



INWINEX
PHARMACEUTICALS LIMITED

BOARD OF DIRECTORS

MR. ARVIND VARCHASWI N.	- MANAGING DIRECTOR
MR. NARAYANAN NARASIMHAN	- NON-EXECUTIVE CHAIRMAN & DIRECTOR
MR. RAMESH CHANDRA AGARWAL	- NON-EXECUTIVE DIRECTOR
MR. NIKHIL SEN	- ADDITIONAL DIRECTOR
MR. SRIRAM CHANDRASEKARAN	- ADDITIONAL DIRECTOR
MR. GOWRA SRINIVAS	- ADDITIONAL DIRECTOR

REGISTERED OFFICE

PLOT NO.22 & 23, SVCIE, BACHEPALLY,
MIYAPUR, HYDERABAD – 500325

AUDITORS

PRAKASH CHOKDA

CHARTERED ACCOUNTANTS

SHOP NO. 61, RAGHAVA RATNA TOWERS,

CHIRAG ALI LANE,

HYDERABAD – 500001.

SHARE TRANSFER AGENTS

VENTURE CAPITAL & CORPORATE INVESTMENTS

PRIVATE LIMITED

12-10-167, BHARATNAGAR,

HYDERABAD - 500018

NOTICE

NOTICE is hereby given that the Fifteenth Annual General Meeting of Members of **Inwinex Pharmaceuticals Limited** will be held on **Monday the 27th September, 2010** at 11:30 A.M. at the Hotel Fortune Manohar, Begumpet, Hyderabad- 500016 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as on 31st March, 2010 and Audited Profit & Loss Account for the period ended on that date together with the reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Arvind Varchaswi. N who retires by rotation and being eligible offers himself for reappointment.
3. To appoint the auditors and fix their remuneration and in this connection pass the following resolution as an Ordinary resolution: -

“RESOLVED THAT pursuant to the provisions of Section 225 of the Companies Act, 1956, M/s. Vijay Narayan & Co, Chartered Accountants, Hyderabad be and are hereby appointed as auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, in place of Mr. Prakash Chokda, Chartered Accountant, Hyderabad, at a remuneration to be fixed by the Board of Directors, including for other services and out of pocket expenses.”

SPECIAL BUSINESS:

4. To consider, and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary resolution:-

“RESOLVED THAT in accordance with the provisions of Section 269, 309 and 310 and other applicable provisions if any, read with Schedule XIII of the Companies Act, 1956 and other provisions thereto, as amended, the Company hereby accords its approval and consent to the appointment of Shri. Arvind Varchaswi N. as Managing Director of the Company with effect from **25th June, 2010** for a period of **5 years** without any remuneration.

“RESOLVED FURTHER THAT the Managing Director shall exercise substantial powers of management as defined under Section 316 of the Companies Act, 1956 and shall act under the superintendence of the Board of Directors of the Company”.

5. To consider, and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Nikhil Sen, who was appointed as an Additional Director of the Company by the Board of Directors on 25.06.2010 and who holds the office as per Section 260 of the Companies Act, 1956, up to the ensuing Annual General Meeting and in respect of whom the Company has, pursuant to the provisions of Section 257 of the Companies Act, 1956, received a notice in writing from a member, proposing his candidature for the office of Director, be and is hereby appointed as the Director of the Company, liable to retire by rotation."

6. To consider, and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Sriram Chandrasekaran, who was appointed as an Additional Director of the Company by the Board of Directors on 25.06.2010 and who holds the office as per Section 260 of the Companies Act, 1956, up to the ensuing Annual General Meeting and in respect of whom the Company has, pursuant to the provisions of Section 257 of the Companies Act, 1956, received a notice in writing from a member, proposing his candidature for the office of Director, be and is hereby appointed as the Director of the Company, liable to retire by rotation."

7. To consider, and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Gowra Srinivas, who was appointed as an Additional Director of the Company by the Board of Directors on 25.06.2010 and who holds the office as per Section 260 of the Companies Act, 1956, up to the ensuing Annual General Meeting and in respect of whom the Company has, pursuant to the provisions of Section 257 of the Companies Act, 1956, received a notice in writing from a member, proposing his candidature for the office of Director, be and is hereby appointed as the Director of the Company, liable to retire by rotation."

8. To consider, and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and is hereby altered by replacing the existing Article 104 with the following as new Article 104: -

"The Directors shall meet atleast once in every three months and atleast four such meetings shall be held in every year, including by the way of Video Conference or any other mode of conduct of meeting, shall constitute to be a valid meeting for the purpose of provisions of Sections 285 and 287 of the Act. Two Directors or one third of the total

strength of Directors, whichever is higher as provided in Section 287 of the Companies Act, 1956 shall be the quorum. Where at any time, the number of interested Directors exceeds or is equal to two thirds of the total strength the number of remaining Directors not so interested present at the meeting being not less than two shall be the quorum during such time. Any Director or Managing Director may at any time and the Managing Directors shall upon the request of any Director at any time meeting shall be decided by a majority of votes. In case of an equality of votes, the Chairman shall have a second or casting vote."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take all necessary steps for giving effect to the above resolution."

9. To consider, and if thought fit, to pass, with or without modifications, the following resolution as a Special resolution:

"RESOLVED THAT pursuant to the provisions of Regulation 12 of the Securities & Exchange Board of India (Substantial Acquisition of Shares & Takeover) Regulations 1996 as amended from time to time, consent of the members be and is hereby accorded for change in control and management of the Company from the existing Promoters in control to Mr. Arvind Varchaswi N. and Mr. Narayanan Narasimhan and for their induction as Promoters on the Board of Directors."

"FURTHER RESOLVED THAT the consent of the members is hereby accorded to dispense with the requirement of making the Public Announcement and Open Offer for shares held by the new incumbents, allotted to them as per the Scheme of Arrangement u/s 391-394 of the Companies act, 1956, under the SEBI (Substantial Acquisition of Shares & Takeover) Regulations, 1996 as amended, as provided in Regulation 12 of the said Regulations."

Place: Hyderabad
Dated: 08.08.2010

By Order of the Board

ARVIND VARCHASWI N.
Managing Director

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and such proxy need not be a member of the Company.
2. Proxy Form duly executed should be deposited at the Registered Office of the Company atleast FORTY EIGHT hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Books shall remain closed from **22nd September, 2010 to 27th September, 2010** (both days inclusive) for the purpose of Annual General Meeting.
4. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 for item no. 4 to 9 are attached hereto
5. Mr. Ajay S Shrivatava, Practicing Company Secretary, having office at 303, Durga Apartments, Somajiguda, Hyderabad - 500082 has been appointed as scrutinizer for business mentioned in Item no. 9 of this notice is to be conducted by Postal Ballot.
6. The shareholders are requested to convey their assent or dissent in writing in the Ballot attached to the notice and send the same in the pre-stamped and self addressed envelope being enclosed herewith in 30 days from date of dispatch of notice i.e. before 24.09.2010.
7. The results of postal ballot will be announced at Hotel Fortune Manohar, Begumpet, Hyderabad- 500016 on 27th September, 2010 at 11.30 A.M at the Annual General Meeting.
8. Members are requested to send their queries, if any, 7 days in advance for the replies to be offered at the meeting. Please note that the On- the- Spot queries will not be entertained.
9. Members are requested to intimate the change in address, if any, to the Registrars for proper services from the RTA/ Company.

Explanatory Statement

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item No.4

The Board of Directors in their meeting held on 25.06.2010 decided to appoint Mr. Arvind Varchaswi N. as the Managing Director of the Company for a period of FIVE years w.e.f 25.06.2010. The provisions of Section 269 of the Companies Act, 1956 requires the approval of the members in the General Meeting for such appointment of Managing Director of the Company. Hence this resolution is proposed for approval of the members.

A brief profile of Mr. Arvind Varchaswi N. is given elsewhere in the notice.

None of the Directors other than Mr. Arvind Varchaswi N. and Mr. Narayanan Narasimhan, being a relative of the appointee, is interested in the resolution.

The Board of Directors commends the resolution for your approval.

Item No. 5

The Board of Directors of the Company appointed Mr. Nikhil Sen as Additional Director of the Company w.e.f 25.06.2010 and he will hold the office up to the ensuing Annual General Meeting. The Board has received a notice in writing from a member of the Company proposing his appointment as Director of the Company, under Section 257 of the Companies Act, 1956, liable to retire by rotation.

The Board of Directors recommends the passing of the resolution.

A brief profile of Mr. Nikhil Sen is given elsewhere in the report.

None of the Directors other than the appointee is concerned or interested in the said resolution.

Item No. 6

The Board of Directors of the Company appointed Mr. Sriram Chandrasekaran as Additional Director of the Company w.e.f 25.06.2010 and he will hold the office up to the ensuing Annual General Meeting. The Board has received a notice in writing from a member of the Company proposing his appointment as Director of the Company, under Section 257 of the Companies Act, 1956, liable to retire by rotation.

The Board of Directors recommends the passing of the resolution.

None of the Directors other than the appointee is concerned or interested in the said resolution.

A brief profile of Mr. Sriram Chandrasekaran is given elsewhere in the report

Item No. 7

The Board of Directors of the Company appointed Mr. Gowra Srinivas as Additional Directors of the Company on 25.06.2010 and he will hold the office up to the ensuing Annual General Meeting. The Board has received a notice in writing from a member of the Company proposing his appointment as Director of the Company, under Section 257 of the Companies Act, 1956, liable to retire by rotation.

The Board of Directors recommends the passing of the resolution.

None of the Directors other than the appointee is concerned or interested in the said resolution.

A brief profile of Mr. Gowra Srinivas is given elsewhere in the report.

Item No. 8

The Board of Directors of the Company consists of individuals who are masters in their field of activity. The Directors of the Company reside at different places and as a good governance practice, the Board desires to include video conferencing and other related modes of attending the Board meeting so that the Company can reap benefits of various qualities and knowledge of all its directors.

Section 31 of the Companies Act, 1956 requires that for the purpose of alteration of the Articles of Association, the Company is required to pass a Special resolution in the General Meeting.

Your Directors recommend the resolution for approval as a Special resolution under Section 31 of the Companies Act, 1956

Item No. 9

The allotment of 28,50,000 Equity shares to M/s Sumeru Ayurveda Private Limited as per the Scheme of Arrangement u/s 391- 394 of the Companies Act, 1956, entitles them to hold majority voting rights. Therefore, it has been decided amongst the Promoters to hand over the Management Control of the Company to the nominees of Sumeru Ayurveda Private Limited and accordingly Mr. Arvind Varchaswi N was appointed as Managing Director and Mr. Narasimhan N was appointed as Non- Executive Chairman of the Company. The plans to undertake future business in the field of Ayurvedic products will be looked after by Mr. Arvind Varchaswi N who has relevant experience in the field. Thus, the appointment of the nominees of the largest shareholder in Key Managerial position amounts to change in control and management. This attracts the provisions of SEBI Takeover Code. However the Regulation 12 of the SEBI Takeover Code provides an exemption from Public Announcement and Open Offer for Shares if a Special Resolution is passed by the members of the Company by way of a Postal Ballot.

Hence the resolution in Item No. 9 is set out for approval of members.

You are requested to communicate your assent or dissent in writing in the postal ballot form sent herewith in accordance with the instructions set out there in.

POSTAL BALLOT

Dear Members,

NOTICE U/s 192A of the Companies Act, 1956 and EXPLANATORY STATEMENT
U/s 173(2) and 192A of the Companies Act, 1956

CHANGE IN MANAGEMENT AND CONTROL

The allotment of 28,50,000 Equity shares to M/s Sumeru Ayurveda Private Limited as per the Scheme of Arrangement u/s 391- 394 of the Companies Act, 1956, entitles them to hold majority voting rights. Therefore, it has been decided amongst the Promoters to hand over the Management Control of the Company to the nominees of Sumeru Ayurveda Private Limited and accordingly Mr. Arvind Varchaswi N was appointed as Managing Director and Mr. Narasimhan N was appointed as Non- Executive Chairman of the Company. The plans to undertake future business in the field of Ayurvedic products will be looked after by Mr. Arvind Varchaswi N who has relevant experience in the field. Thus, the appointment of the nominees of the largest shareholder in Key Managerial position amounts to change in control and management. This attracts the provisions of SEBI Takeover Code. However the Regulation 12 of the SEBI Takeover Code provides an exemption from Public Announcement and Open Offer for Shares if a Special resolution is passed by the members of the Company by way of a Postal Ballot.

9. Draft Special resolution

To consider and, if thought fit, to pass with or without the modifications, the following resolution as a **Special resolution**

"RESOLVED THAT pursuant to the provisions of Regulation 12 of the Securities & Exchange Board of India (Substantial Acquisition of Shares & Takeover) Regulations 1996 as amended from time to time, consent of the members be and is hereby accorded for change in control and management of the Company from the existing Promoters in control to Mr. Arvind Varchaswi N. and Mr. Narayanan Narasimhan and for their induction as Promoters on the Board of Directors."

"FURTHER RESOLVED THAT the consent of the members is hereby accorded to dispense with the requirement of making the Public Announcement and Open Offer for shares held by the new incumbents, allotted to them as per the Scheme of Arrangement u/s 391-394 of the Companies act, 1956, under the SEBI (Substantial Acquisition of Shares & Takeover) Regulations, 1996 as amended, as provided in Regulation 12 of the said Regulations."

**EXPLANATORY STATEMENT U/S 173(2) AND 192A OF THE
COMPANIES ACT, 1956**

Item No.8.

The allotment of 28,50,000 Equity shares to M/s Sumeru Ayurveda Private Limited as per the Scheme of Arrangement u/s 391- 394 of the Companies Act, 1956, entitles them to hold majority voting rights. Therefore, it has been decided amongst the Promoters to hand over the Management Control of the Company to the nominees of Sumeru Ayurveda Private Limited and accordingly Mr. Arvind Varchaswi N was appointed as Managing Director and Mr. Narasimhan N was appointed as Non- Executive Chairman of the Company. The plans to undertake future business in the field of Ayurvedic products will be looked after by Mr. Arvind Varchaswi N who has relevant experience in the field. Thus, the appointment of the nominees of the largest shareholder in Key Managerial position amounts to change in control and management. This attracts the provisions of SEBI Takeover Code. However the Regulation 12 of the SEBI Takeover Code provides an exemption from Public Announcement and Open Offer for Shares if a Special resolution is passed by the members of the Company by way of a Postal Ballot.

Since the proposal comes under the ambit of Regulation 12 of SEBI Takeover Code, your approval is being sought as under the provisions of Section 192A of the said Act, read with Companies (Passing of Resolutions by Postal Ballot) Rules, 2001 through a resolution to be passed by Postal Ballot as set out in the Notice.

You are requested to carefully read the instructions contained in the Postal Ballot Form and send the same after exercising your vote to the Scrutinizer **Mr. Ajay S Shrivastava, Practising Company Secretary, 303, Durga Apartments, Surya Nagar Colony, Somajiguda, Hyderabad- 500 082** who has been appointed as Scrutinizer by the Board of Directors for conducting vote by Postal Ballot since the Share Registrars are located at Hyderabad.

Please note that all Forms duly completed should reach the Scrutinizer on or before 24th September, 2010 to be able to announce the result of Ballot by the Chairman at the Annual General Meeting to be held on 27th September, 2010 at Hotel Fortune Manohar, Begumpet, Hyderabad- 500016.