

Albany Molecular Research Hyderabad Research Centre Private Limited

Registered Office : Plot No. 9, Sy. No. 230-243, Phase-I, Alexandria Knowledge Park,
 Genome Valley, Turkapally, Shameerpet, Hyderabad, Telangana, India - 500 078.
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 CIN : U73200TG2005PTC045178

July 5, 2017

To

Unsecured Creditors

Albany Molecular Research Hyderabad Research Centre Private Limited

This is in connection with the Scheme of Amalgamation of AMRI India Private Limited and Finekem Laboratories Private Limited with Albany Molecular Research Hyderabad Research Centre Private Limited and their respective shareholders, wherein National Company Law Tribunal ('NCLT') Hyderabad Bench has ordered Albany Molecular Research Hyderabad Research Centre Private Limited to convene a meeting of its Unsecured Creditors. Please find attached the notice along with required documents. This notice is prepared based on a cut-off date of 28th February 2017 which was considered for filing application before NCLT Hyderabad Bench by Albany Molecular Research Hyderabad Research Centre Private Limited.

**TRIBUNAL CONVENED MEETING OF THE UNSECURED CREDITORS OF
 ALBANY MOLECULAR RESEARCH HYDERABAD RESEARCH CENTRE
 PRIVATE LIMITED**

Day : Wednesday

Date : 9th August 2017

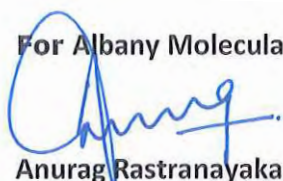
Time : 12.00 P.M.

Venue : Plot No. 9, Survey Nos: 230-243, Phase 1, M N Park, Turkapally,
 Shamirpet Mandal, Genome Valley, Hyderabad, Telangana - 500 078

S. No.	CONTENTS	PAGE NO.
1.	Notice of Tribunal Convened Meeting of the Unsecured Creditors of Albany Molecular Research Hyderabad Research Centre Private Limited	1
2.	Explanatory Statement under section 230 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016	3
3.	Copy of Scheme of Amalgamation of AMRI India Private Limited and Finekem Laboratories Private Limited with Albany Molecular Research Hyderabad Research Centre Private Limited and their respective shareholders	9

4.	Copy of Independent Valuation Report obtained from Deloitte Haskins & Sells, Chartered Accountants dated 23 March 2017	31
5.	Copy of unaudited financials of Albany Molecular Research Hyderabad Research Centre Private Limited as on 28th February 2017	42
6.	Confirmation of filing the draft Scheme with the Registrar of Companies	50
7.	Copy of report adopted by the directors of Transferee Company explaining effect of compromise on each Equity Shareholders (Promoter And Non-Promoter Shareholders), Key Managerial Personnel, Directors, Depositors, Creditors, Debenture holders, Deposit trustee, Debenture trustee and Employees of the Applicant Company	51
8.	Form of Proxy	52
9.	Attendance Slip	54

For Albany Molecular Research Hyderabad Research Centre Private Limited



Anurag Rastranayaka

Director

DIN: 07189675

BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH, AT HYDERABAD
IN THE MATTER OF THE COMPANIES ACT, 2013
AND
IN THE MATTER OF SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013
AND
IN THE MATTER OF ALBANY MOLECULAR RESEARCH HYDERABAD RESEARCH
CENTRE PRIVATE LIMITED
AND
IN THE MATTER OF SCHEME OF AMALGAMATION OF AMRI INDIA PRIVATE
LIMITED AND FINEKEM LABORATORIES PRIVATE LIMITED WITH ALBANY
MOLECULAR RESEARCH HYDERABAD RESEARCH CENTRE PRIVATE LIMITED
AND THEIR RESPECTIVE SHAREHOLDERS

CA(CAA)/36/230/HDB/2017

Albany Molecular Research Hyderabad Research Centre Private Limited
Registered Office: No. 9, SY No: 230-243,
Phase-1, M N Park,
Turkapally, Shamirpet Mandal,
Genome Valley,
Hyderabad, Telangana- 500 078

... Applicant Company /
Transferee Company

NOTICE CONVENING MEETING OF THE UNSECURED CREDITORS

To

The Unsecured Creditors,
Albany Molecular Research Hyderabad Research Centre Private Limited

Notice is hereby given that by an order dated 8th day of June, 2017, the Hon'ble National Company Law Tribunal, Hyderabad Bench at Hyderabad has directed a meeting of Unsecured Creditors of M/s. Albany Molecular Research Hyderabad Research Centre Private Limited to be held for the purpose of considering, and if thought fit, approving with or without modifications, the proposed Scheme of Amalgamation of AMRI India Private Limited and Finekem Laboratories Private Limited with Albany Molecular Research Hyderabad Research Centre Private Limited and their Respective Shareholders.

In pursuance of the said order and as directed therein, further notice is hereby given that a meeting of Unsecured Creditors of M/s Albany Molecular Research Hyderabad Research Centre Private Limited will be held at its Registered Office at

S. Subramanyam

Plot No.9, Survey No.230-243, Phase-1, MN Park, Turkapally, Shamirpet Mandal, Genome Valley, Hyderabad - 500 078, Telangana, on Wednesday, the 9th August 2017 at 12.00 Noon at which time and place the said Unsecured Creditors are requested to attend.

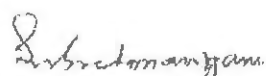
Copies of the Scheme and the statement under Section 230 of the Companies Act, 2013 can be obtained free of charge at the Registered Office of M/s Albany Molecular Research Hyderabad Research Centre Private Limited/ Applicant Company or at the office of its Authorised Representative, Shri Anurag Rastranayaka, at Plot No.9, Survey No.230-243, Phase-1, MN Park, Turkapally, Shamirpet Mandal, Genome Valley, Hyderabad - 500 078, Telangana.

Persons entitled to attend and vote at the meeting of the Unsecured Creditors may vote in person or by proxy provided that all proxies in the prescribed form, duly signed are deposited at the Registered Office of M/s Albany Molecular Research Hyderabad Research Centre Private Limited at Plot No.9, Survey No.230-243, Phase-1, MN Park, Turkapally, Shamirpet Mandal, Genome Valley, Hyderabad - 500 078, Telangana, India, not later than forty eight hours before the meeting.

Form of proxy can be obtained at the registered office of the Applicant Company.

The Hon'ble National Company Law Tribunal, Hyderabad Bench has appointed Shri. M. Subrahmanyam, as Chairperson of the said meeting. The Scheme, if approved in the meeting, will be subject to the subsequent approval of the Hon'ble National Company Law Tribunal, Hyderabad Bench at Hyderabad.

Dated this the 04th day of July, 2017
At Hyderabad



Shri M. Subrahmanyam,
Practicing Company Secretary
Chairperson appointed
for the Unsecured Creditors Meeting
Address: 25-40/32/16/1, P.No.24,
Sri Ramachandra Enclave,
East Anandbagh, Malkajgiri,
Hyderabad - 500 047.

Explanatory statement under Section 230 of the Companies Act, 2013 Read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

1. Pursuant to an Order dated 8th day of June 2017 passed by the Hon'ble National Company Law Tribunal, Hyderabad Bench in the Company Application referred to hereinabove, a meeting of the Unsecured Creditors of Albany Molecular Research Hyderabad Research Centre Private Limited, the Transferee Company, is being convened at Plot No. 9, Survey Nos:230-243, Phase 1, M N Park, Turkapally, Shamirpet Mandal, Genome Valley, Hyderabad, Telangana – 500 078 on 9th day of August 2017 at 12'O clock in the afternoon for the purpose of considering and if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme of Amalgamation of AMRI India Private Limited ('Transferor Company 1') and Finekem Laboratories Private Limited ('Transferor Company 2') with Albany Molecular Research Hyderabad Research Centre Private Limited ('Transferee Company') and their respective shareholders. A copy of the Scheme setting out details of parties involved in the proposed Scheme is attached herewith and forms a part of this Notice as well as the Explanatory Statement.
2. The Scheme captures the details of the Transferee Company, Transferor Company 1 and Transferor Company 2 including Corporate Identification Number (CIN), name, date of incorporation, company type, registered office address, details of capital structure including authorized, issued, subscribed, paid up share capital and main business carried on by them.
3. Details of PAN of the Transferee Company, registered email id, name and address of shareholders and Directors are as below:

Particulars	Remarks
PAN	AAFCA1469D
Registered email-id	seena.sankar@amriqglobal.com
Name and Address of Shareholders	<p>I. Albany Molecular Research Limited - Mostyn Road, Holywell, Flintshire, United Kingdom CH89DN</p> <p>II. Albany Molecular Research, Inc., USA - 26 Corporate Circle, Albany, New York 12203</p>
Name and Address of Directors	<p>I. Lori Marie Henderson - 8 Oak Hill Rd, Wayland MA, 01778-2904, United States Of America</p> <p>II. Anurag Rastranayaka - 503, Sapphire Apartment, 7-1-22/4, Begumpet, Opp Life Style, Hyderabad - 500016</p> <p>III. Anand Kumar Jain - Row House No. 97, Gut no - 74, Kasliwal Marvel West, Beed By pass road, Satara Parisar, Aurangabad-431001, Maharashtra-MH</p> <p>IV. Murali Krishna Valluri - Villa No.101, Ashoka A La Maison, Near Petrol Pump, Dulapalle, Hyd-500014</p>

Details of PAN of the Transferor Company 1, registered email id, name and address of Shareholders and Directors are as below:

Particulars	Remarks
PAN	AAGCA2555H

Registered email-id	seena.sankar@amriglobal.com
Name and Address of shareholders	I. Albany Molecular Research Mauritius Pvt Ltd - C/o CIM Global Business, Les Cascades Building, 33 Edith Cavell Street, Port-Louis, Mauritius - 11302 II. AMRI Rensselaer, Inc. - 33 Riverside Ave, Rensselaer, NY 12144, United States
Name and Address of Directors	I. Lori Marie Henderson - 8 Oak Hill Rd, Wayland MA, 01778-2904, United States Of America II. Anurag Rastranayaka - 503, Sapphire Apartment, 7-1-22/4, Begumpet, Opp Life Style, Hyderabad - 500016 III. Anand Kumar Jain - Row House No. 97, Gut no - 74, Kasliwal Marvel West, Beed By pass road, Satara Parisar, Aurangabad-431001, Maharashtra-MH IV. Murali Krishna Valluri - Villa No.101, Ashoka A La Maison, Near Petrol Pump, Dulapalle, Hyd-500014

Details of PAN of the Transferor Company 2, registered email id, name and address of Shareholders and Directors are as below:

Particulars	Remarks
PAN	AAACF7563Q
Registered email-id	seena.sankar@amriglobal.com
Name and Address of shareholders	I. AMRI India Private Limited - 713, 7th Floor, Exim Link Building, Mulund-Goregaon Link Road, Opp. Indira Container Yard, Nahur West, Mumbai, Maharashtra - 400078 II. AMRI Rensselaer, Inc. - 33 Riverside Ave, Rensselaer, NY 12144, United States
Name and Address of Directors	V. Lori Marie Henderson - 8 Oak Hill Rd, Wayland MA, 01778-2904, United States Of America VI. Anurag Rastranayaka - 503, Sapphire Apartment, 7-1-22/4, Begumpet, Opp Life Style, Hyderabad - 500016 VII. Anand Kumar Jain - Row House No. 97, Gut no - 74, Kasliwal Marvel West, Beed By pass road, Satara Parisar, Aurangabad-431001, Maharashtra-MH VIII. Murali Krishna Valluri - Villa No.101, Ashoka A La Maison, Near Petrol Pump, Dulapalle, Hyd-500014

4. The summary of main objects of the Transferee Company as per the memorandum of association is as follows:

- I. "To engage in research and development, testing, designing, conceptualizing, managing and improving compositions relating to molecules, compounds, chemicals and pesticides using medicinal chemistry, combinatorial chemistry, computer aided drug design, natural products, analytical chemistry, cheminformatics, process research and chemical development.

- II. *To maintain, develop, design, innovate, conceptualize, improve, construct, create, build, hold or acquire by purchase or lease, and to sell, alienate, dispose of and deal in, facilities for undertaking scientific and industrial research and development activities in India or abroad, including laboratory facilities for chemical synthesis and analysis along with qualified manpower.*
- III. *To carry on the business of inventing, developing, producing, processing, distilling, acquiring, buying, selling, importing, exporting, stocking, storing, distributing, maintaining, handling and dealing in all chemicals, heavy or fine, organic, inorganic, or any other derivatives and compounds thereof for the purpose of selling the same in the market.*
- IV. *To undertake testing, investigation and research and development programs relating to industries of all kinds and of all sizes and advise on the application of existing and new processes and methods and scope for expansion of industries for the manufacture of new and varied products."*

The summary of main objects of the Transferor Company 1 as per the memorandum of association is as follows:

- I. *To carry on the business in India of developing, designing, innovating, conceptualizing, engineering, managing, improving, constructing, creating, building, holding or acquiring by purchase, lease, exchange or otherwise and to sell, export, alienate, dispose of and deal in India or abroad in the development and production of pharmaceutical products, cGMP manufacturing using biotechnology, genomics, medicinal chemistry, combinatorial chemistry, computer - aided drug design, natural products, analytical chemistry, process research and chemical development.*
- II. *To establish, maintain and conduct consulting and research laboratories and experimental centres in pharmaceutical sciences including analysis testing and experimenting and to undertake pharmaceutical scientific investigation experimental and research."*

The summary of main objects of the Transferor Company 2 as per the memorandum of association is as follows:

- I. *"To manufacture, process, import, export, buy, sell, distribute and/ or otherwise deal in Organic and Inorganic chemicals such as dyes intermediate, Basic drugs and drug intermediates, textiles, auxiliaries, synthetic fertilizers and food processing chemicals".*
5. Details of change of name, registered office and objects of the Transferee Company during the last five years are as below:
 - Change in Articles of Association on account of inclusion of provisions of dematerialization of shares in an extraordinary general meeting held dated 5th March, 2015
 - Change of objects clause in Memorandum of Association in an annual general meeting held dated 30th September, 2016
 - Change of registered office of the Transferee Company on 20th March, 2017
 6. Details of change of name, registered office and objects of the Transferor Company 1 during the last five years are as below:
 - Change in Capital Clause of Memorandum of Association due to increase in authorized share capital of the company from INR 125 crores to INR 140 crores on 09.05.2013

- Change in Capital Clause of Memorandum of Association due to Increase in authorized share capital of the company from INR 140 crores to INR 170 crores on 03.12.2013
 - Change in Capital Clause of Memorandum of Association due to increase in authorized share capital of the company from INR 170 crores to INR 200 crores on 20.05.2016
7. There are no change of name/ registered office/ objects of the Transferor Company 2 during the last five years.
 8. It may be noted that the Transferee Company, Transferor Company 1 and Transferor Company 2 are private limited companies.
 9. Transferor Company 1, Transferor Company 2 and Transferee Company are group companies and their ultimate shareholder is Albany Molecular Research, Inc., USA.
 10. The Scheme has been unanimously approved by the Board of Directors of the Transferee Company vide resolution passed in the meeting held on 23rd March, 2017. Details of directors who voted in favour and against are as below:
 - Directors who voted in favour of the resolution: Mr. Anurag Rastranayaka and Mr. Anand Kumar Jain
 - Directors who voted against the resolution: None
 - Directors who did not vote: None
 - Directors who did not attend the meeting: Mr. Murali Krishna Valluri and Ms. Lori Marie Henderson
 11. The Scheme has been unanimously approved by the Board of Directors of the Transferor Company 1 vide resolution passed in the meeting held on 23rd March, 2017. Details of directors who voted in favour and against are as below:
 - Directors who voted in favour of the resolution: Mr. Anurag Rastranayaka and Mr. Anand Kumar Jain
 - Directors who voted against the resolution: None
 - Directors who did not vote: None
 - Directors who did not attend the meeting: Ms. Lori Marie Henderson
 12. The Scheme has been unanimously approved by the Board of Directors of the Transferor Company 2 vide resolution passed in the meeting held on 23rd March, 2017. Details of directors who voted in favour and against are as below:
 - Directors who voted in favour of the resolution: Mr. Anurag Rastranayaka and Mr. Anand Kumar Jain
 - Directors who voted against the resolution: None
 - Directors who did not vote: None
 - Directors who did not attend the meeting: Ms. Lori Marie Henderson
 13. For the purpose of the Scheme the appointed date means April 1, 2016 or such other date as may be fixed or approved by National Company Law Tribunal or any other appropriate authority and Effective date has been defined as "the latest date on which the certified copies of the order of the National Company Law Tribunal Hyderabad and Mumbai Bench, sanctioning the Scheme are filed with the Registrar of Companies, Mumbai, Maharashtra

and Registrar of Companies, Hyderabad, Andhra Pradesh and Telangana, respectively by the Transferor Company 1, Transferor Company 2 and the Transferee Company”.

14. The share exchange ratio is as follows:

- For Transferor Company 1 - Transferee Company (Albany Molecular Research Hyderabad Research Centre Private Limited) to issue and allot 1 fully paid up equity share of Rs. 100/- each for every 78 fully paid up equity shares of Rs.10/- each held in the Transferor Company 1 (AMRI India Private Limited). The shares to be issued shall be rounded off to the next integer.
 - For Transferor Company 2 - Transferor Company 2 (Finekem Laboratories Private Limited) having become a subsidiary of the Transferee Company (Albany Molecular Research Hyderabad Research Centre Private Limited) as a result of merger of Transferor Company 1 (AMRI India Private Limited) with Transferee Company, upon the Scheme becoming effective, in consideration of and consequent upon the amalgamation neither any consideration shall be paid or shares shall be issued/ allotted by Transferee Company to shareholders of Transferor Company 2 or to any other person.
15. For the purpose of arriving at the share exchange ratio, an independent Valuation Report from Deloitte Haskins & Sells, Chartered Accountants dated 23 March 2017 has been obtained. Basis of valuation is combination of Comparable Companies Multiples ('CCM')/ Earnings Capitalization Value Method and Discounted Cash Flow Method ('DCF') method and in effect, it has been stated in the valuation report that a fair equity share exchange ratios would mean shareholders of Transferor Company 1 will get 1 equity share of Transferee Company of INR 100/- each fully paid up for every 78 equity shares of Transferor Company 1 of INR 10/- each fully paid up. It is further declared that the valuation report is available for inspection by the Unsecured Creditors of the Transferee Company at the Registered Office of the Transferee Company up to one day prior to the date of the Meeting between 11 A.M. to 5.00 P.M. on all working days (except Saturdays, Sundays and public holidays).
16. It is further provided that the proposed Scheme does not contemplate any capital or debt restructuring exercise.
17. The rationale and benefit of the proposed Scheme have been duly provided for and captured in the Scheme attached with this notice/explanatory statement.
18. As on the cut-off date being 28th of February, 2017, the amount due to Unsecured Creditors of the Transferee Company is INR 104,000,277 (Rupees Ten crore forty lakhs two hundred and seventy seven only).
19. The Scheme does not have a prejudicial effect on the key managerial personnel, directors, promoters, non-promoter members, creditors, employees of the Transferee Company as no sacrifice or waiver is, at all, called from them nor are their rights sought to be modified in any manner.
20. None of the Directors, Promoters, Key Managerial Personnel, Creditors and Employees of the Transferee Company, Transferor Company 1 and Transferor Company 2 have any material personal interest in the Scheme.

21. No investigation proceedings have been instituted or are pending in relation to the Transferee Company, Transferor Company 1 and Transferor Company 2 under the Companies Act, 2013.
22. The following documents are available for obtaining extract from or for making or obtaining copies of or for inspection by the Unsecured Creditors of the Transferee Company at the Registered Office of the Company up to one day prior to the date of the Meeting between 11.00 A.M. to 5.00 P.M. on all working days (except Saturdays, Sundays and public holidays)
- latest audited financial statements of the company including consolidated financial statements as on date 31st March, 2016 and provisional financial statements as on date 28th February 2017
 - copy of the orders of the NCLT dated 8th day of June 2017 passed in Company Application No CA(CCA)/36/230/HYDB/2017 of 2017 directing the convening of meeting of the Unsecured Creditors of the Transferee Company
 - copy of Scheme of compromise or arrangement; and
 - copy of the certificate issued by Auditor of the company to the effect that the accounting treatment, if any, proposed in the Scheme of compromise or arrangement is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013.
23. It is further provided that there are no other contracts or agreements that are material to the proposed Scheme.
24. It is confirmed that the copy of the draft Scheme has been filed with the Registrar of Companies, Hyderabad by the Transferee Company.
25. In compliance with the requirement of Section 230(5) of the Companies Act, 2013 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, notice in the prescribed form and seeking approvals, sanctions or no-objections shall be served to the concerned regulatory and government authorities for the purpose of the proposed Scheme.
26. In view of the information provided hereinabove and the documents attached along with this Notice and Explanatory statement, the requirements of Section 232(2) of the Companies Act, 2013 have been complied with.
27. Form of proxy and attendance slip may be obtained from the Registered Office of the Company at Plot No. 9, SY No: 230-243, Phase 1, M N Park, Turkapally, Shamirpet Mandal, Genome Valley, Hyderabad, Telangana 500-078. Copy of the same is attached herewith.
28. The person to whom this notice is sent may vote in the meeting either in person or proxy.

Sd/-

Authorized Signatory

SCHEME OF AMALGAMATION
BETWEEN
AMRI INDIA PRIVATE LIMITED
AND
FINEKEM LABORATORIES PRIVATE LIMITED
WITH
ALBANY MOLECULAR RESEARCH HYDERABAD RESEARCH CENTRE PRIVATE LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS
UNDER SECTION 230 AND 232 OF THE COMPANIES ACT, 2013

PREAMBLE

- a. The Scheme of Amalgamation provides for the amalgamation of AMRI India Private Limited (hereinafter referred to as "IPL" or "the Transferor Company 1") and Finekem Laboratories Private Limited (hereinafter referred to as "Finekem" or "Transferor Company 2") with Albany Molecular Research Hyderabad Research Centre Private Limited (hereinafter referred to as "HRC" or "Transferee Company") pursuant to Sections 230 and 232 of the Companies Act, 2013.
- b. Transferor Company 1 was incorporated as AMRI India Private Limited on 07 April 2007 bearing CIN: U74999MH2007FTC169746 as a Private Limited Company limited by shares under the Companies Act, 1956. The Registered Office of the Company, at present, is situated at 713, 7th Floor, Exim Link Building, Mulund-Goregaon, Link Road, opposite Indira Container Yard, Nahur west, Mumbai, Maharashtra 400078. IPL is engaged in the business of developing, designing, innovating, conceptualizing, engineering, managing, improving, constructing, creating, building, holding or acquiring by purchase, lease, exchange or otherwise and to sell, export, alienate, dispose of and deal in India or abroad in the development and production of pharmaceutical products, cGMP manufacturing, using biotechnology, genomics, medical chemistry, combinatorial chemistry, computer aided drug design, natural products, analytical chemistry process research and chemical development. IPL is a wholly owned subsidiary of Albany Molecular Research Mauritius Private Limited ("AMR Mauritius"), Mauritius. One share of Transferor Company 1 is held by AMRI Rensselaer Inc. as nominee shareholder on behalf of AMR Mauritius.

- 10
- c. Transferor Company 2 was incorporated as Finekem Laboratories Private Limited on 5th February, 2003 as a Private limited Company, limited by shares under the Companies Act, 1956 bearing CIN: U24110MH2003PTC139025. The registered office of Transferor Company 2, at present, is situated at Plot No. 39/5, MIDC Industrial Area, Waluj, Aurangabad, Maharashtra 431133. Finekem is engaged in the business of manufacturing, processing, importing, exporting, buying, selling or dealing in organic and inorganic chemicals such as dyes intermediate, basic drugs, drug intermediates, textile, auxiliaries, synthetic resins, natural products extraction and their derivatives, fertilizers and food processing chemicals. Finekem was acquired by IPL in December 2007 and is, as of date, a wholly owned subsidiary of IPL. One share of Transferor Company 2 is held by AMRI Rensselaer Inc. as nominee shareholder on behalf of IPL.
- d. Transferee Company is a company incorporated under the Companies Act, 1956 on 25th January 2005 bearing CIN: U73200TG2005PTC045178 and has its registered office at No. 9, SY No: 230-243, Phase 1, MN Park, Turkapally, Shamirpet Mandal, Genome Valley, Hyderabad, Telangana 500078. HRC is engaged in the business of research and development, testing, designing, conceptualizing, managing and improving compositions relating to molecules, compounds, chemicals and pesticides compounds, chemicals and pesticides using medicinal chemistry, combinatorial chemistry, computer-aided drug design, natural products, analytical chemistry, cheminformatics, process research and chemical development. On March 20, 2017, beneficial ownership of 100% of the shares of HRC was transferred from Albany Molecular Research Mauritius Private Limited and Albany Molecular Research Inc. to Albany Molecular Research Limited (with Albany Molecular Research, Inc. holding 1 share as registered holder but solely as a nominee of Albany Molecular Research Limited). Presently HRC is a wholly owned subsidiary of Albany Molecular Research Limited ("AMR UK"), UK.
- e. It is proposed to amalgamate AMRI India Private Limited and Finekem Laboratories Private Limited with Albany Molecular Research Hyderabad Research Centre Private Limited pursuant to a Scheme of Amalgamation under sections 230 and 232 of the Companies Act, 2013 and other relevant provisions of the Act (defined hereafter). The Board of Directors of IPL, Finekem and HRC envisage the following objectives that can be achieved by the proposed merger:
- Rationalize the current group structure (as Transferor Company 1, Transferor Company 2 and Transferee Company are group companies and their ultimate shareholder is Albany Molecular Research Inc.);
 - Unlock value for all stakeholders
 - Simplify management structure, leading to better administration and a reduction in costs;
 - Enhanced focus on operational efforts; and
 - Eliminate duplication and rationalization of administrative expenses.

f. The Company would undertake to file necessary application to FIPB / any other authority for seeking requisite approval as required by the extant FDI policy of the Government of India.

g. The Scheme of Amalgamation is divided into the following parts:

Part A - Definitions and Share capital

Part B - Amalgamation of AMRI India Private Limited with Albany Molecular Research Hyderabad Research Centre Private Limited.

Part C- Amalgamation of Finekem Laboratories Private Limited with Albany Molecular Research Hyderabad Research Centre Private Limited.

Part D - General Terms & Conditions

PART A – DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

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

- 1.1 **"Act" or "the Act"** means the Companies Act, 1956 and Companies Act, 2013 and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force.
- 1.2 **"Appointed Date"** means April 1, 2016 or such other date as may be fixed or approved by National Company Law Tribunals or any other appropriate authority. .
- 1.3 **"Board of Directors" or "Board"** shall mean the Board of Directors of the Transferor Company 1, Transferor Company 2 and the Transferee Company as the case may be or any committee thereof duly constituted or any other person duly authorized by the Board for the purpose of this Scheme;
- 1.4 **"Effective Date"** means the latest date on which the certified copies of the order of the National Company Law Tribunal Hyderabad and Mumbai Bench, sanctioning the Scheme are filed with the Registrar of Companies, Mumbai, Maharashtra and Registrar of Companies, Hyderabad, Andhra Pradesh and Telangana, respectively by the Transferor Company 1, Transferor Company 2 and the Transferee Company.
- 1.5 **"FIPB"** means Foreign Investment Promotion Board.
- 1.6 **"NCLT"** means the National Company Law Tribunal Mumbai Bench at Mumbai having jurisdiction in relation to the Transferor Companies and National Company Law Tribunal Hyderabad Bench at Hyderabad having jurisdiction in relation to the Transferee Company.
- 1.7 **"Record Date"** means the date to be fixed by the Board of Directors of the Transferee Company for determining names of the equity shareholders of the Transferor Company 1, who shall be entitled to shares of the Transferee Company as specified under Clause 5.1 of this Scheme;
- 1.8 **"Scheme" or "the Scheme" or "this Scheme"** means this Scheme of Amalgamation between AMRI India Private Limited, Finekem Laboratories Private Limited with Albany Molecular Research Hyderabad Research Centre Private Limited and their respective shareholders and creditors in its present form as submitted to/ approved or directed by the NCLT or this Scheme with such modification(s), if any made, as per Clause 23 of the Scheme.

- 1.9 ***"Share Exchange Ratio"*** means the ratio in which equity shares of the Transferee Company are to be issued and allotted to the shareholders of the Transferor Company 1 under Clause 5.1 of this Scheme.
- 1.10 ***"Transferee Company" or "HRC"*** means Albany Molecular Research Hyderabad Research Centre Private Limited, a company incorporated under the Act and having its registered office at No. 9, SY No: 230-243, Phase 1, M N Park, Turkapally, Shamirpet Mandal, Genome Valley, Hyderabad, Telangana 500078.
- 1.11 ***"Transferor Company 1" or "IPL"*** means AMRI India Private Limited, a company incorporated under the Act and having its registered office at 713, 7th Floor, Exim Link Building, Mulund-Goregaon, Link Road, opposite Indira Container Yard, Nahur west, Mumbai Maharashtra 400078.
- 1.12 ***"Transferor Company 2" or "Finekem"*** means Finekem Laboratories Private Limited, a company incorporated under the Act and having its registered office at Plot No. 39/5, MIDC Industrial Area, Waluj, Aurangabad, Maharashtra 431133.
- 1.13 ***"Transferor Companies"*** for the purposes of the Scheme means Transferor Company 1 and Transferor Company 2 collectively.
- 1.14 ***"Undertaking of the Transferor Company 1"*** shall mean and include the whole of assets, properties, liabilities and the undertaking of the Transferor Company 1 existing as on Appointed Date and specifically include the following (without limitation):
- (i) The whole of the undertaking of the Transferor Company 1 as a going concern, including all secured and unsecured debts, if any, liabilities, duties and obligations and all the assets, properties, rights, titles and benefits, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to land and building (whether owned, leased, licensed), all fixed and movable plant and machinery, vehicles, fixed assets, work in progress, current assets, investments, reserves, provisions, funds, licenses including licenses, registrations, copyrights, patents, trade secrets, know-how, trade names, trademarks and other rights and licenses in respect thereof, applications for copyrights, patents, trade names, trademarks, leases, licenses, tenancy rights, premises, ownership flats, hire purchase and lease arrangements, lending arrangements, benefits of security arrangements, computers, office equipment, telephones, telexes, facsimile connections, internet connections, communication facilities, equipment and installations and utilities, electricity, water and other service connections, benefits of agreements, contracts and arrangements, powers, authorities, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, benefit and advantage, deposits, reserves, provisions, advances, receivables, deposits, funds, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies,

grants, Minimum Alternate Tax, tax credits (including but not limited to credits in respect of income tax, sales tax, value added tax, turnover tax, service tax, etc.), Software License, Domain / Websites etc., in connection / relating to the Transferor Company 1 and other claims and powers of whatsoever nature and where so ever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company 1, existing as on the Appointed Date.

- (ii) All staff, workmen, and employees, if any, of the Transferor Company 1 in service on the Effective Date.
- (iii) All records, files, papers, information, computer programs, manuals, data, catalogues, quotations, sales advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records, whether in physical form or electronic form of the Transferor Company 1 existing as on the Appointed Date.

1.15 ***"Undertaking of the Transferor Company 2"*** shall mean and include the whole of assets, properties, liabilities and the undertaking of the Transferor Company 2 existing as on Appointed Date and specifically include the following (without limitation):

- (i) The whole of the undertaking of the Transferor Company 2 as a going concern, including all secured and unsecured debts, if any, liabilities, duties and obligations and all the assets, properties, rights, titles and benefits, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to land and building (whether owned, leased, licensed), all fixed and movable plant and machinery, vehicles, fixed assets, work in progress, current assets, investments, reserves, provisions, funds, licenses including licenses, registrations, copyrights, patents, trade secrets, know-how, trade names, trademarks and other rights and licenses in respect thereof, applications for copyrights, patents, trade names, trademarks, leases, licenses, tenancy rights, premises, ownership flats, hire purchase and lease arrangements, lending arrangements, benefits of security arrangements, computers, office equipment, telephones, telexes, facsimile connections, internet connections, communication facilities, equipment and installations and utilities, electricity, water and other service connections, benefits of agreements, contracts and arrangements, powers, authorities, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, benefit and advantage, deposits, reserves, provisions, advances, receivables, deposits, funds, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, Minimum Alternate Tax, tax credits (including but not limited to credits in respect of income tax, sales tax, value added tax, turnover tax, service tax, etc.), Software License, Domain / Websites etc., in connection / relating to the Transferor Company 2 and other claims and powers of whatsoever nature and

where so ever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company 2, existing as on the Appointed Date.

- (ii) All staff, workmen, and employees, if any, of the Transferor Company 2 in service on the Effective Date.
 - (iii) All records, files, papers, information, computer programs, manuals, data, catalogues, quotations, sales advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records, whether in physical form or electronic form of the Transferor Company 2 existing as on the Appointed Date.
- 1.16 Any references in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" shall mean the Effective Date.
- 1.17 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.

2. SHARE CAPITAL

- 2.1 The authorized and issued and paid up share capital of the Transferee Company as on 28 February 2017 is as under:

Particulars	Amount in Rupees
Authorised Capital	
3,000,000 Equity Shares of Rs. 100/- each	300,000,000
Total	300,000,000
Issued, Subscribed and Paid-up	
2,593,090 Equity Shares of Rs. 100/- each	259,309,000
Total	259,309,000

Subsequent to 28 February 2017, there has been no change in the capital structure of Transferee Company.

- 2.2 The authorized and issued share capital of the Transferor Company 1 as at 28 February 2017, is as under:

Particulars	Amount in Rupees
Authorised Capital	
200,000,000 Equity Shares of Rs. 10/- each	2,000,000,000
Total	2,000,000,000
Issued, Subscribed and Paid-up	
186,002,920 Equity Shares of Rs. 10/- each	1,860,029,200
Total	1,860,029,200

Subsequent 28 February 2017, there has been no change in the capital structure of Transferor Company 1.

- 2.3 The authorized and issued share capital of the Transferor Company 2 as at 28 February 2017, is as under:

Particulars	Amount in Rupees
Authorised Capital	
500,000 Equity Shares of Rs. 10/- each	5,000,000
Total	5,000,000
Issued, Subscribed and Paid-up	
338, 500 Equity Shares of Rs. 10/- each	3,385,000
Total	3,385,000

Subsequent 28 February 2017, there has been no change in the capital structure of Transferor Company 2.

PART B

AMALGAMATION OF TRANSFEROR COMPANY 1 WITH TRANSFEREE COMPANY

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Hon'ble NCLT or made as per Clause 23 of the Scheme, shall be effective from the Appointed Date but shall be operative from the Effective Date.

4. AMALGAMATION OF THE TRANSFEROR COMPANY 1 (IPL) WITH THE TRANSFEREE COMPANY (HRC)

- 4.1 Subject to the provisions of this Scheme as specified hereinafter and with effect from the Appointed Date, the Undertaking of the Transferor Company 1, as defined in Clause 1.15 including all the debts, liabilities, duties and obligations of the Transferor Company 1 of every description and also including, without limitation all the movable and immovable properties and assets (whether tangible or intangible) of the Transferor Company 1 comprising, amongst others, all furniture and fixtures, investments computers/data processing, office equipment, electrical installations, telephones, telex, facsimile and other communication facilities, deposits, reserves, provisions, advances, receivables, deposits, funds, cash, bank balances and business licenses, permits, authorizations, approvals, lease, tenancy rights, permissions, incentives, if any, and all other rights, patents, know-how, trademark, service mark, trade secret or other intellectual property rights, proprietary right, title, interest, contracts, consent, approvals and rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and

11

approvals, if any, existing as on Appointed Date, shall, under the provisions of Sections 230 to 232 of the Act, and pursuant to the order of the Hon'ble NCLT sanctioning this Scheme and without further act, instrument or deed, but subject to the charges affecting the same as on the Effective Date, be transferred and/or deemed to be transferred to and vested in the Transferee Company so as to become the properties, assets, rights of the Transferee Company.

- 4.2 With effect from the Appointed Date, all statutory licenses, permissions, approvals or consents to carry on the operations of the Transferor Company 1, if any, existing as on Appointed Date shall stand vested in or transferred to the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities concerned in favour of the Transferee Company upon the vesting and transfer of business, assets and liabilities of the Transferor Company 1 pursuant to this Scheme. The benefit of all statutory and regulatory permissions, licenses, approvals and consents, registrations shall vest in and become available to the Transferee Company pursuant to this Scheme.
- 4.3 With effect from the Appointed Date all debts, including debentures, liabilities, duties and obligations of the Transferor Company 1 existing as on the Appointed Date whether provided for or not in the books of account of the Transferor Company 1 and all other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or up to the day of the Appointed Date shall be the debts, liabilities, duties and obligations of the Transferee Company including any encumbrance on the assets of the Transferor Company 1 or on any income earned from those assets 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 liabilities have arisen, in order to give effect to the provisions of this Clause.
- 4.4 The transfer and vesting as aforesaid shall be subject to the existing charges/ hypothecation / mortgages, if any, as may be subsisting and agreed to be created over or in respect of the said assets or any part thereof, provided however, any reference in any security documents or arrangements to which the Transferor Company 1 is a party wherein the assets of the Transferor Company 1 have been or are offered or agreed to be offered as security for any financial assistance or obligations shall be construed as reference only to the assets pertaining to the Transferor Company 1 and vested in the Transferee Company by virtue of this Scheme to the end and intent that the charges shall not extend or deemed to extend to any assets of the Transferee Company.

PROVIDED always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed of by the Transferor Company 1 and the Transferee Company shall not be obliged to create any further or additional security thereof after the Effective Date or otherwise.

- 4.5 All taxes, duties, cess, if any, payable by the Transferor Company 1 including all or any refunds / claim(s) / credit(s) including any Minimum Alternate Tax credit under Section

115JAA of the Income-tax Act, 1961, expenses incurred by the Transferor Company 1 but deduction to be claimed on payment basis / on compliance with withholding tax provisions (as the case may be) under Sections 43B, 40(a)(i) and 40(a)(ia) of the Income-tax Act, 1961 (if any), pertaining to the period(s) prior to the Appointed Date shall be treated as the liability or refunds / claim(s) / credit(s), as the case may be, of the Transferee Company.

- 4.6 All staff, workmen and employees, if any, engaged in the Transferor Company 1 as on the Effective Date shall stand transferred to the Transferee Company, without any further act or deed to be done by the Transferor Company 1 or the Transferee Company and, subject to the provisions hereof, on terms and conditions not less favorable than those on which they are engaged by the Transferor Company 1, without any interruption of service as a result of the amalgamation of the Transferor Company 1 into the Transferee Company.
- 4.7 All items as detailed under Para 4.1, 4.2, 4.3, 4.4, 4.5, and 4.6 in relation to the Transferor Company 1 shall stand transferred to or vested in the Transferee Company, without any further act or deed done by the Transferor Company 1 or the Transferee Company.
- 4.8 Upon the Scheme becoming effective, all the creditors of the Transferor Company 1 would become the creditors of the Transferee Company and the Transferee Company would fulfill / honour all the debts and liabilities relating to the Transferor Company, including all of the dues of the statutory creditors, in normal course of business. The Scheme shall not in any manner affect the rights of any of the creditors of the Transferor Company 1.
- 4.9 Without prejudice to the above provisions, with effect from the Appointed Date, all inter-party transactions between the Transferor Company 1 and the Transferee Company, if any, shall be considered as intra-party transactions for all purposes from the Appointed Date.
- 4.10 The transfer of assets and liabilities and the continuance of proceedings by the Transferee Company as stated above shall not affect any transaction or proceedings already concluded by the Transferor Company 1 to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company 1 in regard thereto as done and executed by the Transferee Company on behalf of itself.

5. CONSIDERATION

- 5.1 Upon coming into effect of the Scheme, and in consideration for the transfer of and vesting of the assets and liabilities of the Transferor Company 1, the Transferee Company shall, without any further act or deed, issue and allot 1 fully paid up equity share of Rs. 100/- each for every 78 fully paid up equity shares of Rs.10/- each held in

the Transferor Company 1. The shares to be issued shall be rounded off to the next integer.

- 5.2 The Transferee Company equity shares be issued and allotted in dematerialized form to those equity shareholders who hold shares of Transferor Company 1. All those equity shareholders who hold equity shares of Transferor Company 1 in physical form shall have the option to receive the Transferee Company equity shares, in dematerialized form provided the details of their account with the depository participant are intimated in writing to Transferor Company 1/ or its registrar. In the event that Transferee Company has received notice from any person who has not provided the requisite details relating to his/ her/ its account with a depository participant or other confirmations as may be required or if the details furnished by any person do not permit electronic credit of the Transferee Company equity shares, then Transferee Company shall issue its equity shares in physical form to such person or persons.
- 5.3 The Transferee Company equity shares to be issued and allotted as above shall be subject to the Memorandum and Articles of Association of Transferee Company and shall rank pari passu with the existing equity shares of Transferee Company in all respects including dividends.

6. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEE COMPANY

- 6.1 On the Scheme becoming effective, the Transferee Company shall account for amalgamation in accordance with the 'Pooling of Interest Method of Accounting' laid down by Accounting Standard 14 (Accounting for Amalgamation) prescribed under Companies (Accounting Standards) Rules, 2006 including any amendments thereto as may be prescribed under the Companies Act, 2013, read with rules made thereunder."
- 6.2 With effect from the Appointed Date, all the assets and liabilities of Transferor Company 1 shall be transferred to and vested in Transferee Company and shall be recorded at their respective book values.
- 6.3 All reserves of the Transferor Company 1 shall be recorded in the books of Transferee Company in the same form in which they appeared in the books of Transferor Company 1 on the Appointed Date.
- 6.4 Inter-company balances, if any, will be cancelled.
- 6.5 The Transferee Company shall credit to the Share Capital Account, the value equal to the face of equity shares issued and allotted by the Transferee Company to the members of the Transferor Company 1 pursuant to this Scheme.
- 6.6 The difference between the amount recorded as share capital issued and the amount of share capital of the Transferor Company 1 will be adjusted in reserves.
- 6.7 In case of any differences in accounting policy between the Transferor Company 1 and the Transferee Company, the impact of such differences shall be quantified and adjusted against the available reserves of the Transferee Company to ensure that the true financial statements of the Transferee Company on the Appointed Date are on the basis of consistent accounting policy.

PART CAMALGAMATION OF TRANSFEROR COMPANY 2 WITH TRANSFEREE COMPANY7. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Hon'ble NCLT or made as per Clause 23 of the Scheme, shall be effective from the Appointed Date but shall be operative from the Effective Date.

8. AMALGAMATION OF THE TRANSFEROR COMPANY 2 WITH THE TRANSFEREE COMPANY

- 8.1 Subject to the provisions of this Scheme as specified hereinafter and with effect from the Appointed Date, the Undertaking of the Transferor Company 2, as defined in Clause 1.16 including all the debts, liabilities, duties and obligations of the Transferor Company 2 of every description and also including, without limitation, all the movable and immovable properties and assets (whether tangible or intangible) of the Transferor Company 2 comprising, amongst others, all furniture and fixtures, investments, computers/data processing, office equipment, electrical installations, telephones, telex, facsimile and other communication facilities, deposits, reserves, provisions, advances, receivables, deposits, funds, cash, bank balances and business licenses, permits, authorizations, approvals, lease, tenancy rights, permissions, incentives, if any, and all other rights, patents, know-how, trademark, service mark, trade secret or other intellectual property rights, proprietary right, title, interest, contracts, consent, approvals and rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, if any, existing as on Appointed Date, shall, under the provisions of Sections 230 and 232 of the Act, and pursuant to the order of the Hon'ble NCLT sanctioning this Scheme and without further act, instrument or deed, but subject to the charges affecting the same as on the Effective Date, be transferred and/or deemed to be transferred to and vested in the Transferee Company so as to become the properties, assets, rights, and undertaking(s) of the Transferee Company.
- 8.2 With effect from the Appointed Date, all statutory licenses, permissions, approvals or consents to carry on the operations of the Transferor Company 2, if any, existing as on Appointed Date shall stand vested in or transferred to the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities concerned in favour of the Transferee Company upon the vesting and transfer of the undertaking of the Transferor Company 2 pursuant to this Scheme. The benefit of all statutory and regulatory permissions, licenses, approvals and consents, registrations shall vest in and become available to the Transferee Company pursuant to this Scheme.
- 8.3 With effect from the Appointed Date all debts, liabilities, duties and obligations of the Transferor Company 2 existing as on the Appointed Date whether provided for or not

in the books of account of the Transferor Company 2 and all other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or up to the day of the Appointed Date shall be the debts, liabilities, duties and obligations of the Transferee Company including any encumbrance on the assets of the Transferor Company 2 or on any income earned from those assets 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 liabilities have arisen, in order to give effect to the provisions of this Clause.

- 8.4 The transfer and vesting as aforesaid shall be subject to the existing charges/ hypothecation / mortgages, if any, as may be subsisting and agreed to be created over or in respect of the said assets or any part thereof, provided however, any reference in any security documents or arrangements to which the Transferor Company 2 is a party wherein the assets of the Transferor Company 2 have been or are offered or agreed to be offered as security for any financial assistance or obligations shall be construed as reference only to the assets pertaining to the Transferor Company 2 and vested in the Transferee Company by virtue of this Scheme to the end and intent that the charges shall not extend or deemed to extend to any assets of the Transferee Company.

PROVIDED always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed of by the Transferor Company 2 and the Transferee Company shall not be obliged to create any further or additional security thereof after the Effective Date or otherwise.

- 8.5 All taxes, duties, cess, if any, payable by the Transferor Company 2 including all or any refunds / claim(s) / credit(s) including any Minimum Alternate Tax credit under Section 115JAA of the Income-tax Act, 1961, expenses incurred by the Transferor Company 2 but deduction to be claimed on payment basis / on compliance with withholding tax provisions (as the case may be) under Sections 43B, 40(a)(i) and 40(a)(ia) of the Income-tax Act, 1961 (if any), pertaining to the period(s) prior to the Appointed Date shall be treated as the liability or refunds / claim(s) / credit(s), as the case may be, of the Transferee Company.
- 8.6 All staff, workmen and employees, if any, engaged in the Transferor Company 2 as on the Effective Date shall stand transferred to the Transferee Company, without any further act or deed to be done by the Transferor Company 2 or the Transferee Company and, subject to the provisions hereof, on terms and conditions not less favorable than those on which they are engaged by the Transferor Company 2, without any interruption of service as a result of the amalgamation of the Transferor Company 2 into the Transferee Company.
- 8.7 All items as detailed under Para 8.1, 8.2, 8.3, 8.4, 8.5 and 8.6 in relation to the Transferor Company 2 shall stand transferred to or vested in the Transferee Company, without any further act or deed done by the Transferor Company 2 or the Transferee Company.

- 8.8 Without prejudice to the above provisions, with effect from the Appointed Date, all inter-party transactions between the Transferor Company 2 and the Transferee Company, if any, shall be considered as intra-party transactions for all purposes from the Appointed Date.
- 8.9 Upon the scheme coming into effect, all the shares of the Transferor Company 2, held by Transferee Company (either directly or through nominees) shall stand cancelled without any further application, act or deed. It is clarified that no new shares shall be issued or payment made in cash whatsoever by the Transferee Company in lieu of such shares of the Transferor Company 2.
- 8.10 Upon the Scheme becoming effective all the creditors of the Transferor Company 2 would become the creditors of the Transferee Company and the Transferee Company would fulfill / honour all the debts and liabilities relating to the Transferor Company, including all of the dues of the statutory creditors, in normal course of business. The Scheme shall not in any manner affect the rights of any of the creditors of the Transferor Company.
- 8.11 The transfer of property and liabilities and the continuance of proceedings by the Transferee Company as stated above shall not affect any transaction or proceedings already concluded by the Transferor Company 2 to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company 2 in regard thereto as done and executed by the Transferee Company on behalf of itself.

9. CONSIDERATION

- 9.1 Transferor Company 2 having become a subsidiary of the Transferee Company as a result of merger of Transferor Company 1 with Transferee Company, upon the Scheme becoming effective, in consideration of and consequent upon the amalgamation neither any consideration shall be paid or shares shall be issued/ allotted by Transferee Company to shareholders of Transferor Company 2 or to any other person.

10. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEE COMPANY

- 10.1 On the Scheme becoming effective, the Transferee Company shall account for amalgamation in accordance with the 'Pooling of Interest Method of Accounting' laid down by Accounting Standard 14 (Accounting for Amalgamation) prescribed under Companies (Accounting Standards) Rules, 2006
- 10.2 With effect from the Appointed Date, all the assets and liabilities of Transferor Company 2 shall be transferred to and vested in Transferee Company and shall be recorded at their respective book values.

- 10.3 All reserves of the Transferor Company 2 shall be recorded in the books of Transferee Company in the same form in which they appeared in the books of Transferor Company 2 on the Appointed Date.
- 10.4 Inter-company balances, if any, will be cancelled.
- 10.5 The difference between the carrying amount in the books of the Transferee Company of its investment in the shares of the Transferor Company 2 shall stand cancelled in terms of this Scheme and the aggregate face value of such shares shall, subject to the other provisions contained herein, be adjusted against and reflected in the reserves.
- 10.6 In case of any differences in accounting policy between the Transferor Company 2 and the Transferee Company, the impact of such differences shall be quantified and adjusted against the available reserves of the Transferee Company to ensure that the true financial statements of the Transferee Company on the Appointed Date are on the basis of consistent accounting policy.
- 10.7 Subject to any corrections and adjustments as may, in the opinion of the Board of Directors of the Transferee Company, be required and except to the extent otherwise by law required, the reserves of the Transferor Company 2, if any, will be merged with the corresponding reserves of the Transferee Company.

PART D GENERAL TERMS AND CONDITIONS

11. COMBINATION OF AUTHORISED CAPITAL

- 11.1 Upon coming into effect of this Scheme and with effect from the Appointed Date, the authorised share capital of the Transferee Company shall stand increased without any further act, instrument or deed on the part of Transferee Company including payment of stamp duty and fees payable to Registrar of Companies, by the authorised share capital of Transferor Company 1 and authorized share capital of Transferor Company 2 and the Memorandum of Association and Articles of Association of Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders of Transferee Company to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under the applicable provisions of the Act would be required to be separately passed, as the case may be and for this purpose the stamp duty and fees paid on the authorized capital of Transferor Companies shall be utilized and applied to the increased authorized share capital of Transferee Company and there would be no requirement for any further payment of stamp duty and / or fee by Transferee Company for increase in the authorised share capital to that extent.

24

- 11.2 Consequent upon the Scheme becoming effective, the authorised share capital of Transferee Company will be as under:

Authorized Capital	Amount (Rs)
23,050,000 Equity shares of Rs.100/- each	2,305,000,000
Total	2,305,000,000

- 11.3 Further, Clause V of the Memorandum of Association of the Transferee Company would be substituted and be read as follows:

"The Authorized Share Capital of the Company is Rs. 2,305,000,000 (Rupees two hundred thirty crores and fifty lakhs) divided into 23,050,000 (Rs. two crores thirty lakhs and fifty thousand) equity shares of face value of Rs. 100 (Rupees Hundred) with power to the board of directors to increase or reduce its capital and to divide the shares in the Capital for the time being into other into other classes and to attach thereto respectively such preferential, deferred qualified or other special rights, privileges conditions or restrictions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights privileges, or conditions or restriction in such a manner as may for the time being be permitted by the Articles of Association of the Company of the legislative provisions for the time being in force in that behalf."

12. CONSEQUENTIAL MATTERS RELATING TO TAX AND COMPLIANCE WITH LAW

- 12.1 Upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise its income-tax returns, sales tax returns, excise & CENVAT returns, service tax returns, other tax returns, and to restore as input credit of service tax adjusted earlier or claim refunds / credits.
- 12.2 The Transferee Company is also expressly permitted to claim refunds, credits, including restoration of input CENVAT credit, tax deduction in respect of nullifying of any transaction between the Transferor Companies and Transferee Company.
- 12.3 In accordance with the Cenvat Credit Rules framed under Central Excise Act, 1944, as are prevalent on the Effective Date, the unutilized credits relating to excise duties / service tax paid on inputs / capital goods / input services lying in the accounts of the Transferor Companies shall be permitted to be transferred to the credit of the Transferee Company, as if all such unutilized credits were lying to the account of the Transferee Company. The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the excise duty / service tax payable by it.
- 12.4 With respect to indirect taxes such as VAT, Service Tax, Central Excise Act etc. the applicable Good and Service Tax law as prevailing on the Effective Date would apply to the Transferee Company with respect to indirect taxes and credits pertaining to the Transferor Company 1 and Transferor Company 2.
- 12.5 Upon the Scheme becoming effective, unabsorbed tax losses and unabsorbed tax depreciation of the Transferor Companies, if any, till the Appointed Date, would

accrue to the Transferee Company in accordance with the provisions of the Income Tax Act, 1961.

- 12.6 This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under the tax laws, including Section 2(1B) and other relevant sections of the Income tax Act, 1961. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the tax laws shall prevail. The Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme. The power to make such amendments as may become necessary shall vest with the Board of Directors of the Transferor Companies and the Transferee Company, which power shall be exercised reasonably in the best interests of the companies concerned.

13. TRANSACTIONS BETWEEN APPOINTED DATE AND EFFECTIVE DATE

With effect from the Appointed Date and up to the Effective Date:

- 13.1 The Transferor Companies shall deemed to have held and stood possessed of and shall hold and stand possessed of all their properties and assets for and on account of and in trust for the Transferee Company. The Transferor Companies hereby undertake to hold its said assets with utmost prudence until the Effective Date.
- 13.2 The Transferor Companies shall carry on their activities with reasonable diligence, business prudence and shall not, except in the ordinary course of business or without prior written consent of the Transferee Company alienate charge, mortgage, encumber or otherwise deal with or dispose of the Transferor Companies or part thereof.
- 13.3 It is clarified that any advance tax paid / Tax Deduction at Source ("TDS") credits / TDS certificates received by the Transferor Companies shall be deemed to be the advance tax paid by / TDS credit / TDS certificate of the Transferee Company.
- 13.4 All the profits or income, if any, accruing or arising to the Transferor Companies or expenditure or losses, if any, arising or incurred or suffered by the Transferor Companies shall for all purposes be treated and be deemed to be and accrue as the income or profits or losses or expenditure as the case may be of the Transferee Company.
- 13.5 The Transferor Companies shall not vary the terms and conditions of employment of any of the employees, existing as on the Effective Date, except in the ordinary course of business or without the prior consent of the Transferee Company or pursuant to

any pre-existing obligation undertaken by the Transferor Companies as the case may be prior to the Effective date.

- 13.6 The Transferor Companies shall not make any change in its capital structure either by any increase (by issue of equity or shares on a rights basis, bonus shares, convertible debentures or otherwise), decrease, reduction, reclassification, subdivision or consolidation, re-organization, or in any other manner which may, in any way, affect the share exchange ratio, except by mutual consent of the respective Boards of Directors of the Transferor Companies and the Transferee Company or except as may be expressly permitted.
- 13.7 The Transferor Company 1 may sell one or more plots of land owned by it during the merger proceedings (i.e. after the Appointed Date but before the Effective Date). Post sale, the Transferor Company proposes to use the proceeds for further capital investment in business or for day to day operations of the business.

14. EMPLOYEES OF THE TRANSFEROR COMPANIES

- 14.1 On the Scheme becoming effective, all staff, workmen and the employees, if any, of the Transferor Companies in service on the Effective Date shall be deemed to have become staff, workmen and the employees of the Transferee Company, without any break or interruption in their services, and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company shall not be less favourable than those applicable to them with reference to their employment with the Transferor Companies on the Effective Date.
- 14.2 It is expressly provided that, on the Scheme becoming effective, any provident fund, gratuity fund, superannuation fund or any other special fund or trusts, if any, created or existing for the benefit of the staff, workmen and the employees of the Transferor Companies in service as on the Effective Date shall become trusts/funds of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such fund or funds or in relation to the obligation to make contributions to the said fund or funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Companies in relation to such fund or funds shall become those of the Transferee Company. It is clarified that, for the purpose of the said fund or funds, the service of the staff, workmen and employees, if any, of the Transferor Companies will be treated as having been continuous with the Transferee Company from the date of employment as reflected in the records of the Transferor Companies.

15. ALTERATIONS / AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION OF THE TRANSFEE COMPANY.

- 15.1 Upon the Scheme coming into effect, the following clauses III(A) 5 to 7 shall be inserted in the Main Objects clause of the Memorandum of Association of the Transferee Company after Clause III (A) 4:

Clause III(A)

5. To carry on the business in India of developing, designing, innovating, conceptualizing, engineering, managing, improving, constructing, creating, building, holding or acquiring by purchase, lease, exchange or otherwise and to sell, export, alienate, dispose of and deal in India or abroad in the development and production of pharmaceutical products, cGMP manufacturing using biotechnology, genomics, medicinal chemistry, combinatorial chemistry, computer - aided drug design, natural products, analytical chemistry, process research and chemical development.
6. To establish, maintain and conduct consulting and research laboratories and experimental centres in pharmaceutical sciences including analysis testing and experimenting and to undertake pharmaceutical scientific investigation experimental and research.
7. To manufacture, process, import, export, buy, sell, distribute and/ or otherwise deal in Organic and Inorganic chemicals such as dyes intermediate, Basic drugs and drug intermediates, textile, auxiliaries, synthetic – resins, Natural products extraction and their derivatives, Fertilizers and food processing chemicals.

15.2 It shall be deemed that the shareholders of the Transferee Company have resolved and accorded all relevant consents under Section 13 of the Act. It is clarified that there will be no need to pass a separate shareholders' resolution as required under Section 13 of the Act for the amendments of the Memorandum of Association of the Transferee Company as above. The amendments to the Memorandum of Association of the Transferee Company shall be effected without any further act or deed and shall be treated as an integral part of the Scheme of Amalgamation. The approval of this Scheme under Sections 230 to 232 of the Act shall be deemed to have the approval under applicable provisions of the Act and any other consents and approvals required in this regard.

15.3 In order to carry on the activities currently being carried on by the Transferor Companies, upon the approval of the Scheme by the respective shareholders of the Transferor Companies and the Transferee Company pursuant to Section 230 to 232 of the Act, it shall be deemed that the shareholders of the Transferee Company have also resolved and accorded all relevant consents under the Act or any other provisions of the Act for the commencement of any business or activities currently being carried on by Transferor Companies in relation to any of the objects contained in the Memorandum of Association of the Transferee Company, to the extent the same may be considered applicable. In particular, the Transferee Company will be allowed to commence the new business added as above. It is clarified that there will be no need to pass a separate shareholders' resolution as required under the provisions of the Act.

16. VALIDITY OF EXISTING RESOLUTIONS

- 16.1 Upon the coming into effect of the Scheme, the resolutions of the Transferor Companies as are considered necessary by the Board of Directors of the Transferee Company which are validly subsisting be considered as resolutions of the Transferee Company. If any such resolutions have any monetary limits approved under the provisions of the Act or of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of Directors of the Transferee Company, shall be added to the limits, if any, under the like resolutions passed by the Transferee Company.

17. LEGAL PROCEEDINGS

- 17.1 If any suit, appeal or other proceeding of whatever nature by or against the Transferor Companies is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee Company, as the case may be, 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 Companies as if this Scheme had not been made.
- 17.2 In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against the Transferor Companies, the Transferee Company shall be made party thereto and any payment and expenses made thereto shall be the liability of the Transferee Company.

18. CONTRACTS, DEEDS, ETC.

- 18.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, insurance, Letters of Intent, undertakings, arrangements, policies, agreements and other instruments, if any, of whatsoever nature pertaining to the Transferor Companies to which the Transferor Companies are party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party thereto.
- 18.2 The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any arrangements, confirmations or novations in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. The Transferee Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Transferor Companies and to implement or carry out all formalities required on the part of the Transferor Companies to give effect to the provisions of this Scheme.

19. STATUTORY LICENSES, PERMISSIONS, APPROVALS

- 19.1 With effect from the Appointed Date and upon the Scheme becoming effective, all statutory licenses, permissions, approvals, copyrights, trademarks or consents, if any, relating to the Transferor Companies shall stand vested in or transferred to the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities concerned in favour of the Transferee Company. The benefit of all statutory and regulatory permissions, environmental approvals and consents, registrations or other licenses and consents shall vest in and become available to the Transferee Company pursuant to this Scheme. In so far as the various incentives, subsidies, rehabilitation Schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Transferor Companies are concerned, the same shall vest with and be available to the Transferee Company on the same terms and conditions.

20. SAVING OF CONCLUDED TRANSACTIONS

- 20.1 The Amalgamation as described hereinabove and the continuance of proceedings by or against the Transferor Companies, the same shall not affect any transaction or proceedings already concluded by the Transferor Companies on and after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Companies in respect thereto as done and executed on behalf of the Transferee Company.

21. DISSOLUTION OF THE TRANSFEROR COMPANIES

- 21.1 On the Scheme becoming effective, the Transferor Companies shall stand dissolved without being wound-up.

22. CONDITIONALITY OF THE SCHEME

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

- 22.1 The requisite, consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.
- 22.2 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of the Transferor Companies and the Transferee Company as required under the Act and as may be directed by the NCLT.
- 22.3 The sanction of the NCLT under Section 230 and 232 of the Act in favour of the Transferor Companies and the Transferee Company under the said provisions and the necessary orders under sections 232 of the Act being obtained.
- 22.4 The certified copy of the order of the Hon'ble NCLT under sections 230 and 232 of the Act sanctioning the Scheme is filed with the Registrar of Companies, Mumbai, Maharashtra and Registrar of Companies, Hyderabad, Andhra Pradesh and Telangana.

- 22.5 Each part in Section of the Scheme shall be given effect to as per the chronology in which it has been provided for in the Scheme. The Scheme shall be effective from the Effective Date. However, failure of any one part of one Section for lack of necessary approval from the shareholders / creditors / statutory regulatory authorities shall not result in the whole Scheme failing. It shall be open to the concerned Board of Directors to consent to severing such part(s) of the Scheme and implement the rest of the Scheme as approved by the Hon'ble NCLT with such modification.
- 22.6 Compliance with such other conditions as may be imposed by the Hon'ble NCLT.

23. APPLICATION TO HON'BLE NCLT

- 23.1 The Transferor Companies shall, with all reasonable dispatch, make applications to the NCLT Bench at Mumbai and NCLT bench at Hyderabad (for the State of Telangana and State of Andhra Pradesh) for sanctioning the Scheme, and for dissolution of the Transferor Companies without winding up.

24. MODIFICATION OR AMENDMENTS TO THE SCHEME

- 24.1 Subject to approval of the Hon'ble NCLT, the Transferor Companies and the Transferee Company by their respective Boards of Directors, may assent to/make and/or consent to any modifications/amendments to the Scheme or to any conditions or limitations that the Hon'ble NCLT and/or any other Authority under law may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate as a result of subsequent events or otherwise by them (i.e. the Board of Directors). The Transferor Companies and the Transferee Company by their respective Board of Directors are authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whatsoever for carrying the Scheme into effect, whether by reason of any directive or Order of any other authorities or otherwise howsoever, arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

25. EFFECT OF NON-RECEIPT OF APPROVALS

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

26. COSTS, CHARGES & EXPENSES

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

Deloitte Haskins & Sells

Chartered Accountants
Deloitte Centre
Anchorage II
100/2 Richmond Road
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India

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STRICTLY PRIVATE AND CONFIDENTIAL

23 March 2017

<p>To,</p> <p>The Board of Directors, Albany Molecular Research Hyderabad Research Centre Private Limited Plot No 9, Survey Nos 230-243, Phase 1, MN Park, Turkapally, Shameerpet Mandal, Genome Valley, Hyderabad Telangana - 500078 India</p>	<p>To,</p> <p>The Board of Directors, AMRI India Private Limited 713, 7th Floor, Exim Link Building, Mulund-Goregaon, Link Road, Opposite Indira Container Yard, Nahur west, Mumbai, Maharashtra - 400078 India</p>
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Dear Sir/ Madam,

**Re Recommendation of the fair equity share exchange ratio for the Proposed
Merger of AMRI India Private Limited into Albany Molecular Research
Hyderabad Research Centre Private Limited**

This has reference to our engagement letter and the discussions that we have had with the managements of Albany Molecular Research Hyderabad Research Centre Private Limited ("HRC") and AMRI India Private Limited ("AIPL") (hereinafter individually referred to as the "Company" and collectively as the "Companies") from time to time in the above matter.

SCOPE AND PURPOSE OF THIS REPORT

HRC is engaged in the business of research and development, testing, designing, conceptualizing, managing and improving compositions relating to molecules, compounds, chemicals and pesticides compounds, chemicals and pesticides using medicinal chemistry, combinatorial chemistry, computer-aided drug design, natural products, analytical chemistry, cheminformatics, process research and chemical development.

AIPL is engaged into development and production of pharmaceutical products, cGMP manufacturing, and analytical chemistry process research and chemical development. Finekem Laboratories Private Limited ("FLPL") is a wholly owned subsidiary of AIPL. FLPL is engaged in the business of manufacturing, processing, importing, exporting, buying, selling or dealing in organic and inorganic chemicals such as dyes intermediate,

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basic drugs, drug intermediates, textile, auxiliaries, synthetic resins, natural products extraction and their derivatives, fertilizers and food processing chemicals.

Both HRC and AIPL are ultimately owned by Albany Molecular Research Inc ("AMRI Inc").

We have been given to understand that the managements of the Companies and FLPL are exploring the possibility of merging AIPL and FLPL with HRC with effect from the Appointed Date of 1 April 2016 (the "Proposed Merger") on a going concern basis through a Composite Scheme of Amalgamation and Arrangement (the "Scheme") under the provisions of Sections 230 to 232 of the Companies Act, 2013. We are informed that, as per the Scheme, AIPL will be merged into HRC with equity shares of HRC being issued to the equity shareholders of AIPL as consideration. Further, as part of the Scheme, FLPL will be merged into HRC wherein neither any consideration shall be paid or shares shall be issued/ allotted to the equity shareholders of FLPL.

In this connection, Deloitte Haskins & Sells ("DHS") has been requested by the Companies to submit a report recommending the fair equity share exchange ratio in the event of the Proposed Merger of AIPL with HRC for the consideration of the Boards of the respective Companies.

The valuation date for calculation of the fair equity share exchange ratio for the Proposed Merger of the said Companies has been taken as at 31 March 2016 ("Valuation Date"). As requested we have carried out a relative valuation of the equity shares of Companies as at the Valuation Date with a view of recommending the fair equity share exchange ratio of the equity shares of HRC for the equity shares of AIPL. This report recommends, what in our opinion, is fair and equitable share exchange ratio for the Proposed Merger. This report is our deliverable in respect of our recommendation of fair equity share exchange ratio for the purpose of the Proposed Merger.

The information contained herein and our report 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, judicial, government and other approvals, as required under applicable laws of India, for the Proposed Merger. The results of our computation and our report cannot be used or

relied by the Companies and FLPL 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 or party based on this report. Any person / party intending to provide finance / invest in the shares / business of any of the Companies / FLPL or their shareholders, 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 any reproduction, copying or otherwise quoting of this report or any part thereof, other than for the aforementioned purpose, is not permitted.

SOURCES OF INFORMATION

Valuation analysis was undertaken on the basis of the following information relating to the Companies and FLPL, which have been furnished to us by the managements of the Companies and FLPL as under, and information available in the public domain.

1. Audited financial statements of HRC, AIPL and FLPL for the year ended 31 March 2014, 31 March 2015 and 31 March 2016.
2. Provisional consolidated profit and loss account and balance sheet of AIPL for the year ended 31 March 2016.
3. Projected profit and loss accounts and balance sheets of HRC for the next 5 years starting 1 April 2016 and ending 31 March 2021.
4. Projected consolidated profit and loss accounts and balance sheets of AIPL for the next 5 years starting 1 April 2016 and ending 31 March 2021.
5. Other relevant details of the Companies and FLPL such as history, shareholding patterns, their past and present activities, future plans and prospects, tax positions, market value and net realizable value of the surplus assets, salient features of the amalgamation and other relevant information and data.

We have also obtained necessary explanations and information, which we believed were reasonably necessary and relevant to the present exercise, from the managements of the Companies and FLPL.

SCOPE LIMITATIONS

Our report is subject to the scope limitations 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.

Our work does not constitute an audit, due diligence, certification or review of the historical financial statements and of the projections of the Companies and FLPL referred to in this report. Accordingly, we are unable to and do not express an opinion on the accuracy of any financial information referred to in this report. Valuation analysis and result are specific to the purpose of valuation and the valuation date is as agreed per terms of the engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.

Valuation analysis and results are specific to the date of this report. A valuation of this nature involves consideration of various factors including those impacted by prevailing stock market trends in general and industry trends in particular. This report is issued on the understanding that the managements of the Companies have drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies and FLPL and any other matter, which may have an impact on our opinion, on the fair equity share exchange ratio for the Proposed Merger. Significant events and circumstances may have occurred since the valuation date concerning the financial position of the Companies and FLPL or any other matter and such events or circumstances might be considered material by the Clients or any third party. We have no responsibility to update this report for such events and circumstances occurring after the valuation date beyond those agreed to with the Clients. We have no responsibility to update this report for events and circumstances occurring after the report date.

In the course of the valuation, we were provided with both written and verbal information, including financial data. We have evaluated the information provided to us by the managements of the Companies through broad inquiry and analysis (but have not carried out a due diligence or audit or review of the Companies and FLPL for the purpose of this engagement, nor have we independently investigated or otherwise verified the data provided). We have not undertaken any market validation or secondary/ primary survey of the projections / model (or the assumptions stated therein). Also, we have been given to understand by the managements of the Companies and FLPL that they have not omitted any relevant and material factors. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness. We assume no responsibility for any errors in the above information furnished by the managements of the Companies, FLPL and their impact on the present exercise. In accordance with the terms of our engagement, we have

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assumed and relied upon, without independently verifying the accuracy of the information that was publicly available and formed a basis for this report. While information obtained from the public domain or external sources have not been verified for authenticity, accuracy or completeness, we have obtained information, as far as possible, from sources generally considered to be reliable. We assume no responsibility for such information.

We express no opinion on the reasonableness and/or achievability of the forecasts relating to the Companies given to us. The future projections are the responsibility of the respective managements of the Companies. The assumptions used in their preparation, as we have been explained, are based on the respective managements present expectation of both – the most likely set of future business events and circumstances and the respective management's course of action related to them. It is usually the case that some events and circumstances do not occur as expected or are not anticipated. Therefore, actual results during the forecast period may differ from the forecast and such differences may be material.

No investigation of the Companies' and FLPL's claim to title of assets has been made for the purpose of this valuation and the Companies' and FLPL's claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

Our report is not, nor should it be construed as our recommending the Proposed Merger. This report does not address the relative merits of the Proposed Merger as compared with any other alternatives or whether or not such alternatives could be achieved or are available. Any decision by the Companies and FLPL regarding whether or not to proceed with the Proposed Merger shall rest solely with the Companies and FLPL. We express no opinion or recommendation as to how the shareholders of the Companies and FLPL should vote at any shareholders' meeting(s) to be held in connection with the Proposed Merger. Our report and the opinion / valuation analysis contained therein is not nor should it be construed as advice relating to investing in, purchasing, selling or otherwise dealing in securities or as providing management services or performing management functions. This report does not in any manner address, opine on or recommend the prices at which the securities of the Companies could or should transact at following the Proposed Merger.

Our report is not, nor should it be construed as our opining or certifying the compliance of the Proposed Merger with the provisions of any law including companies, foreign exchange regulatory, accounting and taxation (including transfer pricing) related laws or as regards any legal, accounting or taxation implications or issues arising from such Proposed Merger.

We have not conducted or provided an analysis or prepared a model for any asset valuation and have wholly relied on information provided by the Companies and FLPL in that regard.

The fee for the report is not contingent upon the results reported.

We owe responsibility to only the Board of Directors of the Companies that have retained us and nobody else. We do not accept any liability to any third party in relation to the issue of this valuation report.

It may be mentioned that the Companies have been provided opportunity to review the draft report for the current exercise as part of our standard practice to make sure that factual inaccuracies are avoided in our report.

Neither the report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties.

BACKGROUND

HRC

The issued, subscribed and paid up equity share capital of HRC as at 31 March 2016 was INR 259.3 million consisting of 2,593,090 equity shares of INR 100/- each fully paid up. As on the Valuation Date, 2,378,100 of the equity shares are held by Albany Molecular Research Mauritius Private Limited ("AMR Mauritius") and balance 214,990 equity shares are held by AMRI Inc.

We are informed that, as on 20 March 2017, beneficial ownership of 100% of the equity shares of HRC were transferred from AMRI Mauritius and AMRI Inc to Albany Molecular Research Limited ("AMRL") (with AMRI Inc holding 1 equity share as registered holder but solely as a nominee of Albany Molecular Research Limited).

AIPL

The Issued, subscribed and paid up equity share capital of AIPL as at 31 March 2016 was INR 1,597.5 million consisting of 159,752,920 equity shares of INR 10/- each fully paid up. As on the Valuation Date, 100% of the equity share capital is held by AMKI Mauritius. We have been informed that during the year, AIPL had issued fresh equity shares to AMRI Mauritius and currently, subscribed and paid up equity share capital of AIPL is INR 1,860.03 million consisting of 1,860,02,920 equity shares of INR 10/- each fully paid up. We have considered the current outstanding equity shares of AIPL for the purpose of determining the fair equity exchange ratio for the Proposed Merger.

APPROACH – FAIR EQUITY SHARE EXCHANGE RATIO FOR PROPOSED MERGER

The Proposed Merger contemplates the merger of AIPL into HRC pursuant to the Scheme under sections 230 to 232 of the Companies Act, 2013.

Arriving at the fair equity share exchange ratio for the amalgamation of the Companies would require determining the fair value of the equity shares of HRC in terms of the fair value of the equity shares of AIPL respectively. There are several commonly used and accepted methods for determining the fair value of the equity shares of a company which can be considered for such a relative valuation, to the extent relevant and applicable, such as:

- Net Asset Value
- Comparable Companies Multiples / Earnings Capitalization Value Method;
- Discounted Cash Flow Method

Net Asset Value (NAV) Method

The asset based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. This valuation approach is mainly used in case where the firm is to be liquidated i.e. it does not meet the "going concern" criteria or in case where the assets base dominate earnings capability. A scheme of amalgamation would normally be proceeded with, on the assumption that the companies amalgamate as going concerns and an actual realization of the operating assets is not contemplated. The operating assets have therefore to be considered at their book values and other assets at their net realizable values.

Considering the fact that in a going concern scenario, as the present one, the relative earning power is of importance to the basis of amalgamation, with the values arrived at on the net asset basis being of limited relevance, we have not considered the values of the equity shares of the Companies arrived at under the Net Asset Value Method for arriving at the fair equity share exchange ratio.

Comparable Companies' Multiple (CCM) / Earnings Capitalization Value Method (ECV)

Under the CCM / ECV method, value of the equity shares of a company is arrived at by using multiples / capitalization rates derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. These valuations are based on the principle that such market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples / capitalization rates need to be chosen carefully and adjusted for differences between the circumstances.

We have applied the appropriate earnings multiples of listed companies in India engaged in a business similar to that of AIPL (on a consolidated basis) and HRC respectively, after making suitable adjustments to the appropriate standalone / consolidated working results of AIPL and HRC to arrive at the value of the operating businesses. To the value of the operating businesses so arrived, we have made suitable adjustments, as applicable, to arrive at the value of the business for equity shareholders for the purpose of our relative valuation analysis. The values per equity share of AIPL and HRC are arrived at by dividing the value of the business for equity shareholders, arrived at above, by the applicable number of equity shares of AIPL and HRC.

Discounted Cash flow Method (DCF)

The DCF method is considered the most theoretically sound approach and scientific and acceptable method for determination of the value of a business. Under this technique the projected free cash flows from business operations are discounted at the weighted average cost of capital, on a market participant basis, to the providers of capital to the business, and the sum of the present discounted value of such free cash flows is the value of the business.

The future free cash flows are derived considering, inter alia, the changes in the working capital and investments in capital expenditure. They are an aggregation of the free cash flows during the explicit forecast period - prepared based on the business plan - and during the post explicit forecast period, estimated using an appropriate method, and are available to all providers of the company's capital - both debt and equity.

The discount rate i.e. weighted average cost of capital (WACC), which is applied to the free cash flows should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), on a market participant basis, weighted by their relative contribution to the total capital of the business. Determining the WACC, involves determining the Debt Equity ratio, Cost of Debt and the Cost of Equity.

To the value of the operating businesses so arrived, the value of surplus / non-operating assets, debt and other assets / liabilities as appropriate have to be adjusted to arrive at the total value of the business for the equity shareholders of the company.

We have applied the DCF method to the projected standalone / consolidated working results of the HRC and AIPL as furnished to us by the managements of the HRC and AIPL respectively to arrive at the value of their operating businesses. To the value of the operating businesses so arrived, we have made suitable adjustments, as applicable, to arrive at the total value of the businesses for equity shareholders of the HRC and AIPL. The values per equity share of HRC and AIPL are arrived at by dividing the value of the business for equity shareholders, arrived at above, by the applicable number of equity shares of HRC and AIPL.

RECOMMENDATION OF FAIR EQUITY SHARE EXCHANGE RATIO FOR THE PROPOSED MERGER

The fair equity share exchange ratio which form the basis of the Proposed Merger of the Companies would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Normally, though different values have been arrived at under each of the above methodologies, for the purposes of recommending the exchange ratios, it is necessary to arrive at a single value for the shares of each company. It is however important to note that in doing so, we are not attempting to arrive at the absolute values of the shares of each company but at their relative values to facilitate the determination of the exchange ratio. For this purpose,

it is necessary to give appropriate weightages to the values arrived at under each methodology and accordingly compute the resultant fair equity share exchange ratio for the Proposed Merger.

Considering the fact that in a going concern scenario, as the present one, the relative earning power is of importance to the basis of amalgamation, with the values arrived at on the net asset basis being of limited relevance, we have not considered the values of the equity shares of the Companies arrived at under the Net Asset Value Method. Further, since the DCF takes into account the specific strengths of the Companies and represents the expected performance based on the business projections, we have considered it appropriate to give a higher weightage to the value arrived at under the DCF method and a lower weightage to the value arrived at under the CCM method to arrive at the relative values of the equity shares of AIPL and HRC for the purpose of recommending the respective fair equity share exchange ratios for the Proposed Merger.

The fair equity share exchange ratio has been arrived at on the basis of a relative valuation of the equity shares of the Companies explained herein earlier and various qualitative factors relevant to each of the Companies and growth potential of the businesses of the Companies, having regard to information base, management representations, perceptions and key underlying assumptions and limitation.

In the ultimate analysis, valuation will have to be balanced by the exercise of judicious discretion and judgement taking into account all the relevant factors. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiment etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions. For example, Viscount Simon Bd in Gold Coast Selection Trust Ltd. vs. Humphrey reported in 30 TC 209 (House of Lords) and quoted with approval by the Supreme Court of India in the case reported in 176 ITR 417 as under:

"If the asset takes the form of fully paid shares, the valuation will take into account not only the terms of the agreement but a number of other factors, such as prospective yield, marketability, the general outlook for the type of business of the company which has allotted the shares, the result of a contemporary prospectus offering similar shares for subscription, the capital position of the company, so forth. There may also be an element of value in the fact that the holding of the shares gives control of the company.

If the asset is difficult to value, but is nonetheless of a money value, the best valuation possible must be made. Valuation is an art, not an exact science. Mathematical certainty is not demanded, nor indeed is it possible."

In the light of the above and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, in our opinion, the fair equity share exchange ratios for the Proposed Merger of AMRI India Private Limited into Albany Hyderabad Research Centre Research Private Limited as at the Valuation Date of 31 March 2016 is as under:

- 1 (One) equity share of Albany Molecular Research Hyderabad Research Centre Private Limited of INR 100/- each fully paid up for every 78 (Seventy Eight) equity shares of AMRI India Private Limited of INR 10/- each fully paid up.

Yours faithfully,

For **Deloitte Haskins & Sells**

Chartered Accountants

[Registration No. 008072S]



S.Sundaresan

Partner

[Membership No.25776]

Albany Molecular Research Hyderabad Research Centre Private Limited
Provisional Balance sheet
(All amounts in Indian Rupees, except share data and where otherwise stated)

	Notes	As at 28 February 2017	As at 31 March 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	25,93,09,000	25,93,09,000
Reserves and surplus	2.2	36,65,58,561	27,21,43,053
		<u>62,58,67,561</u>	<u>53,14,52,053</u>
Non current liabilities			
Long-term borrowings	2.3	-	6,89,401
Deferred tax liabilities, net	2.4	50,82,485	50,82,487
Other long-term liabilities	2.5	-	-
Long-term provisions	2.6	46,81,737	40,71,038
		<u>97,64,222</u>	<u>98,42,926</u>
Current liabilities			
Trade payables	2.7	-	-
- total outstanding dues of micro and small enterprises		-	-
- total outstanding dues of creditors other than micro and small enterprises		10,82,43,029	7,68,77,922
Other current liabilities	2.8	3,26,48,678	5,40,02,789
Short-term provisions	2.9	2,82,46,560	2,81,82,550
		<u>16,91,38,267</u>	<u>15,90,63,261</u>
TOTAL		<u>80,47,70,049</u>	<u>70,03,58,240</u>
ASSETS			
Non current assets			
Fixed assets			
Tangible assets		37,88,11,889	32,27,97,040
Capital work in progress		82,75,097	2,58,24,446
Long-term loans and advances	2.11	11,22,94,103	5,74,73,824
		<u>49,93,81,090</u>	<u>40,60,95,308</u>
Current assets			
Trade receivables	2.12	28,01,81,891	25,68,59,485
Cash and bank balances	2.13	79,84,783	2,21,60,427
Short-term loan and advances	2.14	1,67,49,293	1,13,90,463
Other current assets	2.15	4,72,993	38,52,555
		<u>30,53,88,959</u>	<u>29,42,62,930</u>
TOTAL		<u>80,47,70,050</u>	<u>70,03,58,239</u>
Significant accounting policies	1		
Notes to financial statements	2		

ATTESTED

M.A. RAO BEHAR, FIE LLB
ADVOCATE & NOTARY
H.NO. 6-B-501/4, Rukma Delux Apts
Sangeetha Nagar, Somajiguda,
Hyderabad-500082. A.P. INDIA



The notes referred to above form an integral part of the financial statements

As per our Report of even date attached

for and on behalf of the Board of Directors of
Albany Molecular Research Hyderabad Research Centre Private Limited
CIN: U73200TG2005PTC045178



Murali Krishna Valluri
Murali Krishna Valluri
Director
DIN : 07598186

Anirag Rastranayaka
Anirag Rastranayaka
Director
DIN: 07189675

Place: Hyderabad
Date:

For AMRI India Private Limited

Anirag
Anirag
Authorised Signatory

For Finekem Laboratories Private Limited

Anirag
Anirag
Authorised Signatory



93

Albany Molecular Research Hyderabad Research Centre Private Limited
Provisional Statement of profit and loss
(All amounts in Indian Rupees, except share data and where otherwise stated)

	Notes	For the year ended 28 February 2017	For the year ended 31 March 2016
Revenue			
Service income		68,50,05,073	53,50,22,775
Other income	2.16	34,81,558	1,38,28,462
Total revenue		68,84,86,630	54,88,51,236
Expenses			
Operating costs	2.17	24,93,56,874	20,22,71,720
Employee benefits	2.18	20,07,29,627	13,67,48,142
Other expenses	2.19	10,11,01,465	10,08,81,354
Finance cost	2.20	58,433	38,15,067
Depreciation	2.10	4,28,24,724	3,92,26,467
Total expenses		59,10,71,123	48,29,42,750
Profit before tax		9,44,15,508	6,59,08,487
Tax expenses			
- Current tax			2,12,57,598
- Deferred tax			26,35,259
Profit after tax		9,44,15,508	4,20,15,630
Earnings per equity share [par value of Rs. 10 per share (previous year: Rs. 10 per share)]			
Basic and diluted	2.22	36.41	16.20
Significant accounting policies	1		
Notes to financial statements	2		

The notes referred to above form an integral part of the financial statements

As per our Report of even date attached

for and on behalf of the Board of Directors of
Albany Molecular Research Hyderabad Research Centre Private Limited
CIN: U73200TG2005PTC045178

Murali Krishna Valluri
Director
DIN : 07598186

Anurag Rastranayaka
Director
DIN: 07189675

Place: Hyderabad
Date:



For AMRI India Private Limited

For Fineken Laboratories Private Limited

Authorized Signatory

Authorized Signatory

Albany Molecular Research Hyderabad Research Centre Private Limited

2. Notes to financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

	As at 28 February 2017	As at 31 March 2016
2.1 Share capital		
<i>Authorised</i>		
3,000,000 (Previous year: 3,000,000) equity shares of Rs. 100 each	30,00,00,000	30,00,00,000
<i>Issued, subscribed and fully paid up</i>		
2,593,090 (Previous year : 2,593,090) equity shares of Rs. 100 each, fully paid-up	25,93,09,000	25,93,09,000
	<u>25,93,09,000</u>	<u>25,93,09,000</u>

a) The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares.

On winding up of the Company, the holders of equity shares will be entitled to receive residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held by the shareholders.

b) The details of shareholders holding more than 5% equity shares is set below;

Name of the shareholders	As at 28 February 2017		As at 31 March 2016	
	No. of shares	%	No. of shares	%
Albany Molecular Research Mauritius Private Limited	23,78,100	92%	23,78,100	92%
Albany Molecular Research Inc., USA	2,14,990	8%	2,14,990	8%
	<u>25,93,090</u>	<u>100%</u>	<u>25,93,090</u>	<u>100%</u>

Albany Molecular Research Mauritius Private Limited, Mauritius is the holding company and Albany Molecular Research Inc., USA is the ultimate holding company.

c) The reconciliation of the number of equity shares outstanding is set out below;

Particulars	As at 28 February 2017		As at 31 March 2016	
	No. of shares	Value	No. of shares	Value
Shares outstanding at the beginning of the year	25,93,090	25,93,09,000	25,93,090	25,93,09,000
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	<u>25,93,090</u>	<u>25,93,09,000</u>	<u>25,93,090</u>	<u>25,93,09,000</u>

	As at 28 February 2017	As at 31 March 2016
--	---------------------------	------------------------

2.2 Reserves and surplus

*Capital reserve**

Opening balance	6,070	6,070
Add: Addition during the year	-	-
Closing balance	<u>6,070</u>	<u>6,070</u>

Securities premium

Opening balance	1,38,01,500	1,38,01,500
Add: Addition during the year	-	-
Closing balance	<u>1,38,01,500</u>	<u>1,38,01,500</u>

Surplus balance in the statement of profit and loss

Opening balance	25,83,35,483.30	1,63,19,853
Add: Profit for the year	9,44,15,508	4,20,15,630
Closing balance	<u>35,27,50,991</u>	<u>25,83,35,483</u>
	<u>36,65,58,561</u>	<u>27,21,43,053</u>

* Represents stock compensation cost of stocks issued by Albany Molecular Research Inc., USA, the ultimate holding company, to the employees of the Company.

Albany Molecular Research Hyderabad Research Centre Private Limited

2. Notes to financial statements (continued)

(All amounts in Indian Rupees, except share data, and others unless specified)

	As at 28 February 2017	As at 31 March 2016
2.3 Long-term borrowings		
Unsecured		
Term loan from holding company (Note a below)		
Secured		
Finance lease (Note b below)		6,89,401
		<u>6,89,401</u>
2.4 Deferred tax liabilities, net		
<i>Deferred tax liability</i>		
Excess of depreciation/ amortisation on fixed assets under income-tax law over depreciation/ amortisation provided in accounts	80,85,964	2,79,54,472
<i>Deferred tax assets</i>		
Provision for employee benefits	15,19,353	15,19,353
Expenses covered by 43B of the Income-tax Act, 1961 and other timing differences	14,84,124	14,84,124
	<u>30,03,478</u>	<u>30,03,478</u>
	<u>50,82,487</u>	<u>2,49,50,995</u>
2.5 Other long-term liabilities		
Interest accrued but not due (refer note 2.3)		
2.6 Long-term provisions		
Provision for employee benefits		
Provision for gratuity (refer note 2.30)	27,37,737	28,96,084
Provision for compensated absences	19,44,000	11,74,954
	<u>46,81,737</u>	<u>40,71,038</u>



for AMRI India Private Limited

 Authorized Signatory



Albany Molecular Research Hyderabad Research Centre Private Limited

2. Notes to financial statements (continued)

(All amounts in Indian Rupees, except share data and where otherwise specified)

	As at 28 February 2017	As at 31 March 2016
2.7 Trade payables		
- total outstanding dues of micro and small enterprises (refer note 2.33)		
- total outstanding dues of creditors other than micro and small enterprises	10,82,43,029	7,68,77,922
	<u>10,82,43,029</u>	<u>7,68,77,922</u>
2.8 Other current liabilities		
Current maturities of term loan from holding company (refer note 2.3)	-	1,65,65,000
Current maturities of finance lease (refer note 2.3)	-	5,07,614
Interest accrued and due (refer note 2.3)	-	1,34,60,525
Capital creditors	14,26,858	32,51,148
Provision for expenses	1,56,25,726	1,64,76,377
Statutory liabilities	1,55,96,093	37,42,126
	<u>3,26,48,678</u>	<u>5,40,02,789</u>
2.9 Short-term provisions		
Provision for employee benefits		
Provision for gratuity (refer note 2.30)	1,64,560	1,48,726
Provision for compensated absences	4,23,740	3,75,564
Provision for tax [net of advance tax: Rs 87,624,850 (Previous year: Rs 70,053,176)]	2,76,58,260	2,76,58,260
	<u>2,82,46,560</u>	<u>2,81,82,550</u>

For Finekem Laboratories Private Limited

Authorized Signatory

For AMRI Ltd.

Limited

Authorized Signatory



Albany Molecular Research Hyderabad Research Centre Private Limited
 2. Notes to financial statements (continued)
 (All amounts in Indian Rupees, except share data and where otherwise stated)

	As at 28 February 2017	As at 31 March 2016
2.11 Long-term loans and advances <i>(Unsecured, considered good)</i>		
Capital advances	9,15,696	26,07,499
Deposits	71,33,857	57,85,766
Advance income tax [net of provision: Rs. 58,690,640; (Previous year: Rs 58,690,640)]	6,47,32,465	1,75,97,280
Service tax credit receivable	3,95,12,085	3,14,83,278
	<u>11,22,94,103</u>	<u>5,74,73,824</u>
2.12 Trade receivables <i>(Unsecured, considered good)</i>		
Receivables outstanding for a period exceeding six months from the date they become due for payment	25,731	25,731
Other receivables	28,01,56,160	25,68,33,755
	<u>28,01,81,891</u>	<u>25,68,59,485</u>
2.13 Cash and bank balances		
Cash and cash equivalents		
Cash on hand	32,639	18,000
Balances with banks		
- in current accounts	<u>62,75,327</u>	<u>2,04,65,611</u>
	63,07,967	2,04,83,611
Other bank balances		
Term deposit *	16,76,816	16,76,816
	<u>79,84,783</u>	<u>2,21,60,427</u>
* These deposits have been pledged with Department of Excise and Customs.		
Details of bank balances/ deposits		
Bank balances available on demand/ deposits with original maturity 3 months or less included under 'Cash and cash equivalents'	62,75,327	2,04,65,611
Bank deposits due to mature within 12 months of the reporting date included under 'other bank balances'	16,76,816	16,76,816
Bank deposit due to mature after 12 months of the reporting date included under 'Other non-current assets'	-	-
2.14 Short-term loans and advances <i>(Unsecured, considered good)</i>		
Prepaid expenses	1,45,73,736	80,00,943
Advance to suppliers	21,67,013	33,54,511
Others	8,543	35,010
	<u>1,67,49,293</u>	<u>1,13,90,463</u>
2.15 Other current assets <i>(Unsecured, considered good)</i>		
From related parties		
Unbilled revenue	-	35,01,118
Other receivables	1,21,556	-
From other than related parties		
Interest accrued	3,51,437	3,51,437
	<u>4,72,993</u>	<u>38,52,555</u>

APRIL 12
 For AMRI India Private Limited

[Signature]
 Authorised Signatory



For Finekem Laboratories Private Limited

[Signature]
 Authorised Signatory



Albany Molecular Research Hyderabad Research Centre Private Limited

2. Notes to financial statements (continued)

(All amounts in Indian Rupees, except share data and where otherwise stated)

	For the year ended 28 February 2017	For the year ended 31 March 2016
2.16 Other income		
Interest income on		
- bank deposit	15,492	1,44,038
- others		1,90,800
Foreign exchange fluctuations, net	"	1,14,25,245
Scrap sales	31,67,368	20,66,583
Profit on disposal of fixed assets, net	2,98,698	1,796
	<u>34,81,558</u>	<u>1,38,28,462</u>
2.17 Operating costs		
Consumables (refer note 2.25)	24,57,22,622	19,94,65,340
Sub-contracting charges	36,34,252	28,06,380
	<u>24,93,56,874</u>	<u>20,22,71,720</u>
2.18 Employee benefits		
Salaries, allowances and bonus	18,63,95,767	12,33,39,628
Contribution to provident and other funds	1,02,09,858	71,58,561
Staff welfare	41,24,002	62,49,953
	<u>20,07,29,627</u>	<u>13,67,48,142</u>
2.19 Other expenses		
Power and fuel	2,44,71,166	2,30,08,041
Legal and professional (Refer note 2.23)	71,70,318	69,66,807
Rent (Refer note 2.32)	80,68,381	64,06,012
Insurance	61,97,319	48,76,090
Repairs and maintenance		
- building	88,56,156	90,54,331
- plant and equipment	70,56,810	78,17,408
Communication	30,14,201	31,22,720
Office utilities	1,01,44,407	87,66,417
Postage and delivery	1,92,075	2,40,358
Recruitment	35,39,406	29,35,382
Rates and taxes	12,54,509	63,84,712
Bad debts written off	-	16,23,251
Capital work-in-progress written off	-	63,64,502
Write off Advance to suppliers	19,20,126	
Bank charges	4,46,101	2,90,549
Printing and stationery	22,50,807	13,73,772
Travelling and conveyance	1,61,62,827	1,16,51,002
Foreign exchange fluctuations, net	3,56,855	-
	<u>10,11,01,165</u>	<u>10,08,81,354</u>
2.20 Finance cost		
Interest on term loan	40,755	6,05,997
Interest on taxes	-	3,37,551
Net loss on foreign currency transactions and translations to the extent regarded as borrowing costs	-	25,55,077
Interest on finance lease	17,678	3,16,442
	<u>58,433</u>	<u>38,15,067</u>

For AMR

Authorised Signatory

For Finekem Laboratories Private Limited

Authorised Signatory

Albany Molecular Research Hyderabad Research Centre Private Limited
2. Notes to financial statements (continued)
(All amounts in Indian Rupees, except share data and where otherwise stated)

Note 2.10 Fixed assets

Description					Gross block			Accumulated depreciation				Net block		
	Asset GL	Accum Dep GL	Dep. GL	Dep. GL	As at 1 April 2016	Additions	Deletions	As at 28 Feb 2017	As at 1 April 2016	Charge for the year*	Deletions	As at 28 Feb 2017	As at 28 Feb 2017	As at 31 March
Tangible														
<i>Owned assets</i>														
Freehold land	140001				59,89,500	-	-	59,89,500	-	-	-	-	59,89,500	59,89,500
Buildings	140013	145012	560013	860013	16,83,66,496	2,19,480	-	16,85,85,976	2,19,17,436	25,29,344	-	2,44,46,780	14,41,39,195	14,64,49,059
Plant and equipment	140006	145005	560006	860006	41,29,73,528	9,43,76,547	-	50,73,50,075	26,02,17,844	3,46,34,368	-	29,48,52,212	21,24,54,527	15,27,12,348
Furniture and fixtures	140011	145010	560011	860011	1,03,93,919	2,19,300	-	1,06,13,219	97,84,651	1,99,969	-	99,84,620	6,28,599	6,09,268
Office equipment	140003	145002	560003	860003	1,53,81,129	7,83,676	-	1,61,64,805	88,84,915	17,20,691	-	1,06,05,606	56,02,540	63,39,555
Computers	140008	145007	560008	860008	2,48,37,044	40,93,504	-	2,89,30,548	1,52,38,070	36,94,948	-	1,89,33,018	99,97,529	95,98,973
<i>Leased assets</i>														
Vehicle	140012	145011	560099	860099	20,78,821	(20,78,821)	-		11,80,484	45,403				8,98,337
Total					64,00,20,437	9,76,13,687		73,76,34,124	31,72,23,400	4,28,24,724		35,88,22,237	37,88,11,889	32,27,97,040
Previous year					54,39,68,003	9,91,36,523	30,84,087	64,00,20,439	28,07,19,004	3,92,26,467	27,22,072	31,72,23,399	32,27,97,040	-



For Finekem Laboratories Private Limited

Authorised Signatory

For AMRI India Private Limited

Authorised Signatory

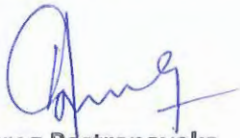
Albany Molecular Research Hyderabad Research Centre Private Limited
Registered Office: Plot No. 9, Sy. No. 230-243, Phase-I, Alexandria Knowledge Park,
Genome Valley, Turkapally, Shameerpet, Hyderabad, Telangana, India - 500 078.
T. +91-40-6687 6666, F. +91-40-6687 6600, www.amriglobal.com
CIN: U73200TG2005PTC045178

July 5, 2017

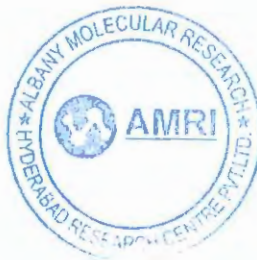
Confirmation under section 232(2)(b)

This is to confirm that a copy of the draft Scheme has been filed with the Registrar of Companies on July 5, 2017.

For Albany Molecular Research Hyderabad Research Centre Private Limited



Anurag Rastranayaka
Authorised Signatory
DIN: 07189675





Albany Molecular Research Hyderabad Research Centre Private Limited
Registered Office: Plot No. 9, Sy. No. 230-243, Phase-I, Alexandria Knowledge Park,
Genome Valley, Turkapally, Shameerpet, Hyderabad, Telangana, India - 500 078.
T. +91-40-6687 6666, F. +91-40-6687 6600, www.amriglobal.com
CIN: U73200TG2005PTC045178

Report explaining the effect of the Scheme of Amalgamation of AMRI India Private Limited and Finekem Laboratories Private Limited with Albany Molecular Research Hyderabad Research Centre Private Limited ('the Company') and their respective shareholders ('the Scheme') on Equity Shareholders (Promoter and Non-Promoter Shareholders), Key Managerial Personnel, Directors, Depositors, Creditors, Debenture holders, Deposit trustee, Debenture trustee and Employees of the Company

1. Effect of the Scheme on equity shareholders (promoters and non-promoters) of the Company:

As far as the equity shareholders of the Company are concerned (*promoter shareholders as well as non-Promoter shareholders*), pursuant to the Scheme they will continue to remain shareholders of the Company but their percentage shareholding in the Company may vary based on the share exchange ratio determined on the basis of the Independent valuation report obtained from Deloitte Haskins & Sells, Chartered Accountants dated 23 March 2017.

2. Effect of the Scheme on Key Managerial Personnel ('KMPs') and directors of the Company:

The Scheme would not have any effect on the KMPs and directors of the Company.

3. Effect of the Scheme on depositors, creditors, debenture holders, deposit trustee, debenture trustee and employees of the Company.

The Scheme would not have any adverse effect on the creditors and employees of the Company.

There are no depositors, debenture holders, deposit trustee and debenture trustees of the Company.

For Albany Molecular Research Hyderabad Research Centre Private Limited

Anurag Kastranayaka
Director
DIN: 07189675



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

IN THE MATTER OF THE COMPANIES ACT, 2013

AND

IN THE MATTER OF SECTIONS 230 TO 232 THE COMPANIES ACT, 2013

AND

**IN THE MATTER OF ALBANY MOLECULAR RESEARCH HYDERABAD RESEARCH CENTRE
PRIVATE LIMITED**

AND

**IN THE MATTER OF SCHEME OF AMALGAMATION OF AMRI INDIA PRIVATE LIMITED
AND FINEKEM LABORATORIES PRIVATE LIMITED WITH ALBANY MOLECULAR
RESEARCH HYDERABAD RESEARCH CENTRE PRIVATE LIMITED AND THEIR
RESPECTIVE SHAREHOLDERS**

FORM OF PROXY

I/ We _____ the undersigned, being the unsecured Creditor(s) of Albany Molecular Research Hyderabad Research Centre Private Limited, the Transferee Company do hereby appoint Mr./Ms. _____ as my/our proxy, to act for me/us at the meeting of the Unsecured Creditors to be held at Plot No. 9, Survey Nos: 230-243, Phase 1, M N Park, Turkapally, Shamirpet Mandal, Genome Valley, Hyderabad, Telangana - 500 078 on 9th day of August 2017 at 12 o'clock in the afternoon, for the purpose of considering and, if thought fit, approving, with or without modification(s) the proposed Scheme of Amalgamation of AMRI India Private Limited And Finekem Laboratories Private Limited with Albany Molecular Research Hyderabad Research Centre Private Limited and at such meeting, and any adjournment/ adjournments thereof, to vote, for me/us and in my/our name(s) _____ (herein, if for insert 'FOR', if against insert 'AGAINST' and in the latter case strike out the words "either with or without modifications" after the word "Arrangement") the said arrangement embodied in the Scheme of Arrangement either with or without modifications as my/our proxy may approve.

Affix Re. 1
Revenue
Stamp

Dated this _____ day of _____ 2017

Name		Signature of Unsecured Creditor / Witness (where the Creditor is blind or incapable of writing) across the Stamp
Address		

NOTES:

1. Please affix revenue stamp before putting signature.
2. Proxy need not be an Unsecured Creditor.
3. Proxy shall not be a minor.

4. Proxy should carry a valid proof of identity like PAN card, Aadhar card, Driving License, Passport, etc.
5. Proxy authorized by an Unsecured Creditor which is a body corporate should carry the true copy of the Resolution passed by the Board of Directors or other governing body of such body corporate, certified by a Director, Manager, Secretary or other authorized officer of such body corporate, to this effect. Such Resolution should be lodged with the Transferee Company at its registered office not later than FORTY EIGHT hours before the time scheduled / fixed for the said Meeting.
6. Alterations, if any, made in the Form of Proxy should be initialed.
7. Form of Proxy must be deposited in the prescribed form duly signed by the person entitled to vote at the meeting should be filed at the Registered Office of the Transferee Company, not later than FORTY EIGHT hours before the time scheduled / fixed for the said Meeting.
8. In case of multiple Proxies, the Proxy later in time shall be accepted.
9. The proxy of a creditor blind or incapable of writing may be accepted if such creditor has attached his signature or mark thereto in the presence of a witness who shall add to his signature his description and address : provided that all insertions in the proxy are in the handwriting of the witness and such witness shall have certified at the foot of the proxy that all such insertions have been made by him at the request and in the presence of the creditor before he attached his signature or mark.
10. The proxy of a creditor who does not know English may be accepted if it is executed in the manner prescribed above and the witness certifies that it was explained to the creditor in the language known to him, and gives the creditor's name in English below the signature.
11. Copy of the Scheme of Arrangement / Explanatory Statement / Proxy Form may be obtained from the registered office of Albany Molecular Research Hyderabad Research Centre Private Limited at Plot No. 9, Survey Nos: 230-243, Phase 1, M N Park, Turkapally, Shamirpet Mandal, Genome Valley, Hyderabad, Telangana – 500 078

ALBANY MOLECULAR RESEARCH HYDERABAD RESEARCH CENTRE PRIVATE LIMITED
Registered office: Plot No. 9, Survey Nos: 230-243, Phase 1, M N Park, Turkapally,
Shamirpet Mandal, Genome Valley, Hyderabad, Telangana – 500 078

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

**IN THE MATTER OF SCHEME OF AMALGAMATION OF AMRI INDIA PRIVATE LIMITED
 AND FINEKEM LABORATORIES PRIVATE LIMITED WITH ALBANY MOLECULAR
 RESEARCH HYDERABAD RESEARCH CENTRE PRIVATE LIMITED AND THEIR
 RESPECTIVE SHAREHOLDERS**

I hereby record my presence at the Meeting of the Unsecured Creditors of Albany Molecular Research Hyderabad Research Centre Private Limited, Transferee Company, convened pursuant to the Order dated the 8th day of June 2017 of the National Company Law Tribunal of Hyderabad Bench at Plot No. 9, Survey Nos: 230-243, Phase 1, M N Park, Turkapally, Shamirpet Mandal, Genome Valley, Hyderabad, Telangana – 500 078 on 9th day of August 2017 at 12 o'clock in the afternoon.

NAME AND COMPLETE ADDRESS OF THE UNSECURED CREDITOR	
Signature	

NAME OF THE PROXY HOLDER / AUTHORISED REPRESENTATIVE

Signature	
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NOTE: Unsecured Creditors attending the Meeting in Person or by Proxy or through Authorized Representative are requested to complete and bring the Attendance Slip with them and hand it over at the entrance of the meeting hall.