

Report of the Audit Committee of Lincoln Pharmaceuticals Limited dated December 07, 2019.

Members

1. Mr Ishwarlal A. Patel	-	Chairman
2. Mr Pirabhai R. Suthar	-	Member
3. Mr Munjal M. Patel	-	Member

1. Background:

The Company has placed before the Audit Committee the scheme of amalgamation Lincoln parenteral limited ('transferor company') and Lincoln pharmaceuticals limited ('transferee company'), pursuant to Section 230 to 232 and all other applicable provisions of the Companies Act, 2013 (hereinafter referred to as "the scheme"), in compliance with SEBI circular CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended (SEBI Circular), for the draft schemes proposed to be filed under Regulation 37 of SEBI (LODR) Regulations, 2015 with Stock Exchange(s).

The Report of the Audit Committee is made in order to comply with the requirements of the aforesaid Circular after considering the following necessary documents;

- Scheme of Amalgamation of Lincoln Parenteral Limited ("Transferor Company") and Lincoln Pharmaceuticals Limited ("Transferee Company")
- Valuation Report dated December 6, 2019, issued by the Independent Valuers namely M/s. Dhiren Shah & Co., Chartered Accountants.
- Fairness Opinion dated December 6, 2019, issued by M/s. Systematix Corporate Services Limited, an independent Category-I Merchant Banker ("Fairness Opinion").
- Certificate from M/s. J. T. Shah & Co., Chartered Accountants, Statutory Auditors of the Company confirming that the Scheme is in compliance with applicable accounting treatment notified under the Companies Act, 2013 and other generally accepted principles; and
- Un-Audited financial statements of Lincoln Pharmaceuticals Limited ("Transferee Company") and Audited financial statements of Lincoln Parenteral Limited ("Transferor Company") for the Quarter and Half Year Ended September 30, 2019 and Year Ended March 31, 2019, March 31, 2018 and March 31, 2017.

2. Proposed Scheme of Amalgamation

(a) Salient Features of the Scheme

The salient features of the scheme are as under:

This Scheme of Amalgamation provides for the amalgamation of the Lincoln Parenteral Limited (Transferor Company) with the Lincoln Pharmaceuticals Limited (Transferee Company) pursuant to Sections 230 to 232 and other relevant provisions of the Companies Act, 2013 ('the Act').

The proposed arrangement by way of a scheme of amalgamation is beneficial, advantageous and not prejudicial to the interest of the shareholders, creditors and other stakeholders. The proposed amalgamation of Lincoln Parenteral Limited into Lincoln Pharmaceuticals Limited is in consonance with the corporate restructuring practices which intend and seek to achieve flexibility and integration of size, scale and financial strength. The Transferor Company and the Transferee Company believe that the financial, managerial and technical resources,



personnel capabilities, skills, expertise and technologies of the Transferor Company and the Transferee Company pooled in the merged entity, will lead to increased competitive strength, cost reduction and efficiencies, productivity gains, and logistic advantages, thereby significantly contributing to future growth. Therefore, the management of the Transferor Company and the Transferee Company believe that this Scheme shall benefit the respective companies and other stakeholders of respective companies, inter-alia, on account of the following reasons:

(b) Rational and benefits of the scheme:

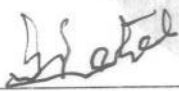
The Audit Committee noted the below benefits of the scheme i.e.

- Enable Transferee Company to use the resources of Transferor Company and generate synergy in operations;
- Consolidation of entries thereby achieving consolidation of the assets and a larger asset base;
- Reduction in the operational, financial and administrative costs;
- Increase in net worth of Transferee Company, which will facilitate effective and fast mobilization of financial resources for meeting increased capital expenditure;
- Reduction of overheads and other expenses, facilitate administrative convenience and ensure optimum utilization of available services and resources and
- Efficient and Focused management control and system
- In view of the aforesaid, the Board of Directors of the Transferor Company and the Transferee Company have considered and proposed the amalgamation of the entire undertaking and business of the Transferor Company with the Transferee Company.

3. Recommendation of the Audit Committee

After considering the above referred documents and benefits arising from the proposed scheme, The Audit Committee do hereby recommend the Scheme for favourable consideration by the Board of Directors of the Company, the Stock Exchange and the Securities and Exchange Board of India.

For and on behalf of Audit Committee of Lincoln Pharmaceuticals Limited



Ishwarlal A. Patel
Chairman of the Audit Committee
DIN: 00217324

Date: 07/12/2019
Place: Ahmedabad

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Report of the Audit Committee of Lincoln Parenteral Limited dated December 07, 2019.

Members

1) Mr Mahesh M. Patel	-	Chairman
2) Mr Naresh P. Suthar	-	Member
3) Mr Anand A. Patel	-	Member

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and the Transferee Company believe that the financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of the Transferor Company and the Transferee Company pooled in the merged entity, will lead to increased competitive strength, cost reduction and efficiencies, productivity gains, and logistic advantages, thereby significantly contributing to future growth. Therefore, the management of the Transferor Company and the Transferee Company believe that this Scheme shall benefit the respective companies and other stakeholders of respective companies, inter-alia, on account of the following reasons:

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For and on behalf of Audit Committee of Lincoln Parenteral Limited



Mahesh M. Patel
Chairman of the Audit Committee
DIN: 00103239



Date: 07/12/2019
Place: Ahmedabad