

REPORT OF THE AUDIT COMMITTEE OF THE ZENITH HEALTHCARE LIMITED
RECOMMENDING THE DRAFT SCHEME OF AMALGAMATION

Members Present at the Meeting

1. Mr. Gaurang Vora, Chairman
2. Mr. Tejas Thakkar, Members
3. Mr. Atul Thakkar, Members

In attendance

1. Mr. Mital N. Shah, Chief Financial Officer
2. Mr. Mihir S. Shah, Company Secretary

By Invitation

1. Mr. A.R. Pandhi & Associates, Chartered Accountant
3. Mr. Tejas Somaiya & Associates, Internal Auditor

The Meeting of the Audit Committee was held on 19th day of October, 2018 to consider the Proposal for Amalgamation of Zenith Medicine Pvt. Ltd. (ZMPL) With Zenith Healthcare Limited (ZHL).

The Security and Exchange Board of India circular CFD/DIL3/CIR/2017/21, dated March 10, 2017 has amongst other requirements, sought a report from audit committee of listed companies recommending the draft scheme of amalgamation after taking into consideration, inter alia, share entitlement ratio as below:

The Proposed Scheme of Amalgamation between Zenith Medicine Pvt. Ltd. (ZMPL) with Zenith Healthcare Limited (ZHL) shares are proposed to be issued as per the Valuation and Exchange Ratio Suggested by Biren Shah & Co., Chartered Accountants The Audit Committee of Company hereby recommend the scheme to be forwarded to BSE Ltd.(BSE) and Securities Exchange Board of India(SEBI)for their approval.



The Salient feature of the Scheme are as under :

A. The Amalgamation envisages, inter alia :

> Transfer and vesting of the whole of the undertaking:

The scheme propose the transfer and vesting of the whole of the undertaking and entire business of the transferor Company(ZMPL), as a Going Concern, all its assets, liabilities, rights, licenses and powers, and all its debts, outstanding, liabilities, duties obligation and employees with the transferee Company (ZHL). Upon coming into effect of the scheme, the Transferor Company (ZMPL) shall stand dissolved without winding up, and the Board of Director of the Transferor Company and any committee thereof, shall without any further act, instrument or deed stand dissolved.

A. RATIONALE FOR THIS SCHEME

The rationale for the amalgamation of the Transferor Company with the Transferee Company is, inter alia, as follows:

- (i) Consolidate the business of Transferor Company with the Transferee;
- (ii) Further expansion of the Transferee Company's business which would benefit the respective shareholders, as it is expected that the combined entity resulting out of such an arrangement will have better prospects of growth and that this would enable the management of the Transferee Company to vigorously pursue revenue growth and expansion opportunities;
- (iii) Availability of increased resources and assets for the Transferee Company which can be utilized for strengthening the customer base and servicing existing as well as new customers innovatively and efficiently;
- (iv) Leading to increased competitive strength and efficiencies for the Transferee Company; and
- (v) Create enhanced value for the shareholders and allow a focused strategy in operations, which would be in the best interest of all shareholders, creditors, employees and all persons connected with the Transferor and Transferee Companies.



- Governing Sections (provisions) of the Companies Act 2013: Sections 230 to 232.
- The Draft scheme needs to be filed with Stock Exchange for obtaining the Observation Letter or No-objection Letter before filing such scheme with any Tribunal.

Placing of Valuation Report before the Audit Committee (AC) - regarding:

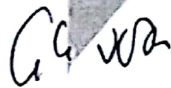
- a. Valuation report from an Independent Chartered Accountants, Biren Shah & Co. in this case has been noted and taken on record.
- b. Pre & post amalgamation shareholding pattern of Listed and Unlisted company-Placed before the Audit Committee and the same has been noted and taken on record
- c. Audited financial Statements of unlisted company (ZMPL) for last 3 years were placed before the Audit Committee.
- d. Compliance of Regulation 27(2) of LODR: The Company is Compliant with Regulation 27(2) of LODR.

The Audit Committee after discussions, recommended the draft "Scheme of Amalgamation of "Zenith Medicine Pvt.Ltd.." (ZMPL), with the Company, with effect from 1 July, 2018 being the "Appointed Date", subject to the appropriate approvals of the (BSE, SEBI), secured and unsecured creditors, if any of the Company and the Hon'able National Company Law Tribunal at Ahmedabad, pursuant to Sections 230 to 232 of the Companies Act 2013.

Recommendation of the Audit Committee:

Having considered the documents, the Audit Committee found the draft Scheme to be in the best interests of all the stakeholders of the Company and do hereby unanimously recommend the draft scheme.

For, Zenith Healthcare Limited.



GAURANG GIRDHARLAL VORA
Chairman of Audit Committee
DIN: 01157447



Date : 19/10/2018

Place: Ahmedabad