee Company shall be entitled to revise the documents (including any tax returns) as it may or the Transferor Company may have filed with various authorities, to claim refund/credits and/or set off all amounts paid by the Transferor Company and/or the Transferee Company under the relevant laws (including under the sales tax, income tax, service tax or any other laws) towards any transactions between the Transferor Company and the Transferee Company or otherwise, that may occur between the Appointed Date and the Effective Date. The right to make such revisions in the returns and to claim refunds/credits is expressly reserved in favor of the Transferee Company. It is expressly clarified that with effect from the Appointed Date, all taxes payable by the Transferor Company and all refunds of claims and other benefits due to the Transferor Company shall be treated as the tax liability or refunds/benefits as the case may be of the Transferee Company.
- 4.2.13 From the Effective Date and till such time as the name of the Transferee Company is entered as the appropriate person in the records of any other person (including a Governmental Authority) with which the Transferor Company may have dealt with, the Transferee Company shall be entitled to deal with such persons, as if the Transferee Company is the appropriate party in relation to such matters.

Section-3

5. CONDUCT OF BUSINESS

- 5.1 With effect from the Appointed Date and until occurrence of the Effective Date, the Transferor Company shall be deemed to carry on all its Undertaking, businesses and activities and stand possessed of its properties and assets for and on account of and in trust for the Transferee Company. All the profits accruing to the Transferor Company and all taxes thereon or losses arising or incurred by them shall, for all purposes, be treated as and deemed to be the profits or losses, as the case may be, of the Transferee Company.
- 5.2 With effect from the Effective Date, the Transferee Company shall commence and carry on and shall be authorized to carry on the businesses carried on by the Transferor Company immediately prior to the Effective Date.
- 5.3 For the purpose of giving effect to the vesting order passed under Sections 391 and 394 of the Act in respect of this Scheme by the High Court, the Transferee Company shall, at any time pursuant to the orders on this Scheme, be entitled to get the recording of the change in the legal right(s) upon the vesting of the Undertaking in accordance with the provisions of Sections 391 and 394 of the Act. The Transferee Company shall be authorised to execute any pleadings, applications, forms etc as are required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme.

Section-4

CAPITAL STRUCTURE AND ACCOUNTING TREATMENT

6. MERGER OF AUTHORIZED SHARE CAPITAL OF THE TRANSFEROR COMPANY WITH AUTHORIZED SHARE CAPITAL OF THE TRANSFEE COMPANY AND FURTHER ISSUE OF SHARES IN THE TRANSFEE COMPANY

6.1 Merger of Authorized Share Capital of the Transferor Company with Authorized Share Capital of the Transferee Company:

- 6.1.1 On occurrence of the Effective Date, the Authorized Share Capital of the Transferor Company shall stand merged with the Authorized Share Capital of the Transferee Company, without any further act of the Transferee Company or its shareholders. Consequently, the Authorized Share Capital of the Transferee Company shall stand increased by Rs. 1,00,00,000/- comprising 1,00,00,000/- equity shares of Rs.1/- each, over and above the Authorized Share Capital of the Transferee Company immediately prior to the Effective Date, without any further act to be done by the Transferee Company or obligation to pay any further registration fee, filing fee or other charges. The Memorandum and Articles of Association of the Transferee Company shall automatically stand amended accordingly, and the words and figures in Clause V of the Memorandum of Association of the Transferee Company shall be substituted to read as follows

“The Authorized Share Capital of the Company is Rs.9,50,00,000 (Rupees Nine Crores and fifty Lakhs Only) divided into 9,50,00,000 (Nine Crores and fifty Lakhs) Equity Shares of Rs.1 /- (Rupee one) each”

- 6.1.2 It is hereby clarified that for the purposes of this Clause 6.1.1 above, 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 under the applicable provisions of the Companies Act would required to be separately passed or filings be required to be made with any authority.
- 6.1.3 If the merger of Authorized Share Capital of the Transferor Company with the Authorized Share Capital of Transferee Company as envisaged in Clause 6.1.1 and 6.1.2 above is not implemented for any reason, the Board of Directors of the Transferee Company shall have the authority to make any decision relating to the quantum and manner of increase in the Authorized Share Capital of the Transferee Company.

6.2 Issue of Shares in the Share Capital of the Transferee Company

Upon this Scheme coming into effect and upon transfer and vesting of the Undertaking in the Transferee Company, the consideration in respect of such transfer shall, subject to the provisions of the Scheme, be paid and satisfied by the Transferee Company as follows:

- 6.2.1 The Transferee Company shall (without further application, act or deed) issue and allot to each of the shareholders of the Transferor Company (whose names are registered in the Register of Members of the Transferor Company on the Record Date, or his/ her/ its legal heirs, executors, administrators or successors), equity shares in the Transferee Company credited as fully paid up in the ratio of 19.178 equity shares of Re.1/- each in the Transferee Company for every 1 equity shares of Rs.100/- each held as fully paid up in the Transferor Company ("Share Exchange Ratio"). If, any of the shareholders of the Transferor Company become entitled to receive fraction of such an Equity Share in the capital of the Transferee Company, such fraction shall be rounded off to the next higher integer.
- 6.2.2 In the event of any increase or decrease in the paid up share capital of the Transferor Company or the Transferee Company, at any time before the Record Date, the Share Exchange Ratio will be adjusted appropriately to take into account the effect of such change.
- 6.2.3 The equity shares in the capital of the Transferee Company to be issued to the shareholders of the Transferor Company (herein "New Equity Shares") shall rank pari passu in all respect, with the existing equity shares in the Transferee Company from the date of allotment of the New Equity Shares.
- 6.2.4 The New Equity Shares to be allotted shall, subject to applicable laws, be listed and admitted to trading on the NSE and BSE. Upon the New Equity Shares being allotted to the shareholders of the Transferor Company, the shares held by them in the Transferor Company shall be deemed to have been automatically cancelled.
- 6.2.5 Approval to the Scheme by members of the Transferee Company pursuant to Section 391 and Section 394 of the Act shall constitute consent required under any other provisions of the Act for implementing any other provisions of the Scheme.

6.3 Accounting Treatment:

- 6.3.1 Acquisition method of accounting as prescribed in Indian Accounting Standard (IndAs) 103 Business Combinations issued by the Institute of Chartered Accountants of India and notified by Ministry of Corporate Affairs would be followed whereby all the identifiable assets including patents/ IP rights and liabilities of the Transferor Company will be measured and recognized at the fair value in the merged entity subject to exceptions provided in paragraphs 22-31 of said IndAs103 to the extent application to this scheme of Amalgamation.
- 6.3.2 The Transferee Company shall record the identifiable assets and liabilities of the Transferor Company vested in it pursuant to this Scheme, at the respective fair value as prescribed in the said IndAs and subject to exceptions provided in paragraphs 22-31 of said IndAs103 to the extent application to this scheme of Amalgamation.
- 6.3.3 Goodwill shall be measured as the excess of the consideration transferred measured in accordance with this Indian Accounting Standard over the net of the amounts of the identifiable assets acquired and the liabilities assumed measured in accordance with this Indian Accounting Standard.
- 6.3.4 The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition-date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity interests issued by the acquirer

7. DIVIDEND

Unless otherwise agreed by the Transferee Company, the Transferor Company shall not declare any dividend, in any form.

8. DISSOLUTION OF THE TRANSFEROR COMPANY

On occurrence of the Effective Date, the Transferor Company shall, without any further act or deed, stand dissolved without winding up, and the Board of Directors and all committees of the Board of Directors of the Transferor Company shall also stand dissolved without further act or deed.

9. VALIDITY OF EXISTING RESOLUTIONS ETC.

Upon the coming into effect of the Scheme, all authorizations and resolutions passed by the Transferor Company shall continue to be valid and be considered as the authorizations or resolutions duly passed by the Transferee Company, and if any such authorizations or resolutions have any monetary limits approved under the applicable law, the said limits shall be added to the limits if any, under similar resolutions passed by the Transferee Company.

PART C

General Provisions

10. APPLICATIONS TO HIGH COURT

The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make applications to the High Court or any other Authority, under Sections 391 to 394 and other applicable provisions of the Act, seeking sanction of the Scheme under the applicable provisions of the law, and shall also apply for such other approvals as may be required under the law.

11. APPROVALS

The Transferee Company shall at all times (including when the Scheme is pending sanction by the High Court) be entitled to apply to BSE & NSE any Governmental Authorities / statutory authorities seeking such consents, permissions and approvals as may be required which the Transferee Company may require to own the Undertaking and to carry on the business of the Transferor Company.

12. CONDITIONALITY OF SCHEME

12.1 The Scheme is conditional upon and subject to:

- (a) The Scheme being agreed to by the respective requisite majority of members and creditors of each of the Transferor Company and the Transferee Company as required under the Act and any other applicable law (including the regulations and other circulars issued by SEBI);
- (b) The Scheme being approved by the Hon'ble High Court of Karnataka or National Company Law Tribunal;
- (c) Certified copy of the orders of the Hon'ble High Court of Karnataka or respective NCLT sanctioning this Scheme having been filed with the jurisdictional Registrar of Companies by the Transferor Company and the Transferee Company; and
- (d) all other approvals and sanctions including approval/sanction of any Governmental Authority, or as may be required by law or contract, having been obtained.

- 12.2 In the event any of the conditions mentioned above in Clause 12.1 has not been fulfilled before 31.03.2017, or such other date as may be extended by the Board of Directors of the Transferee Company (herein "Long Stop Date"), then the Transferee Company may opt to terminate the Scheme. In such an event, the Transferor Company shall cooperate with the Transferee Company in making all requisite applications to relevant Governmental Authority (including the Hon'ble High Court of Karnataka) to withdraw the Scheme. In such an event, neither the Transferor Company nor the Transferee Company shall be liable to the other for any cost or other expenses incurred by the other.

13. MODIFICATIONS OR AMENDMENT

- 13.1 Until occurrence of the Effective Date, each of the Transferor Company and the Transferee Company (acting through their respective Board of Directors) may assent to any modifications or amendments to this Scheme which the Hon'ble High Court of Karnataka and/or any other Governmental Authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme. After the occurrence of the Effective Date, the Transferee Company (acting through its Board of Directors) shall have the right to undertake any acts or deeds (including approaching any Governmental Authority) for implementation of any part of the Scheme.

- 13.2 The Transferee Company shall be at liberty to withdraw, prior to the Effective Date, from this Scheme in case any condition or alteration imposed by the Hon'ble High Court of Karnataka or any other Governmental Authority is not on terms acceptable to it.

14. GENERAL TERMS AND CONDITIONS

- 14.1 All costs, charges, fees, taxes including duties (including the stamp duty, if any, applicable in relation to this Scheme), levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing the terms and conditions or provisions of this Scheme and matters incidental thereto shall be borne and paid by Transferee Company.
- 14.2 Even after the Scheme has become effective, the Transferee Company shall be entitled to complete various activities including activities that may otherwise be required to be carried out by the Transferor Company. By way of illustration, such activities may include, seeking transfer of all requisite approvals and consents from Government Authorities that were originally granted to the Transferor Company, operating the bank accounts of the Transferor Company until such time the name of the Transferee Company has been taken on record.

VALUATION REPORT

Annexure-2

In relation to the proposed Merger of

NAVYA BIOLOGICALS PRIVATE LIMITED

WITH

SHILPA MEDICARE LIMITED

Strictly Private and Confidential

To,
The Board of Directors of
SHILPA MEDICARE LIMITED
(Transferee Company)
12-6-214/A1 , Hyderabad Road,
Raichur , Karnataka - 584135

To,
The Board of Directors of
NAVYA BIOLOGICALS PRIVATE LIMITED
(Transferor Company)
126/C , Street Bed 3rd Cross , 4th Block ,
Koramangala , Bangalore , Karnataka - 560034

Subject: Recommendation of the Fair Equity share exchange ratio for the purpose of the proposed merger of Navya Biologicals Private Limited with Shilpa Medicare Limited

Dear Sir/Madam,

We refer to the Engagement letter with M/s. Nekkanti Srinivasu & Co (hereinafter referred to as the "Valuer"), wherein Navya Biologicals Private Limited, Shilpa Medicare Limited (herein after collectively referred to as the "Companies") have requested us to recommend a Fair Equity Share Exchange Ratio for the Proposed Merger (defined hereinafter) and the discussions that we have had with and information that we have received from the managements of the companies ("Mangement /Managements") from time to time in the above matter .

SCOPE AND PURPOSE OF THIS REPORT

We have been informed as under:

SHILPA MEDICARE LIMITED (Transferee Company) is engaged in the business of manufacturing APIs and pharmaceutical formulations with more focus on Oncology. The Company has manufacturing facilities at Industrial Area, Deosugur, Raichur District and Export-Oriented Unit at Chicksugur, Raichur District in Karnataka. The Company's Securities are listed on BSE Limited and the National Stock Exchange of India Limited.

The Company has Formulations Facility in Pharma SEZ near Jadcherla in Telangana and R&D facility near Vizag in Andhra Pradesh. At present major revenue is generated primarily from exports of APIs and by providing manufacturing services including contract research to various customers.

NAVYA BIOLOGICALS PRIVATE LIMITED (Transferor Company) is engaged in Research & Development of Biological products.

Navya R & D Facility and the Laboratory are situated in its leased premises at NavDisha, STEP Building, Biotech Dept. Annex, BVBCET, Vidyanagar, Hubli 580031, Karnataka, INDIA. All operations are presently carried out from this facility.

In order to consolidate their operations , the Managements of the companies are considering the Merger of Navya Biologicals Private Limited into Shilpa Medicare Limited on a going concern basis with effect from the proposed appointed date of 1st day of April, 2016 (Opening of business hours), The proposed merger is in accordance with the Scheme of Amalgamation presented under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 and/ or Sections 230 to 233 and other relevant provisions of the Companies Act, 2013 to the extent applicable. In consideration for the merger, SHILPA MEDICARE LIMITED will issue equity shares to the Shareholders of NAVYA BIOLOGICALS PRIVATE LTD, on the basis of the share exchange ratio, which is determined based on this valuation report.

In this connection, Nekkanti Srinivasu & Co., Chartered Accountants has been requested by the companies to submit a report recommending fair equity share exchange ratio in the event of the Proposed Merger, i.e., the number of equity shares of Shilpa Medicare Limited to be issued for the equity shares of Navya Biologicals Private Limited (the "Fair Equity Share Exchange Ratio") for the consideration of the Board of Directors (the "Boards") of the respective Companies.

SCOPE OF ENGAGEMENT

The scope of our services is to undertake the valuation of the entities involved in this merger as a prelude to business consolidation and also to determine the share exchange ratio for the proposed merger for recommending Fair Equity Share Exchange Ratio in accordance with generally accepted professional standards.

Valuation of the companies involved in this merger has been carried out by considering their nature of businesses, historical financial performance and financial position on the basis of Audited financial statements of the companies, market data pertaining to companies and also comparable company's data and information in the similar nature of business. While performing the valuation exercise, an examination and analysis is required in respect of several aspects of the company's activities, such as:

- historical performance;
- competitive positioning in the industry;
- inherent strengths and weaknesses of the entities;
- forecasts of the operating performance;
- opportunities and threats presented by the socio-economic environments;
- intangible assets owned by the company

Considering the above mentioned factors we have carried out the valuation of the companies and suggested a share exchange ratio for the purpose of the proposed merger based on the basis of fair value of the equity shares of the transferor and transferee companies.

Considering the above, we have carried out the valuation of the companies and suggested a share exchange ratio for the purpose of the proposed amalgamation on the basis of fair value of the equity shares of the Transferor and Transferee Company.

This report and the information contained herein is absolutely confidential. It is intended only for the sole use and information of the Companies and only in connection with the Proposed Merger including for the purpose of obtaining regulatory approvals/ as required under applicable laws of India/ for the Proposed Merger. We understand that the Companies may be required to submit this report to judicial/ regulatory or government authorities, stock exchanges, shareholders in connection with the Proposed Merger under applicable laws. We hereby consent to such disclosure of this report/ on the basis that we owe responsibility to only the Boards of Directors of the Companies that have engaged us/ under the terms of our engagement/ and no other person; and that, to the fullest extent permitted by law, we accept no responsibility or liability to the shareholders of the Companies or any other party, in connection with this report. It is understood that this analysis does not represent a fairness opinion. The results of our computation and our report cannot be used or relied by the Companies for any other purpose or by any other party for any purpose whatsoever. We are not responsible to any other person / party for any decision of such person / party based on this report. Any person / party intending to provide finance / invest in the shares / businesses of the Companies or their holding company / subsidiaries / associates / investee companies/ if any, shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. It is hereby notified that reproduction, copying or otherwise quoting of this report or any part thereof, other than for the aforementioned purpose, is not permitted.

This report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the report is to be read in totality, and not in parts/ in conjunction with the relevant documents referred to therein.

For determining the share exchange ratio, we have carried out the valuation of equity shares on the basis of information available as on the appointed date i.e. April 1, 2016 and also the information available till the date of furnishing this report which has bearing on the valuation of equity shares of the company.

Hence, the relevant date of valuation and share exchange ratio is 1st April 2016, to reflect the fair valuation of the Equity Shares of Transferor and Transferee Company. To arrive at the fair value of equity shares of companies and to determine the share exchange ratio of the Equity Shares we have relied upon the facts and figures, market data and other information of the two companies as on appointed date of amalgamation i.e. 1st April 2016.

SOURCES OF INFORMATION

The sources of information, which have been furnished to us by the managements of the Companies, are as under:

1. Background of the Company.
2. Memorandum of Articles and Articles of Association of the Company.
3. Audited accounts of the Company for the year ended March 2015, 2014, 2013.
4. Projected profitability statements, projected balance sheets for the years 2015-16 to 2024-25 of Navya Biologicals Private Limited (Transferor Company).
5. Other relevant details such as history of the Company, its promoters, shareholding pattern etc.
6. Past& present activities, future plans &prospects, other relevant information of transferee and transferor companies.
7. Information pertaining research and development capabilities and intellectual properties etc.

We have also relied upon the statements made by the management regarding the objectives and rationale of consolidation of businesses. This has helped us in determining the appropriate valuation methodologies.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

The primary assumptions and limiting conditions pertaining to the estimate conclusion(s) stated in the detailed Valuation report are summarized below. Other assumptions are cited elsewhere in the report.

- 1) The conclusion arrived at herein is valid only for the stated purpose as of the date of the valuation (i.e. April 1, 2016).
- 2) The valuation report date is 27th June, 2016.
- 3) Our compensation for completing this assignment is fee-based and is not contingent upon the development or reporting of a predetermined or direction in that favors the cause of the client, the outcome of the valuation, the amount of the opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- 4) We have performed a valuation engagement and present our detailed report in conformity with the "Business Valuation Practice Standard" (BVPS) issued by the Institute of Chartered Accountants of India (ICAI). BVPS sets out that the objective of a valuation engagement is "to express an unambiguous opinion as to the of a business, business ownership interest, security or intangible asset which opinion is supported by all procedures that the appraiser deems to be relevant to the valuation." Also according to the Standard in a valuation engagement the valuer can apply valuation approaches or methods deemed in the analyst's professional judgment to be appropriate under the circumstances. In a valuation engagement the conclusion is expressed as either a single amount or a range.
- 5) The valuation of the business is based on various assumptions made by the respective companies relating to the operations of their businesses. Any change in these assumptions could have an impact on their valuation.
- 6) We have not made an appraisal or independent valuation of any of the assets or liabilities of any of the Companies and have not conducted an audit or due diligence.
- 7) Financial statements and other related information provided by NAVYA BIOLOGICALS PRIVATE LIMITED (Transferor),SHILPA MEDICARE LIMITED (Transferee Company) or their representatives, in the course of this engagement, have been accepted without any verification as fully and correctly reflecting the enterprise's business conditions and operating results for the respective periods, except as specifically noted herein. We have not audited, reviewed, or compiled the financial information provided to us and accordingly, we express no audit opinion or any other form of assurance on this information.

- 8) Public information and industry & statistical information have been obtained from the sources we believe to be reliable. However, we make no representation as to the accuracy or completeness of such information and have performed no procedures to corroborate the information.
- 9) We do not provide assurance on the achievability of the results forecasted by Transferor Company and Transferee Company because events and circumstances frequently do not occur as expected, differences between actual and expected results may be material, and achievement of the forecasted results is dependent on actions, plans, and strategies of management.
- 10) The conclusion arrived at in the valuation report is based on the assumption that the current level of management expertise and effectiveness would continue to be maintained and that the character and integrity of the enterprise through any sale, reorganization, exchange, or diminution of the owners' participation would not be materially or significantly changed.

The valuation report and the conclusion arrived at therein are for the exclusive use of our client for the sole and specific purposes as noted therein. They may not be used for any other purpose or by any other party for any purpose. Furthermore the valuation report and conclusion of are not intended by the author and should not be construed by the reader to be investment advice in any manner what so ever. The conclusion represents the considered opinion of us based on information furnished to us by SHILPA MEDICARE LIMITED (Transferee Company), NAVYA BIOLOGICALS PRIVATE LIMIED (Transferor Company)

- 11) Future services regarding the subject matter of this report, including but not limited to testimony or attendance in court, shall not be required of Nekkanti Srinivasu& co., Chartered Accountants unless previous arrangements have been made in writing.
- 12) The prospective financial information approved by management has been used in our work, we have not examined or compiled the prospective financial information and therefore do not express an audit opinion or any other form of assurance on the prospective financial information or the related assumptions. Events and circumstances frequently do not occur as expected and there will be usually differences between prospective financial information and actual results, and those differences may be material.
- 13) We have conducted interviews with the current managements of SHILPA MEDICARE LIMITED (Transferee Company), NAVYA BIOLOGICALS PRIVATE LIMIED (Transferor Company), concerning the past, present, and prospective operating results of the respective companies in the process of validation of information and assumptions made in respect of the financial information provided to us.
- 14) Except as noted, we have relied on the representations of the owners, management and other third parties concerning the value and useful condition of all equipment's, intangibles, intellectual properties used in the business, and any other assets or liabilities, except as specifically stated to the contrary in this report. We have not attempted to confirm whether all assets of the business are free and clear of liens and encumbrances or that the entity has good title to all assets.
- 15) The approaches and methodologies used in our work did not comprise an examination in accordance with generally accepted accounting principles, the objective of which is an expression of an opinion regarding the fair presentation of financial statements or other financial information, whether historical or prospective, presented in accordance with generally accepted accounting principles. We express no opinion and accept no responsibility for the accuracy and completeness of the financial information or other data provided to us by others. We assume that the financial and other information provided to us is accurate and complete, and we have relied on this information in performing our valuation.
- 16) The valuation may not be used in conjunction with any other consideration or study. The conclusions stated in the valuation report are based on the program of utilization described in the report and may not be separated into parts. The report was prepared solely for the purpose, function, and party so identified in the report.
- 17) Unless otherwise stated in the report, the valuation of the business is not considered or incorporated the potential economic gain or loss resulting from contingent assets, liabilities, or events existing as of the valuation date.
- 18) During the course of the valuation, we have considered information provided by respective company's managements and other parties. We believe these sources to be reliable, but no further responsibility is assumed for their accuracy.

- 19) Any projections of future events described in this report represent the general expectancy concerning such events as on the valuation date. These future events may or may not occur as anticipated, and actual operating results may vary from those described in our report.
- 20) We have no responsibility or obligation to update this report for events or circumstances occurring subsequent to the date of this report.
- 21) Our valuation judgment, shown herein, pertains only to the subject business the stated Approach (fair), at the stated valuation date, and only for the stated Merger purpose.
- 22) The various estimates of presented in this report apply to the valuation report only and may not be used out of the context presented herein.
- 23) Our report will not be used for financing or included in a private placement or other public documents and may not be relied upon by any third parties.
- 24) The report assumes all required licenses, certificates of occupancy, consents, or legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or reviewed for any use on which the opinion contained in the report is based.

SHARE CAPITAL DETAILS OF THE COMPANIES

CAPITAL STRUCTURE OF SHILPA MEDICARE LIMITED (‘Transferee Company’) AS ON APRIL 1, 2016:

Particulars	Amount (in Rs.)
Authorized Share Capital 8,50,00,000 Equity Shares of Re.1/- each	8,50,00,000
Issued, Subscribed and Paid Up Share Capital 7,71,01,904 Equity Shares of Re.1/- each	7,71,01,904

SHAREHOLDING PATTERN ON 1st April, 2016:

Name of shareholder	Total no. of shares held	Shareholding as a % of total no. of shares
Vishnukant Bhutada	85,63,102	11.11
Dharmavati Bhutada	41,42,766	5.37
Kantadevi Inani	38,39,640	4.98
Kamal Kishore Inani	37,48,828	4.86
Nathmal Inani	30,89,862	4.01
Manjulata Inani	28,07,546	3.64
Omprakash Inani	23,14,704	3.00
Brijgopal Inani	21,74,766	2.82
Deepak Kumar Inani	17,58,960	2.28
Ravi Kumar Inani	16,31,370	2.12
Keshav Bhutada	14,30,424	1.86
Shakuntalabai Inani	14,12,736	1.83
Vishnukant C Bhutada (HUF)	13,36,130	1.73
Ramakant Inani	10,47,878	1.36
Madhav Bhutada	8,49,174	1.10
Triveni Inani	2,69,810	0.35
Tarabai Inani	2,49,998	0.32
Vishnukanta Inani	2,12,498	0.28
Namratha Bhutada	22,500	0.03
Sub Total	4,09,02,692	53.05
Held by PUBLIC	3,61,99,212	46.95
Total	7,71,01,904	100.00

**CAPITAL STRUCTURE OF NAVYA BIOLOGICALS PRIVATE LIMITED
(Transferor Company) AS ON APRIL 1ST, 2016**

Particulars	Amount (in Rs.)
Authorized Share Capital 1,00,000 Equity Shares of Rs.100/- each	1,00,00,000
Issued, Subscribed and Paid Up Share Capital 73,000 Equity Shares of Rs.100/- each	73,00,000

Share holding Pattern as on 1st April 2016

Sl.No.	Name of the shareholder	No. of Equity shares	Percentage
1	Vinay Konaje	25,538	34.98
2	Rajyashri Karur	25,538	34.98
3	Lalitha Krishnamurty	10,962	15.02
4	Geetha Nagesh Konaje	10,962	15.02
	Total	73,000	100

APPROACH - BASIS OF MERGER

The Management of the Transferor and Transferee Companies are considering for Merger of the companies. The proposed amalgamation of NAVYA BIOLOGICALS PRIVATE LIMITED, ('Transferor Company') with SHILPA MEDICARE LIMITED (Transferee Company) as envisaged in the Scheme, pursuant to Sections 391 to 394 and other relevant provisions of the Companies Act, 1956 and / or Sections 230 to 233 and other relevant provisions of the Companies Act, 2013, to the extent applicable, is driven by the motive of consolidation of businesses into one company to obtain the synergy benefits and other ancillary benefits.

VALUATION METHODOLOGY

There are several commonly used and accepted methods for determining the value of shares / businesses, which have been considered in the present case, to arrive at the Fair Equity Share Exchange Ratio for the purpose of the Proposed Merger to the extent relevant and applicable, including:

The following methodologies are normally used for valuation of companies:

1. Comparable Company Market (CCM) Multiple
2. Discounted Cash Flow (DCF) Method
3. Net Assets Value Method-Book Value Basis
4. Net Assets Value Method- Intrinsic Value Basis
5. Profit Earning Capacity Value Method
6. Market Value Method

It should be understood that the valuation of any company or its assets is inherently subjective and is subject to uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made assumptions with respect to industry performance and general business and economic conditions/ many of which are beyond the control of the companies. In addition/ this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects/ financial and otherwise/ of the companies / businesses/ and other factors which generally influence the valuation of companies and their assets.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment/ in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

We have considered to adopt **Comparable Company Market (CCM) Multiple method** under Relative Valuation Approach to value the equity shares of **Shilpa Medicare Limited** (Transferee Company) and **Discounted Cash**

Flow Method under Income Based Valuation Approach to value the equity shares of **Navya Biological Private Limited** (Transferor Company) to determine the Share Exchange Ratio for the Proposed Merger.

METHODS	RELEVANCE
Comparable Companies Multiples Method (CCM)	- Under this method, value of the shares of a company is arrived at by using multiples derived from valuations of comparable company, as manifest through stock market valuations of listed company. This valuation is based on the principal that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Value of business is determined by applying appropriate multiple obtained by analyzing information related to various comparable companies. - The comparable company valuation is described to value assets based on how similar companies are currently priced in the market. The principle underlying comparable company valuation models is the law of one price - the economic theory that two similar assets should sell for similar prices. - Since, Shilpa Medicare Limited is a listed company, we have applied comparable company multiple method of valuation to value its equity shares. - Comparable companies selected for SHILPA MEDICARE LIMITED are - Natco Pharma Limited. - Indoco Remedies Limited. - TTK Healthcare Limited.
Discounted Cash Flow Method (DCF)	- Most scientific – considers the time value of company and the cash outflows including working capital and capital expenditure required for increased levels of business forecasted. - Navya Biological Private Limited is in development phase of various Bio Similar and Molecules. Considering the same, one will have to entirely rely on the forecasts to determine the maintainable profits and earning capacity of the company. In such circumstances, we have considered it appropriate to apply DCF as a primary method of valuation as it takes in to account the principle of time value of money and the management approved forecast to determine the present value of business.

BASIS OF FAIR EQUITY SHARE EXCHANGE RATIO

VALUATION OF EQUITY SHARES OF SHILPA MEDICARE LIMITED, TRANSFEREE COMPANY

Since, the Company's Securities are listed on BSE Limited and the National Stock Exchange of India Limited.

We have considered **Comparable Company Market (CCM) Multiple Valuation Method** for the purpose of determining the Fair Value per Equity Share of **SHILPA MEDICARE LIMITED (Transferee Company)**

The workings of fair value is presented hereunder.

Step -1 Calculation of Weighted Average PE Ratio/ PE Multiple

	NATCO Pharma	INDOCO Remedies	TTK Healthcare
a) MPS (In Rs.) as on 31st March 2016	412.05	287.90	925.00
b) No of shares as on 31st March 2016	17,41,74,245	9,21,50,355	77,65,983
c) Market capitalization (a*b)	7,176.85	2,653.01	718.35
d) PAT as on 31st March 2016	174.46	82.98	22.67
e) Total Market Capitalization		10,548.24	
f) Total PAT		280.11	
g) Average PE Ratio / PE Multiple		37.66	

Step-2	Amount in Rs. Crores
Net Profit after taxes of Shilpa Medicare Limited	103.76
Less: Dividend Income from Mutual fund Investments	(0.04)
Add: Gain from Mutual Fund Investments	(2.08)
Net Profit before Non-operating income	101.64
Step-3	
Value of Equity before Non-operating investments (Step 1 * Step 2)	3,827.60
Step-4	
Value of Equity before Non-operating investments	3,827.60
Add: Investments in Mutual Funds as on 31.03.2016	52.73
Total Equity Value	3,880.33
Step-5	
Total Equity Value	3,880.33
No. of Shares	77,101,904
Per Share Value (in Rs.)	503.27
Fair Value of Equity share of Shilpa Medicare Ltd. (Rounded off) Rs.	500.00

The value of Equity Share of SHILPA MEDICARE LIMITED under Comparable Company Market (CCM) Multiple Valuation Method is Rs.503.27/- per share rounded off to Rs.500/-.

As per the above computation, in our opinion for the purpose of determining the share exchange ratio, the fair value of Rs. 500/- per equity share of **SHILPA MEDICARE LIMITED (Transferee Company)** can be considered as appropriate.

VALUATION OF EQUITY SHARES OF NAVYA BIOLOGICALS PRIVATE LIMITED, TRANSFEROR COMPANY

The valuation of equity shares of NAVYA BIOLOGICALS PRIVATE LIMITED (Transferor Company) is carried under Discounted Cash Flow Method (DCF). Since the DCF method expresses the present value of the business as a function of its future cash earnings capacity. This methodology works on the premise that the value of a business is measured in terms of future cash flow streams, discounted to the present time at an appropriate discount rate. The valuation under the DCF method depends upon the projections of the future cash flows and the selection of the appropriate discount factor. The DCF methodology is considered to be the most appropriate basis for determining the future earning capability of a business.

Calculation of value under the DCF method involves estimation of future cash flows for explicit period, estimation of continuation value and discounting of cash flows using appropriate discounting factor.

Navya Biological Private Limited is in development phase of various Bio Similar and Molecules and the company is expecting the future revenues and cash flows, we considered to apply Discounted Cash flow method (DCF) as appropriate method for valuation of the business and equity shares of Navya Biologicals Private Limited.

The value of **NAVYA BIOLOGICALS PRIVATE LIMITED** under DCF Method is **Rs.70 Crore** which is depicted below and the projected financial statements along with evaluation of underlying assumptions.

Computation of Value of Equity Shares of Navya Biologicals Private Limited under DCF approach:**Discounted Cash Flow Value**

Ascertainment of Value per Share	
Particulars	Fig. in. Lakhs
NPV of Explicit Period	3,420.71
Present Value of Perpetuity	3,524.84
Total	6,945.55
Add :	
Land Value	-
Paid in 2008 - Rs. 59.40 Lacs	59.40
Business Value	7,004.95
Less: Preference share Capital	-
Equity Value (Rounded Off)	7,000.00
No. of Equity Shares as on 31 March, 2016	73000.00
Value per Share Rs. (Rounded)	9,589.00

As per the above computations, in our opinion for the purpose of determining the share exchange ratio, the fair value of Rs.9,589/- per each equity share of NAVYA BIOLOGICALS PRIVATE LIMITED (Transferor Company) can be considered as appropriate.

SHARE EXCHANGE RATIO

Particulars	SHILPA MEDICARE LIMITED (Transferee Company)	NAVYA BIOLOGICALS PRIVATE LIMITED (Transferor Company')
Fair Value as per Comparable Company Market (CCM) Multiple Valuation Method (per share in Rs.)	500	-
Fair Value as per DCF Method (per share in Rs.)	-	9589
Share Exchange Ratio	19.178	1
Face Value per share Rs.	1.00	100.00

On the basis of the aforesaid computations, the share exchange ratio between NAVYA BIOLOGICALS PRIVATE LIMITED, ('Transferor Company'), and SHILPA MEDICARE LIMITED' (Transferee Company) for proposed merger is arrived at 19.178:1 i.e. SHILPA MEDICARE LIMITED shall issue Nos.19.178 Equity Shares for every 1 Equity Share in NAVYA BIOLOGICALS PRIVATE LIMITED. Accordingly, M/s. Shilpa Medicare Limited shall issue 14,00,000 equity shares to the shareholders of Navya Biologicals Private Limited to discharge the consideration for proposed merger.

Date : 27/06/2016
Place: Hyderabad

For Nekkanti Srinivasu & Co.,
Chartered Accountants
FRN.NO. 008801S
Sd/-
Nekkanti Srinivasu
Partner
M.No.209453

The Board of Directors,
Shilpa Medicare Limited,
Regd off : at12-6-214/A1,
Hyderabad Road, Raichur,
Karnataka - 584135, India.

The Board of Directors,
Navya Biologicals Private Limited,
Regd off : 126/C, Street Bed 3rd Cross 4th Block,
Koramangala, Bangalore, Karnataka – 560034.

Dear Sirs,

We, **Quintessence Enterprises Pvt. Ltd., ('QEPL')**, refer to our offer letter dated 27th June, 2016 which has been duly accepted by you by your engagement letter dated 27th June, 2016, whereby you have appointed us as an Independent Merchant Banker for furnishing a 'Fairness Opinion' as per clause 24 of the Listing Agreement and as per SEBI Circular No. CIR/CFD/CMD/16/2015 dated 30th November 2015 and Regulation 37 of SEBI (LODR) Regulations 2015, on the Equity Exchange ratio for the proposed Scheme of amalgamation of Navya Biologicals Private Limited "NBPL" or "Transferor Company" with Shilpa Medicare Limited "SML" or "Transferee Company" and their shareholders pursuant to Sections 391 to 394 and other relevant provisions of the Companies Act, 1956 / 2013 as applicable to the company and shall include any statutory modifications, re-enactment or amendment thereof from time to time.

Merchant Banker – Quintessence Enterprises Private Limited (QEPL)

QEPL formed in 1999, is a Category – I, Merchant Banking company, based in Hyderabad, Andhra Pradesh, having its registered office at 'NANDANAM' 8-2-603/1/VP, Plot No. 8A, Road No. 10, Banjara Hills, Hyderabad – 500034, and Administrative office at 8-2-603/B/33/A/9, B - 201, Zahara Nagar, Road No. 10, Banjara Hills, Hyderabad - 500034. It is SEBI registered with Registration Code INM000011997 valid till 31/07/2017, as Category I Merchant Banker.





Sources of Information

1. A copy of the Memorandum and Articles of Association of SML and NBPL.
2. A copy of the audited annual report for the years, 2013-14, 2014-15 and 2015-2016.
3. A copy of the proposed Scheme of Amalgamation.
4. The projected income statements and balance sheets for the years 2015-16 to 2024-25 of NBPL
5. A copy of the board resolution passed by SML and NBPL.
6. Valuation Report dated 27th June, 2016, by Independent Valuer Mr.Nekkanti Srinivasu & Co, Chartered Accountants, Flat No.604, Kanchenjunga Apartments, D Block, Aditya Enclave, Ameerpet, Hyderabad-38

Background of the companies

Shilpa Medicare Limited (SML or Transferee Company)

SML, Transferee Company was originally incorporated under the name and style of Shilpa Antibiotics Private Limited on November, 20, 1987 in the State of Karnataka under the Companies Act 1956. Later the Company was converted into Public Limited Company and got its name changed to Shilpa Antibiotics Limited w.e.f. 03-11-1993. Later the Transferee Company had changed its name to Shilpa Medicare Limited and obtained fresh Certificate of Incorporation bearing No.Co.No.08/8739 from Registrar of Companies, Karnataka on 13-12-2002. CIN of the Company is L85110KA1987PLC008739. The registered office of the Company is situated at 12-6-214/A1, Hyderabad Road, Raichur, Karnataka – 584135, India.

SML is engaged in the business of manufacturing APIs and pharmaceutical formulations with more focus on Oncology. The Company has manufacturing facilities at Industrial Area, Deosugur, Raichur District and Export-Oriented Unit at Chicksugur, Raichur District in Karnataka. The Company has Formulations Facility in Pharma SEZ near Jadcherla in Telangana and R&D facility near Vizag in Andhra Pradesh. At present major revenue is generated primarily from exports of APIs and by providing manufacturing services including contract research to various customers. SML's equity shares Securities are listed on BSE Limited and the National Stock Exchange of India Limited. Share capital details are as follows:

Share Capital	Rupees
Authorised Share Capital:	8,50,00,000
8,50,00,000 equity shares of Re.1/- each	
Issued, subscribed and paid-up Share Capital:	7,71,01,904
7,7,01,904 equity shares of Re.1/- each	

Navya Biologicals Private Limited (NBPL or Transferor Company)

NBPL was incorporated on June 08, 2006. The CIN of the Company is U73200KA2006PTC039657. The registered office of the Company is situated at 126/C, Street Bed 3rd Cross 4th Block, Koramangala, Bangalore, Karnataka – 560034.





Navya R & D Facility and the Laboratory are situated in its leased premises at NavDisha, STEP Building, Biotech Dept. Annex, BVBCET, Vidyanagar, Hubli 580031, Karnataka, INDIA. All operations are presently carried out from this facility.

Transferor Company is engaged in the Research & Development of Biological Products.

Share Capital	Rupees
Authorised Share Capital:	1,00,00,000
1,00,000 number of Equity Shares of Rs.100/- each	
Issued, subscribed and paid-up Share Capital:	73,00,000
73,000 number of Equity Shares of Rs.100/- each fully paid up	

Rationale of the Scheme

We understand that the managements of SML and NBPL are proposing to merge NBPL with SML by implementing a Scheme of Amalgamation under the provisions of Sections 391-394 of the Companies Act, 1956 and other relevant provisions of The Companies Act, 2013. Under the Scheme of Amalgamation, the equity shareholders of NBPL will be issued equity shares in SML as consideration for their shares and NBPL will cease to exist.

The Transferee Company is engaged in the business of Research & Development, Manufacturing of API & Bulk drugs and the Transferor Company is engaged in the business of research and development of Biosimilars. Biosimilar, which are new versions of innovator biopharmaceutical products that are marketed after expiration of patents, have emerged as one of the fastest growing development opportunities in the biopharmaceutical sector.

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

- Since, the Transferor Company is in the development of niche products and has approved products which will facilitate Transferee Company to access new process technologies such as IPs, rights, know-how and consolidation is expected to bring strengths that each company may not necessarily possess individually, provides more focused management of the Transferee Company.
- Improved organizational capability and leadership, arising from the pooling of resources and expertise that has the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.
- Greater leverage in operations planning and process optimization and enhanced flexibility in operations.





- d) Consolidation of Intellectual Properties, R&D capabilities, Physical Infrastructure into one enterprise.
- e) Cost savings are expected from utilizing the existing manufacturing facilities of Shilpa Medicare with more focus on operational efforts, rationalization, standardization and simplification of business processes, productivity improvements, usage of common resource pool like human resource, administration, finance, accounts, legal, other related functions, leading to elimination of duplication and rationalization of administrative expenses.

In view of the above benefits, the proposed amalgamation would result in an enhanced shareholder value. The managements have appointed Mr. Nekkanti Srinivasu & Co, Chartered Accountants, Flat No.604, Kanchenjunga Apartments, D Block, Aditya Enclave, Ameerpet, Hyderabad-38 (referred as "Valuers") to prepare a valuation report on the fair exchange ratio for distribution of SML shares to the shareholders of NBPL.

In this connection we have been requested by SML to render our professional services by way of a fairness opinion on Exchange Ratio from a financial point of view to the Board of Directors of SML through audit committee of the board as to whether the Equity Share Exchange Ratio, as recommended by the Valuers, in their report dated 27th June, 2016 and based on the valuation analysis carried out by them, which forms the basis for the proposed Amalgamation as per the aforesaid Scheme is fair and reasonable.

The per share Value of NBPL as on the valuation date being 1st April, 2016 is approximately Rs.9,589/-per each equity share of Rs.100/- each.

The per share Value of SML as on the valuation date is approximately Rs.500/-per each equity share of Rs.1/- each.

The share exchange ratio between NBPL and SML as per respective business valuation has been arrived at **19.178:1** i.e. allotment of 19.178 Equity shares of SML for every 1 (one) equity share in NBPL is considered to be fair and equitable to discharge the purchase consideration of the proposed merger. Accordingly, 14,00,000 equity shares are required to be issued to the shareholders of NBPL.

Fairness Opinion:

We Quintessence Enterprises Private Limited have reviewed the proposed Scheme of Amalgamation and Valuation Report and **believe it to be fair and reasonable** from financial and commercial point of view to the holders of the equity shares of the Company subject to our caveats and disclaimers.

We hereby give our consent to present and disclose the fairness opinion in the general meeting of the shareholders of SML and NBPL pursuant to SEBI Circular No: CIR/CFD/CMD/16/2015 dated 30th November, 2015 and Regulation 37 of SEBI Listing Obligation and Disclosure Requirements Regulations, 2015 to BSE Limited, National Stock Exchange Limited, to the honorable High Court of Karnataka and such other authorities in connection with the proposed purpose.





Limitation and Caveats of the Fairness Opinion

The assignment did not include the following:

1. It is the responsibility of the Board of Directors of the company for ensuring compliances in connection with the proposed Scheme of Amalgamation. Our role is to examine the Valuation carried out by the Chartered Accountant and the Scheme of Amalgamation and comment on the Fairness of the same.
2. Our fairness opinion is based on the information made available to us by the management of SML. Any subsequent changes to the financial and other information provided to us, may affect the result of value analysis set out in this report. We have reviewed the information made available to us for over all consistency and have not carried out any detailed tests in the nature of audit to establish the accuracy of such statements and information. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by and on behalf of the company. Our Fairness Opinion should not be construed as investment advice, specifically, we do not express any opinion on the suitability or otherwise of entering into the proposed transaction.
3. The information contained in this report is selective and is subject to updations expansions, revisions and amendment. It does not purport to contain all the information recipients may require. No obligation is accepted to provide recipients with access to any additional information or to correct any inaccuracies which might become apparent.
4. In rendering this Opinion, QEPL has not provided legal, regulatory, tax, accounting or actuarial advice and accordingly QEPL does not assume any responsibility in respect thereof. Further QEPL has assumed that the Scheme of Amalgamation will be implemented on the terms and conditions as set out in the draft Scheme of Amalgamation, without any material changes to or waiver of its terms and conditions.
5. We further declare that we do not have any direct or indirect interest in the Companies / assets valued.
6. This report is intended only for the sole use and information of the company and its shareholders only in connection with the Scheme of Amalgamation including for the purpose of obtaining judicial and regulatory approvals for the Scheme of Amalgamation.
7. We are not responsible in any way to any other person/party for any decision of such person or party based on this report. Any person /party intending to provide finance / invest in the shares / business of any of the companies or their subsidiaries / joint venture / associates shall do so after seeking their own professional advice and after carrying out their own due diligence procedure to ensure that they are making an informed decision.





8. It is hereby notified that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the Scheme of Amalgamation as aforesaid can be done only with our prior permission in writing.
9. Our analysis and results are also specific to the date of this report and based on information as at 10th July, 2016. An exercise of this nature involves consideration of various factors. This report is issued on the understanding that the Companies have drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies, their businesses, and any other matter, which may have an impact on our opinion, on the Equity Share Exchange Ratio for the Proposed Amalgamation, including any significant changes that have taken place or are likely to take place in the financial position of the Companies or their businesses subsequent to the proposed Appointed Date for the proposed Amalgamation.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

It may further be noted that in no circumstances shall the liability of Quintessence Enterprises Private Limited (QEPL), its directors or employees related to the service provided in connection with this value analysis, exceed the amount paid to us as our fees for this opinion.

We highly appreciate the co-operation and support received by us from your representatives during preparation of the said Fairness Opinion Report

Thanking you,

Yours faithfully,

For and on behalf of
Quintessence Enterprises Private Limited

Lavanya Chandra

Lavanya Chandra
Executive Director
Hyderabad.





DCS/AMAL/AM/24(I)/565/2016-17
October 06, 2016

The Company Secretary
SHILPA MEDICARE LTD.
12-6-214/ A1, Hyderabad Road, Raichur,
Karnataka, 584135

Sir/Madam,

Sub: Observation letter regarding the Draft Scheme of Amalgamation of Navya Biologicals Private Limited with Shilpa Medicare Limited.

We are in receipt of Draft Scheme of Amalgamation of Navya Biologicals Private Limited with Shilpa Medicare Limited.

As required under SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015; SEBI vide its letter dated October 05, 2016 has inter alia given the following comment(s) on the draft scheme of arrangement:

- ***"Company shall duly comply with various provisions of the Circulars."***

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

- 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 High Court.

Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

- i. Copy of the High Court approved Scheme;
- j. Result of voting by shareholders for approving the Scheme;
- k. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- l. Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- m. Status of compliance with the Observation Letter/s of the stock exchanges;
- n. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- o. Complaints Report as per Annexure II of this Circular.
- p. Any other document/disclosure as informed by the Exchange.

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,

A handwritten signature in black ink, appearing to read 'Nitin Pujari'.

Nitin Pujari
Manager



Ref: NSE/LIST/89131

October 4, 2016

The Company Secretary
Shilpa Merdicare Limited
No.10/80, 1st Floor,
Rajendra Gunj, Raichur,
Karnataka - 584102.

Kind Attn.: Smt. Sujani Vasireddi

Dear Madam,

Sub: Observation letter for draft Scheme of Amalgamation of Shilpa Medicare Limited and Navya Biological Private Limited and their respective Shareholders and creditors.

This has reference to draft Scheme of Amalgamation of Shilpa Medicare Limited and Navya Biological Private Limited and their respective Shareholders and creditors submitted to NSE vide your letter dated August 01, 2016.

Based on our letter reference no. NSE/LIST/84562 submitted to SEBI and pursuant to SEBI Circular no. CIR/CFD/CMD/16/2015 dated November 30, 2015, SEBI has vide letter dated October 4, 2016 has given following comments on the draft Scheme of Arrangement:

"The Company shall duly comply with various provisions of the Circulars."

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of regulation 11 of SEBI (LODR) Regulation, 2015, we hereby convey our "No-objection" in terms of regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with the Hon'ble High Court.

However, the Exchange reserves its rights to raise objections 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.

The validity of this "Observation Letter" shall be six months from October 04, 2016, within which the Scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, you shall submit to NSE the following:



- a. Copy of Scheme as approved by the High Court;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme.
- d. Status of compliance with the Observation Letter/s of the stock exchanges
- e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- f. Complaints Report as per SEBI Circular no. CIR/CFD/CMD/16/2015 dated November 30, 2015.

Yours faithfully,
For **National Stock Exchange of India Limited**

Kamlesh Patel
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL
http://www.nseindia.com/corporates/content/further_issues.htm

This Document is Digitally Signed



Signer : Patel Kamlesh Naginbhai
Date: Tue, Oct 4, 2016 16:04:08 GMT+05:30
Location: NSE

25th August, 2016

To
The Corporate Relationship Department
BSE Limited
P.J. Towers, Dalal Street, Mumbai-400 001.

Sir/Madam,

Sub: Application under Regulation 37 of SEBI (LODR) Regulations, 2015.

Ref: Complaint Report as per Annexure III of SEBI
Circular No.CIR/CFD/CMD/16/2015 dated 30th November'2015.

With reference to above subject, we had submitted application under Regulation 37 of SEBI (LODR) Regulations'2015 for the proposed amalgamation of M/s Navya Biological Private Limited (Transferor Company) with M/s Shilpa Medicare Limited (Transferee Company) ,covering letter dated 1st August.2016 , which was duly acknowledge by your good office on 4th August'2016.

In accordance with Para 1.A-6(b) of Annexure "1" of the SEBI Circular no. CIR/CFD/CMD/16/2015 dated 30 November, 2015, Complaint Report as per Annexure III shall be submitted within 7 days of expiry of 21 days from the date of filing of Draft Scheme with the stock exchanges. Accordingly, we do hereby confirm that we have not received any complaint/comments directly at our Registered office.

Further, we hereby enclose the Complaint Report as per annexure III format and also Complaint Report provided by our Registrar and Share Transfer Agent, M/s Karvy Computershare Private Limited.

We request you to kindly take the above on your records. We also request you to provide us the "No Objection Letter "at the earliest.

Thanking you,

For SHILPA MEDICARE LIMITED

Sd/-

Company Secretary

Encl: Complaints Report

Complaints Report:**PART A**

Sr. No.	Particulars	Number
1	Number of complaints received directly	NIL
2	Number of complaints forwarded by Stock Exchanges	NIL
3	Total Number of complaints/comments received (1+2)	NIL
4	Number of complaints resolved	N.A
5	Number of complaints pending	N.A

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	N.A	N.A	N.A

For SHILPA MEDICARE LIMITED

Sd/-

Company Secretary

Date: 25.08.2016

Place: Raichur

1st September, 2016

To
The Listing Department,
National Stock Exchange of India Limited,
Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E)
MUMBAI – 400 051.

Sir/Madam,

Sub: Application under Regulation 37 of SEBI (LODR) Regulations, 2015.
Ref: Complaint Report as per Annexure III of SEBI
Circular No.CIR/CFD/CMD/16/2015 dated 30th November'2015.

With reference to above subject, we had submitted application under Regulation 37 of SEBI (LODR) Regulations'2015 for the proposed amalgamation of M/s Navya Biological Private Limited (Transferor Company) with M/s Shilpa Medicare Limited (Transferee Company) ,covering letter dated 1st August.2016 , which was duly acknowledge by your good office on 5th August'2016.

In accordance with Para 1.A-6(b) of Annexure "1" of the SEBI Circular no. CIR/CFD/CMD/16/2015 dated 30 November, 2015, Complaint Report as per Annexure III shall be submitted within 7 days of expiry of 21 days from the date of filing of Draft Scheme with the stock exchanges. Accordingly, we do hereby confirm that we have not received any complaint/comments directly at our Registered office.

Further, we hereby enclose the Complaint Report as per annexure III format and also Complaint Report provided by our Registrar and Share Transfer Agent, M/s Karvy Computershare Private Limited.

We request you to kindly take the above on your records. We also request you to provide us the "No Objection Letter "at the earliest.

Thanking you,

For SHILPA MEDICARE LIMITED

Sd/-

Authorised Signatory

Encl: Complaints Report

Complaints Report:**Part A**

Sr. No.	Particulars	Number
1	Number of complaints received directly	NIL
2	Number of complaints forwarded by Stock Exchanges	NIL
3	Total Number of complaints/comments received (1+2)	NIL
4	Number of complaints resolved	N.A
5	Number of complaints pending	N.A

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	N.A	N.A	N.A

For SHILPA MEDICARE LIMITED

Sd/-

Authorised Signatory

Date: 01.09.2016

Place: Raichur

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF SHILPA MEDICARE LIMITED AT ITS MEETING HELD ON THURSDAY, THE 9TH DAY OF MARCH, 2017 EXPLAINING THE EFFECT OF SCHEME ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS

1. Background

- 1.1 The Proposed Scheme of Amalgamation between Shilpa Medicare Limited ("Shilpa") and Navya Biologicals Private Limited ("Navya") and their Respective Shareholders and Creditors was approved by the Board of Directors of Shilpa vide resolution dated 27th day of June, 2016. Subsequent to the said date, provisions of Section 230 to 232 of the Companies Act, 2013 inter alia, governing amalgamation of companies have become operative with effect from 15th December, 2016. Provisions of Section 232(2)(c) of the Companies Act, 2013 requires the Directors to adopt a report explaining the effect of arrangement and amalgamation on equity shareholders, Key Managerial Personnel, Promoters and Non-Promoter Shareholders of the Company laying out in particular the share exchange ratio and the same is required to be circulated to the equity shareholders.
- 1.2 This report of the Board is accordingly being made in pursuance to the requirements of section 232(2) (c) of the Companies Act, 2013.
- 1.3 The following documents were placed before the Board:
 - 1.3.1 Valuation Report dated 27th day of June, 2016 by M/s. Nekkanti Srinivasu & Co., Chartered Accountants describing methodology adopted by them, in arriving at the share entitlement ratio ("Valuation Report").
 - 1.3.2 Fairness Opinion dated 11th day of July, 2016 prepared by M/s. Quintessence Enterprises Private Limited, a category I Merchant Banker, providing the Fairness opinion on the Share Exchange Ratio ("Fairness opinion")
 - 1.3.3 Report of the Audit Committee of the Board of Directors dated 27th day of June, 2016.

2. Effect of the Scheme of Amalgamation on equity shareholders, employees and KMPs of Shilpa:

- 2.1 Under the Scheme, an arrangement is sought to be entered into between Shilpa and its equity shareholders, upon the effectiveness of the scheme, Shilpa will allot Equity Shares, based on the Share Exchange Ratio in the manner as stipulated in Clause 6.2.1 of the Scheme, to the equity shareholders of Navya:
 - 2.1.1 Shilpa shall issue and allot to each member of Navya, whose name is recorded in the register of members equity shares in the Shilpa credited as fully paid up in the ratio of 19.178 of equity shares of Re. 1/- each of Shilpa for every one equity share of Rs. 100/- each held as fully paid up in the Navya.
- 2.2 Under Clause 4.2.11 of Scheme, on and from the effective date, Shilpa undertakes to engage all the Employees of Navya on the same terms and conditions on which they are engaged by Navya without any interruption of service and in the manner provided under Clause 4.2.11 of the Scheme. The Key managerial personnel of Navya will also become the employees of Navya.
- 2.3 Under the Scheme, no rights of the employees of either Shilpa or Navya are being affected. The services of the Employees of Navya under the Scheme, shall continue on the same terms and conditions on which they were engaged by Navya.
- 2.4 The Board was informed that Shilpa has issued and allotted 30,25,000 equity shares of Re.1/- on preferential basis (on 26th December, 2016) i.e. after the Board's approval of said Scheme of Amalgamation and to that extent paid up capital of Shilpa has gone up to Rs. 8,01,26,904/- from Rs.7,71,01,904. Further, informed that as the said shares were issued at the price as calculated under the provisions of SEBI (ICDR) Regulations, 2009 hence, it does not have any impact on the valuation of Navya or on share exchange ratio as specified in clause 6.2.1 of the Scheme of Amalgamation.
- 2.5 There is no effect of the Scheme on the Key managerial Personnel and/or the Directors of Shilpa
- 2.6 No special valuation difficulties were reported.

By the order of the Board
Sd/-
Omprakash Inani
Director
DIN:01301385

Date :09-03-2017
Place :Raichur

Shilpa Medicare Limited

Unaudited Standalone Accounting Statement for the period ended 31.12.2016

Balance Sheet

(Amt in Lakhs)

	Particulars	Unaudited 31.12.2016	Audited 31.03.2016
A	<u>ASSETS</u>		
1	NON- CURRENT ASSETS		
	a)Property , Plant & Equipment. - Tangible	38,014.70	34,799.67
	b)Property , Plant & Equipment. - Intangible	750.25	723.33
	c)Intangible/ Tangible Assets under Development	8,142.33	8,937.85
	d) Non Current Investments	10,495.50	10,078.53
	e) Long term loans and advances	8,095.42	5,920.79
	f) Other Non- Current Assets	30.84	-
		65,529.04	60,460.17
2	CURRENT ASSETS		
	(a) Current Investments	21,571.52	5,272.55
	(b) Inventories	16,569.92	12,465.87
	(c) Trade Receivables	13,393.49	7,127.52
	(d) Cash and Cash Equivalents	3,624.76	583.91
	(e) Short Term Loan and Advances	8,935.13	1,895.20
	(f) Other Current Assets	2,145.35	1,097.69
		66,240.17	28,442.75
	TOTAL	1,31,769.22	88,902.92
1	<u>EQUITY</u>		
	(a) Equity Share Capital	801.27	771.02
	(b) Other Equity	91,228.15	66,391.43
		92,029.42	67,162.45
2	<u>LIABILITIES</u>		
	NON- CURRENT LIABILITIES		
	(a) Financial Liabilities		
	(i) Long-Term Borrowings	10,192.50	-
	(iii) Deferred Tax Liabilities (net)	5,904.86	4,846.61
	(iv) Long Term Provisions	390.00	390.00
	(v) Other Non-Current Financial Liabilities	197.88	-
		16,685.24	5,236.61
	(b) CURRENT LIABILITIES		
	(i) Short-Term Borrowings	9,331.66	6,959.37
	(ii) Trade Payables	9,709.57	5,895.91
	(iii) Other Financial Liabilities	3,964.93	3,602.43
	(iv) Short Term Provisions	48.40	46.15
		23,054.56	16,503.86
	TOTAL	1,31,769.22	88,902.92

For Shilpa Medicare Limited

Rajendra Dugar
Rajendra Dugar
 Chief Financial Officer



Shilpa Medicare Limited

(Amt in Lakhs)

**Unaudited Standalone Accounting Statement for the period ended 31.12.2016
Statement of Profit and Loss Account**

Particulars	Unaudited	Audited
	31.12.2016	31.03.2016
<u>Revenue</u>		
Revenue from operations	49647.14	59690.02
Other operating revenues	3034.77	7889.04
Revenue from operations (Net)	52681.91	67579.06
Other income	957.56	680.52
TOTAL REVENUE	53639.47	68259.58
<u>Expenses</u>		
a) Cost of Materials Consumed	27387.13	36046.75
b) Purchases of Stock-in Trade	370.59	381.00
c) Change in Inventories of Finished Goods, Work-in-Progress and Stock-in- Trade	-131.84	-254.74
d) Employee Benefits Expense	6343.81	6697.47
e) Finance Costs	200.20	327.19
f) Depreciation and Amortisation Expense	1931.14	2119.03
g) Other Expenses	6109.66	8218.40
TOTAL EXPENSES	42210.69	53535.10
Profit Before Extraordinary Items and Tax	11428.77	14724.48
Exceptional (Income) / Expense	0.00	241.96
Prior Period (income)/ Expenses	0.00	0.00
Profit Before Tax	11428.77	14482.53
<u>Tax Expenses</u>		
a) Current Tax	2401.74	3035.51
Less: Mat Credit Entitlement	-66.40	-501.29
b) Prior Period Tax	-	-
c) Deferred Tax	630.80	915.40
	2,966.14	3,449.61
Profit for the Period	8,462.63	11,032.92

For Shilpa Medicare Limited

Rajendra Dugar
Rajendra Dugar
 Chief Financial Officer



Shilpa Medicare Limited**Unaudited Consolidated Accounting Statement for the period ended 31.12.2016****Balance Sheet**

(All amounts in lakhs in Indian Rupees unless otherwise stated)

Particulars	Unaudited 31.12.2016	Audited 31.03.2016
ASSETS		
NON- CURRENT ASSETS		
(a) Goodwill on Consolidation	1,394.38	2,312.23
(b) Property, Plant & Machinery		
i) Tangible	41,203.75	54,984.89
ii) Intangible	773.48	742.82
iii) Property, Plant & Machinery Under Development	8,593.04	9,472.90
(c) Non Current Investments	3,139.45	24.25
(d) Long Term Loans and Advances	7,360.32	4,340.71
(e) Other Non-Current Assets	31.62	0.60
CURRENT ASSETS		
(a) Current Investments	21,571.62	5,272.55
(b) Inventories	17,874.83	16,250.65
(c) Trade Receivables	13,563.51	8,459.06
(d) Cash and Cash Equivalents	4,301.71	1,588.23
(e) Short Term Loan and Advances	3,314.07	2,390.11
(f) Other Current Assets	7,366.42	354.88
TOTAL	130,488.20	106,193.86
EQUITY AND LIABILITIES		
SHAREHOLDER' FUNDS		
(a) Share Capital	794.95	771.02
(b) Share Application money pending allotment		
(c) Other Equity	87,493.92	63,919.28
NON-CONTROLLING INTEREST/ MINORITY INTEREST	(137.69)	1,476.37
NON- CURRENT LIABILITIES		
(a) Long-Term Borrowings	10,194.77	9,753.82
(b) Deferred Tax Liabilities (net)	5,740.12	3,586.99
(c) Long Term Provisions	1,401.10	1,354.09
(d) Other Non- Current Financial Liabilities	362.80	350.93
CURRENT LIABILITIES		
(a) Short-Term Borrowings	9,761.38	8,698.43
(b) Trade Payables	10,453.10	10,144.04
(c) Other Current Liabilities	4,315.48	6,065.85
(d) Short Term Provisions	108.28	73.04
Sub-Total Current Liabilities		-
TOTAL	130,488.20	106,193.86

For Shilpa Medicare Limited

Rajendra Dugar
Rajendra Dugar
 Chief Financial Officer

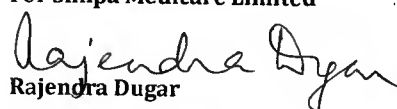


Shilpa Medicare Limited - Raichur**Unaudited Consolidated Accounting Statement for the period ended 31.12.2016****Statement of Profit & Loss Account**

(All amounts in lakhs in Indian Rupees unless otherwise stated)

Particulars	Unaudited	Audited
	31.12.2016	31.03.2016
Revenue		
Revenue from Operations	52,402.33	63,757.83
Other Operating Revenues	3,362.25	8,178.80
Revenue from Operations (Net)	55,764.58	71,936.62
Other Income	1,004.98	464.21
TOTAL REVENUE	56,769.56	72,400.83
Expenses		
a) Cost of Materials Consumed	28,017.88	37,041.98
b) Purchases of Stock-in Trade	370.59	381.00
c) Change in Inventories of Finished Goods, Work-in-Progress and Stock-in- Trade	(412.79)	(679.88)
d) Employee Benefits Expense	8,828.99	9,144.73
e) Finance Costs	202.53	686.48
f) Depreciation and Amortization Expense	2,218.10	2,862.91
g) Other Expenses	7,252.26	10,513.48
TOTAL EXPENSES	46,477.56	59,950.70
Profit Before Extraordinary Items and Tax	10,292.00	12,450.14
Exceptional items	-	-
Profit Before Extraordinary Items and Tax	10,292.00	12,450.14
Exceptional (Income) / Expense	-	241.96
Prior Period (income)/ Expenses	-	(2.09)
Profit Before Tax	10,292.00	12,210.27
Tax Expenses		
a) Current Tax	2,409.21	3,054.08
Less: MAT Credit Entitlement	(66.40)	(501.29)
b) Deferred Tax (Net)	654.84	(214.03)
c) Prior Period Tax	-	-
Total Tax Expenses	2,997.65	2,338.76
Profit for the Period	7,266.30	9,871.51
Add: Share of (Loss) / Profit of Non Controlling Interest(NCI)	(188.50)	(506.83)
Share of Profit/ (Loss) in Joint Venture (JV) / Associates	(446.50)	
Profit / (Loss) from discontinuing operations after tax		
Profit for the period	7,008.30	10,378.34

For Shilpa Medicare Limited



Rajendra Dugar

Chief Financial Officer



CIN : U73200KA2006PTC039657



NAVYA BIOLOGICALS PRIVATE LIMITED		
Registered Office: # 120/C, 3rd Cross, 4Th Block, S T Bed, Koramangala, Bangalore - 560034.(Karnataka)		
SUMMARY OF UNAUDITED STATEMENT FOR THE PERIOD 31.12.2016		
Balance Sheet as at	Unaudited	
Particulars	Note No	31st Dec 2016
I. EQUITY AND LIABILITIES		
(1) Shareholder's Funds		
(a) Share Capital	1	73,00,000
(b) Reserves and Surplus	2	(2,90,23,703)
(c) Money received against share warrants		
(2) Share application money pending allotment		
(3) Non-Current Liabilities		
(a) Long-term borrowings	3	11,75,80,616
(b) Deferred tax liabilities (Net)		-
(c) Other Long term liabilities		-
(d) Long term provisions		-
(4) Current Liabilities		
(a) Short-term borrowings		-
(b) Trade payables	4a	43,64,550
(c) Other current liabilities	4b	12,58,986
(d) Short-term provisions	5	7,28,038
Total		10,22,08,486
II. Assets		
(1) Non-current assets		
(a) Fixed assets		
(i) Tangible assets	7	4,73,89,083
(ii) Intangible assets		11,30,499
(iii) Capital work-in-progress		10,06,191
(iv) Intangible assets under development		-
(b) Non-current investments		-
(c) Deferred tax assets (net)	8	8,29,128
(d) Long term loans and advances		-
(e) Other non-current assets		-
(2) Current assets		
(a) Current investments		-
(b) Inventories	9	10,00,000
(c) Trade receivables	10	11,53,007
(d) Cash and cash equivalents	11	94,99,992
(e) Short-term loans and advances	12	3,13,91,944
(f) Other current assets	13	88,08,642
Total		10,22,08,486

Previous year's figures have been regrouped wherever necessary

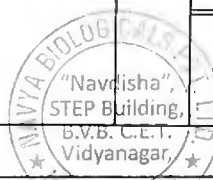
For Navya Biologicals Pvt. Ltd.

Authorized Signatory / Director


NAVYA BIOLOGICALS PRIVATE LIMITED		
Registered Office: # 120/C, 3rd Cross, 4Th Block, S T Bed, Koramangala, Bangalore - 560034.(Karnataka)		
SUMMARY OF UNAUDITED STATEMENT FOR THE PERIOD 31.12.2016		
Particulars	Note No	Unaudited 31st Dec 2016
I. Revenue from operations	14	25,00,000
II. Other Income	15	5,31,030
III. Total Revenue (I + II)		30,31,030
<u>IV. Expenses:</u>		
Research & Development Expenses	16	65,53,690
Employee benefit expense	17	93,81,269
Financial costs	18	17,79,789
Depreciation and amortization expense	6	1,84,43,165
Other expenses	20	62,79,856
Total Expenses		4,24,37,768
V. Profit before exceptional and extraordinary items and tax(III - IV)		(3,94,06,739)
VI. Exceptional Items		
VII. Profit before extraordinary items and tax (V - VI)		(3,94,06,739)
VIII. Extraordinary Items		
IX. Profit before tax (VII - VIII)		(3,94,06,739)
X. Tax expense:		
(1) Current tax [MAT]		-
(2) Deferred tax		-
XI. Profit(Loss) from the period from continuing operations (VII-VIII)		(3,94,06,739)
XII. Profit/(Loss) from discontinuing operations		
XIII. Tax expense of discounting operations		
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		
XV. Profit/(Loss) for the period (XI + XIV)		(3,94,06,739)
XVI. Earning per equity share:		
(1) Basic		(540)
(2) Diluted		

For Navya Biologicals Pvt. Ltd.

Authorised Signatory / Director



NAVYA BIOLOGICALS PRIVATE LIMITED			
Registered Office: # 120/C, 3rd Cross, 4th Block, S T Bed, Koramangala, Bangalore - 560034.(Karnataka)			
SUMMARY OF UNAUDITED STATEMENT FOR THE PERIOD 31.12.2016			
NOTES FORMING PART OF BALANCE SHEET			Unaudited
PARTICULARS			As at 31st Dec 2016 INR
I EQUITY & LIABILITIES			
1. Share Holders Funds			
Authorised :			
1,00,000 Equity Shares of Rs.100/- each			1,00,00,000
1. Share Holders Funds			
a. Issued, Subscribed and Paid up:			
73,000 Equity Shares of Rs.100/- each.			73,00,000
(Please refer below the list of shareholders who are holding more than 5% in the share capital of the company)			
Particular's	30.09.2016	31.03.2016	
Vinay Konaje -25,538.00 (No's)	34.98%	34.98%	
Rajeshri Karur Ramkrishnan -25,538.00 (No's)	34.98%	34.98%	
Lalitha Krishnamurthy -10,962.00 (No's)	15.02%	15.02%	
Geetha Nagesh Konaje -10,962.00 (No's)	15.02%	15.02%	
2 Reserves & Surplus			73,00,000
Grant In Aid and Reserves and Surplus			1,03,83,036
Current Year Surplus/(Deficit)			(3,94,06,739)
3. Non current Liabilities			(2,90,23,703)
a. Long Term Borrowings:			
i) Secured Loans:			
Loan Under SIBIRI Scheme			1,38,88,858
Loan Under BIPP Scheme			63,54,496
ii) Unsecured Loans:			2,02,43,354
From Others :			
Director's Loan			15,13,703
(Loan From Mr Vinay Konaje - Director of the company)			
Inter- Corporate Loan			9,58,23,559
(* Inter- Corporate Loan is from M/s Shilpa Medicare Limited, A company which is in the process of Acquiring M/s Navya Biological Pvt Ltd through Merger Process)			
4. Non current Liabilities			9,73,37,262
a. Trade Payables:			11,75,80,616
Sundry Creditors:			
Trade Creditors			43,64,550
b. Other Current Liabilities:			43,64,550
Accrued Interest On Loan - Shilpa Medicare			
(Interest @ 9% accrued on the loan from Shilpa Medicare Limited)			12,58,986
5. Other Short Term Provisions:			12,58,986
Audit Fees			-
Duties & Taxes			99,560
Salary Payable			5,09,106
Provision for expenses			1,19,372
Provision for Income Tax			-
For Navya Biologicals Pvt. Ltd.			7,28,038
<i>[Signature]</i> Authorised Signatory Director			

CIN : U73200KA2006PTC039657



NAVYA BIOLOGICALS PRIVATE LIMITED
Registered Office: # 120/C, 3rd Cross, 4Th Block, S T Bed, Koramangala, Bangalore - 560034. (Karnataka)

6. Unaudited Depreciation Schedule as at 31st Dec 2016									
FIXED ASSETS	Cost 01.04.2016	Additions	Deletions	Total 31.12.2016	Rate	OB 01.04.2016	Depn 31-12-16	Total	W D V 31-12-16
TANGIBLE ASSETS									
Computers	12,69,135	12,50,976	-	25,20,111	63.16%	12,32,458	8,92,401	21,24,859	3,95,252
Lab Equipment	4,48,14,464	3,32,07,605	-	7,80,22,069	25.89%	2,15,59,742	1,68,87,375	3,84,47,117	3,95,74,952
Furniture & Fixture	11,49,685	6,92,050	-	18,41,735	25.89%	6,67,323	3,16,911	9,84,234	8,57,501
Mobile	26,259	-	-	26,259	45.07%	26,259	-	26,259	-
UPS	6,47,680	37,600	-	6,85,280	45.07%	5,98,472	47,382	6,45,854	39,426
Generator	10,62,793	-	-	10,62,793	45.07%	10,50,802	5,404	10,56,206	6,587
Office Equipment	8,35,030	90,846	-	9,25,876	45.07%	3,15,939	2,93,691	6,09,630	3,16,246
Land	61,99,120	-	-	61,99,120	0.00%	-	-	-	61,99,120
	5,60,04,166	3,52,79,077	-	9,12,83,243		2,54,50,995	1,84,43,165	4,38,94,160	4,73,89,083
Intangible Asset									
Software	-	1,30,499	-	1,30,499	0.00%	-	-	-	1,30,499
TOTAL	5,60,04,166	3,54,09,576	-	9,14,13,742	-	2,54,50,995	1,84,43,165	4,38,94,160	4,75,19,582



For Navya Biologicals Pvt. Ltd.
Rajaram K. R.
Authorised Signatory / Director

I I ASSETS	
7. Non Current Assets	As per the Depreciation Schedule
a. Fixed Assets:	
Tangible Assets	4,73,89,083
Intangible Assets	1,30,499
Capital Work-In-Progress	10,06,191
	4,85,25,773
8. Deferred Tax Assets (Net):	8,29,128
9. Current Assets	
a. Inventories:	10,00,000
	10,00,000
10. Trade Recievables:	
Debts outstanding for a period exceeding six months	11,53,007
	11,53,007
11. Cash & Bank Equivalents:	
Cash-on-Hand	13,914
Balances with Banks	36,32,734
Short Term Bank Deposits	58,53,344
	94,99,992
12. Short Term Loans & Advances:	
i) Deposits:	
Kotak Bank - Sweep Deposit	2,86,31,799
	2,86,31,799
ii) Loans & Advances:	
Tax Deducted At Source	27,60,145
	27,60,145
	3,13,91,944
13. Other Current Assets:	
Other Debts -Advance to Suppliers	88,08,642
	88,08,642

For Navya Biologicals Pvt. Ltd.


 Authorised Signatory / Director


CIN : U73200KA2006PTC039657



NAVYA BIOLOGICALS PRIVATE LIMITED	
Registered Office: # 120/C, 3rd Cross, 4Th Block, S T Bed, Koramangala, Bangalore - 560034.(Karnataka)	
SUMMARY OF UNAUDITED STATEMENT FOR THE PERIOD 31.12.2016	
SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT	Unaudited
PARTICULARS	As at 31st Dec 2016 INR
I REVENUE FROM OPERATIONS:	
14 a. Income from R&D Activity	
Research and Development Income	25,00,000
Total-(A)	25,00,000
II OTHER INCOME:	
15 b. Indirect Income	
Interest Income - Sweep Account	3,39,289
Interest On Income Tax refund	84,434
Reversal of Expenses(Interest On SIBIRI)	-
Creditors Written Back	58,754
Others Income	48,553
Total-(B)	5,31,030
III Grand Total [A+B]	30,31,030
IV EXPENSES	
16 a. Cost of Material Consumed:	
b. Purchases	
c. Changes in Inventories:	(6,47,540)
d. Research & Development Expenses:	
Lab Consumables	70,78,232
Lab expenses	1,22,998
	65,53,690
17. Employees Benefit Expenses:	
Salaries and other Allowances	90,23,929
Contribution to Provident Fund & ESIC	3,57,340
	93,81,269
18. Financial Costs:	
Bank Charges	59,575
Accrued Interest On BIPP Loan	2,37,234
Interest On Intercompany Loan (SML)	13,98,872
Forex Loss	84,109
	17,79,789
19. Other Expenses:	
Audit Fess	17,250
Repairs & Maintainance	13,96,061
Fuel & Power Expenses	9,22,871
Consultancy & Professional Charges	16,95,799
Rental Charges	56,071
Staff Welfare Expenses	-
Telephone expenses	69,476
Travelling & Conveyance	6,62,739
Insurance	1,01,751
Other Expenses	12,81,480
Rates & tax	76,358
	62,79,856

For Navya Biologicals Pvt. Ltd.

Authorised Signatory / Director

Previous year's figures have been regrouped wherever necessary

NAVYA BIOLOGICALS PVT. LTD.
 "Navdisha", STEP Building, B.V.B. C.E.T. Vidyanagar, HUBLI - 580 031.
 Website : www.navyalife.com, E-mail : info@navyamail.com, Tel. 0836-2277461

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH
T.P No. 267/2017 In C.A No.743/2016

In the matter of the Companies Act,2013;

And

In the matter of Sections 230-232 read with other relevant provisions of the Companies Act, 2013;

And

In the matter of Shilpa Medicare Limited;

And

In the matter of Scheme of Amalgamation of Navya Biologicals Private Limited with Shilpa Medicare Limited and their respective shareholders and creditors;

Shilpa Medicare Limited,
a company incorporated under
the provisions of the Companies Act, 1956
and having its registered office
at # 12-6-214/A1, Hyderabad Road,
Raichur, Karnataka– 584 135

....Applicant Company

PROXY FORM

Name of the Shareholder(s) : _____

Registered Address : _____

E-MailID : _____ Folio No / DPID & Client ID : _____ No. of Shares held : _____

I/We, being the shareholder(s) of _____ shares
of the SHILPA MEDICARE LIMITED, hereby appoint Mr./Ms. _____ and failing him/her
Mr./Ms. _____ and failing him/her Mr./Ms. _____ as my/
our proxy and whose signature(s) are appended below to attend and vote (on Poll) for me/us and on my/our behalf
at the NCLT CONVENED MEETING of the Company to be held on Saturday the 29th day of April, 2017 at 10.30 A.M
at # 12-6-214/A1, Hyderabad Road, Raichur, Karnataka– 584 135, and at any adjournment thereof in respect of
such resolutions and in such manner as are indicated below:

Description of Resolution	For	Against
Resolution pursuant to provisions of Section 230 of the Companies, Act 2013 read with relevant Rules and Regulation 44 of SEBI (LODR) Regulations (erstwhile Clause 35B of the Listing Agreement) and SEBI Circulars and under relevant provisions of applicable law for approval of the Scheme of Amalgamation of Navya Biologicals Private Limited with Shilpa Medicare Limited and their respective shareholders and creditors		

Signed this _____ day of _____ 2017

Signature of Shareholder _____

Affix
Revenue
stamp of
Re. 1/-

(Signature across the stamp)

Signature of first Proxy Holder

Signature of Second Proxy Holder

Signature of Third Proxy Holder

Notes:

1. This form in order to be effective must be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not later than 48 hours before the commencement of the meeting.
2. Please select the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate
3. Alterations, if any, made in the Form of Proxy should be initialed.
4. In case of multiple proxies, the Proxy later in time shall be accepted.
5. Proxy need not be shareholder of the Transferee Company.

Intentionally left blank



Innovating for
affordable healthcare

SHILPA MEDICARE LIMITED

CIN: L85110KA1987PLC008739

Regd Office: #12-6-214/A1, Hyderabad Road, Raichur, Karnataka - 584 135

TelNo: +91 8532238704; Fax: +91 8532 238876

Website: www.vbshilpa.com

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL OF NCLT CONVENED MEETING ON SATURDAY THE 29TH DAY OF APRIL, 2017 AT 10.30 A.M AT , # 12-6-214/A1, HYDERABAD ROAD, RAICHUR, KARNATAKA– 584 135

Name of the Shareholder _____

Folio No. / DPID & Client ID _____

No. of shares held _____

I/We certify that I/We am/are registered shareholder/proxy for the registered shareholder of the company.

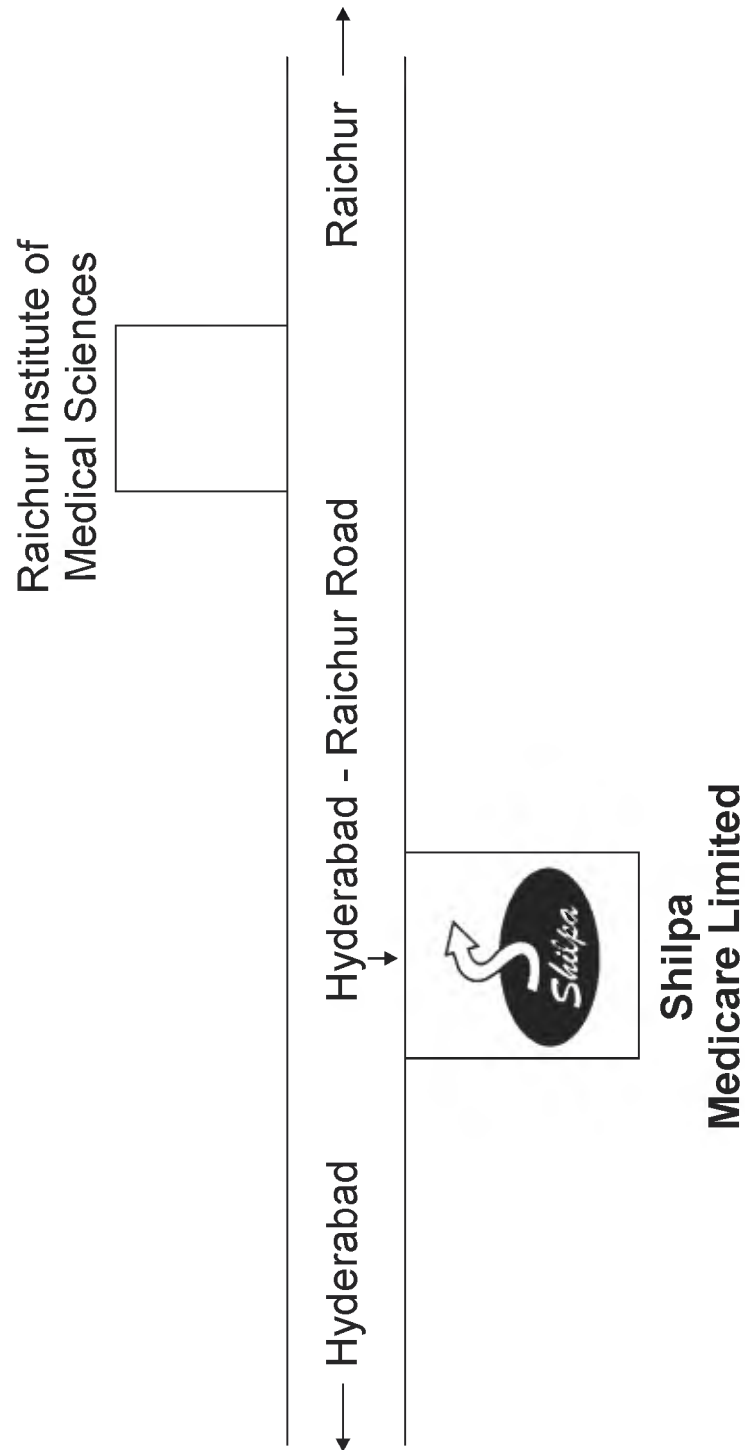
I/We hereby record my presence at the NCLT CONVENED MEETING of the Company to be held at Saturday the 29th day of April, 2017 at 10.30 A.M at # 12-6-214/A1, Hyderabad Road, Raichur, Karnataka– 584 135.

Shareholder's/Proxy's name in BLOCK letters

Signature of Shareholder/Proxy

Note: Please fill in the attendance slip and hand it over at the entrance of the Meeting Hall. Joint Shareholder(s) may obtain additional attendance slip at the venue of the meeting.

ROUTE MAP TO THE MEETING VENUE



SHILPA MEDICARE LIMITED

Regd Office: #12-6-214/A1, Hyderabad Road,
Raichur, Karnataka - 584 135

Tel No: +918532238704; Fax: +918532 238876
Website: www.vbshilpa.com