

**SCHEME OF REDUCTION OF CAPITAL
BETWEEN
HINDUSTAN BIO SCIENCES LIMITED
AND
ITS SHAREHOLDERS AND CREDITORS
UNDER SECTIONS 100 TO 104 OF THE COMPANIES ACT, 1956/
SECTION 66 OF THE COMPANIES ACT, 2013**

(A) PREAMBLE OF THE SCHEME

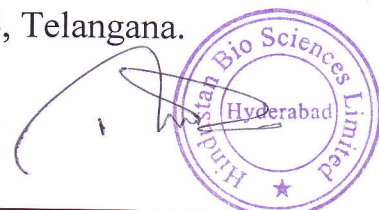
This Scheme of Reduction of Capital is made pursuant to the provisions of Sections 100 to 104 of the Companies Act, 1956/Section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 1956/2013 and provides for Re-organisation and reduction of Equity Capital of "**Hindustan Bio Sciences Limited**".

(B) DESCRIPTION OF THE COMPANY

"**Hindustan Bio Sciences Limited**" (CIN: L26942TG1991PLC013564) was originally incorporated under the name and style of 'Garuda Cements Limited' on 16.12.1991 in the State of Andhra Pradesh, Hyderabad subsequently changed its name to Hindustan Softel Limited on 10-11-2000 and further changed its name to **Hindustan Bio Sciences Limited** on 27th August, 2001 vide Fresh Certificate of Incorporation.

'**Hindustan Bio Sciences Limited** is a listed Company having its shares listed and traded on BSE Limited (formerly known as 'Bombay Stock Exchange Ltd').

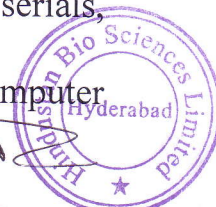
The Registered Office of the Company is situated at Plot No. 31, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500034, Telangana.



Main Objects:

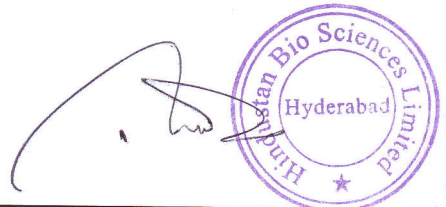
The present objects of the Company presently enable it:

1. To establish, acquire, promote, run, manage, lease and enter into strategic alliances with domestic companies, international companies, institutions, to manufacture, market, distribute, sell, export, import and other-wise deal in all types chemicals, pharmaceuticals, Bio-pharmaceuticals, gene-related products, genetic informatics proteomics, diagnostic reagents, diagnostic kits, life saving drugs, employing genetic engineering rout, polymer chair reaction technologies to develop monoclonal antibodies and for designing DNA (Deoxyribonucleic Acid) probe for investigating, identifying, combating , curing of any and every human, animal and plant disease related to genome.
2. To carry on the business of consulting engineers in chemical, pharmaceutical Biopharmaceuticals, Bio-engineers, dyestuff industries and to develop, establish, run, educational and training centers and research development, clinical train investigations and related matters in the field of Bio-technology.
3. To develop, manufacture process, convert, produce, service, invent, prepare , own make use of , buy , sell, import, export, lease, deal, distribute, and market computer software, hardware, T.V. Films, serials, movies, computer, and its peripherals, and allied products, computer



packages, e-commerce, data of processing machines, and memory equipment, electric, electronics, audio, video, equipment, communication systems. To set up software development and research centers in India or abroad to develop software or systems for GIS, CAD, CAM, CATMS, CAPP, SCADA, Remote-sensing, photo geometry and to develop all types of software including media and entertainment software and to set up, launch, establish, internet portals, internet service providers (ISP'S) , internet or information gateways, satellites, and transponders, studios, and to design, develop web-sites, Multimedia systems, Local networks, wide area networks, cable networks and to enter into collaboration with India or Overseas companies, firms, individuals, government or other agencies for software and allied purpose and to undertake wireless applications and product solutions, web and Broad Band related activities and all types of activities in information technology and future I.T. products and to acquire, takeover software, hardware or related business and to establish and run data processing, software development and computer training centers and to do recruitment of personnel and to render constancy services.

4. To extract, produce, refine, process, buy, sell, import, export, market, develop , distribute, trade, or otherwise engage or deal in all types of chemicals, Bulk Drugs Intermediates and any other commodities or products.



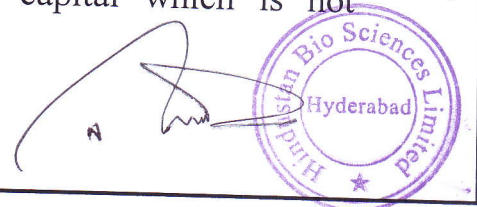
The Share Capital of the Company as on 31.03.2018 is as under:

Particulars	Amount in Rs.
Authorized Share Capital	
1,10,00,000 Equity Shares of Rs. 10/- each	11,00,00,000
Total	11,00,00,000
Issued, Subscribed and Paid-Up Share Capital	
1,02,50,800 Equity Shares of Rs. 10/- each	10,25,08,000
Total	10,25,08,000

Subsequent to 31.03.2018 (Thirty First day of March, Two Thousand Eighteen) and up to the date of approval of the Scheme by the Board of the Company, there has been no change in the authorized, issued, subscribed and paid up capital of the Company.

(C) RATIONALE AND PURPOSE OF THE SCHEME

1. The Company has Accumulated Losses reflecting in the books of the Company, from the previous years, primarily, due to diminution in value of various Assets and Advance for Capital goods. As on 31 March 2018, as per the audited financial results of the Company, the Accumulated Losses amounts to Rs.819.72 lakhs represented as 'Deficit in Statement of Profit & Loss' in the Reserves & Surplus Account.
2. The Board of Directors at their meeting held on 08.08.2018 were of the opinion that the Company has paid-up share capital which is not represented by the Assets of the Company.



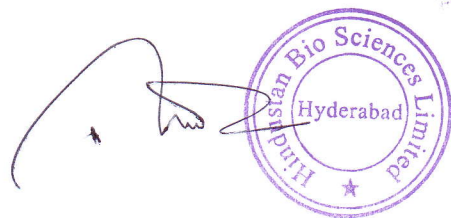
3. After evaluating various options, the Board of Directors at their meeting held on 08.08.2018 had decided to reduce the paid up capital of the Company. In this regard the Board has decided to reduce the 80% of paid-up share capital of the Company by cancelling and extinguishing 80% of the paid-up value of the shares and retaining Rs. 2/- per share. Furthermore, the reduction of capital would not in any way have any adverse effect on the Company's ability to honour its commitments or meet its obligations in the ordinary course of business.

(D) PARTS OF THE SCHEME:

PART A: Deals with Definitions.

PART B: Deals with Reduction of Capital.

PART C: Deals with General Clauses, Terms and Conditions.



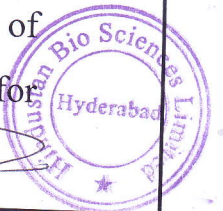
8

PART - A
DEFINITIONS

1. DEFINITIONS

In this scheme unless repugnant to the meaning or context thereof, the following expressions shall have the meaning as mentioned herein below:

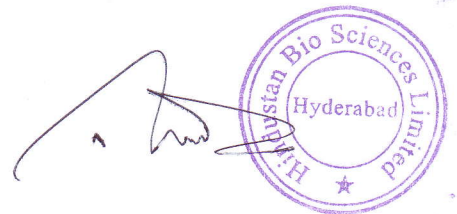
- 1.1 “Act” or “the Act”** means the Companies Act, 1956, or as the case may be, the Companies Act, 2013 (to the extent applicable) and every modification or re-enactment thereof and references to sections of the Act shall be deemed to mean and include reference to sections enacted in modification or replacement thereof.
- 1.2 “Board of Directors” or “Board”** in relation to **Hindustan Bio Sciences Limited** shall, unless it be repugnant to the context or otherwise, includes a Committee of Directors or any person authorized by the Board of Directors or such Committee of Directors.
- 1.3 “Company”** shall mean **Hindustan Bio Sciences Limited**, a Company incorporated under the provisions of the Companies Act, 1956, having its shares listed and traded on the BSE Limited and having its registered office at Plot No. 31, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500034, Telangana.
- 1.4 “Court” or “High Court”** means the Hon’ble High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh or the National Company Law Tribunal (NCLT) or such other tribunal or authority having jurisdictions to sanction the Scheme.
- 1.5 “Effective Date”** means the date on which the certified copy of the order passed by the Hon’ble High Court /NCLT sanctioning the Reduction of Capital is filed with the Registrar of Companies at Hyderabad for



Telangana and Andhra Pradesh. Any references in the Scheme to “upon the Scheme becoming effective” or “effectiveness of the Scheme” or “Scheme coming into effect” shall mean the “Effective Date”.

- 1.6 “Scheme of Reduction of Capital” or “Scheme” or “The Scheme” or “This Scheme” means this Scheme of Reduction of Capital in its present form or with any modification(s) approved, imposed, or directed by the Court or such other appropriate authority.
- 1.7 “Shareholders” means the persons registered (whether registered owner of the shares or beneficial owner of the shares) as holders of equity shares of Company. The word “Shareholder” and “member” are used to denote the same meaning and are used interchangeably.
- 1.8 “Shares” means the equity shares of Rs.10/- each of the Company unless otherwise specified in the context thereof.
- 1.9 “Stock Exchange” means the BSE Limited on which the equity shares of the Company are listed and traded. The Designated Stock Exchange shall be BSE Limited.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Income-tax Act, 1961 or any other applicable laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.



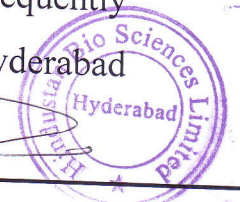
PART - B
REDUCTION OF CAPITAL

2. REDUCTION OF CAPITAL OF THE COMPANY

2.1 Upon the Scheme becoming effective and after obtaining the necessary approvals, consents, permissions etc, the subscribed, issued and paid-up capital of the Company shall stand reduced from Rs.10,25,08,000/- (Rupees Ten Crores Twenty Five Lakhs Eight Thousand only) divided into 1,02,50,800 (One Crore Two Lakhs Fifty Thousand Eight Hundred only) Equity shares of Rs. 10/- (Rupees Ten only) each to Rs.20501600/- (Rupees Two Crore Five Lakhs one thousand six hundred only) divided into 1,02,50,800 (One Crore Two Lakhs Fifty Thousand Eight Hundred only) Equity shares of Rs. 2/- (Rupee Two only) each. The aforesaid reduction of paid-up share capital shall be effected by reduction of Rs.8/- per share.

Ex: A person who is holding One (1) Equity Shares of Rs. 10/- each aggregating to Rs. 10/- (Rupees Ten only) shall hold after reduction One (1) Equity Share of Rs. 2/- (Rupee Two only) each aggregating to Rs. 2/- (Rupee Two only).

2.2 The reduction of paid up equity share capital of Company as aforesaid would not involve diminution of liability in respect of unpaid share capital but payment of paid-up equity share capital to the shareholders of Company. No prejudice will be caused to shareholders and/or creditors of Company by the aforesaid reduction. The Scheme does not envisage transfer or vesting of any of the properties and/or liabilities of the Company to any person or entity. The Scheme also does not involve any conveyance or transfer of any property of the Company and consequently the order of the Hon'ble National Company Law Tribunal at Hyderabad



approving the Scheme will not attract any stamp duty, under the Stamp Act, in this regard.

3. COMPLIANCE

The consent of the members of the Company to this Scheme shall be taken through a Special Resolution under the provisions of (Section 100 to 104 of the Companies Act, 1956) Section 66 of the Companies Act, 2013.

The Scheme, if sanctioned, shall be fully in compliance of the Securities and Exchange Board of India Act ("SEBI") Act, and the rules and regulations made and the circulars issued thereunder.

4. EFFECT OF THE SCHEME

4.1 The books of Accounts of the Company, on the effective date, in the following manner:

Particulars	Prior to the Scheme of Reduction of Capital as on 31.03.2018	Proposed Reduction	After reduction
Number of Equity Shares	10250800	NA*	10250800
Face Value of Equity Share	10.00	8.00	2.00
Total Paid-up Capital	102508000	82006400	20501600

*The proposed reduction involve reduction of face value of shares from Rs. 10/- to Rs. 2/-, and hence there is no reduction in number of shares.

4.2 The Pre and Post Reduction Shareholding pattern of the Company will be as follows:



Particulars	Prior to the Scheme		After the implementation of the Scheme	
	No. of Shares (Rs. 10/- each)	% to total	No. of Shares (Rs. 2/- each)	% to total
Promoter's & Promoter's Group	1139715	11.12	1139715	11.12
Institutions/ Mutual Funds etc	0	0	0	0
Public holding	9111085	88.88	9111085	88.88
Total	10250800	100.00	10250800	100.00

PART -C

GENERAL CLAUSES, TERMS AND CONDITIONS

5. IMPACT OF THE SCHEME ON EMPLOYEES/ WORKERS

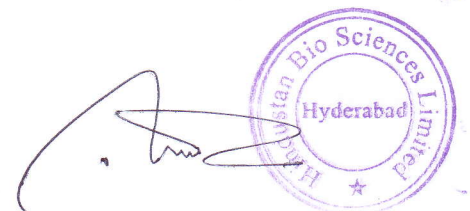
The Scheme of Reduction of Capital would not affect the employees of the Company in any manner and they would continue to enjoy the same benefits as they used to before the Reduction of Capital.

6. IMPACT OF THE SCHEME ON CREDITORS

The Company does not have any secured Creditors. The reduction of capital would not in any way have any adverse effect on the Company's ability to honour its commitments or meet its liabilities in the ordinary course of business.

7. LEGAL PROCEEDINGS

The Scheme would not affect any legal or other proceedings by or against the Company.



Hyderabad Bio Sciences Limited
Hyderabad

8. CONDITIONS PRECEDENT

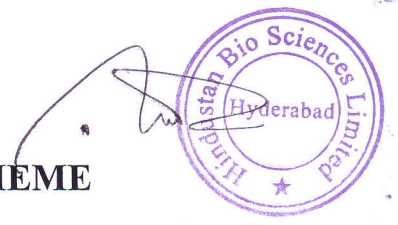
This Scheme is and shall be conditional upon and subject to:

- 8.1 The Company obtaining the Observation Letter from the Designated Stock Exchange for the implementation of the Scheme.
- 8.2 A special resolution approving the reduction is passed by the Shareholders.
- 8.3 The Scheme being approved by the National Company Law Tribunal under Sections 100 to 104 of the Companies Act, 1956 or Section 66 of the Companies Act, 2013.
- 8.4 The certified copy of the order of the High Court/Tribunal sanctioning this Scheme being filed with the Registrar of Companies, Andhra Pradesh and Telangana, Hyderabad.
- 8.5 All other sanctions and approvals as may be required by law in respect of this Scheme being obtained.

9. APPLICATION TO THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL AT HYDERABAD

Approvals of the shareholders by way of special resolution and of the Hon'ble National Company Law Tribunal, Hyderabad or such other court/authority as may be required by way of making a petition, pursuant to this Scheme under Section 100 to 104 of the Companies Act, 1956/Section 66 of the Companies Act, 2013, are being sought as a measure of legal compliance, transparency and prudence.

10. MODIFICATIONS / AMENDMENTS TO THE SCHEME



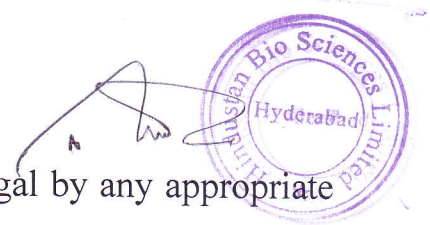
The Company by its Board of Directors or such other person or persons, as the Board of Directors of the Company may authorize, may make and / or consent to any modifications / amendments to this Scheme or to any conditions or limitations that the Hon'ble NCLT or any other appropriate authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them or the Board, including the withdrawal of this Scheme. The Board of Directors of the Company shall take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions, including interpretation of the Scheme, whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and /or any matter concerned or connected therewith. The power of the Board to modify / amend the Scheme shall be subject to the approval of the High Court.

11.EFFECT OF NON-RECEIPT OF APPROVALS

In the event of any of the said sanctions and/or approvals referred to in Clause 8 above not being obtained (unless otherwise released by the Board of Directors) and / or the Scheme not being sanctioned by the Hon'ble High Court/National Company Law Tribunal or such other competent authority as aforesaid, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and / or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

12.SEVERABILITY

If any part of this Scheme hereof is invalid, ruled illegal by any appropriate authority of competent jurisdiction, or unenforceable under present or future



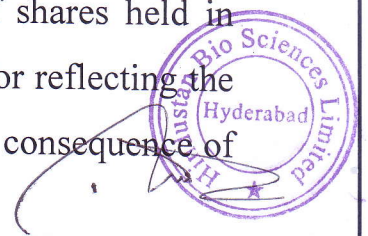
laws, then it is the intention of the Board that such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse, in which case the Board shall attempt to bring a suitable modification in the Scheme. The Board of Directors of Company shall be entitled to revoke, cancel and declare the Scheme of no effect, if the Board of Directors is of view that the coming into effect of the Scheme could have adverse implications on Company.

13.COSTS, CHARGES AND EXPENSES

All costs, charges, taxes including duties (including the stamp duty, if any, applicable in relation to this Scheme), levies and all other expenses, if any (save as expressly otherwise agreed) of Company arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne and paid by the Company.

14.CANCELLATION OF SHARES

Upon this Scheme becoming finally effective, all the shareholders, if so required by the Company, shall surrender their share certificates for cancellation thereof. Notwithstanding anything to the contrary, upon the issue of the new share certificates in the Company to the Shareholders whose names shall appear in the Register of Members of the Company on such Record Date fixed as aforesaid, the old share certificates held by them in the Company shall be deemed to have been automatically cancelled and cease to be negotiable and be of no commercial or legal value, on and from the Record Date. The Company may instead of requiring the surrender of the old share certificates, as above, directly issue and dispatch the new share certificates of the Company in lieu thereof. In the case of shares held in dematerialized and electronic form, the required procedure for reflecting the change in the holdings of the members of the Company, as a consequence of



the sanctioning of this Scheme, shall be adopted for making the necessary alterations in the Depository Accounts of the shareholders.

15.ACCOUNTING TREATMENT

The company will comply with all relevant Accounting Policies and Accounting Standards as regards to accounting for the reduction of capital in accordance with the applicable Accounting Standards.

The Company Scheme of Reduction of Capital, pursuant to the reduction of Share Capital @ Rs.8/- per share, will result in 10250800 equity shares of Rs.10 each fully paid to Rs. 10250800/- equity shares of Rs.2 each fully paid.

The Company will make and pass appropriate entries for all notional adjustments in a prudent and commercially accepted manner.

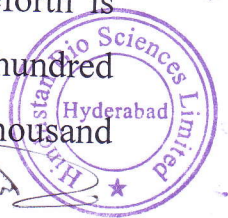
16.MISCELLANEOUS

16.1 Notwithstanding the reduction of capital of the Company, the listing benefit of the Company on all the Stock Exchange where the existing Equity Shares of the Company are listed shall continue.

16.2 Notwithstanding the reduction of capital of the Company in pursuance of this Scheme, the Company shall not be required to add the words "And Reduced" to its name as the last words thereof.

16.3 The Form of minute proposed to be registered under section 103(1)(b) of the Companies Act, 1956, is as follows:

The Paid-up capital of 'Hindustan Bio Sciences Limited' henceforth is Rs. 20501600/- (Rupees Two Crore Five Lakhs one Thousand six hundred Only) divided into 1,02,50,800 (One Crore Two Lakhs Fifty Thousand



Eight Hundred only) Equity Shares of Rs.2/- (Rupee Two Only) each fully paid up reduced from Rs.10,25,08,000/- (Rupees Ten Crores Twenty Five Lakhs Eight Thousand Only) divided into 1,02,50,800 (One Crore Two Lakhs Fifty Thousand Eight Hundred only) Equity Shares of Rs.10/- (Rupees Ten Only) each. At the date of Registration of this Minute 1,02,50,800 (One Crore two lakhs fifty thousand eight hundred only) Equity Shares of Rs.2/- (Rupee Two Only) each have been issued and are deemed to be fully paid up.

