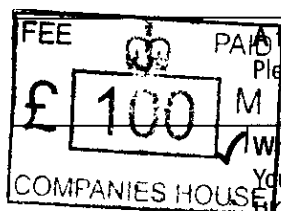


OS IN01

Registration of an overseas company opening a UK establishment



Companies House



Fee is payable with this form
Please see 'How to pay' on the last page.

☒ What this form is for
You may use this form to register a
UK establishment.

☒ What this form is NOT for
You cannot use this form to change
the details of an existing company,
officer or establishment.

WEDNESDAY



LD1 *L84K2PWG* #37
01/05/2019
COMPANIES HOUSE

✓ 100 100223

FC036192

Part 1 Overseas company details (Name)

For official use

A1 Corporate name of overseas company

Corporate name¹

SAI LIFE SCIENCES LIMITED

Do you propose to carry on business in the UK under the corporate name as
incorporated in your home state or country, or under an alternative name?

- To register using your corporate name, go to **Section A3**.
- To register using an alternative name, go to **Section A2**.

→ Filling in this form

Please complete in typescript (10pt
or above), or in bold black capitals

All fields are mandatory unless
specified or indicated by *

¹ This must be the corporate name in
the home state or country in which
the company is incorporated.

A2 Alternative name of overseas company *

Please show the alternative name that the company will use to do business
in the UK.

Alternative name
(if applicable) ²

² A company may register an
alternative name under which it
proposes to carry on business in the
United Kingdom under Section 1048
of the Companies Act 2006. Once
registered it is treated as being its
corporate name for the purposes of
law in the UK.

A3 Overseas company name restrictions³

This section does not apply to a European Economic Area (EEA) company
registering its corporate name.

Please tick the box only if the proposed company name contains sensitive or
restricted words or expressions that require you to seek comments of a
government department or other specified body.

- ☐ I confirm that the proposed company name contains sensitive or restricted
words or expressions and that approval, where appropriate, has been
sought of a government department or other specified body and I attach a
copy of their response.

³ Overseas company name restrictions

A list of sensitive or restricted words
or expressions that require consent
can be found in guidance available
on our website:
www.gov.uk/companieshouse

Part 2 Overseas company details

B1 Particulars previously delivered

Have particulars about this company been previously delivered in respect of another UK establishment. ^①

→ No Go to **Section B2**.

→ Yes Please enter the registration number below and then go to **Part 5** of the form. Please note the original UK establishment particulars must be filed up to date.

^① The particulars are: legal form, identity of register, number in registration, director and secretaries details, whether the company is a credit or financial institution, law, governing law, accounting requirements, objects, share capital, constitution, and accounts.

UK establishment
registration number

B R

B2 Credit or financial institution

Is the company a credit or financial institution? ^②

☐ Yes

☒ No

^② Please tick one box.

B3 Company details

If the company is registered in its country of incorporation, please enter the details below.

Legal form ^③

PUBLIC COMPANY LIMITED BY SHARES ✓

Country of
incorporation *

INDIA ✓

Identity of register
in which it is
registered ^④

INDIA ✓

Registration number in
that register

0 3 0 9 7 0 ✓

^③ Please state whether or not the company is limited. Please also include whether the company is a private or public company if applicable.

^④ This will be the registry where the company is registered in its parent country.

B4 EEA or non-EEA member state

Was the company formed outside the EEA?

→ Yes Complete **Sections B5** and **B6**.

→ No Go to **Section B6**.

B5 Governing law and accounting requirements

Please give the law under which the company is incorporated.

Governing law ^⑤

INDIA ✓

Is the company required to prepare, audit and disclose accounting documents under parent law?

→ Yes Complete the details below.

→ No Go to **Part 3**.

^⑤ This means the relevant rules or legislation which regulates the incorporation of companies in that state.

OS IN01

Registration of an overseas company opening a UK establishment

Please give the period for which the company is required to prepare accounts by parent law.

From	^d 0	^d 1	^m 0	^m 4
To	^d 3	^d 1	^m 0	^m 3

Please give the period allowed for the preparation and public disclosure of accounts for the above accounting period.

Months	0	6
--------	---	---

B6

Latest disclosed accounts

Are copies of the latest disclosed accounts being sent with this form? Please note if accounts have been disclosed, a copy must be sent with the form, and, if applicable, with a certified translation.❶

☒ Yes.

Please indicate what documents have been disclosed.

☒ Please tick this box if you have enclosed a copy of the accounts.

☐ Please tick this box if you have enclosed a certified translation of the accounts.

☐ Please tick this box if no accounts have been disclosed.

❶ Please tick the appropriate box(es).

Part 3 Constitution

C1

Constitution of company

The following documents must be delivered with this application.

- Certified copy of the company's constitution and, if applicable, a certified translation.

Please tick the appropriate box(es) below.

- ☒ I have enclosed a certified copy of the company's constitution. ^①
- ☐ I enclose a certified translation, if applicable. ^②

^① A certified copy is defined as a copy certified as correct and authenticated by - the secretary or a director of the company, permanent representative, administrator, administrative receiver, receiver manager, receiver and liquidator.

^② A certified translation into English must be authenticated by the secretary or a director of the company, permanent representative, administrator, administrative receiver, receiver manager, receiver and liquidator.

C2

EEA or non-EEA member state

Was the company formed outside the EEA?

- Yes Go to Section C3.
- No Go to Part 4 'Officers of the company'.

C3

Constitutional documents

Are all of the following details in the copy of the constitutional documents of the company?

- Address of principal place of business or registered office in home country of incorporation
- Objects of the Company
- Amount of issued share capital

- Yes Go to Part 4 'Officers of the company'
- No If any of the above details are not included in the constitutional documents, please enter them in Section C4.

The information is not required if it is contained within the constitutional documents accompanying this registration.

C4

Information not included in the constitutional documents

Please give the address of principal place of business or registered office in the country of incorporation. ^①

Building name/number	Office # L4-01 & 02, SLN Terminus, Survey #133									
Street	Gachibowli Miyapur Road, Gachibowli									
Post town	Hyderabad									
County/Region										
Postcode	5	0	0	0	3	2				
Country	India									
	Please give the objects of the company and the amount of issued share capital.									
Objects of the company ^④										
Amount of issued share capital ^⑤										

^① This address will appear on the public record.

^④ Please give a brief description of the company's business.

^⑤ Please specify the amount of shares issued and the value.

Part 4

Officers of the company

Have particulars about this company been previously delivered in respect of another UK establishment?

- **Yes** Please ensure you entered the registration number in **Section B1** and then go to **Part 5** of this form.
- **No** Complete the officer details.

For a secretary who is an individual, go to **Section D1**; for a corporate secretary, go to **Section E1**; for a director who is an individual, go to **Section F1**; or for a corporate director, go to **Section G1**.

Continuation pages

Please use a continuation page if you need to enter more officer details.

Secretary

D1

Secretary details^①

Use this section to list all the secretaries of the company. Please complete **Sections D1-D3**. For a corporate secretary, complete **Sections E1-E5**. Please use a continuation page if necessary.

Full forename(s)

RUNA

Surname

KARAN

Former name(s)^②

① Corporate details

Please use Sections E1-E5 to enter corporate secretary details.

② Former name(s)

Please provide any previous names (including maiden or married names) which have been used for business purposes in the last 20 years.

D2

Secretary's service address^③

Building name/number

Office # L4-01 & 02, SLN Terminus, Survey #133

Street

Gachibowli Miyapur Road, Gachibowli

Post town

Hyderabad

County/Region

Postcode

5 0 0 0 3 2

Country

India

③ Service address

This is the address that will appear on the public record. This does not have to be your usual residential address.

If you provide your residential address here it will appear on the public record.

D3

Secretary's authority

Please enter the extent of your authority as secretary. Please tick one box.

Extent of authority

- ☐ Limited ^④
- ☒ Unlimited

Description of limited authority, if applicable

Are you authorised to act alone or jointly? Please tick one box.

- ☒ Alone
- ☐ Jointly ^⑤

If applicable, name(s) of person(s) with whom you are acting jointly

④ If you have indicated that the extent of your authority is limited, please provide a brief description of the limited authority in the box below.

⑤ If you have indicated that you are not authorised to act alone but only jointly, please enter the name(s) of the person(s) with whom you are authorised to act below.

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Registration of an overseas company opening a UK establishment

Corporate secretary

E1	Corporate secretary details¹ Use this section to list all the corporate secretaries of the company. Please complete Sections E1-E5. Please use a continuation page if necessary.	1 Registered or principal address This is the address that will appear on the public record. This address must be a physical location for the delivery of documents. It cannot be a PO box number (unless contained within a full address), DX number or LP (Legal Post in Scotland) number.
Name of corporate body or firm		
Building name/number		
Street		
Post town		
County/Region		
Postcode	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	
Country		
E2	Location of the registry of the corporate body or firm Is the corporate secretary registered within the European Economic Area (EEA)? → Yes Complete Section E3 only → No Complete Section E4 only	
E3	EEA companies² Please give details of the register where the company file is kept (including the relevant state) and the registration number in that register.	2 EEA A full list of countries of the EEA can be found in our guidance: www.gov.uk/companieshouse 3 This is the register mentioned in Article 3 of the First Company Law Directive (68/151/EEC).
Where the company/firm is registered ³		
Registration number		
E4	Non-EEA companies⁴ Please give details of the legal form of the corporate body or firm and the law by which it is governed. If applicable, please also give details of the register in which it is entered (including the state) and its registration number in that register.	4 Non-EEA Where you have provided details of the register (including state) where the company or firm is registered, you must also provide its number in that register
Legal form of the corporate body or firm		
Governing law		
If applicable, where the company/firm is registered ⁴		
If applicable, the registration number		

OS IN01

Registration of an overseas company opening a UK establishment

E5

Corporate secretary's authority

	Please enter the extent of your authority as corporate secretary. Please tick one box.		<p>❶ If you have indicated that the extent of your authority is limited, please provide a brief description of the limited authority in the box below.</p> <p>❷ If you have indicated that you are not authorised to act alone but only jointly, please enter the name(s) of the person(s) with whom you are authorised to act below.</p>
Extent of authority	<input type="checkbox"/> Limited ❶ <input type="checkbox"/> Unlimited		
Description of limited authority, if applicable			
	Are you authorised to act alone or jointly? Please tick one box.		
	<input type="checkbox"/> Alone <input type="checkbox"/> Jointly ❷		
If applicable, name(s) of person(s) with whom you are acting jointly			

OS IN01

Registration of an overseas company opening a UK establishment

Director

F1	Director details ^① Use this section to list all the directors of the company. Please complete Sections F1-F5. For a corporate director, complete Sections G1-G5. Please use a continuation page if necessary.	① Corporate details Please use Sections G1-G5 to enter corporate director details.
Full forename(s)	Ranga Raju	② Former name(s) Please provide any previous names (including maiden or married names) which have been used for business purposes in the last 20 years.
Surname	Kanumuri	③ Country/State of residence This is in respect of your usual residential address as stated in Section F5.
Former name(s) ^②		④ Month and year of birth Please provide month and year only. Provide full date of birth in section F4.
Country/State of residence ^③	India	⑤ Business occupation If you have a business occupation, please enter here. If you do not, please leave blank.
Nationality	Indian	
Month/year of birth ^④	X X m0 m1 y1 y9 y5 y1	
Business occupation (if any) ^⑤		
F2	Director's service address ^⑥	⑥ Service address This is the address that will appear on the public record. This does not have to be your usual residential address. If you provide your residential address here it will appear on the public record.
Building name/number	Office # L4-01 & 02, SLN Terminus, Survey #133	
Street	Gachibowli Miyapur Road, Gachibowli	
Post town	Hyderabad	
County/Region		
Postcode	5 0 0 0 3 2	
Country	India	
F3	Director's authority Please enter the extent of your authority as director. Please tick one box.	⑦ If you have indicated that the extent of your authority is limited, please provide a brief description of the limited authority in the box below. ⑧ If you have indicated that you are not authorised to act alone but only jointly, please enter the name(s) of the person(s) with whom you are authorised to act below.
Extent of authority	<input type="checkbox"/> Limited ^⑦ <input checked="" type="checkbox"/> Unlimited	
Description of limited authority, if applicable		
	Are you authorised to act alone or jointly? Please tick one box. <input checked="" type="checkbox"/> Alone <input type="checkbox"/> Jointly ^⑧	
If applicable, name(s) of person(s) with whom you are acting jointly		

OS IN01 - continuation page

Registration of an overseas company opening a UK establishment

Director

F1	Director details ^①		<p>① Corporate details Please use Sections G1-G5 to enter corporate director details.</p> <p>② Former name(s) Please provide any previous names (including maiden or married names) which have been used for business purposes in the last 20 years.</p> <p>③ Country/State of residence This is in respect of your usual residential address as stated in Section F5.</p> <p>④ Month and year of birth Please provide month and year only. Provide full date of birth in section F4.</p> <p>⑤ Business occupation If you have a business occupation, please enter here. If you do not, please leave blank.</p>
	Use this section to list all the directors of the company. Please complete Sections F1-F5. For a corporate director, complete Sections G1-G5. Please use a continuation page if necessary.		
Full forename(s)	Krishnam Raju		
Surname	Kanumuri		
Former name(s) ^②			
Country/State of residence ^③	India		
Nationality	Indian		
Month/year of birth ^④	<div>X</div> <div>X</div> <div>m0</div> <div>m2</div> <div>y1</div> <div>y9</div> <div>y7</div> <div>y1</div>		
Business occupation (if any) ^⑤			

F2	Director's service address ^⑥		<p>⑥ Service address This is the address that will appear on the public record. This does not have to be your usual residential address.</p> <p>If you provide your residential address here it will appear on the public record.</p>
Building name/number	Office # L4-01 & 02, SLN Terminus, Survey #133		
Street	Gachibowli Miyapur Road, Gachibowli		
Post town	Hyderabad		
County/Region			
Postcode	<div>5</div> <div>0</div> <div>0</div> <div>0</div> <div>3</div> <div>2</div> <div></div> <div></div>		
Country	India		

F3	Director's authority		<p>⑦ If you have indicated that the extent of your authority is limited, please provide a brief description of the limited authority in the box below.</p> <p>⑧ If you have indicated that you are not authorised to act alone but only jointly, please enter the name(s) of the person(s) with whom you are authorised to act below.</p>
	Please enter the extent of your authority as director. Please tick one box.		
Extent of authority	<input type="checkbox"/> Limited ^⑦ <input checked="" type="checkbox"/> Unlimited		
Description of limited authority, if applicable			
	Are you authorised to act alone or jointly? Please tick one box.		
	<input checked="" type="checkbox"/> Alone <input type="checkbox"/> Jointly ^⑧		
If applicable, name(s) of person(s) with whom you are acting jointly			

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Registration of an overseas company opening a UK establishment

Director

F1 Director details ^①

Use this section to list all the directors of the company. Please complete Sections F1-F5. For a corporate director, complete Sections G1-G5. Please use a continuation page if necessary.

Full forename(s)	Puneet
Surname	Bhatia
Former name(s) ^②	
Country/State of residence ^③	India
Nationality	Indian
Month/year of birth ^④	X X m1 m2 y1 y9 y9 y6
Business occupation (if any) ^⑤	

① Corporate details

Please use Sections G1-G5 to enter corporate director details.

② Former name(s)

Please provide any previous names (including maiden or married names) which have been used for business purposes in the last 20 years.

③ Country/State of residence

This is in respect of your usual residential address as stated in Section F5.

④ Month and year of birth

Please provide month and year only. Provide full date of birth in section F4.

⑤ Business occupation

If you have a business occupation, please enter here. If you do not, please leave blank.

F2 Director's service address ^⑥

Building name/number	Office # L4-01 & 02, SLN Terminus, Survey #133
Street	Gachibowli Miyapur Road, Gachibowli
Post town	Hyderabad
County/Region	
Postcode	5 0 0 0 3 2
Country	India

⑥ Service address

This is the address that will appear on the public record. This does not have to be your usual residential address.

If you provide your residential address here it will appear on the public record.

F3 Director's authority

Please enter the extent of your authority as director. Please tick one box.

Extent of authority	<input type="checkbox"/> Limited ^⑦ <input checked="" type="checkbox"/> Unlimited
Description of limited authority, if applicable	
	Are you authorised to act alone or jointly? Please tick one box.
	<input checked="" type="checkbox"/> Alone <input type="checkbox"/> Jointly ^⑧
If applicable, name(s) of person(s) with whom you are acting jointly	

⑦ If you have indicated that the extent of your authority is limited, please provide a brief description of the limited authority in the box below.

⑧ If you have indicated that you are not authorised to act alone but only jointly, please enter the name(s) of the person(s) with whom you are authorised to act below.

OS IN01 - continuation page

Registration of an overseas company opening a UK establishment

Director

F1	Director details ^①	
	Use this section to list all the directors of the company. Please complete Sections F1-F5. For a corporate director, complete Sections G1-G5. Please use a continuation page if necessary.	
Full forename(s)	Raju	
Surname	Penmasta	
Former name(s) ^②		
Country/State of residence ^③	USA	
Nationality	Indian	
Month/year of birth ^④	X X m0 m9 y1 y9 y5 y2	
Business occupation (if any) ^⑤		

① Corporate details
Please use Sections G1-G5 to enter corporate director details.

② Former name(s)
Please provide any previous names (including maiden or married names) which have been used for business purposes in the last 20 years.

③ Country/State of residence
This is in respect of your usual residential address as stated in Section F5.

④ Month and year of birth
Please provide month and year only. Provide full date of birth in section F4.

⑤ Business occupation
If you have a business occupation, please enter here. If you do not, please leave blank.

F2	Director's service address ^⑥	
Building name/number	Office # L4-01 & 02, SLN Terminus, Survey #133	
Street	Gachibowli Miyapur Road, Gachibowli	
Post town	Hyderabad	
County/Region		
Postcode	5 0 0 0 3 2	
Country	India	

⑥ Service address
This is the address that will appear on the public record. This does not have to be your usual residential address.

If you provide your residential address here it will appear on the public record.

F3	Director's authority	
	Please enter the extent of your authority as director. Please tick one box.	
Extent of authority	<input type="checkbox"/> Limited ^⑦ <input checked="" type="checkbox"/> Unlimited	
Description of limited authority, if applicable		
	Are you authorised to act alone or jointly? Please tick one box.	
	<input checked="" type="checkbox"/> Alone <input type="checkbox"/> Jointly ^⑧	
If applicable, name(s) of person(s) with whom you are acting jointly		

⑦ If you have indicated that the extent of your authority is limited, please provide a brief description of the limited authority in the box below.

⑧ If you have indicated that you are not authorised to act alone but only jointly, please enter the name(s) of the person(s) with whom you are authorised to act below.

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Registration of an overseas company opening a UK establishment

Director

F1	Director details ¹	
	Use this section to list all the directors of the company. Please complete Sections F1-F5. For a corporate director, complete Sections G1-G5. Please use a continuation page if necessary.	1 Corporate details Please use Sections G1-G5 to enter corporate director details.
Full forename(s)	Rajagopal Srirama	2 Former name(s) Please provide any previous names (including maiden or married names) which have been used for business purposes in the last 20 years.
Surname	Tatta	3 Country/State of residence This is in respect of your usual residential address as stated in Section F5.
Former name(s) ²		4 Month and year of birth Please provide month and year only. Provide full date of birth in section F4.
Country/State of residence ³	USA	5 Business occupation If you have a business occupation, please enter here. If you do not, please leave blank.
Nationality	Indian	
Month/year of birth ⁴	X X m0 m5 y1 y9 y5 y1	
Business occupation (if any) ⁵		

F2	Director's service address ⁶	
Building name/number	Office # L4-01 & 02, SLN Terminus, Survey #133	6 Service address This is the address that will appear on the public record. This does not have to be your usual residential address. If you provide your residential address here it will appear on the public record.
Street	Gachibowli Miyapur Road, Gachibowli	
Post town	Hyderabad	
County/Region		
Postcode	5 0 0 0 3 2	
Country	India	

F3	Director's authority	
	Please enter the extent of your authority as director. Please tick one box.	7 If you have indicated that the extent of your authority is limited, please provide a brief description of the limited authority in the box below.
Extent of authority	<input type="checkbox"/> Limited ⁷ <input checked="" type="checkbox"/> Unlimited	8 If you have indicated that you are not authorised to act alone but only jointly, please enter the name(s) of the person(s) with whom you are authorised to act below.
Description of limited authority, if applicable		
	Are you authorised to act alone or jointly? Please tick one box.	
	<input checked="" type="checkbox"/> Alone <input type="checkbox"/> Jointly ⁸	
If applicable, name(s) of person(s) with whom you are acting jointly		

OS IN01 - continuation page

Registration of an overseas company opening a UK establishment

Director

F1	Director details ^①		<p>① Corporate details Please use Sections G1-G5 to enter corporate director details.</p> <p>② Former name(s) Please provide any previous names (including maiden or married names) which have been used for business purposes in the last 20 years.</p> <p>③ Country/State of residence This is in respect of your usual residential address as stated in Section F5.</p> <p>④ Month and year of birth Please provide month and year only. Provide full date of birth in section F4.</p> <p>⑤ Business occupation If you have a business occupation, please enter here. If you do not, please leave blank.</p>
	Use this section to list all the directors of the company. Please complete Sections F1-F5. For a corporate director, complete Sections G1-G5. Please use a continuation page if necessary.		
Full forename(s)	Nandita		
Surname	Gurjar		
Former name(s) ^②			
Country/State of residence ^③	India		
Nationality	Indian		
Month/year of birth ^④	<div>X</div> <div>X</div> <div>m0</div> <div>m1</div> <div>y1</div> <div>y9</div> <div>y6</div> <div>y1</div>		
Business occupation (if any) ^⑤			

F2	Director's service address ^⑥		<p>⑥ Service address This is the address that will appear on the public record. This does not have to be your usual residential address.</p> <p>If you provide your residential address here it will appear on the public record.</p>
Building name/number	Office # L4-01 & 02, SLN Terminus, Survey #133		
Street	Gachibowli Miyapur Road, Gachibowli		
Post town	Hyderabad		
County/Region			
Postcode	<div>5</div> <div>0</div> <div>0</div> <div>0</div> <div>3</div> <div>2</div> <div></div> <div></div>		
Country	India		

F3	Director's authority		<p>⑦ If you have indicated that the extent of your authority is limited, please provide a brief description of the limited authority in the box below.</p> <p>⑧ If you have indicated that you are not authorised to act alone but only jointly, please enter the name(s) of the person(s) with whom you are authorised to act below.</p>
	Please enter the extent of your authority as director. Please tick one box.		
Extent of authority	<input type="checkbox"/> Limited ^⑦ <input checked="" type="checkbox"/> Unlimited		
Description of limited authority, if applicable			
	Are you authorised to act alone or jointly? Please tick one box.		
	<input checked="" type="checkbox"/> Alone <input type="checkbox"/> Jointly ^⑧		
If applicable, name(s) of person(s) with whom you are acting jointly			

OS IN01 - continuation page

Registration of an overseas company opening a UK establishment

Director

F1 Director details ^①	
	Use this section to list all the directors of the company. Please complete Sections F1-F5. For a corporate director, complete Sections G1-G5. Please use a continuation page if necessary.
Full forename(s)	Mitesh
Surname	Daga
Former name(s) ^②	
Country/State of residence ^③	India
Nationality	Indian
Month/year of birth ^④	<div>X</div> <div>X</div> <div>m0</div> <div>m8</div> <div>y1</div> <div>y9</div> <div>y7</div> <div>y9</div>
Business occupation (if any) ^⑤	

① Corporate details
Please use Sections G1-G5 to enter corporate director details.

② Former name(s)
Please provide any previous names (including maiden or married names) which have been used for business purposes in the last 20 years.

③ Country/State of residence
This is in respect of your usual residential address as stated in Section F5.

④ Month and year of birth
Please provide month and year only. Provide full date of birth in section F4.

⑤ Business occupation
If you have a business occupation, please enter here. If you do not, please leave blank.

F2 Director's service address ^⑥	
Building name/number	Office # L4-01 & 02, SLN Terminus, Survey #133
Street	Gachibowli Miyapur Road, Gachibowli
Post town	Hyderabad
County/Region	
Postcode	<div>5</div> <div>0</div> <div>0</div> <div>0</div> <div>3</div> <div>2</div> <div></div> <div></div>
Country	India

⑥ Service address
This is the address that will appear on the public record. This does not have to be your usual residential address.

If you provide your residential address here it will appear on the public record.

F3 Director's authority	
	Please enter the extent of your authority as director. Please tick one box.
Extent of authority	<input type="checkbox"/> Limited ^⑦ <input checked="" type="checkbox"/> Unlimited
Description of limited authority, if applicable	
	Are you authorised to act alone or jointly? Please tick one box.
	<input checked="" type="checkbox"/> Alone <input type="checkbox"/> Jointly ^⑧
If applicable, name(s) of person(s) with whom you are acting jointly	

⑦ If you have indicated that the extent of your authority is limited, please provide a brief description of the limited authority in the box below.

⑧ If you have indicated that you are not authorised to act alone but only jointly, please enter the name(s) of the person(s) with whom you are authorised to act below.

Corporate director

G1	Corporate director details ^①	
	Use this section to list all the corporate directors of the company. Please complete G1-G5. Please use a continuation page if necessary.	
Name of corporate body or firm		
Building name/number		
Street		
Post town		
County/Region		
Postcode	<div style="display: flex; justify-content: space-between;"> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> </div>	
Country		
	① Registered or principal address This is the address that will appear on the public record. This address must be a physical location for the delivery of documents. It cannot be a PO box number (unless contained within a full address), DX number or LP (Legal Post in Scotland) number.	
G2	Location of the registry of the corporate body or firm	
	Is the corporate director registered within the European Economic Area (EEA)? → Yes Complete Section G3 only → No Complete Section G4 only	
G3	EEA companies ^②	
	Please give details of the register where the company file is kept (including the relevant state) and the registration number in that register.	
Where the company/firm is registered ^③		
Registration number		
	② EEA A full list of countries of the EEA can be found in our guidance: www.gov.uk/companieshouse ③ This is the register mentioned in Article 3 of the First Company Law Directive (68/151/EEC).	
G4	Non-EEA companies	
	Please give details of the legal form of the corporate body or firm and the law by which it is governed. If applicable, please also give details of the register in which it is entered (including the state) and its registration number in that register.	
Legal form of the corporate body or firm		
Governing law		
If applicable, where the company/firm is registered ^④		
If applicable, the registration number		
	④ Non-EEA Where you have provided details of the register (including state) where the company or firm is registered, you must also provide its number in that register	

OS IN01

Registration of an overseas company opening a UK establishment

G5

Corporate director's authority

	Please enter the extent of your authority as corporate director. Please tick one box.	❶ If you have indicated that the extent of your authority is limited, please provide a brief description of the limited authority in the box below. ❷ If you have indicated that you are not authorised to act alone but only jointly, please enter the name(s) of the person(s) with whom you are authorised to act below.
Extent of authority	<input type="checkbox"/> Limited ❶ <input type="checkbox"/> Unlimited	
Description of limited authority, if applicable		
	Are you authorised to act alone or jointly? Please tick one box. <input type="checkbox"/> Alone <input type="checkbox"/> Jointly ❷	
If applicable, name(s) of person(s) with whom you are acting jointly		

OS IN01

Registration of an overseas company opening a UK establishment

Part 5 UK establishment details

H1 Documents previously delivered - constitution

Has the company previously registered a certified copy of the company's constitution with material delivered in respect of another UK establishment?

- No Go to **Section H3**.
- Yes Please enter the UK establishment number below and then go to **Section H2**.

UK establishment
registration number

B R

H2 Documents previously delivered – accounting documents

Has the company previously delivered a copy of the company's accounting documents with material delivered in respect of another UK establishment?

- No Go to **Section H3**.
- Yes Please enter the UK establishment number below and then go to **Section H3**.

UK establishment
registration number

B R

H3 Delivery of accounts and reports

This section **must** be completed. Please state if the company intends to comply with accounting requirements with respect to this establishment or in respect of another UK establishment. ^❶

- ☒ In respect of this establishment. Please go to **Section H4**.
- ☐ In respect of another UK establishment. Please give the registration number below, then go to **Section H4**.

^❶ Please tick the appropriate box.

UK establishment
registration number

B R

H4 Particulars of UK establishment ^❶

You **must** enter the name and address of the UK establishment.

Name of establishment SAI LIFE SCIENCES LIMITED

Building name/number

Street 3rd Floor, 5 Lloyds Avenue

Post town London

County/Region

Postcode E C 3 N 3 A E

Country United Kingdom

Please give the date the establishment was opened and the business of the establishment.

Date establishment opened ^d3 ^d0 ^m0 ^m4 ^y2 ^y0 ^y1 ^y9

Business carried on at the UK establishment Research and development activity in the pharma industry

^❶ Address
This is the address that will appear on the public record.

Part 6

Permanent representative

Please enter the name and address of every person authorised to represent the company as a permanent representative of the company in respect of the UK establishment.

J1

Permanent representative's details

Please use this section to list all the permanent representatives of the company. Please complete Sections J1-J4.

Continuation pages

Please use a continuation page if you need to enter more details.

Full forename(s)

Andrzej

Surname

Radomski

J2

Permanent representative's service address ^①

Building name/number

Street

3rd Floor, 5 Lloyds Avenue

Post town

London

County/Region

Postcode

E C 3 N 3 A E

Country

United Kingdom

① Service address

This is the address that will appear on the public record. This does not have to be your usual residential address.

If you provide your residential address here it will appear on the public record.

J3

Permanent representative's authority

Please enter the extent of your authority as permanent representative. Please tick one box.

Extent of authority

- ☒ Limited ^②
☐ Unlimited

Description of limited authority, if applicable

authority limited to complete the necessary filings with Companies

House and HM Revenue & Customs

Are you authorised to act alone or jointly? Please tick one box.

- ☐ Alone
☒ Jointly ^③

If applicable, name(s) of person(s) with whom you are acting jointly

Simon Harris

② If you have indicated that the extent of your authority is limited, please provide a brief description of the limited authority in the box below.

③ If you have indicated that you are not authorised to act alone but only jointly, please enter the name(s) of the person(s) with whom you are authorised to act below.

OS IN01 - continuation page

Registration of an overseas company opening a UK establishment

Permanent representative

J1	Permanent representative's details	
	Please use this section to list all the permanent representatives of the company. Please complete Sections J1-J4 .	
Full forename(s)	Simon	
Surname	Harris	
J2	Permanent representative's service address ¹	
Building name/number		
Street	3rd Floor, 5 Lloyds Avenue	
Post town	London	
County/Region		
Postcode	E C 3 N 3 A E	
Country	United Kingdom	
J3	Permanent representative's authority	
	Please enter the extent of your authority as permanent representative. Please tick one box.	
Extent of authority	<input checked="" type="checkbox"/> Limited ² <input type="checkbox"/> Unlimited	
Description of limited authority, if applicable	authority limited to filings with Companies House and HMRC	
	Are you authorised to act alone or jointly? Please tick one box.	
	<input type="checkbox"/> Alone <input checked="" type="checkbox"/> Jointly ³	
If applicable, name(s) of person(s) with whom you are acting jointly	Andrzej Radomski	

¹ Service address

This is the address that will appear on the public record. This does not have to be your usual residential address.

If you provide your residential address here it will appear on the public record.

² If you have indicated that the extent of your authority is limited, please provide a brief description of the limited authority in the box below.

³ If you have indicated that you are not authorised to act alone but only jointly, please enter the name(s) of the person(s) with whom you are authorised to act below.

Part 7

Person authorised to accept service

Does the company have any person(s) in the UK authorised to accept service of documents on behalf of the company in respect of its UK establishment?

→ **Yes** Please enter the name and service address of every person(s) authorised below.

→ **No** Tick the box below then go to **Part 8 'Signature'**.

☒ If there is no such person, please tick this box.

K1 Details of person authorised to accept service of documents in the UK

Please use this section to list all the persons' authorised to accept service below. Please complete **Sections K1-K2**.

Continuation pages

Please use a continuation page if you need to enter more details.

Full forename(s)

Surname

K2 Service address of person authorised to accept service ^①

Building name/number

Street

Post town

County/Region

Postcode

Country

① Service address

This is the address that will appear on the public record. This does not have to be your usual residential address. Please note, a DX address would not be acceptable.

OS IN01

Registration of an overseas company opening a UK establishment

Part 8

Signature

This must be completed by all companies.

I am signing this form on behalf of the company.

Signature

Signature

X *Audrey Redman* X

This form may be signed by:

~~Director, Secretary~~, Permanent representative.

**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name

Company name

Address

Post town

County/Region

Postcode

Country

DX

Telephone

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The overseas corporate name on the form matches the constitutional documents exactly.
- ☐ You have included a copy of the appropriate correspondence in regard to sensitive words, if appropriate.
- ☐ You have included certified copies and certified translations of the constitutional documents, if appropriate.
- ☐ You have included a copy of the latest disclosed accounts and certified translations, if appropriate.
- ☐ You have completed all of the company details in Section B3 if the company has not registered an existing establishment.
- ☐ You have complete details for all company secretaries and directors in Part 4 if the company has not registered an existing establishment.
- ☐ Any addresses given must be a physical location. They cannot be a PO Box number (unless part of a full service address), DX or LP (Legal Post in Scotland) number.
- ☐ You have completed details for all permanent representatives in Part 6 and persons authorised to accept service in Part 7.
- ☐ You have signed the form.
- ☐ You have enclosed the correct fee.

**Important information**

Please note that all information on this form will appear on the public record, apart from information relating to usual residential addresses and day of birth.

**How to pay**

A fee of £20 is payable to Companies House in respect of a registration of an overseas company. Make cheques or postal orders payable to 'Companies House.'

**Where to send**

You may return this form to any Companies House address, however for expediency we advise you to return it to the appropriate address below:

England and Wales:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

Scotland:

The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post).

Northern Ireland:

The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG.
DX 481 N.R. Belfast 1.

Higher protection

If you are applying for, or have been granted, higher protection, please post this whole form to the different postal address below:
The Registrar of Companies, PO Box 4082,
Cardiff, CF14 3WE.

**Further information**

For further information, please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

INCORPORATED UNDER THE COMPANIES ACT, 2013
(COMPANY LIMITED BY SHARES)
MEMORANDUM OF ASSOCIATION OF
SAI LIFE SCIENCES LIMITED

- I. The name of the Company is **SAI LIFE SCIENCES LIMITED**.
- II. The Registered Office of the Company will be situated in the State of Telangana.
- III. **A. THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:-**
1. To carry on the business of manufacturers of and dealers in Chemicals, Fine Chemicals Synthetics, Finished Drugs and Pharmaceuticals, Fine Pharmaceuticals, Bulk Drugs and Cosmetics and to establish laboratory facilities for the Company's own or others' use.
 2. To carry on the business as chemical engineers, analytical chemists, importers, exporters, manufacturers of and dealers in heavy chemicals, acids, alkalis, chemical compounds and chemicals of all kinds (solid, liquid and gaseous), drugs, medicines, pharmaceuticals, antibiotics and pharmaceutical, medical, sizing, bleaching, photographic and other preparations and articles.
 3. To carry on and to acquire or invent any secret formula, know-how manufacturing process and or design of plant, equipment for the manufacture of Chemicals, Drugs, Pharmaceuticals, Food Products and install, erect the plant and run the plant for the Company's use.
- B. MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III(A) ARE:—**
1. To negotiate, enter in agreements and contracts with Companies, Firms and individuals for technical assistance, knowhow, secret formula, design and technical and financial assistance in the manufacturing, marketing importing and exporting of any or all of the aforesaid lines.
 2. To apply for and assistance either technical or financial from Government and other organizations, Companies, Firms or Individuals, National or International for developing all or any of the business of the Company, upon such terms and conditions as are provided in the Articles of Association of the Company.
 3. To apply for, purchase of otherwise acquire or develop, any patents, brevetted, invention, licences, concessions and the like, conferring and exclusive or limited rights to use or any secret or other information to any invention which may seem capable of being used for any of the purposes of the Company, the acquisition of which may seem calculated directly or indirectly to benefit the Company, and to use, exercise, develop or grant licences in respect of or otherwise turn to account the property, rights or information so acquired and to spend money in experimenting upon testing or improving any such patents, inventions or rights.
 4. To manufacture, formulate, process, import, export, purchase, market, sell, barter in, carry on business and otherwise deal in, all kinds of pesticides, insecticides, acaricides, weedicides, herbicides, fungicides, nematocides, rodenticides, biological insecticides, bactericides, molluscicides, insect hormones, plant growth chemicals and nutrients, anit-feed-ants, anti-bacterial, repellent, attractants, chemosteril-nts.
 5. To manufacture, formulate, process import, export, market sell barter in, carry on business as whole salers and retailers and otherwise deal in all kinds of fertilizers, micronutrients, inhibitors and initiators, hormones, antibiotics, vaccines, animal health chemicals and medicines, feed products and supplements, petroleum products and by-products including but not restricted to phenols and phenolic derivatives alcohol phosphorous and phosphorous compounds, naphthols, benzene, xylene, toluene and derivatives, gases such as carbon monoxide, phosgene, oxygen, nitrogen,

(01)

I, Runa Karan in my capacity as a company Secretary with ICSSI Membership No: 13721 hereby certify that this document is a true copy of the original.

Date: 24.04.2019

Runa Karan
(Runa Karan)
Company Secretary



hydrogen and ammonia and products used in the manufacture and / or formulations of pesticides, insecticides, acaricides, weedicides, herbicides, fungicides, nematocides, bactericides etc. as described above.

6. To manufacture, formulate process, import, export, market, sell, barter in, carry on business or otherwise deal in all kinds of aromatic chemicals, flavours and flavouring substances, essentials oils, whether natural or synthetic, perfumes, perfumery intermediates and perfumery raw materials, essences, lemongrass oils, Ionones, in particular alpha, beta and pseudo Ionones, coumarin and its derivatives.
7. To carry on the business as manufacturers, formulators, processors, producers, growers, fermenters, distillers, refiners, makers, importers, exporters, buyers, sellers, suppliers, stockists, agents, merchants, distributors and concessioners of an dealers in basic and generic drugs. Anti-Tuberculosis and Anti-Infectious Agents, Timans, Agrochemicals, Biological chemicals and all inorganic and Organic chemicals and compounds of any kind, character and property which has been developed or known, or which may be invented or developed in future as a result of any research or studies made in any part of the World.
8. To carry on the business of chemists druggists, importers exporters, manufacturers and dealers in carbide, calcium and other pharmaceutical medicinal, industrial and other preparations and articles and compounds, proprietary articles of all kinds, chemical, photographic, surgical and scientific apparatus and materials
9. To draw, make accept, endorse, discount, execute and issue promissory notes, cheques, bills of exchange, bills of lading warrants, debentures and other negotiable or transferable instruments but not to do any banking business as defined in the Banking Regulations Act, 1949.
10. To amalgamate, enter into partnership, or into any arrangement for sharing profits, union of interest, co-operation, joint ventures or reciprocal concession or for limiting competition with any person or Company carrying on or engaged in (about to carry on engage in) any business or transactions which the Company is authorized to carry on or engage in or which can be carried on in conjunction therewith or which is capable of being conducted so as to directly or indirectly benefit the Company.
11. To purchase or otherwise acquire, sell dispose off or let on hire, and deal in movable and immovable property of all kinds, and in particular lands, buildings, machinery, plant, warehouse, workshops, hereditaments, business concerns and undertakings, mortgages, charges, annuities, patents copyrights, licences, shares, stocks, debentures, securities concessions, options, produce policies and book debts and claims and any interest in immovable or movable property and claims against such property or any person or Company and to carry on any business concern or undertaking so acquired.
12. To acquire, buy, sell, hire, let on hire or otherwise deal in any movable or immovable property which the Company may think fit favourable by way of investment with a view or resell or otherwise
13. To enter into any arrangements with any Governments or Authorities (supreme, municipal, local panchayat or otherwise) or any Corporations, Companies or persons that may seem conducive to the attainment of the Company's objects or any of them or persons any charters, contracts, decrees, rights, privileges and concessions which the Company may think desirable and to carryout exercises, and comply with such charters, contracts, decrees, rights privileges and concessions any imposition or alteration or cancellation of any taxes or duties or tariff which may seem or be calculated directly or indirectly to prejudice the Company's interest.
14. To promote any Company or Companies for the purpose of acquiring all or any of the property, rights and liabilities of the Company or for any other purpose which may seem directly or indirectly calculated to benefit this Company.

15. To facilitate and encourage and assist in the creation, issues or conversion of debentures, bonds, obligated shares, stock and securities and to act as trustees in connection with any securities and take part in the conversion of business concerns and undertaking into Companies to carry on all kinds of promotion of business concerns and undertaking into Companies, to carry on all kinds of promotion of business and in particular to form, constitution, float, assist and control any Companies, Associations or Undertakings whatsoever.
16. To undertake and execute any trusts the undertaking whereof may seem desirable and also undertake the office of the executor, administrator, receiver, treasurer, registrar, and to keep for any Company, Government Authority or Body any register relating to any stocks, funds or share or securities or to undertake and duties any relation to the register of transfers the issue of certificates otherwise.
17. To amalgamate with any other Company whose objects include objects similar to those of this Company whether by sale or purchase (for full or partly paid up shares or otherwise) off the undertaking subject to the liabilities or this or any such other Company as aforesaid, with or without winding up by sale or purchase (for full or partly paid up shares or otherwise) of all or a controlling interest in the shares or stock of this or any such other Company as aforesaid or by partnership or any arrangement of the nature of the partnership or in any other manner.
18. To sell, exchange, mortgage, charge, develop, let on hire, or dispose of the undertaking property and assets of the Company or any part thereof in such manner and for such consideration as the Directors think fit, and in particular for shares (whether fully or partly paid-up) debentures or securities of any other Company having objects altogether or in part similar to those of this Company.
19. To pay all the costs, charges and expenses of and incidental to the promotion formation, registration and establishment of the Company and the issue of its capitals including undertaking or other commissions Broker's fees and charges in connection therewith and to remunerate or make donations by cash or other assets or by the allotment of fully or partly paid up shares or by a call or option on shares, debentures, debenture stocks or security of this or any other Company or in any other manner out of Company's capitals or profits or otherwise to any person or persons or services rendered or to be rendered in introducing any property or business to the Company or in placing or assisting to place or Guaranteeing the subscription of any shares, debentures, debenture stock or other securities of any other Company or for any other reason which the Company may think proper.
20. Subject to the provisions of Act, to borrow or raise money or receive money on deposit merely for the purpose of financing the business of the Company either without security or secured by liquid or fixed assets perpetual or terminable and payable or otherwise and issue at par or at a premium or discount or by mortgage, hypothecation, pledge or other security charges on the undertaking or on all or any of the assets present or future of the Company including uncalled capital.
21. To provide for the welfare of the Directors, ex-Directors and employees or ex-employees of the Company or its predecessors in business and wives, widow and families or the dependents or relations of such persons by building or contributing for the building of house, dwellings, or by grants of money pensions, allowances, bonus, payments towards insurance or other payment or by creating and from time to time contributing or subscribing or aiding or conveniences and by providing or subsidizing towards places or instruction, recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Company shall think fit and subscribe or contribute or otherwise assist or to guarantee money to charitable benevolent, religious scientific, national or other institution or objects or objects or for any public, general or useful objects.
22. To obtain in India or from foreign countries, any plant and machineries and other fixed or circulation assets and land and building for the Company on payment in cash and partly on credit or on cash and to enter into an agreement for acquiring the same on such terms of credit as or considered suitable

undertaking therein to pay in differed lumpsums or installments. The cost together interest; if necessary and to arrange for requisite security or guarantee thereof for the supplies of such plants and machineries and fixed and circulating assets.

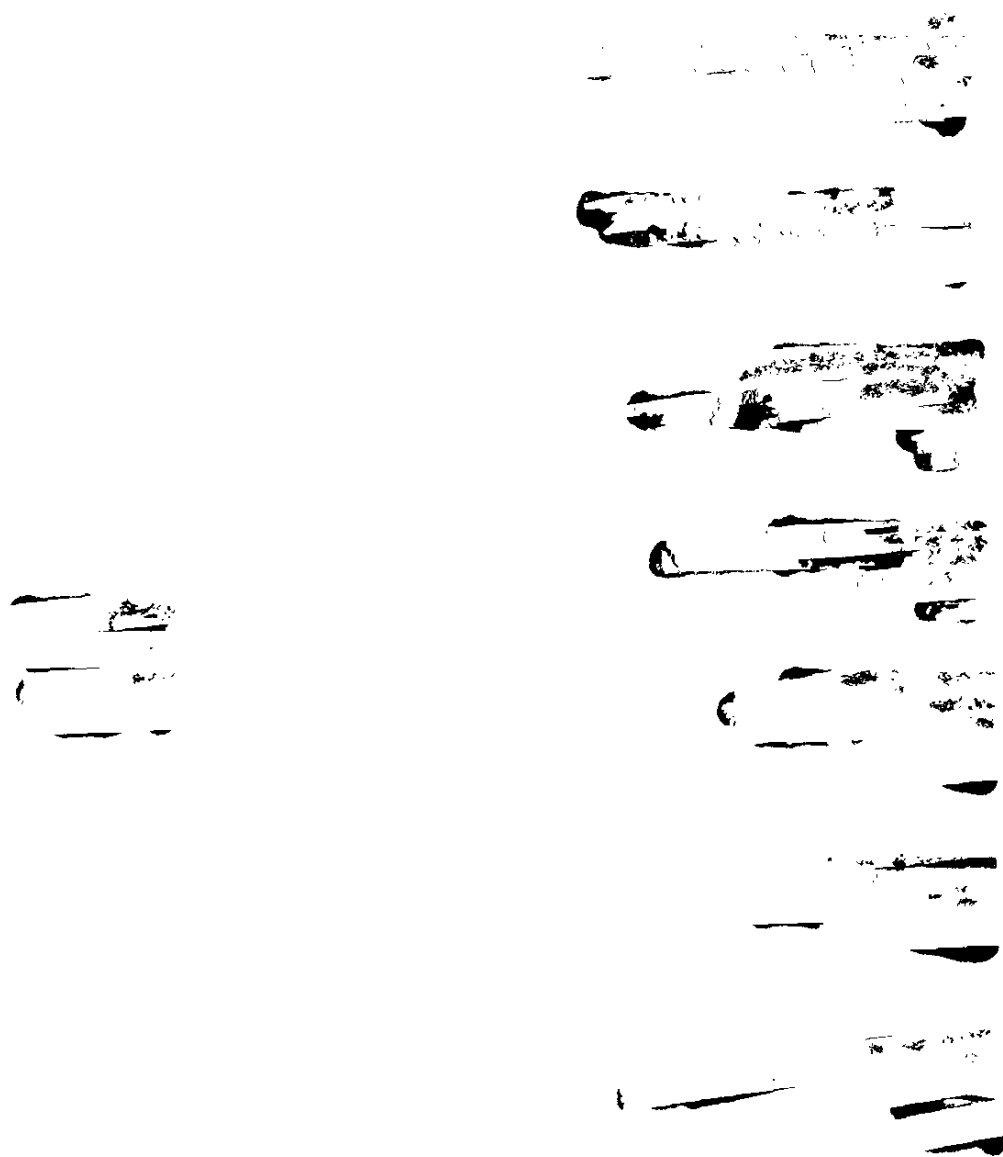
23. Subject to provisions of the Act, to indemnify members, officers, managers, secretaries, auditors, servants and menials of the Company against proceedings, costs, damages claims and demands in respect of any thing done or ordered to be done by them for and in the interest of the Company, or for any loss or misfortune whatever which shall all happen in the evacuation of the duties are their officers in the relation thereto.
 24. To mortgage and charge the undertaking and all or any of the real and personal property and assets present or future and all or any of the uncalled capital for the time being of the Company and to issue at par or at a premium or discount and for such consideration and with such rights powers and privileges as may be thought fit, debentures or mortgage debentures and either permanent or redeemable or repayable and collaterally or further to secure any securities of the Company by a trust deed or other assurance.
 25. Subject to the provisions of the Companies Act, 2013 remunerate any persons including Directors or any firm or corporation or any employee of the Company whether by cash payment or by giving to him or them a commission on the profits of any particular transaction of a share in general profits of the Company or by allotment to him or them of shares or securities of the Company credited as paid up in full or part of otherwise for any service rendered to the Company.
 26. To receive money on deposit at interest or otherwise and to lend money with or without security to such persons, firm or Company on such terms as may seem expedient and in particular to customers and others having dealings with the Company and to guarantee the performance of contracts by any such persons, firm or Company but the Company shall not do any banking business, as defined in the Banking Regulation Act, 1949.
 27. To distribute in species any properties of the Company among the members as may be permissible in law upon winding up.
 28. To carry on business of consultancy for establishing in the field of management, finance, marketing and sales.
 29. To establish training centres for scientific, technical and management courses to develop skill and efficiency in the industry.
- IV. The liability of the members of the Company is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.
- V. The Authorised Share Capital of the Company is Rs. 21,40,00,000/- (Rupees Twenty one crores forty lakhs only) divided into 2,14,00,000 (Two Crore fourteen lakhs only) equity shares of Rs. 10/- (Rupees Ten only) each with powers to increase or to reduce the same from time to time, subject to the provisions of the Companies Act, 2013. Upon any increase of capital other than the authorized capital, the Company is at liberty to issue any new shares with any preferential, qualify or special rights privileges conditions attached thereto.

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

S. No.	Names, addresses, descriptions and occupations and Signature of the Subscribers	Number of Equity Shares taken by each subscribers	Names, addresses, descriptions, occupations and Signature of the above witness
1.	Nandyala Ravindra Varma [REDACTED]	100 (One Hundred only)	Sd/- D V Sastry [REDACTED]
2.	Prathima Kanumuri [REDACTED]	100 (One Hundred only)	
3.	Kanumuri Ranga Raju [REDACTED]	100 (One Hundred only)	
4.	K Mytreji [REDACTED]	100 (One Hundred only)	
5.	Dr. R S Raju [REDACTED]	100 (One Hundred only)	
6.	N Anita [REDACTED]	100 (One Hundred only)	
7.	R Ajay [REDACTED]	100 (One Hundred only)	
Total		700	

Place : Hyderabad

Date : 11th January, 1999



THE COMPANIES ACT, 2013 ¹
(COMPANY LIMITED BY SHARES)
ARTICLES OF ASSOCIATION
OF
SAI LIFE SCIENCES LIMITED

Definitions

"Act" shall mean the Companies Act, 2013 to the extent enacted and enforced and the relevant provisions of the Companies Act, 1956 to the extent still in force or any other statutory amendment or re-enactment thereof;

"Acceptance Notice" shall have the meaning as set forth in Article 58;

"Adjusted Shareholding Percentage" shall mean the percentage of Share Capital held by a Person calculated by excluding any Shares issuable pursuant to unvested options granted under the Management ESOP Scheme 2018 following from Share Capital;

"Affiliate" shall mean:

- (i) with respect to any Person (other than a natural person), any other Person who, directly or indirectly, through one or more intermediate Persons, Controls, is Controlled by, or is under common Control, such first Person, but excludes any Person who is a Competitor;
- (ii) without prejudice to the generality of sub-clause (i) above, in respect of the Investor and HBM only, any Person:
 - a. managing, or acting as investment adviser to, the investment funds that, directly or indirectly, Control the Investor and/or HBM as applicable; or
 - b. a fund, collective investment scheme, trust, partnership (including without limitation, a co-investment partnership), any co-investment vehicle, special purpose vehicle or other vehicle or any subsidiary or affiliate of the foregoing, which is managed by any other Affiliate of the Investor and/or HBM, whether on the Effective Date or in the future and in which any other Affiliate of the Investor and/or HBM as applicable is a general partner or a limited partner.

provided, however, that, the following Person(s) shall not be considered as 'Affiliates' of the Investor and/or HBM (as applicable): (A) a Competitor; and (B) a portfolio company of the Investor or HBM (as applicable);

- (iii) with respect to the Promoter Group only, the Promoters and the Promoter Family Members.

"Adjourned Board Meeting" shall have the meaning set forth in Article 101(b);

"Adjourned Shareholders Meeting" shall have the meaning set forth in Article 106(b);

"Affirmative Vote Matters" shall have the meaning as set forth in Article 101;

"Approved Strategic Sale" shall have the meaning as set forth in Article 141;

"Articles" means the articles of association of the Company, as amended from time to time;

"Binding Offer" shall mean an offer by a Proposed Buyer, which is not conditional on any further due diligence of the Company by such Proposed Buyer, containing the price and all other terms and conditions on which such Person is willing to purchase all (but not less than all) of the Investor Shares;

"Board" means the board of directors of the Company;

"Board Meeting" means a meeting of the Board;

"Business" shall mean the B2B business of development and manufacturing of pharmaceuticals (except biologics) and drug substances, Drug Discovery Services and Formulation Services.;

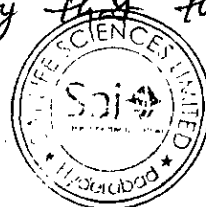
"Business Day" means a day on which banks are normally open for business in Mumbai, Singapore and Hyderabad;

"Business Plan" means the annual business plan of the Company, which shall include, among other details, the

¹ Articles translated vide shareholders resolution dated 25 July 2018

I, Runa Karan in my capacity as a Company Secretary with ICSS membership No. 13721 hereby certify that this document is a true copy of the original.

Date: 29.04.2019



Runa Karan
(Runa Karan)
Company Secretary

financing requirements, capital expenditure, means of finance, cash flows, and budget of the Company for the relevant Financial Year including a budgeted income statement and balance sheet, approved and adopted by the Board after the Effective Date from time to time;

"Chairman" shall mean Chairman of the Board of the Company who shall at all times be nominated by the Promoter from among the Promoter Directors;

"Competitor" means any Person defined as a Pharmaceutical Business Person and mutually agreed between the Company, Promoter and Investor; (ii) any Person who Controls a Pharmaceutical Business Person (a "Controlling Entity"), provided, however, that a financial investor whose primary business is to carry out investment activities shall not be deemed to be a Controlling Entity of any Pharmaceutical Business Person; and/or (iii) any Person resident in India who is Controlled by a Pharmaceutical Business Person (a "Controlled Entity");

"Control" with respect to any Person, shall mean (a) ownership or control (whether directly or indirectly) of more than 50% (Fifty per cent) of the total equity share capital or voting capital or the like of the controlled entity, whether by shareholding or contract or otherwise; or (b) control of, or the power to control, the composition of a majority of the Board of directors or equivalent of the controlled entity; or (c) control of, or the power to control, the management and/or policy decisions of the controlled entity, and the terms "controlling" and "controlled" shall be correspondingly construed.;

"Cool Off Period" shall have the meaning as set forth in Article 61;

"Deed" means Deed of Adherence in the form agreed between the Company, Promoter and Investor,

"Drag Along Notice" shall have the meaning as set forth in Article 148;

"Drag Along Sale Notice" shall have the meaning as set forth in Article 157;

"Drag Along Sale" shall have the meaning as set forth in Article 148;

"Drag Along Shares" shall have the meaning as set forth in Article 148;

"Drug Discovery Services" means services that relate to activities performed for the purpose of identifying a new chemical or a new biological candidate or its intermediates as a part of a new drug discovery program and includes synthetic and medicinal chemistry, pharmacology, biology and pharmacokinetics. ;

"Effective Date" shall mean 25 July 2018;

"Encumbrance" means any mortgage, pledge, equitable interest, assignment by way of security, hypothecation, right of other Persons, claim, encumbrance, defect in title, interest, option, lien, charge (fixed or floating), commitment, right of set-off, any security interest, beneficial interest, any restriction (including restrictions on voting, use, transfer, non-disposal undertakings, pre-emption rights and the like) or any agreement to create any of the above;

"Equity Securities" or "Equity Security" means the Share(s) and all classes of share(s), debenture(s), warrant(s), option(s) and other security/securities of the Company which is/are convertible or exchangeable into Shares of the Company or any other security or contractual right which gives to its holder the right to acquire or subscribe to Shares or Equity Securities of the Company;

"ESOP Scheme" means the Sai ESOP Scheme 2008 and Management ESOP Scheme 2018 as approved by the Company;

"Exit Period" means the period commencing on July 25, 2022 and ending on July 24, 2024;

"Fair Market Value" means the fair market value of each Share, determined on the basis of a valuation of the Company (taken as a whole) by an independent merchant banker jointly appointed by the Investor and the Promoter;

"Financial Year" means the period of 12 (Twelve) months commencing on April 1 of a calendar year and ending on March 31 of the following calendar year or any other period adopted by the Company as its accounting year;

"Formulation Services" means services involving design, research, development, manufacture, analytical and testing in relation to formulation of a drug product;

"Fully Diluted", shall in the context of calculations involving share capital or number of shares, mean a calculation made assuming that all outstanding Equity Securities, including stock options, warrants, right to buy or acquire equity Shares (whether or not, by their term, then currently convertible, exercisable or exchangeable) have been so converted, exercised or exchanged;

"GAAP" means the generally accepted accounting principles as applicable in India;

"General Meeting" means a meeting of the Shareholders;

"Government Authority" means any government authority, statutory authority, government department, agency, Commission, board, tribunal or court or other law, rule or regulation making entity having or purporting to have jurisdiction on the subject matter, including the Republic of India or any country or any state or other subdivision thereof or any municipality, district or other subdivision thereof;

"Government Official" means any: (a) employee or official of a national or local Governmental Authority, instrumentality of any Governmental Authority (e.g., state-owned or state-controlled enterprise, government agency, government advisor, public hospital) or public international organization (e.g., the World Bank); (b) political party or party official; or (c) candidate for political office;

"HBM" shall mean HBM Private Equity India and its successors and permitted assigns;

"HBM Shares" means the Equity Securities held by HBM and its Affiliates from time to time;

"Identified Merchant Banker" means any of the merchant banker agreed between the Company, Promoter and Investor;

"Independent Directors" shall have the meaning as set forth in Article 88;

"Information" shall have the meaning as set forth in Article 118;

"Initial Public Offering" or "IPO" shall mean the completion of an initial public offering of the Company resulting in the listing of Shares, or Equity Securities, on any Recognized Stock Exchange;

"Insolvency Event" means:

- (a) where a resolution is passed by the board of a company for voluntarily winding up the company; or
- (b) where a Person is subjected to the appointment of a receiver, official liquidator, or similar officer over its entire undertaking or a material part of its assets or undertaking; or
- (c) enters into an arrangement or compromise with its creditors in terms of Section 230 to 235 of the Act, as applicable or any corresponding Law overseas applicable to the relevant Person.

"Insolvent Shareholder" shall have the meaning as set forth in Article 66;

"Investor" shall TPG Asia VII SF Pte Ltd and its successors and permitted assigns;

"Investor Director(s)" shall have the meaning as set forth in Article 88;

"Investor Shares" means the Equity Securities held by the Investor and its Affiliates;

"IPO Lead Advisor" shall have the meaning as set forth in Article 129;

"Law" means any statute, law, regulation, ordinance, rule, judgment, order, decree, bye-law, approval from the concerned authority, government resolution, order, directive, guideline, policy, requirement, or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or adjudication having the force of law of any of the foregoing, by any concerned authority;

"Management ESOP Scheme 2018" means an Employee Stock Option Plan (ESOP) approved by the Company as on the Effective Date;

"Memorandum of Association" means the memorandum of association of the Company, as amended from time to time;

"Money-Laundering Laws" means with respect to the Company and its Subsidiaries, all laws, regulations and sanctions of all jurisdictions (including sanctions or measures promulgated, imposed, administered or enforced by the Office of Foreign Assets Control of the U.S. Department of Treasury, Her Majesty's Treasury, the European Union, the United Nations or any other relevant sanctions authority) that: (a) limit the use of and / or seek the forfeiture of proceeds from illegal transactions; (b) limit commercial transactions with designated countries or individuals believed to be terrorists, narcotics dealers, supporters of weapons proliferation or otherwise engaged in activities contrary to the interests of

India, Singapore, the United Kingdom, the United States or other applicable countries; (c) may require the Investor to obtain information on the identity of, and source of funds for investment by, the Company or the Promoters Group; or (d) are designed to disrupt the flow of funds to terrorist organization's, in each case, to such extent as applicable to the Company and its Subsidiaries;

"Option Exercise Notice" shall have the meaning as set forth in Article 57;

"Option Period" shall have the meaning as set forth in Article 56;

"Option Price" shall have the meaning as set forth in Article 57;

"Ordinary Course" means an action taken by or on behalf of a Person that satisfies all of the following conditions: (a) such action is recurring in nature and is taken in the ordinary course of the Person's normal day-to-day operations; and (b) such action is taken in accordance with sound and prudent business practices and is consistent with past practice;

"Other Continuing Shareholders" shall mean Mrs S Bharathi, Dr Raju A Penmasta, Mrs Aruna Penmasta, Mr Ravindra Varma Nandyala, Mrs Anita Rudraraju Nandyala, Ms Anjelica Nandyala, Ms Anisha Nandyala, Mr K V Satyanarayana Raju, Mrs K Anuradha, Mr G Ramakrishna Raju and Kanuri Family Trust so long as such individual shareholders hold Equity Securities of the Company;

"Other Shareholders" shall mean shareholders other than Investors, Promoter Group and HBM;

"Parent Shareholder" shall have the meaning as set forth in Article 53(f);

"Person" means any individual, joint venture, company, corporation, partnership, proprietorship, trust or other enterprise (whether incorporated or not), Hindu undivided family, union, association, or any other entity that may be treated as a person under applicable Law;

"Permitted Transfer" shall have the meaning as set forth in Article 53;

"Pre-Emptive Offer" shall have the meaning as set forth in Article 14;

"Pre-Emptive Offer Notice" shall have the meaning as set forth in Article 16;

"Pre-Emptive Offer Period" shall have the meaning as set forth in Article 18;

"Promoter" shall mean and include Dr. K Ranga Raju and Mr. Krishnam Raju Kanumuri;

"Promoter Director(s)" shall have the meaning as set forth in Article 88;

"Promoter Family Members" means shareholders from amongst: (i) Mr. Krishnam Raju Kanumuri; (ii) Dr. K Ranga Raju; (iii) mother, wife, sister, brother, son, daughter, father in law, mother in law and sister in law of Mr. Krishnam Raju Kanumuri; (iv) any partnership firm where any of the Persons listed in sub-clauses (i), (ii) and (iii) above are the only partners; (v) a Hindu undivided family where Mr. Krishnam Raju Kanumuri or Dr. K Ranga Raju or Mr. Krishnam Raju Kanumuri's father in law is a Karta; and/or (vi) companies which are entirely owned by as the Persons enumerated in sub-clauses (i), (ii) and (iii) above, so long as they continue to be shareholders of the Company;

"Promoter Group" means collectively: (i) the Promoter; (ii) Dr. K Ranga Raju; (iii) promoter existing shareholders and (iv) the Promoter Family Members who are presently Shareholders or become Shareholders at any time in the future;

"Proposed Issuance" shall have the meaning as set forth in Article 14;

"Quorum" shall have the meaning as set forth in Article 100;

"Quorum for General Meeting" shall have the meaning as set forth in Article 106;

"Recognized Stock Exchange" means the National Stock Exchange of India Limited, the BSE Limited or any internationally recognized securities exchange approved in writing by the Investor;

"Related Party" shall have the meaning ascribed to the term in the Act;

"Relative" shall have the meaning ascribed to the term in the Act;

"Representatives" means, in relation to a Party, its Affiliates, directors, officers and employees as well as agents, advisers, representatives, accountants and consultants of that Party authorized by such Party to act on their behalf and / or of its respective Affiliates;

"Right of First Offer" shall have the meaning as set forth in Article 56;

"ROFO Transferee" shall have the meaning as set forth in Article 60;

"Sai ESOP Scheme 2008" means the ESOP Scheme approved by the Company on 25 July 2018 and amended by the Company;

"Shares" means equity shares of the Company having a face value as defined in the Memorandum of Association of the Company;

"Share Capital" means the share capital of the Company determined on a Fully Diluted Basis;

"Shareholder(s)" means Persons who are registered in the register of members of the Company as holders of Shares or Persons holding any Equity Securities in the Company;

"Shareholding" or "Shareholding Percentage" means the percentage of the Share Capital held by a Shareholder;

"Strategic Sale Acceptance Notice" shall have the meaning as set forth in Article 144;

"Strategic Sale Notice" shall have the meaning as set forth in Article 141;

"Subsidiaries" means Sai Life Sciences Inc. and any entity which qualifies as subsidiary of the Company under the Act;

"Tag Along Notice" shall have the meaning as set forth in Article 63;

"Tag Along Period" shall have the meaning as set forth in Article 63;

"Tag Along Price" shall have the meaning as set forth in Article 63;

"Tag Along Response" shall have the meaning as set forth in Article 63;

"Tag Along Shares" shall have the meaning as set forth in Article 63;

"Tag Offerees" shall have the meaning as set forth in Article 63;

"TA Share" shall have the meaning as set forth in Article 63;

"TA Selling shareholder(s)" shall have the meaning as set forth in Article 63;

"Tag Transferee" shall have the meaning as set forth in Article 63;

"Third Party" means any Person other than Investor and/or its Affiliates, Promoter and/or its Affiliates, HBM and/or its Affiliates, Other Continuing Shareholders, Other Shareholders and shall not include any Person who has acquired any Equity Security by executing a Deed of Adherence, after the Effective Date;

"Transfer" means to directly or indirectly sell, gift, assign, transfer, transfer any interest in, place in trust, or create any Encumbrance on, any Equity Securities or any right, title or interest therein, or otherwise dispose of in any manner whatsoever voluntarily or involuntary;

"Transfer Period" shall have the meaning as set forth in Article 61; and

"Unsubscribed Securities" shall have the meaning as set forth in Article 23.

Interpretation

- a. Unless the context otherwise requires words used but not defined herein shall have the meaning assigned to them under the Act.
- b. References to any gender shall include all genders and references to the singular number shall include the plural number and vice-versa.
- c. Headings used herein are only for ease of reference and shall not affect the interpretation of this Agreement.
- d. The terms "directly or indirectly" mean directly or indirectly through one or more intermediary Persons or through contractual or other legal arrangements, and the terms "direct or indirect" shall be correspondingly construed.
- e. Reference to the word "include" shall be construed as being without any limitation, except under the Act.
- f. When any number of days is prescribed herein, the same shall be reckoned exclusively of the first and inclusively of the last day unless the last day does not fall on a Business Day, in which case the last day shall be the next succeeding day which is a Business Day.
- g. Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.;

Share capital and variation of rights

General

- 1) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be, provided,
 - i) one certificate for all his Shares without payment of any charges; or
 - ii) several certificates, each for one or more of his shares, upon payment of three hundred rupees for each certificate after the first.
- 2) Every certificate shall be under the seal of the Company and shall specify the Shares to which it relates and the amount paid-up thereon.
- 3) In respect of any Share or Shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
- 4) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of three hundred rupees for each certificate.
- 5) The Company shall be entitled to dematerialise all or any of its existing Shares, rematerialize all or any of its Shares held in the Depositories and / or to offer its fresh Shares or buyback it's Shares in a dematerialized form pursuant to the Depositories Act, 1996 and the Relevant Rules, if any.
- 6) The provisions of Articles 1 to 4 shall mutatis mutandis apply to debentures of the Company.
- 7) Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

- 8) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rule made thereunder. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
- 9) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting, the provisions of these regulations relating general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
- 10) The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further share ranking *pari passu* therewith.
- 11) Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.
- 12) Subject to the provisions of the Act and Article 13 to Article 23, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

Issue of further Equity Securities

13) Issuance of Equity Securities by Investor and HBM

a) Additional Subscription Shares:

- i) Subject to Article 13(a) (iii), the Company shall have the right, exercisable at any time prior to the 1st (first) anniversary of the Effective Date by issuing a notice in writing to the Investor and HBM (the "Company Call Notice"), to require the Investor to invest the aggregate Additional Subscription Amount in such proportion as agreed to between Company, Investor and HBM.
- ii) The Additional Subscription Amount shall be invested by the Investor and HBM (and/or, at the election of the Investor or HBM, as the case may be, by their respective Affiliates) by subscribing to the Additional Subscription Shares at a per Share price equal to the purchase price paid by the Investor as of the Effective Date ("Additional Subscription Price").
- iii) The Company shall have the right to issue a Company Call Notice in accordance with this Article if the Company achieves certain financial parameters as agreed between the Company, Investor and HBM.
- iv) Further, the Company Call Notice shall be issued only after obtaining an approval of the Board for: (a) the issuance of such Company Call Notice; and (b) the detailed statement on the manner in which the Additional Subscription Amount is proposed to be utilized by the Company which is to be included in the Company Call Notice.
- v) The detailed statement on the manner in which the Additional Subscription Amount is proposed to be utilized must be approved in writing by the Investor prior to the issuance of the Company Call Notice.
- vi) The Additional Subscription Shares shall be offered and allotted to the Investor, HBM and/or their Affiliates on a private placement basis.
- vii) The Company shall initiate the private placement process for offering the Additional Subscription Shares at the Additional Subscription Price to the Investor, HBM and/or their Affiliates at least 15 (fifteen) days after the issue of the Company Call Notice to the Investor and HBM and, subject to applicable Law, the Investor

and HBM shall be obliged to accept such offer and subscribe to the Additional Subscription Shares offered to them respectively, at the Additional Subscription Price.

- b) The Company shall not raise any capital by way of issuance of Equity Securities in any manner other than as set out in this Article until the 1st (first) anniversary of the Effective Date.
- c) For the purpose of this Article, the following capitalized terms shall have the meanings ascribed to them below:
 - i) "Additional Subscription Amount" shall mean the amount specified in the Company Call Notice, as agreed between the Company, Promoter, Investor, HBM and Other Shareholders at the Effective Date; and
 - ii) "Additional Subscription Shares" shall mean the number of Shares represented by Additional Subscription Amount divided by the Additional Subscription Price;

Pre-Emptive Offer

- 14) Subject to Article 15, if the Company proposes to issue any Equity Securities to any Person which would dilute the Shareholding of the Investor, HBM or the Promoter Group (each such Person, an "Affected Shareholder" and any such proposed issuance a "Proposed Issuance"), the Company shall provide each Affected Shareholder with the right to acquire such proportionate number of Equity Securities ("Pre-Emptive Offer") so as to enable the Affected Shareholder to maintain a Shareholding Percentage in the Company equal to the Shareholding Percentage of such Affected Shareholder immediately prior to the Proposed Issuance, computed on a Fully Diluted Basis ("Proportionate Shareholding").
- 15) The rights of each Affected Shareholder as set forth in Article 14 shall not apply to:
 - a) issuance of Shares to employees of the Company in accordance with employee stock options approved by the Board under the ESOP Scheme;
 - b) the issuance of any Shares pursuant to the conversion of any Equity Securities issued by the Company prior to the Proposed Issuance; and/or
 - c) issuance of the Additional Subscription Shares to the Investor and HBM in accordance with Article 13.
 - d) Shares issued pursuant to any acquisition/merger of business or an entity
- 16) The Company shall notify a Pre-Emptive Offer to each Affected Shareholder, in writing, within 3 (three) Business Days of receipt of all necessary corporate approvals for any Proposed Issuance ("Pre-Emptive Offer Notice").
- 17) The Pre-Emptive Offer Notice shall state:
 - a) the number of Equity Securities that such Affected Shareholder is entitled to subscribe to in the Proposed Issuance;
 - b) the nature of Equity Securities proposed to be issued;
 - c) the price per Equity Security (it being clarified that all Person(s), including the Affected Shareholders, to whom Equity Securities are proposed to be issued pursuant to the Proposed Issuance shall be required to pay the same price per Equity Security); and
 - d) the total size of the Proposed Issuance and other terms and conditions.
- 18) Each Affected Shareholder may notify the Company of its willingness to subscribe to all, or any portion, of the Equity Securities offered to them in the Pre-Emptive Offer Notice within 30 (Thirty) days of receipt of the Pre-Emptive Offer Notice ("Pre-Emptive Offer Period"), failing which such Affected Shareholder shall be deemed to have declined the offer to participate in the Proposed Issuance.
- 19) Any Equity Securities not subscribed to by the Affected Shareholders pursuant to this Article shall be treated, and allotted, in accordance with Article 20 to Article 23 below.

Renunciation

- 20) Each Affected Shareholder shall have the right to renounce its right to acquire the Equity Securities (including any Equity Securities declined by an Affected Shareholder) which such Affected Shareholder is entitled to acquire pursuant to any Pre-Emptive Offer, or otherwise pursuant to Article 18, in favour of any Affiliate of such Affected Shareholder, provided that:
- a) such Affiliate is not subject to any receivership, bankruptcy, insolvency, dissolution, liquidation or any similar proceedings; and
 - b) the renouncing Affected Shareholder and the Affiliate shall be jointly and severally responsible for the obligations of the renouncing Affected Party under the Articles, to the extent applicable.
- 21) The relevant Affiliate and the renouncing Affected Shareholder shall be bound to execute a Deed as a condition precedent to such renunciation in favour of, and subscription by, the Affiliate to such renounced Equity Securities.
- 22) The renouncing Affected Shareholder undertakes to acquire such Equity Securities prior to the relevant Affiliate ceasing to be an Affiliate.

Disposal of Unsubscribed Rights

- 23) All unsubscribed Equity Securities ("Unsubscribed Securities") pursuant to a Proposed Issuance after the Pre-Emptive Offer Period, may be allotted to any Third Party with the prior written consent of the Promoter and the Investor and such Third Party shall be required to execute a Deed prior to its subscription to any Equity Securities.

Lien

- 24) The company shall have a first and paramount lien
- a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
 - b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company.
- Provided that the Board of directors may at any time declare any share wholly or in part exempt from the provisions of this clause.
- 25) The company's lien, if any, on a share shall extend to all dividend bonuses declared from time to time in respect of such shares.
- 26) The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien, provided that no sale shall be made
- a) unless a sum in respect of which the lien exists is presently payable; or
 - b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
- 27) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
- 28) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

Calls on shares

- 29) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

- 30) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.
- 31) A call may be revoked or postponed at the discretion of the Board.
- 32) A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.
- 33) The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- 34) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.
- 35) The Board shall be at liberty to waive payment of any such interest wholly or in part.
- 36) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- 37) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- 38) The Board may,
- a) if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
 - b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. Per annum, as may be agreed upon between the Board and the member paying the sum in advance.

Transfer of shares

Transfer Procedures and Principles

- 39) The instrument of transfer of any Equity Security in the Company shall be executed by or on behalf of both the seller and purchaser. The seller shall be deemed to remain a holder of the share until the name of the purchaser is entered in the register of members in respect thereof. The Company shall not register, acknowledge or take on record any Transfer of Equity Securities in violation of the provisions of the Articles and all such purported Transfers shall be void ab initio.
- 40) The Company shall co-operate fully with the Investor in order to consummate any Transfer of Equity Securities proposed to be undertaken by the Investor in accordance with the Articles and such co-operation shall include the use of reasonable efforts to obtain any approvals of Government Authorities or other Persons that may be required for the completion of such Transfer, allowing the proposed transferee(s) access to the Company, its records and personnel to conduct due diligence and engaging and in such other manner as the Investor may reasonably request.
- 41) Transfer of Equity Securities under Article 54 to Article 65, shall be subject to the applicable provisions mentioned therein and occur at such time(s) and on such date(s) as the transferee, specifies.

- 42) Subject to Article 54 to Article 65, Transfer of Equity Securities shall occur on at the registered office of the Company on such date and time as may be notified to the Company by the selling Shareholder provided that such Transfer is in compliance with the terms of this Agreement, the Articles and applicable Law. The following actions shall be completed on the date of such Transfer,
- a) the Company shall convene a meeting of its Board or Committee to record the Transfer of the Equity Securities proposed to be Transferred and to register the name of the purchaser of such Equity Securities in the register of members of the Company;
 - b) the proposed purchaser of the Equity Securities to be transferred shall pay the relevant sale consideration to the Shareholders selling such Equity Securities, which, in the case of sale under Article 54 to Article 65, shall be determined in accordance with the provisions thereof;
 - c) deliver duly executed and stamped share transfer forms in respect of such Transfer of Equity Securities in the form as prescribed in rules made under sub-section (1) of section 56;
 - d) deliver share certificates evidencing the Equity Securities being transferred to the relevant purchaser is presented to the Company by the purchaser;
 - e) for Transfer made in demat form, the Shareholders transferring the relevant Equity Securities shall deliver or ensure that instructions are delivered to their depository participant to transfer the relevant Equity Securities of such Seller to the relevant purchaser's depository account;
 - f) file all such forms as may be required under applicable Law in relation to such Transfer, including Form FC-TRS with the relevant authorised dealer, and present a duly acknowledged copy thereof to the Company, if the Transfer of Equity Securities involves a transfer of Equity Securities to or from a Person who is not resident in India from or to a Person who is resident in India; and
 - g) for Transfer of Equity Securities under Article 54 to Article 65, the ROFO Transferee, Tag Transferee (as the case may be) shall deliver the duly executed Deed of Adherence for Transfers to the Company.
- 43) In the event of the Investor and/or its Affiliates Transferring all or any of the Investor Shares of the Company to a third party and the Promoters providing representations and warranties to such third party with respect to the business and operations of the Company, the Promoters may procure a buyer's or seller's representations and warranties insurance policy from a reputed insurance company to cover any losses that may arise on account of a breach of the business related representation and warranties being provided by the Promoters and/or the Company and require all selling Shareholders (including the Investor) to share the costs of such representation and warranties insurance policy amongst themselves in proportion to their inter se shareholding in the Company on a Fully Diluted Basis.

Restrictions on Transfer

- 44) Subject to Article 53, no member of the Promoter Group shall Transfer any Equity Securities held by such Person, without the prior written approval of the Investor until the expiry of 7 (seven) years ("Lock-in Period") from the Effective Date.
- 45) Transfer of Equity Securities held by any member of the Promoter Group under Article 44, shall be in accordance with Article 54 to Article 65.
- 46) The Investor and its Affiliates shall not Transfer any Investor Shares to any Third Party till the 1st (first) anniversary of the Effective Date.

Provided that, any Transfer of the Investor Shares

- a) to a Third Party by the Investor or its Affiliates shall be in accordance with Article 54 to 62.
- b) to a Competitor shall require the prior written consent of the Promoter, except as set forth in Article 48; and
Provided further that the Investor and its Affiliates shall be entitled to Transfer any or all of the Investor Shares to any Third Party, including a Competitor, without any restrictions, in one or more tranches, at any time after expiry of the Exit Period if:
 - a) an IPO has not been completed prior to the expiry of the Exit Period in accordance with Article 122 to Article 140; and
 - b) the Investor and its Affiliates that hold Equity Securities have otherwise not been able to sell all of the

Investor Shares prior to the expiry of the Exit Period through an exit option offered by the Company in accordance with Article 141 to Article 147;

47) [Intentionally left blank]

48) [Intentionally left blank]

49) The Other Continuing Shareholders may Transfer all or some of their Equity Securities to any Person, subject to the following conditions:

- a) the Promoters shall have a right of first refusal to acquire all of the Equity Securities sought to be Transferred by the relevant Other Continuing Shareholder(s) at a price per Equity Security equal to or greater than the price per Equity Security offered by the proposed Third Party transferee;
- b) if the Promoters do not exercise their right or fail to acquire the Equity Securities under Article 49 (a), then any Transfer of Equity Securities by such Other Continuing Shareholder(s) to a Third Party shall require the prior written approval of the Investor, provided, however, that, if the Investor fails to notify the relevant Other Continuing Shareholder(s) of its approval or rejection of such proposed Transfer of Equity Securities to a Third Party within a period of 60 (sixty) days from the date of receipt of a written application seeking such consent, the Investor shall be deemed to have approved such Transfer;
- c) the approval under Article 49(b) shall be valid for the specific Transfer in relation to which the consent is sought; and
- d) notwithstanding anything to the contrary in this Article
 - i) the Other Continuing Shareholders shall not Transfer their Equity Securities to the Investor and/ or its Affiliates;
 - ii) Investor shall not directly or indirectly solicit, offer to buy or buy the Equity Securities held by the Other Continuing Shareholders;without the prior written consent of the Promoter.

50) HBM may Transfer all, or some, of its Equity Securities to a Third Party, subject to the following conditions:

- a) the Promoters shall have a right of first refusal to acquire all of the Equity Securities sought to be Transferred by HBM within a period of 90 (ninety) days from the date of issue of notice by HBM to the Promoters at a price per Equity Security equal to or greater than the price per Equity Security offered by the proposed Third Party transferee;
- b) if the Promoters do not exercise their right as provided in Article 55(a) above and/or fail to acquire the Equity Securities sought to be Transferred by HBM for any other reason, then HBM shall be entitled to Transfer the Equity Securities to any Third Party; and
- c) notwithstanding anything to the contrary in this Article,
 - i) HBM shall not, at any time, be permitted to Transfer its Equity Securities to the Investor and/ or its Affiliates;
 - ii) Investor shall not directly or indirectly solicit, offer to buy or buy the Equity Securities held by HBM;without the prior written consent of the Promoter.

51) The Shareholders and/or any of their Affiliates holding any Equity Securities or voting interests in the Company, shall not Transfer any of their Equity Securities or voting interests in the Company to any Person, except as permitted under the Articles.

52) Notwithstanding anything to the contrary contained in the Articles,

- a) the Transfer restrictions in the Articles shall not be capable of being avoided by the holding of Equity Securities indirectly through a company or other entity that can itself or any interest therein be sold in order to dispose of the Equity Securities or an interest therein free of such restrictions;
- b) Any such Transfer, issuance or other disposal of any Equity Securities (or other interest) resulting in any change in the Control or ownership, directly or indirectly, of the Shareholders, or of any Affiliate of any Shareholder which holds, directly or indirectly, any Equity Securities of the Company at the time of the

Transfer, shall be treated as being a Transfer of the Equity Securities held by such Person, and the provisions of the Articles that apply in respect of the Transfer of Equity Securities shall thereupon apply in respect of the shares so held.

Permitted Transfers

53) Notwithstanding anything contained in the Articles the following Transfers of Equity Securities are permitted under the Articles and are not subject to any restrictions ("Permitted Transfer"), provided transferring Party shall give to the other Shareholders at least 7 (seven) calendar days prior written notice of its intention to Transfer its Equity Securities and also provide details of the relationship between the transferring Party and the intended transferees:

- a) Transfer by the Investor, HBM or any member of the Promoter Group to its Affiliate or any inter se Transfers between such Affiliates, provided that
 - i) the Affiliate(s) involved in such Transfer are not subject to receivership, bankruptcy, insolvency, dissolution, liquidation or any similar proceedings.
 - ii) the Affiliate and such transferring Shareholder shall be bound to execute a Deed simultaneous to such Transfer.
 - iii) the transferring Shareholder and the Affiliate shall continue to be jointly and severally responsible for all the obligations of the transferring Shareholder.
- b) Transfer by way of a pledge of Equity Securities by the Promoter and/or any member of the Promoter Group to a scheduled commercial bank registered under the (Indian) Banking Regulation Act and regulated by the Reserve Bank of India in order to raise any capital solely for the purpose of the Promoter and/or such member of the Promoter Group subscribing to further Equity Securities;
- c) Transfer by way of a sale by the Promoter and/ or the Promoter Group and such sale does not result in the sale of more than 5% (five per cent) of the aggregate shareholding of the Promoter Group as on the Effective Date;
- d) Transfer made by the Promoter or the Promoter Group as part of an IPO and in compliance with the provisions of Article 140; and
- e) Transfer made by the Promoter to:
 - i) any Person (other than an individual) provided that such Person is wholly-owned, and Controlled, by the Promoter and/ or the Promoter Family Members; or
 - ii) a trust which has been created exclusively for estate planning purposes and if the trustees of such trust are the Promoter and/ or the Promoter Family Members and the beneficiaries of such trust are Promoter Family Members.
- f) If a Person ceases to be an Affiliate of a Party or becomes a Controlling Entity, or a Controlled Entity, and such Person is holding Equity Securities in accordance with the Articles by virtue of being an Affiliate of a Shareholder (hereinafter called the "Parent Shareholder") then, forthwith thereafter, the Affiliate and the Parent Shareholder shall inform the Company of such cessation or event of becoming a Controlled Entity or Controlling Entity and the Parent Shareholder shall, within 10 (ten) days of such cessation, or becoming Controlled Entity or Controlling Entity acquire or cause any of its other Affiliates to acquire, full and unconditional title in and to all of the Equity Securities then held by such Person.
- g) It is clarified that, upon exercise of the right by the Promoter, HBM or Investor under Article 53(a), the relevant Affiliate(s) who acquire such Equity Securities, shall be deemed to be part of the Promoter Group, HBM or the Investor, as applicable.

Right of First Offer

- 54) Subject to the provisions of Article 44 to Article 53, if any member of the Promoter Group or the Investor and/or any of its Affiliates who are Shareholder(s) desire(s) to Transfer all, or part, of the Equity Securities ("Sale Shares") held by such Person (the "Transferring Shareholder") to any Third Party, the Transferring Shareholder shall give written notice to the ROFO Holder offering such Sale Shares to the ROFO Holder.
- 55) For the purpose of Article 54 to Article 62, "ROFO Holder" shall mean:
- a) the Investor, if the Transferring Shareholder is a member of the Promoter Group; and
 - b) the Promoters, if the Transferring Shareholder is the Investor and/or its Affiliate.
- 56) The ROFO Holder shall have, for a period of 30 (thirty) calendar days after receipt of any such notice ("Option Period"), an option to purchase either directly or through any of its / their Affiliates, all the Sale Shares offered by the Transferring Shareholder ("Right of First Offer").
- 57) If the ROFO Holder desires to exercise its Right of First Offer, the ROFO Holder shall, during the Option Period, notify the Transferring Shareholder the price per Equity Security at which such ROFO Holder is willing to purchase the relevant proportion of the Sale Share ("Option Price") by delivering a written notice ("Option Exercise Notice") to the Transferring Shareholder.
- 58) If the Transferring Shareholder agrees to Transfer the Sale Shares held by it at the Option Price, it shall notify the ROFO Holder in writing of such acceptance ("Acceptance Notice") within 15 (fifteen) Business Days of receipt of the Option Exercise Notice.
- 59) The ROFO Holder and the Transferring Shareholder shall consummate the sale and transfer of the Sale Shares from the Transferring Shareholder to the ROFO Holder within a period of 90 (ninety) days from the date of the Acceptance Notice.
- 60) If:
- a) the ROFO Holder fails to exercise the Right of First Offer during the Option Period;
 - b) the ROFO Holder notifies the Transferring Shareholder in writing that it has decided not to exercise the Right of First Offer;
 - c) the Transferring Shareholder is not willing to Transfer the Sale Shares at the Option Price; or
 - d) the Transferring Shareholder was willing to Transfer the Sale Shares at the Option Price but the ROFO Holder fails to purchase the Sale Shares by payment of the Option Price in immediately available funds, within 90 (Ninety) days of the date of receipt of the Acceptance Notice, then, the Transferring Shareholder shall be free to sell the Sale Shares, to any Third Party (the "ROFO Transferee") on such terms and conditions as it may, in its sole discretion, deem fit, provided, however, that, if the ROFO Holder had issued an Option Exercise Notice, the Transfer of the Sale Shares to the ROFO Transferee shall be at a price which is at least 2% higher than the Option Price.
- 61) In the event that the Transferring Shareholder does not enter into binding agreements for the Transfer of the Sale Shares to the ROFO Transferee within 6 (six) months from the date of receipt of the Option Exercise Notice or from the expiration of the Option Period, whichever is earlier ("Execution Period") or, if after executing such binding agreements the Transferring Shareholder does not complete the Transfer of the Sale Shares to the ROFO Transferee within 6 (six) months from the date of entering into such binding agreements ("Transfer Period"), then the Transferring Shareholder shall not initiate any process (including negotiations with a Third Party) in relation to a proposed sale of any Equity Securities held by it to any Third Party for a period of 180 (one hundred and eighty) days from the expiry of the Execution Period (if no binding agreements were executed with the ROFO Transferee within the Execution Period) or the Transfer Period (if after execution of binding agreements, the Transfer of Sale Shares to the ROFO Transferee was not completed within the Transfer Period) ("Cool Off Period").
- 62) Any Transfer of Equity Securities by the Transferring Shareholder post the expiry of the Cool Off Period will be subject to the provisions of Article 44 to Article 52 and Article 54 to Article 62 including the tendering of the notice under on the ROFO Holder.

Tag Along Right

- 6j) Subject to Article 44, 45, 54, 55 and 56, if any member(s) of the Promoter Group ("TA Selling Shareholder(s)") elect(s) to sell any of the Equity Securities held by such Person in the Company to a Third Party other than as permitted in terms of Article 53:
- a) the TA Selling Shareholder(s) shall issue written notices (each, "Tag Along Notice") to the Investor and HBM, through the Promoter, which shall state:
 - i) the identity of the proposed Third Party purchaser ("Tag Transferee");
 - ii) the price per Equity Security that the Tag Transferee has offered to pay ("Tag Along Price"); and
 - iii) the number of Equity Securities and the Shareholding Percentage proposed to be sold to the Tag Transferee by such TA Selling Shareholder(s) ("TA Shares");
 - b) upon receipt of a Tag Along Notice, each of the Investor and HBM ("Tag Offerees") may issue a notice, in writing, to the Promoter ("Tag Along Response") within 30 (Thirty) days of receipt of the Tag Along Notice (the "Tag Along Period") stating that either:
 - i) such Tag Offeree and/or its Affiliates (who hold Equity Securities) has elected to sell all or any part of the Tag Along Entitlement held by them (the "Tag Along Shares") to the Tag Transferee on the same terms and conditions as specified in the Tag Along Notice, and the number of Tag Along Shares it (together with its Affiliates, if applicable) proposes to sell; or
 - ii) such Tag Offeree is not desirous of selling any Equity Securities held by it to the Tag Transferee pursuant to the Tag Along Notice;
 - c) the "Tag Along Entitlement" of Investor and HBM shall be determined based on the pro-rata portion of Investor and HBM Shares (based on the inter-se Shareholding of such Investor or HBM and its Affiliates vis-a-vis the Shareholding of the Promoter Group, at such time), i.e. such number of Equity Securities as determined by multiplying the number of Investor or HBM Shares respectively, by a fraction, (A) the numerator of which shall be TA Shares, and (B) the denominator shall be the total number of Equity Securities held by the Promoter Group; and
 - d) if a Tag Along Response is issued under Article 63 (b) by any Tag Offeree for sale of Tag Along Shares, the TA Selling Shareholder(s) shall cause the Tag Transferee to purchase from such Tag Offeree the relevant Tag Along Shares tendered for sale by such Tag Offeree, simultaneously or before the purchase of the TA Shares by the TA Selling Shareholders, on the same terms as offered to the TA Selling Shareholder (provided, however, that, notwithstanding any terms agreed between the TA Selling Shareholder and the Tag Transferee, in any sale of Tag Along Shares under the Articles, the Investor, HBM and their respective Affiliates shall not be required to provide any representations and warranties to the Tag Transferee in relation to the Company and/or its business or operations).
- 64) In the event the Tag Transferee is unwilling or unable to acquire all the TA Shares and the Tag Along Shares, upon the terms and conditions mentioned in the Tag Along Notice, the number of Equity Securities to be transferred by the Tag Offeree and TA Selling Shareholder shall be reduced in proportion to their respective Shareholding, to the number of Equity Securities which the Tag Transferee is willing to acquire, i.e. the number of Equity Securities which the Proposed Transferee is willing to acquire, multiplied by a fraction
- a) where, for the TA Selling Shareholder, the numerator shall be TA Shares and the denominator shall be the sum of the TA Shares and the Tag Along Shares, and
 - b) where, for the Tag Offeree, the numerator shall be Tag Along Shares and the denominator shall be sum of the TA Shares and the Tag Along Shares.
- 65) If:
- a) a Tag Along Response has been issued under Article 63(b) and the sale of the Tag Along Shares to the Tag Transferee is not completed within 90 (ninety) days of the date of receipt of the Tag Along Response by the TA Selling Shareholder(s); or

- b) no Tag Along Response has been issued within the Tag Along Period and sale of the TA Shares to the Tag Transferee is not completed within 90 (ninety) days of the date of expiry of the Tag Along Period, then, unless otherwise agreed in writing by (i) all such Tag Offerees who had issued a Tag Along Response electing to sell any Tag Along Shares (if a Tag Along Response was issued); and (ii) the Investor and HBM (if no Tag along response was issued), the TA Selling Shareholders' right to sell the TA Shares and the right of the relevant Tag Offerees to sell the Tag Along Shares to the Tag Transferee in accordance with the provisions of the Tag Along Notice, shall lapse and the provisions of Article 63 to Article 65 shall once again apply to a proposed Transfer of the Equity Securities owned by the TA Selling Shareholder(s).

Involuntary Transfer

- 66) If an Insolvency Event has occurred with respect to any Shareholder ("Insolvent Shareholder"), and such Insolvency Event is not stayed by a competent court on appeal within a period of 90 (ninety) calendar days from the occurrence of the Insolvency Event, one or more Affiliates and/or a Parent Party of such Insolvent Shareholder shall acquire all Equity Securities held by such Insolvent Shareholder.
- 67) If the Insolvent Shareholder is a Shareholder from the Other Continuing Shareholders or the Promoter Group:
- a) then such Insolvent Shareholder shall first serve a notice to Transfer all of the Equity Securities held by it in the Company to the Promoter at the Fair Market Value of the Equity Securities.
 - b) If the Promoter or any member of the Promoter Group nominated by the Promoter is not willing to purchase any or all the Equity Securities of the Insolvent Shareholder, then the Insolvent Shareholder shall serve a notice on the Investor, offering to sell all of the Equity Securities held by it in the Company to the Investor at the Fair Market Value.
 - c) If the Investor is not willing to purchase any or all the Equity Securities of the Insolvent Shareholder, the Investor and the Promoter (by mutual written agreement) may cause the unpurchased Equity Securities of the Insolvent Shareholder to be sold at Fair Market Value to a Third Party, provided that such Third Party shall not be a Competitor, and provided further that the Third Party purchaser shall execute a Deed.

Transmission of shares

- 68) On the death of a Shareholder, the survivor or survivors where the Shareholder was a joint holder, and his nominee or nominees or legal representatives where he was a Shareholder, shall be the only persons recognized by the Company as having any title to his interest in the Equity Securities.
- 69) Nothing in Article 68 shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
- 70) Subject to Article 66 and Article 67 (Involuntary Transfers), any person becoming entitled to a share in consequence of the death or insolvency of a Shareholder may, upon such evidence as may be required by the Company from time to time and subject as hereinafter provided, elect, either to be registered himself as holder of the share or to make such transfer of the share as the deceased or Insolvent member could have made.
- Provided, the Company shall, in either case, have the same right to decline or suspend registration as it would have had under the Articles, if the deceased or Insolvent Shareholder had transferred the share before his death or insolvency.
- 71) If the person so becoming entitled shall elect:
- a) to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
 - b) transfer the share, he shall testify his election by executing a Transfer of the share.
- 72) All the limitations, restrictions and provisions of these regulations relating to the right to Transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Shareholder had not occurred and the notice or transfer were a transfer signed by that Shareholder.

- 73) A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Shareholder in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:

Forfeiture of shares

- 74) If a Shareholder fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Company may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.
- 75) The notice aforesaid shall
- a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
 - b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
- 76) If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect
- 77) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
- 78) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares. The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
- 79) Where the Company chooses to sell, transfer or otherwise dispose the forfeited shares, then
- a) a duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
 - b) the Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
 - c) the transferee shall thereupon be registered as the holder of the share; and
 - d) the transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Alteration of capital

- 80) Subject to the restrictions under the Articles, the Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
- 81) Subject to the provisions of section 61 and the Articles, the company may, by ordinary resolution,—
- a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

- c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

82) Subject to the restrictions under the Articles, where shares are converted into stock,

- a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

- b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
- c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.

83) Subject to the restrictions under the Articles, the Company may, by special resolution, reduce in any manner its share capital, any capital redemption reserve account or any share premium account.

Capitalisation of profits

84) Subject to the restrictions under the Articles, the Company in general meeting may, upon the recommendation of the Board, resolve

- a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
- b) that such sum be accordingly set free for distribution amongst the Shareholders .
- c) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in the Articles, either in or towards
 - i) paying up any amounts for the time being unpaid on any shares held by such Shareholders respectively;
 - ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such Shareholders in the proportions aforesaid;
 - iii) partly in the way specified in Article 84(c)(i) and partly in that specified in Article 84(c)(ii);
 - iv) A securities premium account and a capital redemption reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to Shareholders of the company as fully paid bonus shares;

85) Where, pursuant to Article 84 above a resolution has been passed, the Board shall

- a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
- b) generally do all acts and things required to give effect thereto.

86) Subject to the restrictions in the Articles, the Board shall have power

- a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

- b) to authorise any person to enter, on behalf of all the Shareholders entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
- 87) Subject to the Articles, any agreement made under such authority shall be effective and binding on such Shareholders.

Management

88) Composition of the Board:

- a) The First Directors of the Company are Dr. K. Ranga Raju, Mr. N. Ravindra Varma and Mr. G. S. Raju
- b) The Board shall consist of 7 (Seven) Directors and shall be constituted by Persons nominated / appointed by the Investors, Promoters and the Independent Directors.
 - i) Subject to Article 161, the Investor shall have the right to nominate 2 (two) Director(s) on the Board ("Investor Director(s)").
 - ii) The Promoter shall have the right to nominate 3 (three) Director(s) on the Board ("Promoter Director(s)").
 - iii) The Board shall consist of 2 (two) independent directors (as defined under the Act) ("Independent Directors").
- c) The total number of Investor Directors cannot exceed the total number of Promoter Directors at any time whatsoever.
- d) The chairman of the Board ("Chairman") shall at all times be nominated by the Promoter from among the Promoter Directors. The Chairman shall preside over every meeting of the Board and Shareholders. The Chairman shall not have a casting vote.
- e) If any Investor Director or Promoter Director is required to retire by rotation in accordance with the Act, the respective Investor or Promoter who nominates such Director shall also have the right to nominate the retiring Director again or a new nominee in place of the retiring Director.
- f) The Investor or the Promoter entitled to nominate Directors, shall be entitled to remove any or all of such Directors and nominate another nominee or nominees in place of such Director.
- g) In the event of any vacancy being caused in the office of a Director nominated by the Investor or Promoter, such vacancy shall be filled by a nominee of the Investor or Promoter respectively.
- h) Subject to the Articles, including Article 88(b)(i), Article 88(b)(ii), Article 88(c) and Article 88(e) no Investor Director shall be removed from office other than:
 - i) in accordance with Article 88(f) and Article 88(g); or
 - ii) by rotation, subject to the rights of the Investor in Article 88(b)(i), Article 88(b)(ii), Article 88(c) and Article 88(e); or
 - iii) with the prior written consent of the Investor.
- i) All Directors of the Company shall be entitled by notice in writing addressed to the Board to nominate alternate directors to act in their place during the absence of such Directors and the Board shall, on receipt of such notice, appoint such nominees as alternate directors to those Directors.
- j) Any nomination for appointment or removal of an Investor or Promoter Director, shall be effected by notice in writing to the Board by the authorized representative of the Investor or Promoter. Such appointment or removal shall take effect immediately upon delivery of consent for appointment or resignation by the respective Investor or Promoter Director to the Board.
- k) Subject to the provisions of section 149 and Article 88, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles. Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

- l) The Promoter shall at all times retain the right to appoint the chief executive officer of the Company and the Subsidiary. The Parties agree and undertake that the removal of Mr. Krishnam Raju Kanumuri as the chief executive officer of the Company and the Subsidiary will require the consent of the Investor and the Chairman.
- m) Any Financial Institution / Bank granting loans to the Company shall be entitled to nominate and from time to time substitute in place of such nominated director one or more individuals as Directors on the Board of the Company, if the Company fails to meet its obligation in paying interest and/or installment or installments and/or other moneys payable to Financial Institution /Bank, and while holding such office, such nominated director shall not be liable to retirement by rotation.

89) Board of Directors:

- a) The Directors shall not be required to hold any qualification shares.
- b) The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue on a day-to-day basis. In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel and other expenses properly incurred by them:
 - i) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or
 - ii) in connection with the business of the company
- c) A Director other than a Wholtime Director and the Managing Director, may receive a sitting fee for attending meetings of the Board or committees thereof, such sum as may be decided by the Board of directors thereof which shall not exceed one lakh rupees per meeting of the Board or committee thereof.
- d) All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
- e) Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose. Where a Director attends any meeting of the Board or of a committee thereof through a video conferencing or other audio visual means, the Company Secretary shall make note of the attendance of the Director in the book kept for that purpose.

90) Without prejudice to the general powers under the Act and the Articles:

- a) the Directors may from time to time and at any time, subject to the restrictions contained in the Act, delegate to managers, secretaries, officers, assistants and other employees or other persons (including any firm or body corporate) any of the powers authorized and discretions for the time being vested in the Directors; and
- b) The Directors may authorize any such delegate as aforesaid to sub delegate all or any of the powers, authorities and discretions for the time being vested in them.

91) The Directors shall keep all Information and other material provided to them in relation to the Company and its business confidential and shall use such Information only for carrying out the purposes of this Agreement or discharging their duties as Directors of the Company provided, however, that, the Directors shall be entitled to disclose such Information to their appointing Shareholders.

92) Constitution of Committees

a) General

- i) The Board shall constitute 1 (One) or more committees with such power as the Board may delegate to such committees including but not limited to Audit Committee, Nomination and Remuneration Committee, and CSR Committee, in accordance with applicable Law.
- ii) Each committee (except for the Audit Committee) shall comprise of at least 1 (One) Investor Director and 1 (One) Promoter Director.
- iii) The minutes of the meetings of the committee along with actions taken pursuant thereto shall be placed for noting before the immediately succeeding Board Meeting.
- iv) Subject to the provisions of this Article, the provisions with respect to the constitution and proceedings of the Board under the Articles, shall, mutatis mutandis, apply with respect to meetings of a committee or any sub-committees thereof.

- b) Audit Committee
 - i) The Audit Committee shall comprise of 2 (two) Independent Directors and 1 (one) Promoter Director or 1 (one) Investor Director, on a rotational basis, to be rotated every year from the date of constitution of the audit committee.
 - ii) The Audit Committee shall comprise of 2 (two) Independent Directors and 1 (one) Investor Director during the first year of constitution of the audit committee.
 - iii) Notwithstanding anything to the contrary stated in this Article:
 - (1) whenever the audit committee comprises one Promoter Director, one representative of the Investor would be designated as an invitee to the audit committee ("Invitee");
 - (2) whenever the audit committee comprises one Investor Director, one representative of the Promoter would be designated as an invitee; and
 - (3) Invitee shall be provided with all information provided otherwise to members of the Audit Committee and shall be entitled to participate in meetings of the Audit Committee.
 - (4) Invitee shall not have any right to vote at meetings of the Audit Committee.
- c) Nomination and Remuneration Committee
 - i) The Nomination and Remuneration Committee shall comprise of 1 (One) Investor Director and 1 (one) Promoter Director and 2 (Two) Independent Directors.
 - ii) Investor and the Promoter will jointly appoint 1 (one) of the Independent Directors as the chairman of Remuneration Committee.
- d) CSR Committee
 - i) The CSR Committee shall comprise of 1 (One) Investor Director and 1 (One) Promoter Director and 2 (Two) Independent Directors.

Proceedings of the Board

- 93) The Board of Directors may, subject to the Articles, meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- 94) A Director may or secretary on the requisition of a director shall, subject to the Articles, summon a meeting of the Board.
- 95) Save as otherwise expressly provided in the Act and Article 101 (Affirmative Vote Matters), questions arising at any meeting of the Board shall be decided by vote of the majority Directors present and voting at which a Quorum is present.
- 96) The continuing Directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.
- 97) All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director.
- 98) Number of Meetings
 - a) At least 4 (Four) Board Meetings will be held in every calendar year, and at least 1 (One) Board Meeting shall be held in every calendar quarter, such that not more than 120 (One Hundred Twenty) days lapse between any 2 (Two) Board Meetings.
 - b) Not more than 45 (Forty Five) calendar days shall elapse between the end of a calendar quarter and the next Board Meeting.
- 99) Notice and Place of Meetings
 - a) Notice of each Board Meeting together with a written agenda for such meeting, shall be sent to all Directors,

and shall be given not less than 7 (Seven) Business Days prior to the date on which the meeting is proposed to be held.

- b) A Board Meeting may be convened with shorter notice provided that consent of at least 1 (one) Investor Director and 1 (one) Promoter Director is obtained in writing and the agenda for such meeting has been sent to each Director.

Provided that a meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one Independent Director, if any, shall be present at the meeting.

Provided further that in case of absence of Independent Directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the Directors and shall be final only on ratification thereof by at least one Independent Director, if any.

- c) No business can be conducted at the relevant Board Meeting unless the same has been specified in the written agenda circulated to the Directors together with the notice, unless discussion of such business has been approved by at least 1 (One) Investor Director and 1 (One) Promoter Director present at the relevant Board Meeting.
- d) No business can be conducted if no Investor Director or no Promoter Director is present at any Board Meeting, unless the same was specified in the written agenda circulated together with the notice for such Board Meeting or if such business was approved by the Investor or Promoter in writing prior to the relevant Board Meeting.
- e) Board Meetings will be held at the registered office of the Company unless otherwise mutually agreed upon by the Directors.
- f) Board Meetings may be attended by telephonic conference or video conference, as applicable under the Law.

100) Quorum

- a) Quorum for a Board Meeting shall be one-third of its total strength (any fraction contained in that one third being rounded off to the next higher number) or 2 (Two) Directors, whichever is higher, provided, however, subject to Article 100(b), no quorum shall be deemed to be present unless at least 1 (One) Investor Director and 1 (One) Promoter Director are present at the meeting ("Quorum").
- b) If at a Board Meeting, no Quorum is present, the meeting shall stand adjourned to the same day, at the same time of the following week ("Adjourned Board Meeting"). If any such postponed day is a holiday, then the Adjourned Board Meeting will be held on the next Business Day following such holiday.
- c) If, at such Adjourned Board Meeting, an Investor Director and a Promoter Director are not present within one-half of an hour of the time appointed for the meeting, then the Directors present at such meeting shall constitute the Quorum and the meeting may proceed with respect to all business stated in the agenda other than any item relating to an Affirmative Vote Matter not otherwise approved in writing by the Investor prior to such the Adjourned Board Meeting as if a Quorum was duly present at such Adjourned Board Meeting.

101) Affirmative Vote Matters

- a) Subject to Article 161, the Company will not, and the Company shall procure that its Subsidiaries will not (applicable), undertake any of the following actions ("Affirmative Vote Matters"), unless, subject to Article 101(b), such action has been agreed at a Board Meeting with the affirmative vote of at least 1 (one) Investor Director or in a General Meeting with the affirmative vote of the authorised representative of the Investor at such General Meetings nominated by the Investor or has been otherwise agreed to in writing by an authorised representative of the Investor:
 - i) Any amendment to the Articles of the Company or its Subsidiaries other than an increase in authorised share capital of the Company not requiring an affirmative vote in terms of Article 100(a)(iv);
 - ii) Any merger, de-merger, acquisition, restructuring, consolidation, voluntary winding up or dissolution of the Company or its Subsidiary;
 - iii) Creation of any Encumbrance over, or Transfer of, any of the assets of the Company and/or its Subsidiaries or grant to any third party, any rights, privileges or licenses over any their respective assets or rights or property other than: (i) in the Ordinary Course for an amount not exceeding Rs. 50,000,000 (Rupees Fifty

- Million); or (ii) to secure any borrowing which has been authorised under the annual business plan or budget approved by the Board;
- iv) Any capital raise including by way of issuance of debt or debt instrument for an amount exceeding Rs. 200,000,000 (Rupees Two Hundred Million) or any issuance of Equity Securities or granting any right to acquire Equity Securities in the Company (whether by contract or otherwise, but excluding issuance of any Shares to an employee of the Company pursuant to an employee stock option scheme which is in existence on the Effective Date or which has been subsequently approved and adopted by the Board in accordance with the Articles;
 - v) Any buy backs, reduction / re-classification of the Share Capital, redemption of any securities of the Company, splits (excluding any split of share certificates), debt restructuring involving conversion into Shares, in each case, whether as a public offering or private sale;
 - vi) Any decision relating to creation of any new employee stock option scheme (which was not in existence on the Effective Date), including the terms and conditions thereof and any issuance of Shares pursuant to such new employee stock option scheme and any material alteration of the terms of the existing employee option scheme;
 - vii) (a) The minimum floor price of the Shares (or Equity Securities) at which the Company can proceed with the proposed IPO, and (b) the size of the proposed IPO, if in the proposed IPO all of the Investor Shares cannot be offered as part of the offer for sale component of such IPO;
 - viii) The Business Plan and annual budget of the Company and, to the extent that any of its Subsidiaries have an annual business plan and/or budget, the annual business plan and/or budget of such Subsidiary and, any modification or amendment of the above and, any action by the Company or any Subsidiary (as applicable) which deviates or at the date of initiation of such action is reasonably likely to result in a deviation from any of the parameters stated in the approved Business Plan and/or annual budget by more than 10%, but excluding any action undertaken in terms of an existing contract executed by the Company with its customers and the incurrence of capital expenditure not requiring an affirmative vote under Article 101(xi);
 - ix) Disposition or acquisition of any asset (including, but not limited to, intellectual property rights) or any business undertaking for a consideration in excess of Rs. 50,000,000 (Rupees Fifty Million) in a single transaction or in excess of an aggregate value of Rs. 200,000,000 (Rupees Two Hundred Million) in a given financial year;
 - x) Any investments (or acquiring, trading or selling), including, but not limited to, long term and strategic investments, in securities including shares, debentures, bonds or other securities in any other company, any activity in relation to derivative transactions (other than (i) short term liquid investments for treasury operations in the Ordinary Course (ii) derivative transactions entered into as part of overall bank sanction limits in the Ordinary Course);
 - xi) Any capital expenditure of in excess of Rs. 150,000,000 (Rupees One Hundred and Fifty Million) in a given financial year, unless such capital expenditure has been approved and has been or is proposed to be made in accordance with the Business Plan;
 - xii) Payments of any dividends or any other distribution in relation to the Shares;
 - xiii) Any new transaction or contract with a Related Party including investments/loans/advances to Related Parties, outsourcing arrangements with Related Parties etc. after the Effective Date or any amendment to a transaction or contract with a Related Party which is existing as on the Effective Date;
 - xiv) Entering into, amending or voluntarily terminating any contract, agreement, undertaking, commitment or arrangement for operating expenses which contributes (or at the date of entering into, amending or terminating, is likely to contribute within the next 3 (three) years) 2% or more of the annual expenses of the Company based on management estimates of the Company; or but excluding any contract entered into in the Ordinary Course of business for
 - (1) procurement of raw materials;

- (2) payroll expenses for employees of the Company;
- (3) payments to any contractors supplying contract labour to the Company as per the terms and conditions of the contract(s) executed by the Company with such contractors;
- (4) statutory payments under applicable Law;
- (5) rental agreements other than agreements requiring consent in terms of Article 101(xiii);
- xv) (a) Voluntarily terminating any contract, agreement, undertaking, commitment or arrangement which generates (or at the date of entering into, amending or terminating, is likely to generate within the next 3 (three) years) 5% or more of the annual revenues of the Company; or
(b) entering into, amending or voluntarily terminating any contract, agreement, undertaking, commitment or arrangement which imposes any non-competition obligations on the Company (other than product related non-compete obligations undertaken pursuant to revenue contracts entered into with customers for such products) or restricts the Company's ability to compete in the businesses in which it is engaged or restricts the Company's ability to undertake any other form of business or otherwise expand the Business;
- xvi) Settlement of any litigation or claim against the Company for an amount in excess of Rs. 50,000,000 (Rupees Fifty Million);
- xvii) Any amendment to the employment contract of the Chief Executive Officer, as existing on the Effective Date other than terms relating to the compensation payable to the Chief Executive Officer;
- xviii) Any change in nature of Business carried out by the Company including surrender of any approval or consent obtained by the Company from a Government Authority that materially impedes the Business or entering into any new line of business by the Company or any of its Subsidiaries other than as approved in the Business Plan;
- xix) Any change in the size of the Board, the creation or dissolution of any committees of the Board, the terms of reference and the delegation of authority / powers to any committees of the Board (including any amendments thereto); and
- xx) Entering into any agreement or arrangement to give effect to any of the foregoing matters.
- b) The Investor Directors may at any time require that any of the matters set out in Article 101(a) above be referred to the Shareholders for their approval at a General Meeting and upon receipt of such request, such matter shall not be included in the agenda of a Board Meeting and shall not be discussed or, resolved upon, at a Board Meeting or by circulation in accordance with Article 104, provided, however, that, if it is mandatory under applicable Law to take up such matter in a Board Meeting, such matter may also be included in the agenda of a Board Meeting (in addition to the agenda of a General Meeting) and discussed in a Board Meeting but the Company shall not take any action in relation to such matter without the prior approval of the Shareholders in a General Meeting (which approval must include the affirmative vote of the authorised representative of the Investor, as appointed by the Investor, at such General Meeting).
- c) If any matter is approved by the Board in accordance with Article 101(a), the said matter shall not once again require the approval of the Investor in a General Meeting of the Company, subject to:
 - i) compliance with applicable Law; and
 - ii) the provisions of Article 101(b) above

Borrowing Powers

- 102) The Boards may, from time to time, at its discretion, subject to the provision of section 179 and 180 of the Act and the Articles, raise or borrow, and secure the payment of any sum or sums of money for the purposes of the Company.
- 103) The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and

conditions in all respects as it thinks fit, and in particular by the issue of bonds, perpetual or other security or redeemable debenture or debenture stock, or any mortgage, or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being, provided that debentures with the rights to allotment of or conversion into Shares shall not be issued except with the sanction of the Company in General Meeting and subject to the provision of the Act and the Articles.

Circular Resolution

- 104) Subject to the provisions of the Act and the provisions of Article 101(b), any matter to be decided by the Board may be decided by way of a circular resolution, where the draft resolution along with an explanatory note has been circulated to all Directors and each Director is provided at least 7 (seven) days to approve or reject the proposed resolution unless a shorter period is approved in writing by the Investor Directors and the Promoter Directors. Subject to the aforesaid, the resolution shall be deemed to have been passed if consented to by a majority of the Directors, provided that for any of the matters referred to in Article 101(a), the consent of at least 1 (one) Investor Director will also be required.

Shareholders Meetings

- 105) General
- a) All Shareholders Meetings other than annual general meeting shall be called extraordinary general meeting.
 - b) The Board may, whenever it thinks fit, call an extraordinary general meeting.
 - c) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.
- 106) Quorum and Adjournment
- a) Subject to the provisions of the Act, no quorum at a General Meeting shall be deemed to be present unless the authorised representative or proxy of the Investor as nominated by the Investor and the authorised representative or proxy of the Promoter are present at such meeting ("Quorum for General Meeting") unless such requirement is waived, in writing, by the Promoter and/ or the Investor (as applicable) in advance of the relevant General Meeting.
 - b) If at a General Meeting, the Quorum for General Meeting is not present within half an hour of the time appointed for the meeting, then the meeting shall stand adjourned to the same day, at the same time of the following week or some other later date as agreed to by the Investor and the Promoter ("Adjourned Shareholders Meeting").
 - c) If any such postponed day is a holiday, then the Adjourned Shareholders Meeting will be held on the next Business Day following such holiday.
 - d) If at such Adjourned Shareholders Meeting, Quorum for General Meeting is not present within half an hour of the time appointed for the meeting, then the Shareholders present at such meeting shall constitute the quorum and the meeting may proceed with respect to all business stated in the agenda for the meeting other than any item relating to an Affirmative Vote Matter unless such affirmative vote matter has been approved in writing by the Investor prior to such Adjourned Shareholders Meeting, as if a quorum was duly present at such Adjourned Shareholders Meeting.

Proxy

- 107) The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
- 108) An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

- 199) A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Voting rights at Shareholder Meetings

- 110) For the exercise of rights under the Articles, the rights of a Security holder shall be determined with reference to the aggregate Security Holding Percentage of such Party and its Affiliates and where such Party is an Investor, with reference to the aggregate Security Holding Percentage of such Investor, the other Investors and each of their respective Affiliates.
- 111) Subject to any rights or restrictions for the time being attached to any class or classes of shares
- a) on a show of hands, every member present in person shall have one vote; and
 - b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
- 112) Subject to the provisions of the Articles, the Other Shareholders (excluding the Other Continuing Shareholders) will exercise their voting rights in respect of the Securities at all times in the manner directed by the Promoter. In the event of a failure on the part of Other Shareholders (excluding the Other Continuing Shareholders) to comply with the directions of the Promoter in relation to the exercise of their voting rights, the Company shall not register/recognise the vote of the Other Shareholders (excluding the Other Continuing Shareholders). The Other Shareholders (excluding the Other Continuing Shareholders) agree and undertake that in such a scenario, the Promoter shall be deemed to have the authority to vote on behalf of the Other Shareholders (excluding the Other Continuing Shareholders).
- 113) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
- 114) Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
- 115) No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
- 116) No objection shall be raised on the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive

Information and Access Rights

- 117) Subject to Article 161, the Investor shall be entitled:
- a) to visit, at all reasonable times, the Company Units or the Company's offices by providing a 7 (seven) day prior written notice to the Company;
 - b) to examine any books, papers or records of or relating to the Company and its Subsidiaries and to make copies, extracts and memoranda of any such books, papers or records, at any time and from time to time during normal business hours and upon written notice of at least 3 (three) Business Days to the Company and
 - c) to consult with the officers, members of the management team, attorneys, auditors and employees of the Company and subsidiaries to enable the Investor to evaluate the Company's Business and performance, by providing a written notice of at least 3 (three) Business Days to the Company.
- 118) At all times, the Company shall supply to each of the Investor (by email) and the Promoter, in English, with respect to the Company:

- a) Annual audited consolidated financial statements, in compliance with GAAP within 90 (ninety) days from the end of a Financial Year (including management reports and all other related documents which were placed before the Board at the time of approval of the audited financial statements);
- b) Unaudited consolidated quarterly (and year-to-date) financial statements within 30 (thirty) days from the end of a quarter;
- c) Unaudited consolidated monthly financial statements within 30 (thirty) days from the end of a calendar month;
- d) The Business Plan and annual budget (including capital expenditure), and other related documents if any within 7 (seven) days prior to relevant Board Meeting in which a particular plan is to be presented to the Board;
- e) Certified true copies of minutes of all Board Meetings and General Meetings no later than the time limit prescribed by applicable Law; and
- f) A written notification setting out sufficient details of any material litigation which may be made or threatened by or against the Company or any circumstances which may give rise to the same. Such notification shall be provided forthwith to the Investor but in no event later than 7 (seven) Business Days from the earlier of the date on which the Company or Promoters become aware of the same.

The above provided for from Article 118(a) to 118(f) above are collectively referred to as "Information".

- 119) The Company shall provide HBM with copies of all notices of meetings and all other documents and materials circulated to the Board and/or committees thereof at the same time as circulated/provided to the Directors (and/or committee members).
- 120) On the Effective Date, the Company shall form an Executive Committee ("ExCo") which shall include participation from the Promoter Group, key management team members and the Investor. The ExCo shall meet on a monthly basis to review business updates and make strategic recommendations.

Exit Commitment

- 121) The Company shall use reasonable efforts to provide an exit opportunity to the Investor and HBM allowing the Investor and HBM to sell the Investor Shares and the HBM Shares respectively by initiating and completing:
 - a) an IPO in accordance with Article 122 to Article 140; or
 - b) a Strategic Sale in accordance with Article 141 to Article 147.

IPO

- 122) An IPO of the Company shall be conducted in accordance with Article 122 to Article 140.
- 123) If, in order to meet its obligations under Article 121, the Company is desirous of providing the Investor and HBM with an exit by way of an IPO and the Board determines an IPO is in the best interests of the shareholders of the Company, the Company shall initiate the process to complete an IPO.
- 124) The Promoters and the Investor shall jointly select and appoint a merchant banker for the IPO.
- 125) If the Company has not initiated an IPO on or before commencement of the Exit Period, the Investor shall have the right, exercisable in its sole discretion, at any time (whether during or after the Exit Period), to cause the Company to initiate the process to complete an IPO. The Investor shall exercise its right under this Article by issuing a written notice to the Company (the "Investor IPO Notice").
- 126) If an Investor IPO Notice is issued by the investor, the Company shall take all necessary steps, and any other actions reasonably requested by the Investor, to complete an IPO as soon as reasonably practicable after receipt of the Investor IPO Notice by the Company.
- 127) An IPO under this Article shall be effected for a size and at a price range per Equity Share as determined in accordance with Article 133 to Article 136.

- 128) Any proposed IPO by the Company shall be completed in a manner that would ensure that the Shares are listed on a Recognized Stock Exchange on or prior to the expiry of the Exit Period.
- 129) The Promoter and the investor shall mutually agree and identify a lead advisor to conduct the IPO and act as the book running lead manager, or one of the book running lead managers to the IPO ("IPO Lead Advisor"). The Company shall appoint the IPO Lead Advisor selected by the Promoter and the Investor.
- 130) In the case of an IPO initiated pursuant to an Investor IPO Notice, if the Investor and the Promoter are unable to agree and identify the IPO Lead Advisor within a period of 30 (thirty) days from the date of receipt of the Investor IPO Notice by the Company, then 2 (two) Identified Merchant Bankers (1 (one) domestic merchant banker and 1 (one) international Merchant Banker, selected by a draw of lots to be presided over by the company secretary of the Company and to be conducted at the registered office of the Company in the presence of a representative appointed by the Investor, shall be appointed by the Company. One of the 2 (two) Identified Merchant Bankers thus appointed shall be jointly selected by the Investor and the Promoters to be the IPO Lead Advisor.
- 131) The Board shall, in consultation with the IPO Lead Advisor, appoint intermediaries including underwriters and bankers for consummating the IPO.
- 132) The Company shall not be entitled to appoint any Person as the IPO Lead Advisor other than in accordance with this Article.
- 133) Subject to Article 127, the terms and conditions of such IPO including the size of the issue, the pricing of the Shares in such IPO and related matters shall be determined by the Board (in compliance with the provisions of Article 101) in consultation with the IPO Lead Advisor(s).
- 134) In the case of an IPO initiated pursuant to an Investor IPO Notice, the recommendations of the IPO Lead Advisor(s) in respect of the terms and conditions of such IPO (including the size of the issue, the pricing of the Shares in such IPO and other related matters) shall be approved in writing by the Investor.
- 135) The Company, subject to Article 133 and 134 execute an IPO on the terms and conditions recommended by the IPO Lead Advisor(s).
- 136) The IPO will be structured in a manner that permits the Investor, HBM and the Promoter to offer for sale the maximum number of Equity Securities that they would like to offer in the IPO; provided, however, that,
- a) the Investor and its Affiliates shall at all times have a preferential right over all other Shareholders (including the Promoter Group and HBM) to offer up to all of their respective Equity Securities in any offer for sale component of a proposed IPO and;
- b) HBM and its Affiliates shall at all times have a preferential right over all Shareholders (other than the Investor) to offer up to all of their respective Equity Securities in any offer for sale component of a proposed IPO.
- 137) The Company shall take all steps (including coordination with the regulators, making necessary filings with regulators, obtaining consents and Governmental Approvals) required to complete the IPO.
- 138) The Company shall undertake all acts and deeds as may be required to effectuate the IPO, comply with all the procedures and provide all assistance, including, but not limited to, preparing and signing the relevant offer documents, conducting road shows, entering into such documents, providing all necessary information and documents necessary for preparing the offer document, and doing such further acts or deeds as may be necessary or required to complete the IPO in accordance with the Articles and in accordance with applicable Law.
- 139) Subject to applicable Law, neither the Investor nor any of its Affiliates: (i) shall be classified as 'promoters' of the Company for any purpose, including in the context of the IPO; and (ii) will be required to make any disclosure or representation as a promoter of the Company, in any document to be filed with the relevant regulator in context of the IPO. The relevant members of the Promoter Group shall be named as 'promoters' of the Company in the context of the IPO and the Company shall undertake best efforts to give effect to the provisions of this Article.

- 140) Subject to applicable Law, all fees and expenses required to be paid in respect of the IPO including statutory filings, approvals and registration fees, and fees payable to merchant banker, underwriters, book-runners, issue registrars or other intermediaries involved in any manner in relation to the IPO shall be paid by the Company.

Strategic sale

- 141) Subject to Article 123 to Article 126, if the Company and the Promoters are desirous of providing the Investor and HBM with an alternative exit option by arranging a sale of all the Investor Shares and the HBM Shares to any Person (including the Promoter or any member of the Promoter Group nominated by the Promoter) or a Third Party at any time during the Exit Period, then the Promoters and the Investor shall jointly select and appoint an Identified Merchant Banker (being one of the international merchant bankers) to identify potential buyers and upon completion of such a process, the Company shall deliver a notice to the Investor and HBM ("Strategic Sale Notice"), setting out:
- a) the identity of the proposed Third Party acquirer for the acquisition of the Investor Shares and the HBM Shares (the "Proposed Buyer");
 - b) the price and other material terms and conditions upon which the Investor Shares and HBM Shares are to be transferred to the Proposed Buyer;
 - c) the time for completion of the sale as best estimated by the Company; and
 - d) any other material terms and conditions of the proposed sale.
- 142) The Company shall deliver the Strategic Sale Notice to the Investor and HBM, respectively, no later than 5 (five) days from the date of receipt by the Company of the aforementioned details.
- 143) Upon receiving the Strategic Sale Notice, the Investor and HBM may request the Company to provide such other information as may be required by the Investor.
- 144) Each of the Investor and HBM shall have a right, exercisable severally at its sole discretion, within 30 (thirty) Business Days from receiving the Strategic Sale Notice, by a notice in writing to the Company and the Promoter, to accept the sale identified in the Strategic Sale Notice ("Strategic Sale Acceptance Notice"). If a Strategic Sale Acceptance Notice is issued by HBM, the Investor shall not be obliged to offer any Investor Shares for sale in such Approved Strategic Sale and vice versa.
- 145) If the Investor and/or HBM accepts the sale identified in the Strategic Sale Notice ("Approved Strategic Sale"), the Investor / HBM (as the case may be) shall indicate the number of Investor Shares / HBM Shares that are proposed to be offered in such sale to the Proposed Buyer. If the Investor and/ or HBM issues a Strategic Sale Acceptance Notice, the Company and the Promoter shall use their reasonable efforts to procure completion of the Approved Strategic Sale on the terms, and within the time period, set out in the Strategic Sale Notice or such extended time period as may be required to obtain any Government Approvals.
- 146) Subject to the Articles, in the event of an Approved Strategic Sale, if the Proposed Buyer is agreeable, the Promoter shall have the right, but not the obligation, to cause the sale of any or all of the Equity Securities held by the other Shareholders as part of the Approved Strategic Sale at a price per Equity Security equal to the price being paid for the Investor Shares and/or HBM Shares (as applicable).
- 147) All costs and expenses relating to the Approved Strategic Sale, to the extent it relates to the sale of Equity Securities by a Shareholder, shall be borne by the relevant Shareholder.

Drag along right

- 148) Subject to Article 149, the Investor may, at any time after the Exit Period, initiate a process for the sale of up to 100% of the outstanding Equity Securities or 100% of the Business or assets of the Company to a third party purchaser ("Drag Along Sale") by issuing a notice in writing to the Company and the Promoters ("Drag Along Notice"), provided, however, that, while definitive documents for such Drag Along Sale can be executed at any time after the expiry of the Exit Period, the Drag Along Sale shall only be completed on or after the expiry of 6 (six) years and 6 (six) months from the Effective Date.

- 149) The Investor shall not be entitled to issue a Drag Along Notice if:
- a) the Company has provided the Investor an exit option in accordance with Article 122 to Article 140 or Article 141 to 147 after the 3rd (third) anniversary of the Effective Date;
 - b) before issuing a Drag Along Notice, the Investor has not complied with the provisions of Article 54 to Article 63, provided, however, that, notwithstanding anything to the contrary in the Articles, the provisions of Article 61 and Article 62 will not be applicable after the expiry of the Exit Period and no 'Transfer Period' shall be applicable for any proposed sale of Investor Shares after the expiry of the Exit Period.
- 150) The Company shall be deemed to have provided an exit option in accordance with Article 122 to Article 140 or Article 141 to 147, if:
- a) an IPO was proposed by the Company but such IPO was not approved pursuant to Article 101 or Article 122 to Article 140; or
 - b) a Strategic Sale Notice was issued by the Company to the Investor, enclosing one or more Binding Offers addressed to the Investor and a Strategic Sale Acceptance Notice was not issued by the Investor.
- 151) Notwithstanding anything to the contrary set out in Article 148 to Article 150, the Investor shall be entitled to issue a Drag Along Notice if:
- a) an IPO was proposed by the Company, approved pursuant to Article 101(a)(vii) but such IPO was not completed prior to the expiry of the Exit Period; or
 - b) a Strategic Sale Notice was issued by the Company to the Investor, following which a Strategic Sale Acceptance Notice was issued by the Investor but the Approved Strategic Sale was not completed prior to the expiry of the Exit Period.
- 152) If a Drag Along Notice is issued by the Investor, the Promoters and the Investor shall jointly select and appoint an Identified Merchant Banker (being one of the international merchant bankers) to identify potential buyers and to undertake all preparatory work for such Drag Along Sale within a period of 15 (fifteen) days from the date of issuance of the Drag Along Notice.
- 153) If the Promoters and the Investor are unable to jointly select and appoint a merchant banker for the Drag Along Sale within the aforementioned period, then the merchant banker shall be determined by a draw of lots of the Identified Merchant Bankers to be presided over by the company secretary of the Company and to be conducted at the registered office of the Company in the presence of a representative appointed by the Investor.
- 154) The Investor shall shortlist and select the Person with whom the Drag Along Sale is to be completed (the "Selected Acquirer"), provided, that, in the event more than one Person is interested in the Drag Along Sale, the Promoters shall be entitled to select the Selected Acquirer as long as: (i) the price per share offered by the Selected Acquirer is not more than 2% (two per cent) lower than the price offered by the highest bidder, compared on equivalent terms; and (ii) the identity of the Selected Acquirer and the terms and conditions offered by the Selected Acquirer for such Drag Along Sale are acceptable to the Investor.
- 155) The terms and conditions for the transaction with the Selected Acquirer shall be finalized by the Investor in consultation with the merchant banker appointed pursuant to Article 153.
- 156) The Investor may, at its sole discretion, require that, pursuant to the terms agreed with the Selected Acquirer, the Promoter Group and/or other shareholders of the Company (including HBM and/or its Affiliates and the Other Continuing Shareholders) sell all (but not less than all) of the Equity Securities held by them ("Drag Along Shares") to the Selected Acquirer.
- 157) The Investor shall, after finalizing the terms of the Drag Along Sale with the Selected Acquirer, deliver a written notice to the Promoter Group ("Drag Along Sale Notice"), stating:
- a) the identity of the Selected Acquirer;
 - b) whether the Promoter Group and/or any other shareholder of the Company are required to sell the Drag Along Shares to the Selected Acquirer;

- c) the price per Equity Security at which the Drag Along Shares are to be sold to the Selected Acquirer (which shall be equal to the price per Equity Security at which the Investor Shares held by the Investor and its Affiliates (if any) to the Selected Acquirer as part of the Drag Along Sale);
 - d) the relevant terms and conditions on which such Drag Along Shares are to be sold to the Selected Acquirer (which shall be identical to the terms and conditions applicable to the sale of the Equity Securities held by the Investor to the Selected Acquirer, except that the Investor may not provide any representations, warranties, indemnities or non-compete/ non solicit covenants to the Selected Acquirer other than in relation to the title of the Investor Shares being sold by the Investor to the Selected Acquirer and the authority of the Investor to enter into such transaction, while the Promoter Group may subject to Article 43 be required to provide additional representations and warranties to the Selected Acquirer, including in relation to the business and operations of the Company; and
 - e) the transaction documents which are required to be executed by the Promoter Group and/or other shareholders in relation to the sale of the Drag Along Shares to the Selected Acquirer, if any.
- 158) If the Investor issues a Drag Along Notice, the Promoter Group and/or other shareholders (as applicable) shall be obligated to sell the Drag Along Shares to the Selected Acquirer free and clear of all Encumbrances as per the terms and conditions stated in the Drag Along Sale Notice and undertake all such steps as may be necessary or expedient to ensure the sale of the Drag Along Shares to the Selected Acquirer as per such terms and conditions (including but not limited to executing the transaction documents with the Selected Acquirer as set out in the Drag Along Notice, if applicable, and obtaining all regulatory approvals as may be necessary to complete such sale of the Drag Along Shares, if applicable).
- 159) All costs and expenses in relation to the Drag Along Sale shall be borne by the Persons selling Equity Securities pursuant to such Drag Along Sale, in proportion to the number of Equity Securities sold by such Persons pursuant to the Drag Along Sale.

Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

- 160) Subject to the provisions of the Act and the Articles,
- a) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer;
 - b) A chief executive officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer so appointed may be removed by means of a resolution of the Board.
- Provided the Promoter shall at all times retain the right to appoint the chief executive officer of the Company and the Subsidiary. The removal of Mr. Krishnam Raju Kanumuri as the chief executive officer of the Company and the Subsidiary will require the consent of the Investor Nominee and the Chairman.
- a) The chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and the chief financial officer so appointed may be removed by means of a resolution of the Board;
 - b) A company secretary may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any manager or company secretary so appointed may be removed by means of a resolution of the Board.

Exercise of Rights

Investors

- 161) The rights of the Investor under Article 88 to Article 92, Article 93 to Article 101, Article 104, and Article 106 with respect to the Company and its Subsidiaries shall fall away in the event the Adjusted Shareholding Percentage of the Investor and its Affiliates in the Company, collectively ceases to be equal to or greater than 10% (ten per cent)

The Seal

- 162) The Board shall provide for the safe custody of the seal.
- 163) The seal of the company shall be affixed to any instrument, pursuant to the provisions of the Act

Dividends and Reserve

- 164) Subject to the Articles, the company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
- 165) Subject to the provisions of section 123 and the Articles, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
- 166) The Board may, subject to the Articles, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.
- 167) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
- 168) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.
- 169) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- 170) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
- 171) The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
- 172) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- 173) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
- 174) Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
- 175) Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
- 176) No dividend shall bear interest against the company.

Winding up

- 177) Subject to the provisions of Chapter XX of the Act, the rules and the Articles
 - a) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

- b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Termination of certain Articles

- 178) Any provision in the Articles inserted pursuant to an agreement between the Company and certain Shareholders shall cease to have effect if the agreement or any part of such agreement pursuant to which such Articles were inserted stands terminated in part or entirety.



Sai Life Sciences Limited

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I, Runa Karan in my capacity as a Company Secretary with ICSI Membership No: 13721 hereby certify that this document is a true copy of the original.

Date: 29.04.2019



Runa Karan
(Runa Karan)
Company Secretary

Corporate Information

Chairman

DR K RANGA RAJU

**Managing Director &
Chief Executive Officer**

K KRISHNAM RAJU

Independent Directors

RAJAGOPAL S TATTA

SATYAMURTI RAMASUNDAR

Directors

DR RAJU A PENMASTA

Investor Directors

MS VISALAKSHI CHANDRAMOULI
(Ceased to be director wef 25th July, 2018)

SANJAY CHAUDHARY
(Ceased to be director wef 25th July, 2018)

AKHIL AWASTHI
(Ceased to be director wef 25th July, 2018)

PUNEET BHATIA
(Appointed as director wef 25th July, 2018)

MITESH DAGA
(Appointed as director wef 30th July, 2018)

Chief Financial Officer

SIVARAMAKRISHNAN
CHITTOR

Company Secretary

RUNA KARAN

Bankers

State Bank of India
IndusInd Bank
Yes Bank
ICICI Bank Ltd
Standard Chartered Bank

Auditors

B S R & Associates, LLP
Chartered Accountants

Internal Auditors

M Bhaskara Rao & Co
5-D, Fifth Floor, 6-3-652,
Somajiguda, Hyderabad

Registered Office

L4-01&02, SLN Terminus,
Survey No,133,
Gachibowli Miyapur Road
Gachibowli, Hyderabad

UNIT-I

11-15-12/4, Doctors Colony,
L.B. Nagar, Hyderabad

UNIT-II

DS-7, ICICI Knowledge Park,
Turkapally Village, Shameerpet,
Ranga Reddy District

UNIT-III

Survey No.296/7/3 &4,
Bollaram, Jinnaram Mandal,
Medak Dist

UNIT-IV

79-B, 80-A, 80-B, 81-A and 82,
Kolhar Industrial Area, Bidar,
Karnataka

UNIT-V

#2,Chrysalis' Enclave,
International Biotech Park
Phase II, Hinjewadi, Pune

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Directors' Report

Dear Members,

Your Board of Directors pleasure in presenting the Annual Report and Audited Accounts for the year ended 31st March, 2018.

Financial Highlights

Particulars	(Rs in lakhs)	
	Year ended 31 st March 2018	Year ended 31 st March 2017
Income	53,333	46,420
Profit from operations before Interest & Depreciation	10,454	9,356
Finance costs	1,490	971
Depreciation	2,745	2,082
Profit before Tax	6,220	6,303
Income tax expense	2,051	1,598
Profit after Tax	4,168	4,705
Profit brought forward from previous year	19,574	14,869
Balance carried to balance sheet	23,742	19,573

Financial Overview

During the current financial year, your Company has registered a total income of Rs. 53,333 lakhs, a growth of 15% as compared to the previous year. The profit after tax was Rs. 4,168 lacs as against the Profit of Rs. 4,705 lacs as reported in the previous year.

Business Outlook

The Global CDMO market is expected to outpace the underlying pharmaceutical market growth at a CAGR of 6.4% from 2014 to 2020. Globally, ~ 2/3 of all drugs under development in pharmaceutical companies relates to small molecules, and is expected to translate into strong R&D spend and significant outsourcing demand. Increased complexity of chemistry and more manufacturing stages per NCE increases the overall CDMO market. Further, internal Pharma mandates to accelerate development time has forced pharmaceutical companies to realign their supply base toward CDMOs as opposed to pure play Contract Manufacturing Organizations ("CMOs"). Complexity of pipeline drugs together with the increasing regulatory requirements is forcing the pharmaceutical industry to rehash legacy outsourcing models and align with outsourcing partners with significant development capability. In addition, the need for smaller volume APIs creates demand for newer multipurpose capacity as older plants are designed for large volume dedicated manufacturing.

The Company has emerged as a leading India based Contract Development and Manufacturing Organization (“CDMO”) offering integrated services across the pharmaceutical life cycle from discovery to development & manufacturing of New Chemical Entities (“NCEs”), to global innovator pharmaceutical and biotechnology companies. It has a strong track record of working on 100+ molecules across different phases of the molecular lifecycle. The depth and breadth of the Company’s service offerings and scientific capabilities give customers multiple “entry points” in the NCE life cycle which enables Sage to attract and retain customers. The Company has an attractive and diversified customer base and provides its services to 7 out of the top 15 global pharmaceutical companies as well as several biotechnology companies.

The Company offers its services through a combination of scientific talent, state of the art R&D and manufacturing infrastructure, high level commitment to safety & environment and compliant CGMP quality systems accredited by global regulatory agencies such as USFDA and PMDA. The large and growing addressable market for the small molecules together with the Company’s proven capability in this space is expected to fuel the Company’s growth in the near future. The strategy of the Company to focus on small molecule development and manufacture has helped the Company to show a 26% EBITA CAGR over the last three years and provide a successful exit to the Private Equity Funds managed by Tata Capital.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Information on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo required to be disclosed under Section 134(3) of the Companies Act, 2013, read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, are provided in the **Annexure ‘A’** forming part of this Report.

Employees’ Stock Option Plan

Information regarding the Employees’ Stock Option Plan is enclosed in **Annexure ‘B’** forming part of the Annual Report.

Dividend

The Company continues to invest in growing the business and hence the Board of Directors do not recommend any dividend for the financial year 2018, to enhance availability of growth capital.

Reserves

During the year the company has not transferred any amount to General Reserves Account as the company has not declared any dividend.

Insurance

The properties and assets of your company are adequately insured.

Fixed Deposits

The Company had not accepted or invited any Deposits within the meaning of Section 73 and 74 of the Companies Act, 2013 and rules made and consequently no Deposit has matured/ become due for re-payment as on 31st March, 2018.

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Change in Capital Structure

During the financial year 2017-18, 195,600 equity shares were issued and allotted under ESOP-2008 Plan, hence paid up share capital of company as on 31st March, 2018 was Rs. 141,753,100.

Health, Safety & Environment (HSE)

At SAI, we consider Health, Safety and Environment as our integral parts of our business and it is part of our decision making process. SAI established Health, safety and Environment management systems which are enablers of constant improvement in the area of EHS performance. SAI openly communicates organization's HSE goals and targets through HSE policy which would help in emerging roadmap for continual improvement.

SAI considers employee training as most important element in evolving safe work place for the employees and workers. We facilitate employee and worker training through internal and external resources at periodic intervals through employee induction and refresher training programs.

SAI established state-of-the art facilities for waste water treatment and recycle. We consider statutory compliance as an important obligation and took all necessary steps to accomplish with legal requirements. SAI puts conscious efforts in betterment of environmental protection through latest eco-friendly technologies. SAI takes all necessary measures from time to time for reduction of carbon foot print in order to minimize environmental impacts arising out of water use, energy use, emissions and waste generation.

Directors

As on 31st March, 2018 your Company had total eight Board of Directors, out of them two members were Independent Directors. As on the date of this report, your Company has seven Board of Directors.

In terms of Section 149 read with Section 152 of the Companies Act 2013, Mr. Rajagopal S Tatta and Mr. Satyamurti Ramasundar continue as an Independent Directors on the Board of the Company. Both the Independent directors have confirmed their independence in terms of the requirements of Companies Act, 2013.

Mr. Sanjay Chaudhary, Mr. Akhil Awathi and Mrs. Visalakshi Chandramouli have resigned as Directors wef 25th July, 2018. The Board appointed Mr. Puneet Bhatia as the Additional Director with effect from 25th July, 2018 and regularized as Director at the EGM held on 25th July, 2018. Mr. Mitesh Daga was appointed as Additional Director with effect from 30th July, 2018 and he holds office up to the date of ensuing Annual General Meeting and is eligible for re-appointment as a Director.

In order to comply with Section 152 of the Companies Act 2013, Dr. K Ranga Raju (DIN: 00043186) Whole-time Director of the Company and Mr. K Krishnam Raju (DIN: 00064614), Managing Directors of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment and your Directors recommend for their re-appointment.

It is also proposed to re-appoint Dr K Ranga Raju as Wholetime Director and Chairman in the ensuing Annual General Meeting. Accordingly the resolution seeking member's approval for re-appointment of Dr K Ranga Raju as Wholetime Director and Chairman of the Company is placed in the ensuing AGM.

Auditors

The term of appointment of M/s BSR & Associates LLP, who were appointed as statutory Auditors of the company for the period 2014 to 2018 have been completed. There are no qualifications, reservations or adverse remarks made by the outgoing Auditors in their report for year ended 31.03.2018.

Board and the Audit committee of the Board has reviewed and recommended the appointment of M/s Deloitte Haskins & Sells LLP as Statutory Auditors of the Company for a period of 5 years i.e from the conclusion of this 19th AGM till the conclusion of 24th AGM of the Company. The Company also received the letter from the proposed Statutory Auditors stating that they are within the limits of Section 139 of the Companies Act, 2013 if they are appointed as Statutory Auditors in the forthcoming Annual General Meeting. Accordingly the resolution seeking member's approval for appointment of M/s Deloitte Haskins & Sells LLP as Statutory Auditors of the Company is placed in the ensuing AGM.

Particulars of Employees

Under the provisions of Section 134 of the Companies Act, 2013, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and particulars of employees are set out in the annexure to the Director's Report. However, in terms of the provisions the Director's Report is being sent to all the shareholders of the Company excluding the aforesaid annexure. Any shareholder interested in obtaining a copy of the said annexure may write to the Company Secretary at the Registered office of the Company.

Wholly Owned Subsidiary Companies (WOS)

Sai Life Sciences Inc

Sai Life Sciences Inc., USA recorded a turnover of US \$ 1,418,794 for the year ended 31st March 2018 as against US \$ 1,828,069 for the year ended 31st March 2017.

The Company registered a net profit of US \$ 55,299 for the year ended 31st March 2018 as compared to a net profit of US \$ 82,099 in the previous year.

Pursuant to Section 134 of the Companies Act, 2013 and Rule 8(1) of the Companies (Accounts) Rules, 2014 report on performance and financial position of subsidiaries is attached as per **Annexure 'C'** which forms part of this report.

Consolidated Financial Statements

The consolidated financial statements for the year ended 31st March 2018 of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as notified under Section 133 of the Companies Act 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules 2015, as amended, issued by the Ministry of Corporate Affairs ('MCA'). The Auditors' Report on the consolidated financial statement is also attached.

Directors' Responsibility Statement as required under Section 134(5) of the Companies Act, 2013

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, your directors hereby confirm that:

- a) In the preparation of the annual accounts for the financial year ended 31st March, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, wherever applicable;
- b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The directors have prepared the annual accounts for the financial year ended 31st March, 2018 has been prepared on a 'going concern' basis.
- e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Loans, Guarantees and Investments under Section 186

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has engaged the services of M/s DVM & ASSOCIATES LLP, Company Secretaries in Practice, Hyderabad to conduct the secretarial audit of the Company for the financial year ended 31st March, 2018. The Report of the Secretarial Audit in MR-3 is annexed as **Annexure 'D'**.

There are no qualifications, reservations or adverse remarks made by the Secretarial Auditor in their report for year ended 31.03.2018.

Compliance with Secretarial Standards on Board and General Meetings

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

Extract of Annual Return

As required pursuant to Section 134 (3) (a) of the Companies Act, 2013, an extract of Annual Return in the prescribed Form MGT-9 is given as **Annexure 'E'** to this Report.

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Particulars of Contracts or arrangements made with Related Parties

Particulars of Contracts or arrangements made with Related Parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2, is appended in **Annexure 'F'** to this report.

Number of Meetings of the Board

The Board of Directors duly met Five times during the Financial year under review and there was 1 (One) Audit Committee, 1 (One) Nomination and Remuneration Committee and 1 (One) CSR committee meetings held during the year under review. The dates on which the meetings were held are as follows:

Board Meetings	: 3 rd May, 2017, 21 st July, 2017, 15 th November, 2017, 7 th February, 2018, 9 th March, 2018.
Audit Committee	: 20 th July, 2017.
Nomination & Remuneration Committee	: 21 st July, 2017.
Corporate social Responsibility Committee	: 21 st July, 2017.

Attendance of Directors in the Board and Committee meetings are as follows:

S.No.	Name of Director	Number of Board meetings attended	Number of Committees meetings attended		
			Audit Committee	Nomination & Remuneration Committee	Corporate Social Responsibility (CSR) Committee
1	Dr. K Ranga Raju	5	-	-	-
2	K Krishnam Raju	5	-	1	1
3	Dr. Raju A Penmasta	2	-	-	1
4	Rajagopal S Tatta	5	1	1	1
5	Satyamurti Ramasundar	4	1	1	1
6	Sanjay Chaudhary	5	1	1	-
7	Akhil Awasthi	2	-	-	-
8	Visalakshi Chandramouli	2	-	-	-

Policy on appointment and remuneration of Directors

The Company has constituted a Nomination and Remuneration Committee and for determining the qualification, positive attributes and Independence Criteria of Directors. The Nomination and Remuneration Committee has recommended to the Board a policy relating to the remuneration.

The following are the roles and responsibility of nomination and remuneration committee:

- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.
- Carry out evaluation of every director's performance
- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees

Risk Management Policy

The Company has devised and implemented a mechanism for risk management and has developed Risk Management Policy. The Policy provides for constitution of a Risk Committee, which will work towards creating a Risk Register, identifying internal and external risks and implementing risk mitigation steps.

Policy on Sexual Harassment

The Company has constituted a Sexual Harassment Policy to prohibit, prevent or deter the commission of acts of sexual harassment at workplace and to provide the procedure for the redressal of complaints pertaining to sexual harassment.

The Company has also complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There were no incidences of sexual harassment reported during the year under review, in terms of the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Corporate Social Responsibility

The Company has re-constituted the Corporate Social Responsibility Committee (CSR) w.e.f 25.07.2018 constituted under Section 135 comprising of the following Directors:

- | | |
|--------------------------|------------|
| 1. Rajagopal S Tatta | – Chairman |
| 2. K Krishnam Raju | – Member |
| 3. Puneet Bhatia | – Member |
| 4. Satyamurti Ramasundar | – Member |

The CSR Committee has formulated the Corporate Social Responsibility Policy to accept the various activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013 and the related activities thereto in and around areas across the states where Company's operating units were situated.

Your Company has always been a responsible corporate citizen with many projects being undertaken on a regular basis. Your Company has taken the responsibility to make the Community that it operates a better place to live and work. A report on the CSR activities undertaken by the Company is given in **Annexure 'G'**

Vigil Mechanism

In pursuant to the provisions of Section 177 of the companies Act, 2013, a Vigil mechanism for directors and employees to report genuine concerns is in place. The Vigil Mechanism Policy has been uploaded on the website of the Company.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of their own, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and other Committees. The manner in which the evaluation has been carried out has been explained hereunder.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of attendance, engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the director being evaluated. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

Cost Audit

Central Government has notified rules for Cost Audit and as per new Companies (Cost Records and Audit) Rules, 2014 issued by Ministry of Corporate Affairs. Your Company is not falling under the Industries which will be subject to Cost Audit. Therefore filing of cost audit report for the FY 2017-18 is not applicable to the Company

Green Initiative

As part of the "Green Initiative for Corporate Governance", the Government has allowed companies to send notices and documents to their shareholders electronically to facilitate paperless communication. This will ensure prompt communication and avoid loss of documents in transit.

Audit committee

Your Company has properly constituted the Audit Committee u/s 177 of the Companies Act, 2013 and Committee members was re-constituted w.e.f. 25.07.2018 as follows:

- | | |
|--------------------------|------------|
| 1. Rajagopal S Tatta | – Chairman |
| 2. Satyamurti Ramasundar | – Member |
| 3. Mitesh Daga | – Member |

Internal control systems

Your Company has established and maintained a framework of internal financial controls and compliance systems. Based on the same and the work performed by the internal auditors, statutory auditors and the reviews performed by Top Management team and the Audit Committee, your Directors are of the opinion that your Company's Internal Financial Controls were adequate and effective during the financial year 2017-18.

Further, the Statutory Auditors of your Company have also issued an attestation report on internal control over financial reporting (as defined in section 143 of Companies Act, 2013) for the financial year ended March 31, 2018, which forms part to the Statutory Auditors Report.

Details of material changes and commitment occurred during period affecting financial position of company

During the financial year 2017-18, there were no material changes and commitment affecting the financial position of company.

Details of changes in nature of Business of the Company

During the financial year 2017-18, there were no change in the nature of Business of the company.

Details of significant material orders passed by courts/tribunal impacting the going concern status of the Company

During the financial year 2017-18, there were no orders passed by the courts/tribunal impacting the going concern status of the company.

Human Resource Development

In line with your company's philosophy of investing in the development of its most precious asset of human capital, the company ensures that the right person is selected for the right job at the right time. The company is well aware of the significance of quality and competence of its workforce in driving the growth of its business. Your company's strength of employees measures to 1624 as on 31st March, 2018.

Cautionary Note

Certain statements in the reports of the Board of Directors may be forward looking statements within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied since company's operations are influenced by many external and internal factors beyond the control of the company. The company assumes no responsibility to publicly amend, modify or revise any of these statements on the basis of any subsequent developments, information or events.

Quality Assurance (QA)

In order to meet the ever-demanding compliance to the customers and global regulatory requirements, QA department has been setup. Corporate quality operations have prioritized & the company has implemented cGmp and GMP standards across the Company's manufacturing facilities and GLP standards implemented.

Employee Relations

Your Company continues to have cordial and harmonious relationship with the employees.

Gratitude and Acknowledgement

The directors would like to place on record their appreciation for the contribution made by the employees to the significant growth of the Company. The trust reposed in your company by its esteemed customers helped stabilized growth during the year under review.

Your Company also acknowledges the support and wise counsel received from State Bank of India and other banks & governmental Agencies during the year under review and it looks forward for such continuing support to enhance its goal.

For and on behalf of the Board of Directors

Place: Hyderabad
Date: 14 August, 2018

Dr. K Ranga Raju
Chairman
DIN: 00043186

ANNEXURE –A

Information required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A. Conservation of Energy

Your Company continued periodical auditing of all the installations internally to find new opportunities for reducing the wastage of electrical energy

FORM –A

Form for disclosure of particulars with respect to conservation of energy

A. Power and Fuel Consumption:

S.no	Particulars	Year ended 31st March 2018	Year ended 31st March 2017
1	Electricity		
	a) Purchased		
	Units (KWH)	21,697,048	17,456,967
	Total amount (Rs)	170,622,887	133,246,899
	Rate per unit - (Rs)	7.86	7.63
	(b) Own generation		
	Through diesel generator	883,214	783,484
	Units (No's)	3.25	3.25
	Units per Ltr.of oil	13.76	12.61
	Cost/Unit (Rs)	13.76	12.61
2	Coal		
	Quantity (tonnes)	3,624	2,770
	Total Cost (Rs)	25,973,976	16,534,631
	Average rate per tonne (Rs)	7,167.27	5,968.28
3	Furnace Oil		
	Quantity –KL	181	162
	Total cost (Rs)	4,482,577	3,749,819
	Average rate per KL(Rs)	24,800	23,089

B. Consumption per Unit of Production

Products	Since the company manufactures different types of active pharmaceutical ingredients and intermediates, R&D Services and Custom Synthesis it is not practicable to give consumption per unit of production
Electricity(Units)	
Coal	
Others(Specify)	

FORM- B

Form of disclosure of particulars with respect to Technology Absorption.

A. Research and Development Activities

Specific areas in Research & Development carried out by the Company

SAI has been one of the Asia's leading integrated service provider in the areas of drug discovery. SAI's expertise include Medicinal Chemistry, Pharmacokinetics - absorption, distribution, metabolism, elimination (PK-ADME), Tox studies and Combi-chem Library synthesis.

From being a consultancy service provider with maturing capabilities, SAI's Research and Development ('R&D') activities are now being realigned to carry out early discovery, process optimization, API manufacture and formulation development.

While SAI's focal point would be the Process R&D and scale-up; pre-formulation and formulation development for New Chemical Entity ('NCE') and generic compounds to Pharma and innovator companies around the world, SAI is equally focusing on development of API (Active Pharmaceutical Ingredient), Drug Master Filings and technology for innovative drug products for the Indian and emerging markets. In-line with its vision, SAI is heading towards foreign collaboration for its R&D initiatives.

The Unit -1 facility at L B Nagar, Unit-2 facilitate at ICICI Knowledge Park, Shameerpet and Unit -4 facility at Bidar were inspected by FDA and declared to be acceptable.

Presently, SAI has five R&D centers spread across Telangana, Karnataka and Maharashtra whose details are as under:

1. 11-15-12/4, Doctors Colony, L.B.Nagar, Hyderabad.
2. DS-7, IKP, Phase-I, Turakapally Village, Shameerpet, Ranga Reddy District, Telangana
3. S.No.296/7/3 & 4, Industrial Development Area, Bollaram, Jinnaram Mandal, Medak District, Telangana.
4. 79B, 80A, 80 B, 82 & 81 A, Kolhar Industrial Area, Bidar, Karnataka.
5. #2, Chrysalis' Enclave, International Biotech Park, Phase-II, Hinjewadi, Pune

Benefits Derived as a result of the above R&D

- Improved business opportunities
- Creation of Intellectual Property
- Continued customer acceptance and satisfaction
- Enhanced valuation of the organization
- Business opportunities for the Indian and emerging markets
- Focus on the long term vision and growth of the Company
- To help our partners develop innovative medicines quicker and at lower cost by providing reliable research and manufacturing solutions
- Encourages innovation
- Low cost solutions for unmet medical needs for emerging economies

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Future Plan of Action

- End-to-end customer support (for their business needs) would continue to be the focal point of R&D
- Continue to focus on business opportunities and implementing differentiated strategies to build customer base and pipeline
- Creation of innovative and efficient processes to enhance and sustain the business growth
- Transformation of R&D activities into a self-sustaining growth engine for the organization
- Aggressive strategy to enable global expansions in key emerging markets

Expenditure on Research & Development

(in Lakhs)

Financial Year	Capital expenditure	Revenue expenditure	Total
2016-17	-	750.19	750.19
2017-18	-	725.54	725.54

During the year no expenditure was incurred on scientific research and development.

B. Technology Absorption, Adaptation and Innovation

Efforts, in brief, made towards technology absorption and adoption	<p>The Company has an R&D division engaged in research of new products & Process development of existing products. The Company has developed indigenous technology in respect of the products manufactured by it.</p> <p>As soon as the technology is developed for a product, it is tested in pilot plant and thereafter commercial production is taken up. It is the philosophy of the Company to continuously upgrade the technology.</p>
Benefits derived as a result of the above	<ul style="list-style-type: none"> - Quality Improvement - Cost reduction - Better production process, better yields
Imported technology:	There is no imported technology

FORM C

Foreign Exchange Earnings and Outgo	(Amount Rs. in lakhs)
Foreign Exchange Earnings	
Export of goods and services	47,809.00
Foreign Exchange Outgo	
CIF Value of Imports	5,869.78
Foreign Travel and others	3,042.30

ANNEXURE B

Employee Stock Option Schemes

The Company instituted the Employee Stock Option Scheme (ESOS) in the year 2004 to enable the employees and the directors of the company and its subsidiaries to participate in the future growth and financial success of the Company.

Options granted in the year 2004 scheme will vest at the end of 3 years from the date of grant. The vested options can be exercised by the employee during his term of employment with the Company.

Options granted in the year 2005, 2006 and 2007 scheme will vest in a graded manner i.e 60% of the options will vest at the end of 3 years from the date of grant and balance 40% of the options will vest at the end of 5 years from the date of grant. The vested options can be exercised by the employee during his term of employment with the Company.

Options granted in the year 2008 scheme will vest in a graded manner i.e 50% of the options will vest at the end of 2 years from the date of grant and balance 50% of the options will vest at the end of 4 years from the date of grant. The vested options can be exercised by the employee during his term of employment with the Company.

The Company has established a plan “Stock option plan 2008 – SAB Members” in the year 2008. The Stock options granted shall vest every month from the date of grant for a period of 3 years. Upon vesting, the members have 5 years to exercise these shares. There are no outstanding options currently under this scheme.

The particulars of the options granted and outstanding upto 31st March, 2018 are as under:

Particulars	# Options
No. of Options Granted	29,69,000
No. of Options Vested	347,400
No. of Options Exercised	430,600
No. of Options Lapsed	20,21,000
No. of Options in force	5,17,400
No. of shares arising as a result of exercise of options	5,17,400
No. of employees who are granted equal to /more than 1% of the issued capital	Nil
No. of employees who were granted equal to/more than 5% of the issued capital	Nil

For and on behalf of the Board of Directors

Dr. K Ranga Raju
 Chairman
 DIN: 00043186

Date: 14 August, 2018
 Place: Hyderabad

ANNEXURE C**Form AOC – 1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part “A”: Subsidiary

#	Particulars	Details
1	Name of Subsidiary	Sai Life Sciences Inc.
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NIL
3	Date of Investment in Subsidiary	10 August 2004
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of Foreign Subsidiary	USD = Rs. 65.175 (BS) 1 USD = Rs. 64.46 (P&L)
5	Share Capital	2,25,000
6	Reserves & Surplus	2,78,41,544
7	Total Assets	4,27,13,795
8	Total Liabilities	1,46,47,255
9	Investments	NIL
10	Turnover	9,14,51,028
11	Profit before Taxation	57,32,863
12	Provision for Taxation	21,68,472
13	Profit after Taxation	35,64,391
14	Proposed Dividend	NIL
15	% of Shareholding	100

Part “B”: Associates & Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

NIL

For and on behalf of the Board of Directors

for **B S R & Associates LLP**

Dr. K Ranga Raju
Chairman

Arpan Jain
Partner

SECRETARIAL AUDIT REPORT
For The Financial Year Ended 31st March, 2018

FORM NO MR 3

Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

To
The Members,
M/s. Sai Life Sciences Limited
Hyderabad.

We have conducted Secretarial Audit pursuant to Section 204 of the Companies Act 2013, on the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Sai Life Sciences Limited** (hereinafter called as **"the Company"**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minutes books, forms, returns filed and other records maintained by the Company and also the information and according to the examinations carried out by us and explanations furnished and representations made to us by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has during the audit period covering the Financial Year ended on **31st March 2018** generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance - mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended **31st March, 2018** ("Audit Period") and we report that during the period under review the Company has complied with the provisions of the following Act, Rules, Regulations, Guidelines and Standards:
 - 1.1. The Companies Act, 1956 (to the extent applicable) and the Companies Act, 2013 (the Act) and the Rules made thereunder;
 - 1.2. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - 1.3. The Secretarial Standards on the Meetings of the Board of Directors, Committees and General Meetings issued by the Institute of Company Secretaries of India.
2. We further report that during the period under review the Company has substantially complied with Secretarial Standards on Board Meeting issued by the Institute of Company Secretaries of India.
3. The Company is engaged in the business of contract research and manufacturing services of drugs. Accordingly, some of the following applicable Industry Specific Acts are covered under the purview of our audit, in consultation with the Management and on the basis of the Guidance Note issued by the ICSI. Based on our verification and also reliance on the Compliance Certificate, we are of the view that the company has generally complied with following Industry Specific Laws in line with amendments from time to time:
 - (i) Drugs and Cosmetics Act, 1940 read with the Drugs and Cosmetics Rules, 1945;
 - (ii) Narcotic Drugs and Psychotropic Substances Act, 1985 read with the Narcotic Drugs and Psychotropic Substances Rules, 1985;
 - (iii) Petroleum act, 1934;

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- (iv) Inflammable substances act, 1952;
- (v) Explosives act, 1884 read with Explosives Rules, 1983;
- (vi) Air and Water Pollution Acts;
- (vii) Indian boilers act, 1923.

4. We further report that:

- 4.1 The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director. The changes in the composition of the Board of Directors during the period under review were carried out in accordance with the provisions.
- 4.2 Adequate Notice along with agenda and detailed notes on agenda is given to all the Directors electronically to schedule the Board Meetings.
- 4.3 There exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
- 4.4 Decisions at the meetings of the Board of Directors and Committees of the Board of the Company were taken unanimously.
- 4.5 The Company being an un-listed company, the following Acts, Regulations and other applicable rules shall not apply:
 - i. Equity Listing Agreements entered into with stock exchanges and other SEBI Regulations
 - ii. Regulations under Securities and Exchange Board of India Act, 1992
- 4.6 There exist adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

5. We further report that during the audit period, there were no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc except as stated above.

For **DVM & Associates LLP**
Company Secretaries
L2017KR002100

Place: Hyderabad
Date: 14.08.2018

DVM Gopal
Partner
M No: F 6280
CP No: 6798

Note: This letter is to be read with our letter of even date, which is annexed, and form an integral part of this report.

ANNEXURE

To
The Members,
M/s. Sai Life Sciences Limited
Hyderabad.

Our Report of even date is to be read along with this letter

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on the random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **DVM & Associates LLP**
Company Secretaries
L2017KR002100

Place: Hyderabad
Date: 14.08.2018

DVM Gopal
Partner
M No: F 6280
CP No: 6798

ANNEXURE E**FORM NO. MGT – 9****Extract of Annual Return****As on the financial year ended 31st March, 2018**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:		
1	CIN	U24110TG1999PLC030970
2	Registration Date	25.01.1999
3	Name of the Company	Sai Life Sciences Limited
4	Category/Sub-category of the Company	Public Company / Limited by Shares
5	Address of the Registered office & contact details	Office # L4-01&02, SLN Terminus, Survey No.133, Gachibowli Miyapur Road, Gachibowli, Hyderabad, Telangana-500032.
6	Whether listed company	No
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s Karvy Computer Share Pvt Limited

II. PRINCIPLE BUSINESS ACTIVITY OF THE COMPANY

S.No	Name and Description of main products / services	NIC Code of the product / service	% to total turnover of the company
1	Contract Research and development	21001	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S No	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares	Applicable Section
1	Sai Life Sciences Inc	-	Subsidiary	100%	2(87)(ii)

IV. SHARE HOLDING PATTERN (Equity share Capital breakup as percentage of Total Equity)

i) Category-wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF		3,600,719	3,600,719	25.76		3,600,719	3,600,719	25.40	(0.36)
b) Central Govt. or c) State Govt.		-	-	-		-	-	-	-
d) Bodies Corporates		1,070,715	1,070,715	7.66		1,070,715	1,070,715	7.55	(0.11)
e) Bank/FI		-	-	-		-	-	-	-
f) Any other		-	-	-		-	-	-	-
SUB TOTAL:(A) (1)		4,671,434	4,671,434	33.42		4,671,434	4,671,434	32.95	(0.46)
(2) Foreign									
a) NRI- Individuals		969,000	969,000	6.93		969,000	969,000	6.84	(0.10)
b) Other Individuals		-	-	-		-	-	-	-
c) Bodies Corp.		-	-	-		-	-	-	-
d) Banks/FI		-	-	-		-	-	-	-
e) Any other...		-	-	-		-	-	-	-
SUB TOTAL (A) (2)		969,000	969,000	6.93		969,000	969,000	6.84	(0.10)
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)		5,640,434	5,640,434	40.35		5,640,434	5,640,434	39.79	(0.56)
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds		-	-	-		-	-	-	-
b) Banks/FI		-	-	-		-	-	-	-
c) Central govt		-	-	-		-	-	-	-
d) State Govt.		-	-	-		-	-	-	-
e) Venture Capital Fund		-	-	-		-	-	-	-
f) Insurance Companies		-	-	-		-	-	-	-
g) FIIS		-	-	-		-	-	-	-
h) Foreign Venture Capital Funds		-	-	-		-	-	-	-
i) Others (specify)		-	-	-		-	-	-	-
SUB TOTAL (B)(1):		-	-	-		-	-	-	-
(2) Non Institutions									
a) Bodies corporates									

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Indian		2,591,496	2,591,496	18.54		2,541,496	2,541,496	17.93	0.61
ii) Overseas		3,973,416	3,973,416	28.42		3,973,416	3,973,416	28.03	0.39
b) Individuals									-
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs		42,000	42,000	0.30		37,000	37,000	0.26	0.04
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs		1,732,364	1,732,364	12.39		1,982,964	1,982,964	13.99	1.60
c) Others		-	-	-		-	-	-	-
SUB TOTAL (B)(2):		8,339,276	8,339,276	59.65		8,534,876	8,534,876	60.21	0.56
Total Public Shareholding (B)= (B)(1)+(B)(2)		8,339,276	8,339,276	59.65		8,534,876	8,534,876	60.21	0.56
C. Shares held by Custodian for GDRs & ADRs		-	-	-		-	-	-	-
Grand Total (A+B+C)		13,979,710	13,979,710	100.00		14,175,310	14,175,310	100.00	0.00

ii) Shareholding of Promoters

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
G Subba Raju	938730	6.71%	-	938730	6.62%	-	-0.09%
G.L. Tanuja	130121	0.93%	-	130121	0.92%	-	-0.01%
Continental Wines Private Ltd	1967	0.01%	-	1967	0.01%	-	0.00%
K Sudha	50000	0.36%	-	50000	0.35%	-	-0.01%
K. Krishnam Raju	919000	6.57%	-	919000	6.48%	-	-0.09%
K.Mytreyi	1087633	7.78%	-	1087633	7.67%	-	-0.11%
K.Ranga Raju - Huf	302599	2.16%	-	302599	2.13%	-	-0.03%
K.Ranga Raju	1136636	8.13%	-	1136636	8.02%	-	-0.11%

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
Mytrei.K (On behalf of Sai International)	5000	0.04%	-	5000	0.04%	-	0.00%
Sai Quest Syn Pvt Ltd.	1068748	7.64%	-	1068748	7.54%	-	-0.11%
Total	5640434	40.35%		5640434	39.79%		-0.56%

iii) Change in Promoter's Shareholding (please specify if there is no change)

Shareholders Name	Shareholding at the beginning of the year		Date wise increase / (decrease) in promoter shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)			Shareholding at the end of the year	
	No. of shares	% of total shares of the company	Date	No. of shares	Nature	No. of shares	% of total shares of the company
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

iv) Shareholding Pattern of Top Ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

SNo	Shareholders Name	Shareholding at the beginning of the year		Date wise increase / (decrease) in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)			Shareholding at the end of the year	
		No. of shares	% of total shares of the company	Date	No. of shares	Nature	No. of shares	% of total shares of the company
1	Alpha FDI Holdings PTE Limited	27,16,201	19.43	-	-	-	27,16,201	19.16
2	Tata Capital Healthcare Fund 1	20,82,917	14.90	-	-	-	20,82,917	14.69
3	HBM Private Equity India	9,04,462	6.47	-	-	-	9,04,462	6.38
4	Tata Capital Growth Fund 1	4,58,579	3.28	-	-	-	4,58,579	3.24

SNo	Shareholders Name	Shareholding at the beginning of the year		Date wise increase / (decrease) in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)			Shareholding at the end of the year	
		No. of shares	% of total shares of the company	Date	No. of shares	Nature	No. of shares	% of total shares of the company
5	Beta TC Holdings PTE Limited	3,52,753	2.52	-	-	-	3,52,753	2.49
6	N Anita	2,16,442	1.55	-	-	-	2,16,442	1.53
7	Aruna Penmasta	2,16,364	1.55	-	-	-	2,16,364	1.53
8	N Ravindra Varma	2,03,558	1.46	-	-	-	2,03,558	1.44
9	Kanuri Family Trust	1,66,600	1.19	-	-	-	1,66,600	1.18
10	S Bharathi	1,20,000	0.86	-	-	-	1,20,000	0.85
11	K V Satyanarana Raju	1,00,000	0.72	-	-	-	1,00,000	0.71

v) Shareholding of Directors and Key Managerial Personnel

Sno	For each the Directors and KMP	Shareholding at the beginning of the year		Date wise increase / (decrease) in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)			Shareholding at the end of the year	
		No. of shares	% of total shares of the company	Date	No. of shares	Nature	No. of shares	% of total shares of the company
1	Dr K Ranga Raju	1136636	8.13%				1136636	8.02%
2	K Krishnam Raju	919000	6.57%				919000	6.48%
3	Raju A Penmasta	286600	2.05%				286600	2.02%
4	Sivaramakrishnan Chittor	-	-				88,100	0.62%

V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	<i>Secured Loans excluding deposits</i>	<i>Unsecured Loans</i>	<i>Deposits</i>	<i>Total Indebtedness</i>
Indebtness at the beginning of the financial year				
i) Principal Amount	20,844.08			20,844.08
ii) Interest due but not paid	30.37			30.37
iii) Interest accrued but not due	10.89			10.89
Total (i+ii+iii)	20,885.34			20,885.34
Change in Indebtedness during the financial year				
Additions	4,316.77			4,316.77
Reduction	1,744.18			1,744.18
Net Change	2,572.59			2,572.59
Indebtedness at the end of the financial year				
i) Principal Amount	23,416.67			23,416.67
ii) Interest due but not paid	18.12			18.12
iii) Interest accrued but not due	13.67			13.67
Total (i+ii+iii)	23,448.46			23,448.46

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:				
S No.	Particulars of Remuneration	Dr. K Ranga Raju – WTD & Chairman	K. Krishnam Raju – MD	Total Amount
1	Gross salary (Total)	21,746,070	59,230,987	80,977,057
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	21,746,070	59,230,987	80,977,057
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission			

	- as % of profit – 2.5% of NP	-		
	- others, specify – Bonus		-	
5	Others, please specify	-	-	-
	Total (A)	21,746,070	59,230,987	80,977,057
	Ceiling as per the Act			

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors		Total Amount
1	Independent Directors	Rajagopal S Tatta	Satyamuthi Ramasundar	
	Fee for attending board committee meetings	96,825	98,000	194,825
	Commission	2,841,094	3,000,000	5,841,094
	Others, please specify			
	Total (1)			
2	Other Non-Executive Directors	-	-	-
	Fee for attending board committee meetings	-	-	-
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (2)	-	-	-
	Total (B)=(1+2)			6,035,919
	Total Managerial Remuneration			
	Overall Ceiling as per the Act			

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

SN.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Company Secretary	CFO	
1	Gross salary (Total)			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,941,708	20,016,174	21,957,882
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	21,600	4,715,067	4,736,667
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-		
2	Stock Option	-		
3	Sweat Equity	-		
	Commission	-		

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4	- as % of profit	-		
	- others, specify – Bonus			
5	Others, please specify	-		-
	Total			
		1,963,308	24,731,241	26,694,549

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

	Type	Section of the Companies Act	Brief Description	Details of penalty / punishment/compounding fee imposed	Authority [RD /NCLT/Court]	Appeal made, if any (give details)
A.	Company	None				
	Penalty					
	Punishment					
	Compounding					
B.	Directors	None				
	Penalty					
	Punishment					
	Compounding					
C.	Other officers in Default	None				
	Penalty					
	Punishment					
	Compounding					

For and on behalf of the Board of Directors

Dr. K Ranga Raju
Chairman
DIN: 00043186

Date: 14 August, 2018
Place: Hyderabad

ANNEXURE F**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013. Including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis: **NIL**
2. Details of contracts or arrangements or transactions are at arm's length basis:

Name(s) of the related party	Nature of relationship	Nature of contracts/ arrangements /transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any	Amount paid as advances, if any
Sai Life Science Inc, USA	Subsidiary Company	Consultancy services received	Ongoing	92,505,390	Yes	Nil
G L Tanuja	Mother in Law of MD	Payment of Lease Rent	Ongoing	7,477,752	Yes	Nil

For and on behalf of the Board of Directors

Place: Hyderabad
Date: 14 August, 2018

Dr. K Ranga Raju
Chairman
DIN: 00043186

ANNEXURE G

Corporate Social Responsibility (CSR)

(Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014)

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

- 1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.**

CSR Policy is stated herein below:

Weblink: <http://intranet/Policies.aspx>

- 2. Composition of the CSR Committee:**

1. Rajagopal S Tatta – Chairman
2. K Krishnam Raju – Member
3. Puneet Bhatia – Member
4. Satyamurti Ramasundar - Member

- 3. Average net profit of the Company for last three financial years:**

Average net profit: Rs. 474,244,191

- 4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):**

The Company is required to spend Rs. 9,484,884.

- 5. Details of CSR spend for the financial year: 2017-18**

- a. Total amount spent for the financial year: Rs.94,84,924
- b. Amount unspent, if any: **NIL**
- c. Manner in which the amount spent during the financial year is detailed below:

1	2	3	4	5	6	7	8
S.No	CSR Activity or Project	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or program-wise	Amount spent on the projects or programs sub-heads: (1) Direct Expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period (FY 2017-18)	Amount spent: Direct or through Implementing Agency*
1	Towards sponsorship of 2 TFI Fellows over a 2 year period 2017-19.	Education	Teach to Lead – Hyderabad and Pune	2,452,771	2,452,771	2,452,771	NA
2	Learning Curve Life Skills Foundation	Education	Learning Curve-Hyderabad	252,100	252,100	2,704,871	NA
3	Expenses for Various Camps and School.	Education	Others	19,750	19,750	2,724,621	NA
4	Donation of School Infrastructure	Education	Kolthur Govt Primary School-	147,853	147,853	2,872,474	NA
5	School Health Education Program	Education	Healing Fields Foundation -	1,068,100	1,068,100	3,940,574	NA
6	Towards teacher Salary support.	Education	Vidya Volunteer	195,600	165,000	4,105,574	NA
7	Stray Animal Welfare	Community Health Programme	Blue Cross of Hyderabad	500,000	500,000	4,605,574	NA
8	Amount paid as contribution for CARE healthcare services	Community Health Programme	Care Foundation	507,405	507,405	5,112,979	NA
9	Cancer Cure Foundation	Community Health Programme	Cancer Cure Foundation	500,000	500,000	5,612,979	NA
10	Enfold Proactive Health Trust	Community Health Programme	Enfold Proactive Health Trust	394,684	394,684	6,007,663	NA
11	Installation RO water Plant at Bhimavaram	Community Health Programme	Eurcka Forbes Limited	977,100	977,100	6,984,763	NA
12	Spectacle dispensal for Bollaram, March Eye Screening Camp	Community Health Programme	Hyderabad Eye Institute	6,960	6,960	6,991,723	NA
13	For Prosthetic Limb Support	Community Health Programme	Rotary Club Donation	500,000	500,000	7,491,723	NA
14	Development programme	Livelihood Development	SAFA-Hyderabad	1,349,201	1,349,201	8,840,924	NA
15	Upliftment of the marginalized and under privileged sections of the society by providing education	Livelihood Development	Leap for Word	644,000	644,000	9,484,924	NA
						9,484,924	

* Give details of Implementing Agency.

- 6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.**

NA

- 7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.**

The same is mentioned in the policy which is available at the Website.

For and on behalf of the Board of Directors

Place: Hyderabad
Date: 14 August, 2018

Dr. K Ranga Raju
Chairman
DIN: 00043186

INDEPENDENT AUDITORS' REPORT

**To the Members of
Sai Life Sciences Limited**

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS Financial Statements of Sai Life Sciences Limited ("the Company"), which comprise the Standalone Balance Sheet as at 31 March 2018, the Standalone Statement of Profit and Loss, the Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information (collectively referred to as "the Standalone Ind AS Financial Statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the Audit Report under the provisions of the Act and the Rules made thereunder, to the extent applicable.

We conducted our audit of the Standalone Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements are free from material misstatement.

Sai Life Sciences Limited
Independent Auditors' Report (continued)

Auditors' Responsibility (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS Financial Statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2018, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss, the Standalone Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account;

Sai Life Sciences Limited

Independent Auditors' Report (continued)

- d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act ;
- e) On the basis of the written representations received from the directors as on 31 March 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to adequacy of internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure-B'; and
- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations as at 31 March 2018 on its standalone financial position in its standalone financial statements. Refer Note 40(b) to the Standalone Ind AS Financial Statements;
 - (ii) The Company has made provision as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2018; and
 - (iv) The disclosures in the Standalone Ind AS Financial Statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited Standalone Financial Statements for the year ended 31 March 2017 have been disclosed.

for B S R & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 116231W/ W-100024

Arpan Jain

Partner

Membership Number: 125710

Place: Hyderabad

Date: 14 August 2018

Sai Life Sciences Limited

Annexure A – To the Independent Auditors’ Report on the Standalone Financial Statements

The Annexure-A referred to in our Independent Auditors’ Report of even date to the Members of Sai Life Sciences Limited, (“the Company”) on the Standalone Ind AS Financial Statements for the year ended 31 March 2018. We report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. In accordance with the program, the Company has verified certain fixed assets during the year and no material discrepancies were noted on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties, as disclosed in Note 6 on property, plant and equipment to the Standalone Ind AS Financial Statements, are held in the name of the Company.
- (ii) The inventories have been physically verified by the Management during the year. In our opinion, and based on the information and explanations given to us, the frequency of such verification is reasonable. The discrepancies noticed on such verification between physical stocks and book records were not material.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 (“the Act”). Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with provisions of Section 186 of the Act, with respect to investments made. The Company has not granted any loans, or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act.
- (v) The Company has not accepted any deposits from the public within the meaning of Section 73, 74, 75 and 76 of the Act and the rules framed thereunder to the extent notified.
- (vi) We have broadly reviewed cost records maintained by the Company pursuant to the Rules prescribed by the Central Government under Section 148(1) of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees’ State Insurance, Income-tax, Sales tax, Service tax, Duty of customs, Duty of excise, Value added tax, Goods and services tax, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of customs, Duty of excise, Value added tax, Goods and services tax, Cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Sales tax, Duty of custom, Value added tax which have not been deposited with the appropriate authorities on account of any dispute. According to the information and explanations given to us, the following dues of Income-tax, Service tax, Duty of excise and Entry tax have not been deposited by the Company on account of disputes.

Name of the Statute	Nature of Dues	Amount in Rs. lakhs	Period to which the amount relates (FY)	Forum where dispute is pending
Income-tax Act, 1961	Income-tax	1.28	2012 - 2013	Commissioner of Income-Tax (Appeals), Hyderabad
Finance Act, 1994 (Service tax)	Service tax	123.62 (paid under protest 87.26)	2012 -2014	Customs, Central Excise Service Tax Appellate Tribunal, Pune
Central Excise Act, 1944	Duty of excise	72.48 (paid under protest 18.12)	2007-2012	Customs, Central Excise Service Tax Appellate Tribunal, Bangalore
Telangana Tax on Entry of Goods in to Local Areas Act, 2001	Entry tax	11.28	2014 - 2017	Appellate Deputy Commissioner (Commercial taxes), Hyderabad

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans and borrowings to its bankers. The Company does not have any loan or borrowing from any financial institution or Government, nor has it issued any debentures during the year.
- (ix) The Company has not raised any monies by way of initial public offer, further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
- (x) During the course of examination of books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with requisite approvals mandated by the provision of Sections 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of records of the Company, transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to information and explanations given to us and based on our examination of records of the Company, the Company has not entered into any non-cash transactions with directors or person connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly paragraph 3(xvi) of the Order is not applicable to the Company.

for **BSR & Associates LLP**

Chartered Accountants

Firm Registration Number: 116231 W/W-100024

Arpan Jain

Partner

Membership Number: 125710

Place: Hyderabad

Date: 14 August 2018

Sai Life Sciences Limited
Annexure B – To the Independent Auditors’ Report on the Standalone Financial Statements

The Annexure-B referred to in our Independent Auditors’ Report of even date to the Members of Sai Life Sciences Limited (“the Company”) on the Standalone Ind AS Financial Statements for the year ended 31 March 2018.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of the Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to financial statements of Sai Life Sciences Limited (“the Company”) as of 31 March 2018 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS Financial Statements for external purposes in accordance with the generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Ind AS Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 116231W/ W-100024

Arpan Jain

Partner

Membership Number: 125710

Place: Hyderabad

Date: 14 August 2018

BALANCE SHEET AS AT 31st MARCH*(All amounts in Indian Rupees lakhs, except share data and where otherwise stated)*

		As at		
		31 March 2018	31 March 2017	1 April 2016
Note				
ASSETS				
Non-current assets				
(a) Property, plant and equipment	6	30,290.08	26,915.57	20,227.71
(b) Capital work-in-progress		1,367.54	916.41	808.77
(c) Other intangible assets	7	383.82	293.85	33.39
(d) Financial assets :				
(i) Investments	8	3.84	3.84	3.84
(ii) Loans and deposits	15	533.75	432.93	535.46
(iii) Other financial assets	9	114.62	260.00	550.91
(e) Income-tax assets (net)	10	387.55	387.55	89.58
(f) Other non-current assets	11	1,874.91	1,422.24	2,139.28
Total non-current assets		34,956.11	30,632.39	24,388.94
Current assets				
(a) Inventories	12	7,285.40	4,435.35	3,493.91
(b) Financial assets				
(i) Trade receivables	13	26,163.30	22,965.10	17,724.74
(ii) Cash and cash equivalents	14(i)	782.32	889.49	1,476.89
(iii) Bank balances other than (ii) above	14(ii)	763.39	450.90	343.17
(iv) Loans and deposits	15	54.39	96.89	36.19
(v) Other financial assets	9	611.55	1,431.62	2,443.93
(c) Other current assets	11	6,138.32	4,201.64	3,004.09
		41,798.67	34,470.99	28,522.92
(d) Asset held for sale	6	-	-	912.80
Total current assets		41,798.67	34,470.99	29,435.72
Total assets		76,754.78	65,103.38	53,824.66
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	16	1,417.53	1,397.97	1,397.97
(b) Other equity	17	34,975.15	30,503.55	25,726.91
Total equity		36,392.68	31,901.52	27,124.88
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	18	6,776.67	7,008.71	3,894.76
(ii) Other financial liabilities	19	952.24	469.32	90.00
(b) Provisions	20	852.38	658.63	596.93
(c) Deferred tax liabilities (net)	21	1,472.81	702.23	502.26
(d) Other non-current liabilities	22	257.17	418.01	-
Total non-current liabilities		10,311.27	9,256.90	5,083.95

BALANCE SHEET AS AT 31st MARCH (contd....)
(All amounts in Indian Rupees lakhs, except share data and where otherwise stated)

	Note	As at		
		31 March 2018	31 March 2017	1 April 2016
EQUITY AND LIABILITIES				
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	18	14,606.43	11,890.14	9,593.11
(ii) Trade payables	23	6,611.21	4,835.05	6,202.08
(iii) Other financial liabilities	19	7,369.87	5,826.90	5,026.43
(b) Provisions	20	350.64	269.92	202.80
(c) Income tax liabilities (net)	24	293.62	88.70	367.26
(d) Other current liabilities	22	819.06	1,034.25	224.15
Total current liabilities		30,050.83	23,944.96	21,615.83
Total equity and liabilities		76,754.78	65,103.38	53,824.66

Significant accounting policies 1-5

Notes to the standalone Ind AS financial statements 6-44

The notes referred to above form an integral part of the standalone Ind AS financial statements.

As per our Report on standalone Ind AS financial statements of even date attached

For **B S R & Associates LLP**
 Chartered Accountants
 Firm's Registration Number: 116231W/ W-100024

For and on behalf of the Board of Directors of
Sai Life Sciences Limited
 CIN No: U24110TG1999PLC030970

Arpan Jain
 Partner
 Membership No.: 125710

K.Ranga Raju
 Director
 DIN No: 00043186

Krishnam Raju
 Managing Director
 DIN No: 00064614

Sivaramakrishnan Chittoor
 Chief Financial Officer

Runa Karan
 Company Secretary
 Membership No.: A13721

Place: Hyderabad
 Date: 14 August 2018

Place: Hyderabad
 Date: 14 August 2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH*(All amounts in Indian Rupees lakhs, except share data and where otherwise stated)*

	Note	For the year ended	
		31 March 2018	31 March 2017
Income			
Revenue from operations	25	51,653.65	44,473.48
Other income	26	1,679.26	1,946.85
Total income		53,332.91	46,420.33
Expenses			
Cost of materials consumed	27	15,164.85	10,948.49
Changes in inventories of work-in-progress	28	(1,923.75)	254.27
Excise duty	29	32.42	227.21
Employee benefits expense	30	17,521.16	14,009.44
Finance costs	31	1,489.60	971.13
Depreciation and amortisation expense	6 & 7	2,744.96	2,081.02
Other expenses	32	12,084.14	11,625.31
Total expenses		47,113.38	40,116.87
Profit before tax		6,219.53	6,303.46
Tax expense	33		
Current tax		1,597.73	1,375.87
Deferred tax			
MAT credit entitlement		-	(214.22)
Other deferred tax		453.30	436.59
Total tax expense		2,051.03	1,598.24
Profit for the year		4,168.50	4,705.22
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
(a) Re-measurement gains/(losses) of defined benefit plans		(3.90)	(64.72)
(b) Income-tax on items that will not be reclassified to profit or loss		1.35	22.40
Total other comprehensive income for the year, net of tax		(2.55)	(42.32)
Total comprehensive income for the year		4,165.95	4,662.90
Earnings per equity share [EPES] (in absolute ₹ terms)	34		
Par value per share		10.00	10.00
Basic EPES		29.61	33.66
Diluted EPES		29.37	32.72

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STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH (contd....)

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

Significant accounting policies	1-5
Notes to the standalone Ind AS financial statements	6-44

The notes referred to above form an integral part of the standalone Ind AS financial statements.

As per our Report on standalone Ind AS financial statements of even date attached

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration Number: 116231W/ W-100024

For and on behalf of the Board of Directors of
Sai Life Sciences Limited
CIN No: U24110TG1999PLC030970

Arpan Jain
Partner
Membership No.: 125710

K.Ranga Raju
Director
DIN No: 00043186

Krishnam Raju
Managing Director
DIN No: 00064614

Sivaramakrishnan Chittor
Chief Financial Officer

Runa Karan
Company Secretary
Membership No.: A13721

Place: Hyderabad
Date: 14 August 2018

Place: Hyderabad
Date: 14 August 2018

19th Annual Report 2017-18

Standalone Statement of Changes in Equity for the year ended 31 March 2018

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

A Equity Share Capital (Refer note 16)

	Number of shares	Amount
As at 1 April 2016	1,39,79,710	1,397.97
Changes in equity share capital	-	-
As at 31 March 2017	1,39,79,710	1,397.97
Changes in equity share capital	1,95,600	19.56
As at 31 March 2018	1,41,75,310	1,417.53

B Other Equity (Refer note 17)

	Reserves and Surplus					Other comprehensive income	
	Securities premium reserve	Share application money pending allotment	Employee stock options outstanding account	Capital reserve	Retained earnings	Remeasurement of defined benefit obligations	Total
Balance as at 1 April 2016	10,672.45	-	146.27	112.23	14,868.73	(72.77)	25,726.91
Profit for the year	-	-	-	-	4,705.22	-	4,705.22
Other comprehensive income - net of tax	-	-	-	-	-	(42.32)	(42.32)
Total comprehensive income	-	-	-	-	4,705.22	(42.32)	4,662.90
Share-based payment expense	-	-	113.74	-	-	-	113.74
Balance as at 31 March 2017	10,672.45	-	260.01	112.23	19,573.95	(115.09)	30,503.55
Profit for the year	-	-	-	-	4,168.50	-	4,168.50
Other comprehensive income - net of tax	-	-	-	-	-	(2.55)	(2.55)
Total comprehensive income	-	-	-	-	4,168.50	(2.55)	4,165.95
Share application money received	-	35.29	-	-	-	-	35.29
Security premium on equity shares	147.41	-	-	-	-	-	147.41
Share-based payment expense	-	-	122.95	-	-	-	122.95
Balance as at 31 March 2018	10,819.86	35.29	382.96	112.23	23,742.45	(117.64)	34,975.15

Significant accounting policies

1-5

Notes to the standalone Ind AS financial statements

6-44

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

As per our Report on standalone Ind AS financial statements of even date attached

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration Number: 116231W/W-100024

Arpan Jain

Partner

Membership No: 125710

For and on behalf of the Board of Directors of

Sai Life Sciences Limited

CIN No: U24110TG1999PLC030970

K. Ranga Raju

Director

DIN No: 00043186

Krishnam Raju

Managing Director

DIN No: 00064614

Svaramakrishnan Chittoor

Chief Financial Officer

Place: Hyderabad

Date: 14 August 2018

Runa Karan

Company Secretary

Membership No: A13721

Place: Hyderabad

Date: 14 August 2018

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH
(All amounts in Indian Rupees lakhs, except share data and where otherwise stated)

	For the year ended	
	31 March 2018	31 March 2017
Cash flow from operating activities		
Profit before tax	6,219.53	6,303.46
Adjustments for :		
Depreciation and amortisation expense	2,744.96	2,081.02
Interest income	(68.92)	(80.90)
Equity -settled share-based payments	122.95	113.74
Gain on sale of property, plant and equipment, net	(0.28)	(100.34)
Finance costs	1,489.60	971.13
Bad debts written off	522.41	11.94
Unrealised foreign exchange gain, net	(385.53)	(379.61)
Mark-to-market loss on derivative financial instruments	420.62	74.87
Other operating expense	29.12	21.19
Provision towards doubtful trade receivables, net	(192.50)	180.56
Operating cash flows before working capital changes	10,901.96	9,197.06
(Increase)/decrease in Loans and deposits	(32.31)	67.51
(Increase)/decrease in other non-current assets	(401.75)	599.57
Increase in inventories	(2,850.05)	(941.44)
Increase in trade receivables	(3,038.50)	(5,554.20)
Increase in other current assets	(1,935.76)	(1,028.79)
Decrease in other financial assets	968.37	1,056.96
Increase/(decrease) in trade payables	1,802.76	(1,331.56)
Increase in other financial liabilities & provisions	896.76	460.34
(Decrease)/increase in other non-current and current liabilities	(376.03)	1,238.71
Cash generated from operating activities	5,935.45	3,764.16
Income-taxes paid, net	(1,075.53)	(1,952.40)
Net cash generated from operating activities (A)	4,859.92	1,811.76
Cash flows from investing activities		
Purchase of property, plant and equipment and other intangible assets (including capital work in progress, capital advances and capital creditors)	(5,953.52)	(8,140.39)
Proceeds from sale of property, plant and equipment and assets held for sale	6.79	1,077.15
Movement in other bank balances, net	(312.07)	118.38
Interest income received	39.57	75.37
Net cash used in investing activities (B)	(6,219.23)	(6,869.49)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH (contd....)*(All amounts in Indian Rupees lakhs, except share data and where otherwise stated)*

	For the year ended	
	31 March 2018	31 March 2017
Cash flows from financing activities		
Share application money received	35.29	-
Proceeds from current borrowings, net	477.36	5,262.69
Proceeds from issue of equity shares	166.97	-
Proceeds from non-current borrowings	1,535.76	4,608.81
Repayment of non-current borrowings	(1,711.82)	(1,484.58)
Interest paid**	(1,389.43)	(1,198.66)
Net cash generated from financing activities (C)	(885.87)	7,188.26
Net decrease in cash and cash equivalents during the year (A + B + C)	(2,245.18)	2,130.53
Effect of exchange differences on cash and cash equivalents held in foreign currency	6.34	(6.18)
Cash and cash equivalents at the beginning of the year	(2,644.66)	(4,769.01)
Cash and cash equivalents at the end of the year (Note 1)	(4,883.50)	(2,644.66)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH (contd....)
(All amounts in Indian Rupees lakhs, except share data and where otherwise stated)

	As at	
	31 March 2018	31 March 2017
Note 1:		
Cash and cash equivalents includes		
Cash on hand	3.15	3.79
Balances with banks		
-in current accounts	724.24	878.82
-in cash credit accounts	(5,665.82)	(3,534.15)
-in deposit accounts (with maturity of 3 months or less)*	54.93	6.88
	(4,883.50)	(2,644.66)

*Represents deposits held as margin money with banks.

** Interest paid in cashflow from financing activities includes borrowing cost capitalised as property, plant and equipment during the year amounting to ₹ 66.10 (31 March 2017: ₹ 294.84)

Note 2:

Reconciliation between the opening and closing balances in balance sheet for financial liabilities arising from financing activities are given below:

Particulars	As at 31 March 2017	Cash flows	Non-cash transactions Foreign exchange loss	As at 31 March 2018
Non-current borrowings	8,953.94	(176.06)	32.36	8,810.24
Current borrowings	11,890.14	2,609.03	107.26	14,606.43

Significant accounting policies 1-5
 Notes to the standalone Ind AS financial statements 6-44

As per our Report on standalone Ind AS financial statements of even date attached

For **B S R & Associates LLP**
 Chartered Accountants
 Firm's Registration Number: 116231W/ W-100024

For and on behalf of the Board of Directors of
Sai Life Sciences Limited
 CIN No: U24110TG1999PLC030970

Arpan Jain
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K.Ranga Raju
 Director
 DIN No: 00043186

Krishnam Raju
 Managing Director
 DIN No: 00064614

Sivaramakrishnan Chittor
 Chief Financial Officer

Runa Karan
 Company Secretary
 Membership No:
 13721

Place: Hyderabad
 Date: 14 August 2018

Place: Hyderabad
 Date: 14 August 2018

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS

1. Corporate information

Sai Life Sciences Limited (“the Company”) is a closely held public limited company domiciled and incorporated in India in accordance with the provisions of the Companies Act, 1956. The registered office of the Company is situated in Hyderabad, Telangana, India and has facilities in the states of Telangana, Karnataka and Maharashtra.

The Company carries out contract research and manufacturing activities for customers engaged in pharmaceutical and biotechnology industries.

2. Basis of preparation

A. Statement of compliance

The standalone Ind AS financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (“Ind AS”) as notified under Section 133 of the Companies Act 2013 (“the Act”) read with the Companies (Indian Accounting Standards) Rules 2015, as amended, issued by the Ministry of Corporate Affairs (‘MCA’).

The Company’s financial statements up to and including the year ended 31 March 2017, were prepared in accordance with accounting standards notified under the Section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India (Previous GAAP). These Company’s first standalone Ind AS financial statements for the year ended 31 March 2018 are prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position and financial performance of the Company is provided in Note 44

These standalone Ind AS financial statements have been prepared for the Company as a going concern on the basis of relevant Ind AS that are effective at the Company’s annual reporting date 31 March 2018. These standalone Ind AS financial statements were authorised for issuance by the Company’s Board of Directors on 14 August 2018.

These standalone Ind AS financial statements have been prepared on the historical cost convention and on an accrual basis except for the following material items in the balance sheet:

- Certain financial assets and liabilities which are measured at fair value;
- Net defined benefit assets / (liability) are measured at fair value of plan assets, less present value of defined benefit obligations; and
- Share based payments, which are measured at fair value of the options.

Functional and presentation currency

The standalone Ind AS financial statements are presented in Indian Rupee (‘INR’ or ‘₹’) which is also the functional and presentation currency of the Company. All financial information presented in Indian rupees has been rounded to the nearest lakhs, unless otherwise stated.

3. Use of estimates and judgements

The preparation of standalone Ind AS financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the standalone Ind AS

financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the standalone Ind AS financial statements in the period in which such changes are made and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the standalone Ind AS financial statements is included in the following notes:

- Note 4(d) and 4(e) — Useful lives of property, plant and equipment and intangible assets;
- Note 4(g) — Impairment of non-financial and financial assets;
- Note 4(j) — Financial instruments;
- Note 4(f) — Leases : Whether an arrangement contains a lease; lease classification
- Note 4(p) — Employee benefits including share based payments;
- Note 4(q) — Provisions, contingencies - Recognition and measurement of provisions and contingencies; key assumptions about the likelihood and magnitude of an outflow of resources; and
- Note 4(r) — Income taxes

Assumptions and estimation uncertainties

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone Ind AS financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

- Note 20-measurement of defined benefit obligations: key actuarial assumptions;
- Note 40 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 11 - impairment of non-financial assets;
- Note 35 & 36 - impairment of financial assets;

4. Summary of significant accounting policies

The standalone Ind AS financial statements have been prepared using the accounting policies and measurement basis summarized below.

a. Current and non-current classification

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. The Company presents assets and liabilities in the standalone balance sheet based on current/ non-current classification.

An **asset** is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

A **liability** is classified as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

Current assets / liabilities include the current portion of non-current assets / liabilities respectively. All other assets / liabilities including deferred tax assets and liabilities are classified as non-current.

b. Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting period are translated into the functional currency at the exchange rate at that date. Non-monetary items denominated in foreign currencies which are carried at historical cost are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or any other similar valuation denominated in a foreign currency are reported using the exchange rates at the date when the fair value was measured.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the standalone statement of profit and loss in the year in which they arise, except in case of exchange differences relating to long-term foreign currency monetary items, to the extent they are used for financing the acquisition of property, plant and equipment ("PPE") and drawn on or before 1 April 2016, are added to or subtracted from the cost of such PPE. In accordance with Ind AS 101 First time adoption of Indian Accounting Standards the entity continues the above accounting treatment in respect of the long-term foreign currency monetary items recognised in the financial statements as on 31 March 2016.

c. Revenue recognition

Revenue includes excise duty collected and is measured at the fair value of the consideration received or receivable. Revenue is net of returns, taxes or duties collected on behalf of the government other than excise duty collected. However, it includes excise duty up to 30 June 2017

Contract research and manufacturing activities

With respect to contracts involving research services, in case of 'time and materials' contracts, contract research fee is recognised to the extent of services rendered in accordance with the terms of the contracts. Revenues relating to fixed price contracts are recognised based on the percentage completion method determined based on efforts expended as a proportion to total estimated efforts unless there is uncertainty as to performance, measurement or ultimate collectability in which case, revenue recognition is postponed until completion of the contract terms. The Company monitors the estimates of total contract revenue and cost on a regular basis. The cumulative impact of any change in estimates of the contract revenue or costs is reflected in the period in which the changes become known. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss.

In respect of contracts involving sale of goods arising out of contract research and manufacturing, revenue is recognised when the significant risks and rewards of ownership have passed to the buyer.

Contributions received from customers towards items of property, plant and equipment which require an obligation to supply services in the future to the customer over a specified period, is recognised as revenue from operations over the specified period. The Company capitalises the gross cost of these assets as the Company controls these assets.

‘Bill and hold’ sales, in which delivery is delayed at the buyer’s request but the buyer takes title and accepts billing.

Revenue is recognised when the buyer takes title, provided:

- (a) it is probable that delivery will be made;
- (b) the item is on hand, identified and ready for delivery to the buyer at the time the sale is recognised;
- (c) the buyer specifically acknowledges the deferred delivery instructions; and
- (d) the usual payment terms apply.

Revenue is not recognized when there is simply an intention to acquire or manufacture the goods in time for delivery.

Unbilled revenue

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last billing to the Balance Sheet date is recognized as unbilled revenues.

Revenues from fixed-price, fixed-timeframe contracts, where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current contract estimates.

Costs and earnings in excess of billings are classified as unbilled revenues while billings in excess of costs and earnings are classified as unearned revenues.

Export incentives

Export incentives are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Interest income

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable. For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR) method.

Dividend income

Dividend income is recognised when the Company’s right to receive the payment is established, which is generally, when shareholders approve the dividend.

d. Property, plant and equipment (PPE)

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Exchange differences arising on long-term foreign currency monetary items initially recognized in the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP are capitalised.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Any gain or loss on disposal of an item of PPE is recognised in standalone statement of profit and loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation

Depreciation on items of PPE is provided on the straight-line method, computed on the basis of useful lives as estimated by the management which coincides with the useful lives mentioned in Schedule II to the Companies Act, 2013. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land and land under perpetual lease are not depreciated.

The estimated useful lives of the assets are based on a technical evaluation reflecting actual usage of assets.

Asset Category	Estimated useful life (in years)
Buildings	30
Leasehold improvements	1-9
Plant and equipment	15-20
Furniture	10
Freehold Vehicles	8-10
Leasehold Vehicles	3-5
Freehold Computers	3
Leasehold Computers	3-5

Items of PPE acquired wholly or partly with specific grant / subsidy from government (or) customers, are recorded at the acquisition cost to the Company and the amount received under the grant pending donor approval or conditions to be fulfilled is disclosed as a liability.

Depreciation on additions / disposals is provided on a pro-rata basis i.e. from / up to the date on which asset is ready for use / disposed-off.

The residual values, useful lives and method of depreciation of are reviewed at each financial year-end and adjusted prospectively, if appropriate.

e. Intangible assets

Internally generated

Expenditure on research activities is recognised in standalone statement of profit and loss as incurred.

Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in standalone statement of profit and loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

Others

Other intangible assets are initially measured at cost. Subsequently, such intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses, if any. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in standalone statement of profit and loss as incurred.

The intangible assets are amortized over a period of 6 years, on a straight line basis.

f. Leases

A lease that transfers substantially all the risks and rewards incidental to ownership to the lessee is classified as finance lease. All other leases are classified as operating leases.

Company as a lessee

Finance leases are capitalised at the commencement of the lease at fair value of the leased property or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the standalone balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in profit or loss as finance costs, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are generally recognised as an expense in the standalone statement of profit and loss on a straight-line basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which the benefits accrue. Contingent rentals arising under operating leases are also recognised as expenses in the periods in which they are incurred.

g. Impairment

Impairment of non-financial assets

The carrying amounts of the Company's tangible and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit for which the estimates of future cash flows have not been adjusted. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.

An impairment loss is recognised in the standalone statement of profit and loss if the estimated recoverable amount of an asset or its cash generating unit is lower than its carrying amount. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been previously recognised.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (“ECL”) model for measurement and recognition of impairment loss on financial assets measured at amortised cost.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime expected credit losses. For all other financial assets, ECL are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

Loss allowance for financial assets measured at amortised cost are deducted from gross carrying amount of the assets.

Impairment of non-financial assets

The Company assess at each reporting date whether there is any indication that the carrying amount may not be recoverable. If any such indication exists, then the asset’s recoverable amount is estimated and an impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount in the standalone statement of profit and loss. The Company’s non-financial assets, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

h. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Chemicals, reagents and consumables held for use in the production of finished products / rendering of services are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products / services will exceed their net realisable value.

i. Measurement of fair values

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

A number of the Company’s accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

j. Financial instruments

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value and, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- fair value through other comprehensive income (“FVOCI”) – debt investment;
- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

Amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in Other Income in the standalone statement of profit and loss. The losses arising from impairment are recognised in the standalone statement of profit and loss.

FVOCI – debt investment

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the standalone statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to standalone statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Equity investment

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, including foreign exchange gain or loss and excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the standalone statement of profit and loss.

FVTPL

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in standalone statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in standalone statement of profit and loss. Any gain or loss on derecognition is also recognised in standalone statement of profit and loss.

De-recognition

Financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset; or the company has neither transferred nor retained substantially all the risk and rewards of the asset but has transferred control of the asset.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments such as forward exchange contracts and interest rate risk exposures to hedge its risk associated with foreign currency fluctuations and changes in interest rates. Derivatives are initially measured at fair value and subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in standalone statement of profit and loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Dividend distribution to equity holders of the Company

The Company recognises a liability to make dividend distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

k. Cash and cash equivalents

Cash and cash equivalent in the standalone balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

l. Government Grants

The Company recognises government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government grants received in relation to assets are recognised as deferred income and amortized over the useful life of such asset. Grants related to Income are recognized in standalone statement of profit and loss as other operating revenues.

m. Investments in the nature of equity in subsidiaries

Company has elected to recognise its investments in equity instruments in subsidiaries at cost in the separate financial statements in accordance with the option available in Ind AS 27, 'Separate Financial Statements'.

n. Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are not depreciated or amortised.

o. Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which

necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

p. Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Eligible employees of the Company receive benefits from provident fund, which is a defined contribution plan. Both the eligible employees and the Company make monthly contributions to the Government administered provident fund scheme equal to a specified percentage of the eligible employee's salary. Amounts collected under the provident fund plan are deposited with in a government administered provident fund. The Company has no further obligation to the plan beyond its monthly contributions.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed during the period as the related service is provided. These benefits include salaries and wages, bonus and ex-gratia. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Long-term employee benefits

Employee benefits payable after twelve months of receiving employee services are classified as long-term employee benefits. These benefits primarily include one-off retention incentive and long-term bonus provision, in accordance with the policy of the Parent company. The Parent company accrues these costs based on the expected payout and the same is amortised over a period of services.

Gratuity

The Company provides for gratuity, a defined benefit plan ("the Gratuity Plan") covering the eligible employees of the Company. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's last drawn salary and the tenure of the employment with the Company. Liability with regard to the Gratuity Plan is determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method. The defined benefit plan is administered by a trust formed for this purpose through the Company gratuity scheme. The Company recognises the net obligation of a defined benefit plan as a liability in its standalone balance sheet. Gains or losses through re-measurement of the net defined benefit liability are recognized in other comprehensive income and are not reclassified to profit and loss in the subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognised in other comprehensive income. The effect of any plan amendments are recognised in the standalone statement of profit and loss. The net interest on net defined benefit liability which reflects the change in net defined benefit liability that arises from the passage of time is considered as finance cost and disclosed under "Finance costs"

Compensated absences

The Company's policy permits employees to accumulate and carry forward a portion of unutilized compensated absences and utilize them in future periods or receive cash in lieu thereof in accordance with the terms of such policy. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet.

Share based compensation

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

q. Provisions, contingent liabilities and contingent assets

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company; or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

r. Income taxes

Tax expense recognized in standalone statement of profit and loss consists of current and deferred tax except to the extent that it relates to items recognised in OCI or directly in equity, in which case it is recognised in OCI or directly in equity respectively.

Calculation of current tax is based on tax rates and tax laws that have been enacted for the reporting period and any adjustment to tax payable in respect of previous years. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone Ind AS financial statements. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Withholding tax arising out of payment of dividends to shareholders under the Indian Income tax regulations is not considered as tax expense for the Company and all such taxes are recognised in the statement of changes in equity as part of the associated dividend payment.

Minimum Alternate Tax ('MAT') credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

s. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding during the year for the effects of all dilutive potential equity shares.

5. Standards, not yet effective and have not been adopted early by the Company

Following new standards and amendments to Ind AS have not been applied by the Company as they are effective for annual periods beginning on or after April 1, 2018:

Ind AS 115 - Revenue from Contracts with Customers

Ind AS 21 - The effect of changes in Foreign Exchange rates.

Ind AS 115 - Revenue from Contracts with Customers

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115 'Revenue from Contracts with Customers' (New Revenue Standard), which replaces Ind AS 11 'Construction Contracts' and Ind AS 18 'Revenue'. The core principle of the New Revenue Standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Some of the key changes introduced by the New Revenue Standard include additional guidance for multiple-element arrangements, measurement approaches for variable consideration, specific guidance for licensing of intellectual property. The new standard also provides guidance on evaluation of performance obligations being distinct to enable separate recognition and could impact timing of recognition of certain elements of multiple element arrangements.

Significant additional disclosures in relation to revenue are also prescribed. The New Revenue Standard also provides two broad alternative transition options – Retrospective Method and Cumulative Effect Method – with certain practical expedients available under the Retrospective Method. The Company is in the process of evaluating the impact of the New Revenue Standard on the present and future arrangements and shall determine the appropriate transition option once the said evaluation has been completed.

Ind AS 21 – The effect of changes in Foreign Exchange rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company is evaluating the impact of this amendment on its standalone Ind AS financial statements.

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NOTES TO ACCOUNTS (Continued)

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

6. Property, plant and equipment

	Freehold land	Leasehold land	Buildings	Leasehold improvements	Plant and equipment	Furnitures and fixtures*	Freehold Vehicles	Leasehold Vehicles	Freehold Computers	Leasehold Computers	Total
Cost or deemed cost (gross carrying amount)											
Balance as at 1 April 2016	342.56	18.22	5,312.82	352.87	13,123.56	297.67	18.05	369.70	184.89	207.37	20,227.71
Additions (refer note ii & iii below)	-	-	1,343.70	29.61	6,565.06	184.07	43.75	198.70	52.49	332.60	8,749.98
Adjustments (refer note i below)	-	-	-	-	-	-	5.61	(5.61)	5.21	(5.21)	-
Disposals/retirement	-	-	-	-	59.54	-	5.61	-	-	-	65.15
Balance as at 31 March 2017	342.56	18.22	6,656.52	382.48	19,629.08	481.74	61.80	562.79	242.59	534.76	28,912.54
Additions (refer note ii & iii below)	-	155.00	1,717.26	65.91	3,406.44	221.77	41.92	326.65	120.50	-	6,055.45
Adjustments (refer note i below)	-	-	-	-	-	-	483.97	(483.97)	41.75	(41.75)	-
Disposals/retirement	-	-	-	-	-	-	4.95	35.33	-	-	40.28
Balance as at 31 March 2018	342.56	173.22	8,373.78	448.39	23,035.52	703.51	582.74	370.14	404.84	493.01	34,927.71
Accumulated depreciation											
Balance as at 1 April 2016	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	2.07	198.90	118.27	1,272.02	53.60	10.74	143.73	50.47	148.31	1,998.11
Adjustments (refer note i below)	-	-	-	-	-	-	5.61	(5.61)	5.21	(5.21)	-
Disposals/retirement	-	-	-	-	-	-	1.14	-	-	-	1.14
Balance as at 31 March 2017	-	2.07	198.90	118.27	1,272.02	53.60	15.21	138.12	55.68	143.10	1,996.97
Charge for the year	-	3.79	268.44	117.39	1,721.47	78.26	28.53	219.89	81.27	155.39	2,674.43
Adjustments (refer note i below)	-	-	-	-	-	-	256.10	(256.10)	41.75	(41.75)	-
Disposals/retirement	-	-	-	-	-	-	0.72	33.05	-	-	33.77
Balance as at 31 March 2018	-	5.86	467.34	235.66	2,993.49	131.86	299.12	68.86	178.70	256.74	4,637.63
Net carrying amount											
As at 1 April 2016	342.56	18.22	5,312.82	352.87	13,123.56	297.67	18.05	369.70	184.89	207.37	20,227.71
As at 31 March 2017	342.56	16.15	6,457.62	264.21	18,357.06	428.14	46.59	424.67	186.91	391.66	26,915.57
As at 31 March 2018	342.56	167.36	7,906.44	212.73	20,042.03	571.65	283.62	301.28	226.14	236.27	30,290.08

Capital work-in-progress ₹1,367.54 (31 March 2017: ₹916.41, 1 April 2016: ₹808.77)

*Includes office equipment

Notes

i) During the year ended 31 March 2018, the Company had exercised its option to purchase assets acquired under the finance lease. Accordingly, computers and vehicles (leased assets) having gross block of ₹525.72 (31 March 2017: ₹10.82, 1 April 2016: Nil) and accumulated depreciation of ₹297.85 (31 March 2017: ₹10.82, 1 April 2016: Nil) were reclassified from leased assets to owned assets.

ii) Additions to property, plant and equipment during the year ended 31 March 2018 includes borrowing cost capitalised amounting to ₹ 66.10 (31 March 2017: ₹294.84, 1 April 2016: Nil).

iii) Foreign exchange loss of ₹5.04 (31 March 2017: gain of ₹96.46, 1 April 2016: loss of ₹223.33) for the year ended 31 March 2018 has been adjusted to the cost of property, plant and equipment. Such net gain or loss represents the exchange difference on long-term monetary items pertaining to the acquisition of property, plant and equipment acquired on or before 1 April 2016.

iv) Refer note 18 for details of property, plant and equipment subject to charge on secured borrowings.

v) Gross carrying amount, accumulated depreciation & net carrying amount of property, plant and equipment as per previous GAAP as on 31 March 2018 would have been as follows:

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NOTES TO ACCOUNTS (Continued)

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

	Freehold land	Leasehold land	Buildings	Leasehold improvements	Plant and equipment	Furnitures and fixtures	Freehold Vehicles	Leasehold Vehicles	Freehold Computers	Leasehold Computers	Total
Gross carrying amount	342.56	193.91	9,380.38	1,401.85	30,051.91	1,035.63	790.41	402.88	1,537.57	553.96	45,691.06
Less: accumulated depreciation	-	26.55	1,473.94	1,189.12	10,009.88	463.98	506.79	101.60	1,311.43	317.69	15,400.98
Net carrying amount	342.56	167.36	7,906.44	212.73	20,042.03	571.65	283.62	301.28	226.14	236.27	30,290.08

vi) As of 31 March 2016, the Company was in the process of surrendering SEZ leasehold land situated at Vishakhapatnam back to the lessor. Pending release of charge by bank and deed execution, the same had been classified as asset held for sale. Such surrender was concluded during the year ended 31 March 2017.

7. Other intangible assets		
	Computer Software	Total
Cost or deemed cost (gross carrying amount)		
Balance as at 1 April 2016	33.39	33.39
Additions	343.37	343.37
Balance as at 31 March 2017	376.76	376.76
Additions	160.50	160.50
Disposals/retirement	-	-
Balance as at 31 March 2018	537.26	537.26
Accumulated amortization		
Balance as at 1 April 2016	-	-
Charge for the year	82.91	82.91
Disposals/retirement	-	-
Balance as at 31 March 2017	82.91	82.91
Charge for the year	70.53	70.53
Disposals/retirement	-	-
Balance as at 31 March 2018	153.44	153.44
Net carrying amount		
As at 1 April 2016	33.39	33.39
As at 31 March 2017	293.85	293.85
As at 31 March 2018	383.82	383.82
Notes		
i) Gross carrying amount, accumulated depreciation & net carrying amount of other intangible assets as per previous GAAP as on 31 March 2018 would have been as follows:		
	Computer Software	Total
Gross carrying amount	967.47	967.47
Less: accumulated depreciation	583.65	583.65
Net carrying amount	383.82	383.82

NOTES TO ACCOUNTS (Continued)

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

8. Investments	31 March 2018	31 March 2017	1 April 2016
Non-current			
Investment in equity instruments			
Unquoted			
<i>Investments in subsidiary (at cost)</i>			
Sai Life Sciences Inc, USA	2.25	2.25	2.25
5,000 (31 March 2017: 5,000) (1 April 2016: 5,000) capital stock of USD 1 each fully paid-up			
Total investments in subsidiary	2.25	2.25	2.25
<i>Others (at fair value through OCI)</i>			
Jeedinetla Effluent Treatment Limited	0.50	0.50	0.50
500 (31 March 2017: 500, 1 April 2016: 500) equity shares of ₹ 100 each fully paid-up			
Patancheru Envirotech Limited	1.09	1.09	1.09
10,878 (31 March 2017: 10,878, 1 April 2016: 10,878) equity shares of ₹ 10 each fully paid-up			
Total non-current investments	3.84	3.84	3.84
Aggregate value of unquoted investments	3.84	3.84	3.84
Aggregate amount of impairment in the value of investments	-	-	-

9. Other financial assets

Non-current	31 March 2018	31 March 2017	1 April 2016
Bank deposits (due to mature after 12 months from the reporting date)*	100.00	100.42	326.53
Unbilled revenue	-	153.18	190.96
Interest accrued but not due on bank deposits	14.62	6.40	33.42
	114.62	260.00	550.91

*Represents deposits held as margin money with banks.

Current	31 March 2018	31 March 2017	1 April 2016
Unbilled revenue	590.13	1,405.32	2,424.50
Interest accrued but not due on bank deposits	21.42	26.30	19.43
	611.55	1,431.62	2,443.93

10. Income tax assets (net)

	31 March 2018	31 March 2017	1 April 2016
Advance income-tax (net of provision for taxation)	387.55	387.55	89.58
	387.55	387.55	89.58

Refer Note 33 for details of income tax expense

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NOTES TO ACCOUNTS (Continued)

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

11. Other assets

(Unsecured, considered good unless stated otherwise)

Non-current			
	31 March 2018	31 March 2017	1 April 2016
- Considered good			
Capital advances	542.50	462.46	558.74
Prepaid expenses	130.86	115.38	39.07
Balances with statutory authorities	232.50	100.70	1,255.20
Export incentive receivable	570.38	375.50	-
Tax demand paid under protest	398.67	368.20	286.27
- Considered doubtful			
Custom duty receivable	-	-	37.28
	1,874.91	1,422.24	2,176.56
Less: Allowance for doubtful assets	-	-	(37.28)
	1,874.91	1,422.24	2,139.28

Current			
Advance to material / service providers	798.30	988.25	845.29
Prepaid expenses	507.13	457.62	318.68
Balances with statutory authorities	3,820.50	2,351.91	1,629.57
Export incentives receivable	946.48	335.20	134.15
Others	65.91	68.66	76.40
	6,138.32	4,201.64	3,004.09

12. Inventories

(at lower of cost and net realisable value)

	31 March 2018	31 March 2017	1 April 2016
Raw materials (at cost)	3,678.89	2,864.89	1,843.31
Work-in-progress (at lower of cost and net realisable value)	3,093.46	1,169.71	1,423.98
Stores and spares (at cost)	513.05	400.75	226.62
	7,285.40	4,435.35	3,493.91

13. Trade receivables

(Unsecured)

	31 March 2018	31 March 2017	1 April 2016
- Considered good	26,163.30	22,965.10	17,724.74
- Considered doubtful	133.19	325.69	145.13
	26,296.49	23,290.79	17,869.87
Less: Loss allowance for doubtful debts	133.19	325.69	145.13
	26,163.30	22,965.10	17,724.74

Refer Note 36 for the Company's credit risk management process.

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NOTES TO ACCOUNTS (Continued)

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

14. Cash and cash equivalents and other bank balances	31 March 2018	31 March 2017	1 April 2016
(i) Cash and cash equivalents			
Cash on hand	3.15	3.79	5.10
Balances with banks			
-in current accounts	724.24	878.82	1,422.28
-in deposit accounts (with maturity of 3 months or less)*	54.93	6.88	49.51
	782.32	889.49	1,476.89
(ii) Bank balances other than above			
in deposit accounts (due to mature within 12 months but more than 3 months)*	763.39	450.90	343.17
	763.39	450.90	343.17
	1,545.71	1,340.39	1,820.06

*Represents deposits held as margin money with banks.

(iii) **For the purpose of statement of cash flows, cash and cash equivalents comprise of following:**

	31 March 2018	31 March 2017	1 April 2016
Cash and cash equivalents	782.32	889.49	1,476.89
Less: Cash credit (refer note 18)	(5,665.82)	(3,534.15)	(6,245.90)
	(4,883.50)	(2,644.66)	(4,769.01)

(iv) **Details of Specified Bank Notes (SBNs) held and transacted during the period from 8 November 2016 to 30 December 2016 are as below:**

Particulars	SBN*	Other denomination notes	Total
Closing cash in hand as on 08 November 2016	1.86	3.95	5.81
Add: Withdrawal from bank	-	14.90	14.90
Add: Permitted receipts	-	2.59	2.59
Add: Other receipts **	0.31	-	0.31
Less: Permitted payments	-	15.82	15.82
Less: Amount deposited in banks	2.17		2.17
Closing cash in hand as on 30 December 2016	-	5.62	5.62

*For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(F), dated the 8 November 2016.

** Pertains to voluntary donations by employees in Specified Bank Notes collected in a hundi and subsequently deposited into the bank account of the Company.

15. Loans and deposits

	31 March 2018	31 March 2017	1 April 2016
(Unsecured, considered good)			
Non-current			
Security deposits	533.75	432.93	535.46
	533.75	432.93	535.46
Current			
Security deposits	14.95	19.14	18.63
Loans to employees	39.44	77.75	17.56
	54.39	96.89	36.19

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NOTES TO ACCOUNTS (Continued)

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

16. Equity share capital

i. Authorised share capital

	31 March 2018		31 March 2017		1 April 2016	
	Number	Amount	Number	Amount	Number	Amount
Equity shares of ₹10 each	2,14,00,000	2,140.00	2,14,00,000	2,140.00	2,14,00,000	2,140.00

ii. Issued, subscribed and fully paid up

	31 March 2018		31 March 2017		1 April 2016	
	Number	Amount	Number	Amount	Number	Amount
Equity shares of ₹10 each	1,41,75,310	1,417.53	1,39,79,710	1,397.97	1,39,79,710	1,397.97
	1,41,75,310	1,417.53	1,39,79,710	1,397.97	1,39,79,710	1,397.97

iii. Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

	31 March 2018		31 March 2017		1 April 2016	
	Number	Amount	Number	Amount	Number	Amount
Equity shares						
Balance at the beginning of the year	1,39,79,710	1,397.97	1,39,79,710	1,397.97	1,39,79,710	1,397.97
Add: Issued during the year under Employees stock option plan (ESOP)	1,95,600	19.56	-	-	-	-
Balance at the end of the year	1,41,75,310	1,417.53	1,39,79,710	1,397.97	1,39,79,710	1,397.97

iv. Rights, preferences and restrictions attached to equity shares

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 the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

v. Details of shareholders holding more than 5% equity shares in the Company

Name of the equity shareholders	31 March 2018		31 March 2017		1 April 2016	
	Number	% holding	Number	% holding	Number	% holding
Alpha FDI Holdings PTE Limited	27,16,201	19.16%	27,16,201	19.43%	27,16,201	19.43%
Tata Capital Healthcare Fund I	20,82,917	14.69%	20,82,917	14.90%	20,82,917	14.90%
K.Ranga Raju	11,36,636	8.02%	11,36,636	8.13%	11,21,636	8.02%
K. Mytreyi	10,87,633	7.67%	10,87,633	7.78%	10,87,633	7.78%
Sai Quest Syn Private Limited	10,68,748	7.54%	10,68,748	7.64%	10,68,748	7.64%
G. Subba Raju	9,38,730	6.62%	9,38,730	6.71%	9,38,730	6.71%
K. Krishnam Raju	9,19,000	6.48%	9,19,000	6.57%	9,19,000	6.57%
HBM Private Equity India	9,04,462	6.38%	9,04,462	6.47%	9,04,462	6.47%

NOTES TO ACCOUNTS (Continued)

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

vi. Shares reserved for issue under options

(a) Employee stock option plan - 2004 ("ESOP 2004")

The Company established a plan ESOP 2004 under which 300,000 equity sharees of ₹10 each were earmarked and approved by the Shareholders at the Extraordinary General Meeting held on 13 September 2004. These options shall vest at the end of three years from the grant date. The vested options can be exercised by the employee during his term of employment with the Company.

Employee stock option plan - 2006 ("ESOP 2006")

The Company established a plan ESOP 2006 under which 350,000 equity shares of ₹10 each were earmarked and approved by the Shareholders at the Annual General Meeting held on 16 August 2006. 60% of the options granted shall vest at the end of three years from the grant date and 40% of the options granted shall vest at the end of five years from the grant date. The vested options can be exercised by the employee during his term of employment with the Company.

Sai Employee stock option scheme - 2008 ("SESOS")

The Company established a plan SESOS approved by the Shareholders at the Annual and Extraordinary General Meetings held on 11 September 2008 and 30 March 2009 respectively. As per the scheme, maximum number of employee stock options are restricted to 10% of paid up share capital of the Company. Out of which, 50% of the options granted shall vest at the end of two years from the grant date and the balance 50% of the options shall vest at the end of four years from the grant date. The vested options can be exercised by the employee during his term of employment with the Company.

The terms of the above schemes provide that each option entitles the holder to one equity share of ₹10 each and that the options can be settled only by way of issue of equity shares. The options granted are entirely time-based with no performance conditions.

(b) During the year ended 31 March 2018, the Company had incurred stock compensation cost of ₹122.95 (31 March 2017: ₹113.74) towards the above schemes

(c) Stock options activity is as follows:

	No of options		
	31 March 2018	31 March 2017	1 April 2016
Under ESOP 2004 plan			
Outstanding at the beginning of the year	5,000	5,000	8,000
Granted during the year	-	-	-
Forfeited during the year	-	-	(3,000)
Exercised during the year	-	-	-
Outstanding at the end of the year	5,000	5,000	5,000
Weighted average exercise price (₹)	30	30	30
Exercisable at the end of the year	5,000	5,000	5,000
Under ESOP 2006 plan			
Outstanding at the beginning of the year	10,000	10,000	10,000
Granted during the year	-	-	-
Forfeited during the year	-	-	-
Exercised during the year	-	-	-
Outstanding at the end of the year	10,000	10,000	10,000
Weighted average exercise price (₹)	45	45	45
Exercisable at the end of the year	10,000	10,000	10,000
Under SESOS plan -2008			
Outstanding at the beginning of the year	7,18,000	5,68,000	5,98,000
Granted during the year	-	1,70,000	-
Forfeited during the year	(20,000)	(20,000)	(30,000)
Exercised during the year	(1,95,600)	-	-
Outstanding at the end of the year	5,02,400	7,18,000	5,68,000
Weighted average exercise price (₹)	83,104,116,120 & 284	83,104,116,120 & 284	83,104,116,120 & 284
Exercisable at the end of the year	3,47,400	4,00,750	4,26,500

NOTES TO ACCOUNTS (Continued)

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

(d) The fair value of options is estimated at the grant date using the Black-Scholes option pricing model with the following assumptions:

For the year ended 31 March 2017					
Date of grant	27-May-12	06-Sep-12	02-Jul-13	30-Sep-13	21-Sep-16
Risk-free interest rate	7.00%	7.00%	7.00%	7.00%	7.00%
Expected life (in years)	4	4	4	4	4
Expected volatility	15.01%	15.01%	12.81%	12.81%	12.67%
Expected dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%

For the year ended 31 March 2018			
Date of grant	02-Jul-13	30-Sep-13	21-Sep-16
Risk-free interest rate	7.00%	7.00%	7.00%
Expected life (in years)	4	4	4
Expected volatility	12.81%	12.81%	12.67%
Expected dividend yield	0.00%	0.00%	0.00%

vii. During the period of five years immediately preceeding the balance sheet date, no shares have been bought back, issued for consideration other than cash and no bonus shares have been issued.

viii. In November 2014, pursuant to the terms of the Shareholders' agreement, the Company had granted the promoter or its nominee, the right to subscribe to 900,651 equity shares, called as Promoter Incentive Shares, at a price equal to ₹283.48 per share. These rights are exercisable on occurrence of specific events. The fair value of the warrants aggregating is valued at ₹319.9 and has been accounted in accordance with Ind-AS 102 Share-based Payment based on management estimates of its efforts and time. The fair value of the warrants was calculated using the Black-Scholes option pricing model. The inputs for this model include stock price, exercise price, expected term, volatility, risk free rates etc.

The following are the assumption used in determining the fair value of options at the grant date.

Date of grant	08-Nov-14
Risk-free interest rate	7.00%
Expected life (in years)	3.5
Expected volatility	9.11%
Expected dividend yield	0.00%

17. Other equity

	31 March 2018	31 March 2017	1 April 2016
Reserve and surplus			
Securities premium reserve	10,819.86	10,672.45	10,672.45
Capital reserve	112.23	112.23	112.23
Employee Stock options outstanding account	382.96	260.01	146.27
Retained earnings	23,742.45	19,573.95	14,868.73
Share application money pending allotment	35.29	-	-
Total Reserve and surplus	35,092.79	30,618.64	25,799.68

Other comprehensive income			
Remeasurement of defined benefit plan (net of tax)	(117.64)	(115.09)	(72.77)
	(117.64)	(115.09)	(72.77)
	34,975.15	30,503.55	25,726.91

Nature and purpose of reserves

(a) Securities premium reserve

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve. During the year ended 31 March 2016, the Company issued 705,510 equity shares and has incurred expenses of ₹ 402.02 towards the issue, primarily related to due-diligence, legal formalities and statutory filing fees. These expenses have been adjusted with the balance in securities premium account in accordance with the Companies Act, 2013.



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**CERTIFICATE OF REGISTRATION
OF AN OVERSEA COMPANY**

(Registration of a UK establishment)

Company No. FC036192

UK Establishment No. BR021280

The Registrar of Companies hereby certifies that

SAI LIFE SCIENCES LIMITED

has this day been registered under the Companies Act 2006 as having established a UK Establishment in the United Kingdom.

Given at Companies House on **1st May 2019**.



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**