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CORPORATE OFFICE: PLOT NO. 90, SECTOR-32, GURGAON-122001 (HARYANA), INDIA
PHONE : +91-124-4135000 FAX : +91-124-4135001COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS
AT THEIR MEETING HELD ON APRIL 6, 2014

"RESOLVED THAT subject to the obtaining of requisite approvals and subject to the sanction by the Hon'ble High Court of Gujarat and the Hon'ble High Court of Punjab and Haryana, and subject to the approvals by the (i) Shareholders and the Creditors of the Company; (ii) Bombay Stock Exchange Limited, the National Stock Exchange of India Limited (together the "**Stock Exchanges**"); (iii) the Competition Commission of India ("**CCI**"), and any other statutory or regulatory authority in India and overseas, the entire business and undertaking of the Company be transferred to Sun Pharmaceutical Industries Limited ("**SPIL**") with effect from the Appointed Date i.e. April 1, 2014 or such other date as may be determined by the Boards of Directors of the Company and SPIL, and the Scheme of Arrangement of the Company with SPIL under the provisions of Sections 391 - 394 and Sections 78 and 100 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013 ("**Act**") (or the relevant provisions of the Companies Act, 2013, and the ancillary rules, as and when notified) as recommended by the Audit Committee (A copy of which was placed before the Board) be and is hereby approved."

"RESOLVED FURTHER THAT pursuant to the provisions of Sections 391 to 394 of the Act and the Companies (Court) Rules, 1959, and other applicable provisions, if any, necessary joint/separate application(s) and petition(s) be moved before the Hon'ble High Court of Punjab and Haryana and Hon'ble High Court of Gujarat for seeking the directions as to convening, holding and conducting meeting(s) of the Equity Shareholders and the Creditors, appointment of the Chairman, issue and dispatch of notices and advertisements and for such other directions as the Hon'ble High Court(s) may deem fit and proper and for seeking the approval of the Hon'ble High Court(s) for the proposed amalgamation through the Scheme of Arrangement."

"RESOLVED FURTHER THAT the Valuation Report dated April 6, 2014 of M/s. Walker Chandiook & Co.LLP (Independent Chartered Accountants) for the merger of the Company with SPIL as placed before the Board recommending the Fair Exchange Ratio for Share Exchange for proposed merger as 5 Equity Shares of Ranbaxy of INR 5 each fully paid-up for every 4 Equity Shares of SPIL of INR 1 each fully paid-up mentioned therein, be and are hereby noted and accepted."

"RESOLVED FURTHER THAT the Fairness Opinion Report on the Fair Exchange Ratio dated April 6, 2014 of ICICI Securities Limited (Merchant Bankers), tabled at the meeting, be and is hereby noted and accepted."

"RESOLVED FURTHER THAT in accordance with the Valuation Report of M/s. Walker Chandiook, Independent Chartered Accountants and the Fairness Opinion Report of ICICI Securities Ltd., and in the opinion of the Board of Directors of the Company, the said Draft Scheme of Arrangement of the Company with SPIL, being advantageous and beneficial to the Shareholders and other Stakeholders of the Company and the terms thereof being fair and reasonable, the proposed Share Exchange Ratio of 5 Equity Shares of Ranbaxy of INR 5 each fully paid-up for every 4 Equity Shares of SPIL of INR 1 each fully paid-up, as stated in the aforesaid Valuation Report be and is hereby approved."



-2-

“RESOLVED FURTHER THAT the proposal for issuing undertaking by the Company regarding non-applicability of requirements of e-voting and postal ballot for obtaining approval of the Scheme by the Shareholders as prescribed in paragraph 5.16 (a) of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013, be and is hereby approved.”

“RESOLVED FURTHER THAT Mr. Arun Sawhney, CEO & Managing Director of the Company and Mr. Indrajit Banerjee, President & CFO of the Company be and are hereby severally authorized to execute such undertaking regarding non-applicability of requirements of e-voting and postal ballot for obtaining approval of the Scheme as prescribed in above mentioned SEBI Circulars and to co-ordinate with the Auditors for obtaining the certificate in this regard and to all such acts deeds and things as may be required and necessary or considered expedient.”

“RESOLVED FURTHER THAT the draft Transaction Agreement between the Company and SPIL and the Shareholder Support Agreement between the Company and promoters of SPIL , (placed before the Board) be and are hereby approved.”

“RESOLVED FURTHER THAT Mr. Arun Sawhney, CEO & Managing Director of the Company and Mr. Indrajit Banerjee, President & CFO of the Company be and are hereby severally authorized to finalise and execute the Transaction Agreement and the Shareholder Support Agreement and the Scheme of Arrangement on behalf of the Company and do all such acts, matters, deeds and things and to take all steps and do all things and give such directions as may be required and necessary or considered expedient.”

“RESOLVED FURTHER THAT Mr. Arun Sawhney, CEO & Managing Director of the Company and Mr. Indrajit Banerjee, President & CFO of the Company be and are hereby severally authorized to make any alterations or changes to the Scheme as they may severally deem expedient or necessary, at their discretion, or which may be necessary for satisfying the requirements or conditions, if any, imposed by the relevant Stock Exchanges, the CCI, the High Courts or any other competent authority, provided that such alteration or change does not materially change the substance of the Scheme.”

“RESOLVED FURTHER that following Director/Officers of the Company:

1. Mr. Arun Sawhney, CEO & Managing Director
2. Mr. Indrajit Banerjee, President & CFO
3. Mr. Amit Rai, Global General Counsel
4. Mr. S.K. Patawari, Company Secretary

be and are hereby severally authorized and empowered to:

- (a) sign, file, submit or present the said Scheme and related applications, supplementary applications, documents, replies in connection with the proposed amalgamation with the relevant Stock Exchanges or such other regulatory or statutory authority, as may be required in terms of the applicable laws, regulations and the Listing Agreement(s) for obtaining approval to the Scheme;



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-3-

- (b) sign, file, submit or present the said Scheme and related applications, petitions, supplementary applications/ petitions, summons, deeds, documents, instruments, rejoinders, replies and to swear affidavits or execute bonds for the proposed amalgamation, appear (in person or through a representative) before the High Court(s) or at the offices of the Registrar of Companies, Punjab (Chandigarh), the Regional Director, Ministry of Corporate Affairs, Northern Region, at Noida and the Official Liquidator, Ministry of Corporate Affairs, at Chandigarh, or before any other authority or person in connection with the proposed amalgamation and to do all such acts, deeds or things which may be ancillary or incidental to the proposed merger or which may otherwise be required for giving effect to any of the provisions contained in the Scheme;
- (c) make, prepare, review, amend, execute, swear, declare and register all declarations, affidavits, applications, filings, letters, undertakings, papers and writings as may be required, necessary or expedient under the provisions of various applicable acts, rules, regulations or notifications of the Central and/or State Government(s) and / or any other authorities, including but not limited to Courts, the Competition Commission of India, the Foreign Investment Promotion Board, the Reserve Bank of India, Municipal authorities, Registrars of Companies, Sub-Registrar of Assurances, Electricity authorities, Postal authorities, and such other applicable authorities or agencies, etc., and to represent the Company in all correspondences, matters and proceedings before them of any nature whatsoever in relation to the above;
- (d) suitably inform, apply and / or represent to the Central and/ or State Government(s) and/ or local authorities, including but not limited to the Competition Commission of India, the Foreign Investment Promotion Board, the Reserve Bank of India, Sub-Registrar of Assurances, Customs Authorities, Excise Authorities, Income Tax Authorities, Sales Tax authorities, Value Added Tax and Entry Tax Authorities, Employees' State Insurance and Provident Fund Authorities, Railways, Airways, Airport Authorities, Electricity Authorities, Postal Authorities, and all other applicable authorities, agencies, etc., and/or to represent the Company before the said authorities and agencies and to sign and submit such applications, letters, forms, returns, memoranda, undertakings, declarations, deeds or documents and to take all required necessary steps and actions from time to time in the above connection, including registration of documents with the concerned Sub-Registrar of Assurances;
- (e) sign, file, submit, present the application(s), petitions before the Securities and Exchange Commission, Competition Commission, Anti monopoly/Trust Authorities and any other statutory or regulatory authority anywhere in the world as may be required.
- (f) take all steps for obtaining approvals and/or consents of the shareholders of the Company, banks, financial institutions and other authorities or entities or agencies as may be required and for that purpose, to initiate all necessary actions and to take other consequential steps as may be required from time to time in that behalf;

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-4-

- (g) give such directions as they may severally consider necessary to settle any question or difficulty arising under the Scheme, or in regard to and of the meaning or interpretation of the Scheme, or implementation thereof or in any manner whatsoever connected therewith or to review the position relating to the satisfaction of various conditions of the Scheme and if necessary, to waive any of those (to the extent permissible under law);
- (h) sign, declare and file on behalf of the Company all necessary documents including, but not limited to, authorisation, vakalatnamas, affidavits, pleadings, reports and issue public advertisements and notices and to do all acts incidental and necessary for the above purposes;
- (i) engage and/or authorize the advocate(s)/ counsel(s)/ valuer(s)/ merchant banker(s)/ auditor(s) or other persons as may be required in connection with the proposed amalgamation from time to time and incur such other expenses as may be necessary with regard to the above transaction, including payment of fees to the aforementioned agencies and such other expenses that may be incidental to the above, as may be decided by them;
- (j) sign, execute and deliver such documents as may be necessary and do all such other acts, matters, deeds and things necessary or desirable in connection with or incidental to giving effect for the purpose of the above resolutions or to otherwise give effect to the transactions contemplated as aforesaid; and
- (k) appoint one or more attorney(s)/ representatives and delegate to them any or all of the powers or functions entrusted to them under this resolution, as well as to revoke, remove such persons and to appoint any other person(s) from time to time to act on their behalf."

"RESOLVED FURTHER that, if required, the Common Seal of the Company be affixed on such papers, documents, deeds, agreements, affidavits, petitions, undertakings and writings in the presence of either Dr. Tsutomu Une, Chairman or Mr. Arun Sawhney, CEO and Managing Director and any one of the following officers of the Company :

1. Mr. Indrajit Banerjee, President & Chief Financial Officer
2. Mr. S.K. Patawari, Company Secretary
3. Mr. Navneet Raghuvanshi, Deputy Company Secretary."

Certified True Copy
For Ranbaxy Laboratories Limited




Company Secretary

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CORPORATE OFFICE: PLOT NO. 90, SECTOR-32, GURGAON-122001 (HARYANA), INDIA
PHONE : +91-124-4135000 FAX : +91-124-4135001**COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS
AT THEIR MEETING HELD ON MAY 9, 2014**

"RESOLVED THAT approval of the Board be and is hereby accorded to the Undertaking by the Company and the draft certificate thereon by M/s. B S R & Co. LLP, Chartered Accountants, Auditors of the Company, stating the reasons for non-applicability of requirements of e-voting and postal ballot for obtaining approval of the Scheme of Arrangement of the Company with Sun Pharmaceutical Industries Limited under Sections 391 - 394 and Sections 78 and 100 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013 ("Scheme") by the Shareholders as prescribed in paragraph 5.16 (a) of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013."

"RESOLVED FURTHER that Mr. Arun Sawhney, CEO & Managing Director and Mr. Indrajit Banerjee, President & CFO of the Company be and are hereby severally authorised to sign the aforesaid Undertaking and to do all such acts, deeds and things as they may consider necessary or expedient in the matter."

"RESOLVED FURTHER THAT BSE Limited be and is hereby appointed as Designated Stock Exchange for coordinating with SEBI for the purpose of the Scheme."

Certified True Copy
For Ranbaxy Laboratories Limited


Company Secretary

SCHEME OF ARRANGEMENT

BETWEEN

RANBAXY LABORATORIES LIMITED - TRANSFEROR COMPANY

AND

SUN PHARMACEUTICAL INDUSTRIES LIMITED - TRANSFEREE COMPANY

**UNDER SECTIONS 391 TO 394, SECTIONS 78 AND 100 OF THE COMPANIES
ACT, 1956 AND SECTION 52 OF THE COMPANIES ACT, 2013**



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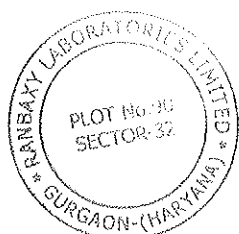
This Scheme of Arrangement provides for amalgamation of Ranbaxy Laboratories Limited (Company Registration Number: 003747 and having Corporate Identification Number: L24231PB1961PLC003747) incorporated under the Act on June 16, 1961 (**'Transferor Company'**) with Sun Pharmaceutical Industries Limited, (Company Registration Number: 04-19050 and having Corporate Identification Number: L24230GJ1993PLC019050) incorporated under the Act on March 1, 1993 (**'Transferee Company'**) pursuant to Sections 391 to 394 and other relevant provisions of the Act and reduction of capital and reserves and surplus as under the Scheme pursuant to Section 78 (including corresponding Section 52 of the Companies Act, 2013), Section 100 and other relevant provisions of the Act.

1. PREAMBLE

1.1. Description of Companies

(a) **The Transferor Company:** Ranbaxy Laboratories Limited is a listed company incorporated under the provisions of the Act and having its registered office at A-41, Industrial Area Phase VIII-A, SAS Nagar, Mohali, Punjab-160 061, India. The Transferor Company was originally constituted as a private limited company on June 16, 1961 under the name and style of Lepetit Ranbaxy Laboratories Private Limited as per the certificate of registration issued by the Registrar of Companies, Delhi. The Transferor Company became a deemed public limited company effective March 20, 1962 and then was converted into a public limited company effective August 24, 1966. The Transferor Company was again converted to a private limited company effective October 27, 1970 and subsequently converted on September 27, 1973 as a Public Limited Company under the Act under the name and style of Ranbaxy Laboratories Limited as per the certificate of registration issued by the Registrar of Companies, Delhi and Haryana. The registered office of the Transferor Company was changed from the State of Delhi to the State of Punjab on June 27, 1977. The Transferor Company was formed with the main objects of manufacturing and marketing of pharmaceutical products. The Transferor Company is an integrated international pharmaceutical organization with businesses encompassing the entire value chain in the marketing, production and distribution of dosage forms and active pharmaceutical ingredients. Further, the Transferor Company along with its subsidiaries is also engaged in the business of consumer healthcare products. The details of the authorised, issued, subscribed and paid-up share capital of the Transferor Company are set out in the Scheme. The equity shares of the Transferor Company are listed on the Stock Exchanges. The GDRs representing underlying equity shares of the Transferor Company are listed on the Luxembourg Stock Exchange. The NCDs issued by the Transferor Company are listed on the wholesale debt market of the National Stock Exchange of India Limited.

(b) **The Transferee Company:** Sun Pharmaceutical Industries Limited is a listed company incorporated under the provisions of the Act and having its



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registered office at SPARC, Tandajja, Vadodara – 390020, Gujarat, India. The Transferee Company was originally constituted as a public limited company on March 1, 1993, under the name and style of Sun Pharmaceutical Industries Limited under the Act as per the certificate of registration issued by the Registrar of Companies, Gujarat and was formed with the objective to carry on the business including that of development, manufacture, sale, trading and export of various generic drug formulations and the manufacture of drugs and pharmaceutical products. The details of the authorised, issued, subscribed and paid-up share capital of the Transferee Company are set out in the Scheme. The equity shares of the Transferee Company are listed on the Stock Exchanges.

1.2. Rationale for the Scheme

To consolidate and effectively manage the pharmaceutical and related businesses of the Transferor Company and the Transferee Company in a single entity which will provide synergy benefits, attain efficiencies and cost competitiveness, it is intended that the Transferor Company should amalgamate with Transferee Company. The amalgamation of Transferor Company with Transferee Company would *inter alia* have the following benefits:

- (a) The combination of Transferee Company and Transferor Company bring strengths that each company does not necessarily possess individually. The expanded global reach of the Transferee Company would be particularly beneficial for capitalizing on growth opportunities in both developed and emerging markets, including India.
- (b) Both the Transferor Company and Transferee Company are in similar lines of business and intend to / can achieve larger product portfolio, economies of scale, efficiency, optimisation of logistic and distribution network and other related economies by consolidating the business operations being managed by different management teams. This Scheme of Arrangement intends to merge the operations of the Transferor Company with that of the Transferee Company to fulfil this objective.
- (c) The Transferee Company will have the benefit of a diversified product portfolio, including complex products and first to file opportunities, across chronic and acute treatments.
- (d) The Transferee Company will have the benefit of the combined resources of Transferor Company and Transferee Company. The Transferee Company would be in a position to carry on consolidated operations through optimum utilization of resources, avoidance of duplication and better financial strength.

- 1.3. In view of the aforesaid, the board of directors of the Transferor Company and the Transferee Company have considered and proposed the amalgamation for the transfer and vesting of the entire Undertaking and business of the Transferor Company with and into the Transferee Company and other matters herein, with an opinion that the amalgamation and other provisions of the Scheme would benefit



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the shareholders, employees and other stakeholders of the Transferor Company and the Transferee Company.

1.4. In furtherance of the aforesaid, this Scheme (as defined hereunder) provides for:

- (a) the amalgamation of the Transferor Company with the Transferee Company;
- (b) the consequent issue of shares and NCDs by the Transferee Company to the shareholders and holders of NCDs respectively and the treatment of GDRs of the Transferor Company; and
- (c) various other matters consequential or otherwise integrally connected herewith;

pursuant to Sections 391 to 394, Section 78 (including corresponding Section 52 and other relevant provisions of the of the Companies Act, 2013), Section 100 and other relevant provisions of the Act (as defined hereunder) in the manner provided for in this Scheme.

1.5. The amalgamation of the Transferor Company with the Transferee Company will combine the business, activities and operations of the Transferor Company and the Transferee Company into a single company with effect from the Appointed Date and shall be in compliance with the provisions of the Income Tax Act, 1961, including Section 2(1B) thereof or any amendments thereto.

1.6. Definitions

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meaning:

- (a) '*Act*' means the Companies Act, 1956 (and to the extent applicable the Companies Act, 2013) including any statutory modifications, re-enactments or amendments thereof from time to time;
- (b) '*Appointed Date*' means the 1st day of April, 2014 or such other date as may be agreed between the Transferor Company and the Transferee Company and approved by the High Court(s);
- (c) '*Board of Directors*' means the board of directors of the Transferor Company or Transferee Company, as the case may be, and shall include a duly constituted committee thereof;
- (d) '*Depository*' means The Bank of New York Mellon Corporation, being the depository for the GDRs;
- (e) '*Effective Date*' means the last of the dates on which the conditions referred to in Section 18 of this Scheme have been fulfilled. All references in this Scheme to the date of "**coming into effect of this Scheme**" or



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“effectiveness of this Scheme” or “Scheme taking effect” shall mean the Effective Date;

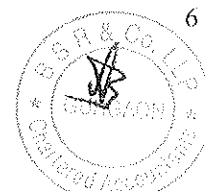
- (f) ‘**ESOS I**’ means the Employees Stock Option Scheme (I) of the Transferor Company pursuant to which eligible employees of the Transferor Company are entitled to be issued shares in the Transferor Company upon exercise of a stock option;
- (g) ‘**ESOS II**’ means the Employees Stock Option Scheme (II) of the Transferor Company pursuant to which eligible employees of the Transferor Company are entitled to be issued shares in the Transferor Company upon exercise of a stock option;
- (h) ‘**ESOS 2005**’ means the Employees Stock Option Scheme, 2005 of the Transferor Company pursuant to which eligible employees of the Transferor Company are entitled to be issued shares in the Transferor Company upon exercise of a stock option;
- (i) ‘**ESOP 2011**’ means the Ranbaxy Employee Stock Option Plan – 2011 of the Transferor Company pursuant to which shares in the Transferor Company are transferred to the eligible employees of the Transferor Company upon exercise of stock options;
- (j) ‘**ESOP Schemes**’ mean ESOS I, ESOS II, ESOS 2005 and ESOP 2011;
- (k) ‘**GDRs**’ means the global depository receipts issued by the Transferor Company pursuant to the “Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993” and other applicable law;
- (l) ‘**Governmental Authority**’ means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction;
- (m) ‘**High Court**’ means the Hon’ble High Court of Punjab and Haryana having jurisdiction in relation to the Transferor Company and the High Court of Gujarat having jurisdiction in relation to the Transferee Company, as the context may admit and shall, if applicable, include the National Company Law Tribunal, and “High Courts” shall mean both of them, as the context may require;
- (n) ‘**NCDs**’ means all the non-convertible debentures issued by the Transferor Company each of which are listed on the wholesale debt market segment of National Stock Exchange of India Limited;
- (o) ‘**New Equity Shares**’ means new equity shares of Transferee Company as referred to in Section 8;



- (p) **'Record Date'** means the date fixed by the Board of Directors of the Transferor Company or any committee thereof in consultation with the Transferee Company, for the purpose of determining names of the equity shareholders of the Transferor Company, who shall be entitled to receive shares of the Transferee Company upon coming into effect of this Scheme;
- (q) **'Scheme'** or **'Scheme of Arrangement'** means this Scheme of Arrangement in its present form or with any modifications, approved or imposed or directed by the Board of Directors of the Transferor and the Transferee Company or by the members or creditors and/or by the High Court(s) or any other relevant authority;
- (r) **'Stock Exchanges'** means National Stock Exchange of India Limited and the BSE Limited;
- (s) **'Transferor Company'** means Ranbaxy Laboratories Limited, a company registered under the Act and having its registered office at A-41, Industrial Area, Phase VIII-A, SAS Nagar, Mohali, Punjab-160061, India;
- (t) **'Transferor Option'** means a stock option granted under an ESOP Scheme;
- (u) **'Transferee Company'** means Sun Pharmaceutical Industries Limited, a company registered under the Act and having its registered office at SPARC, Tandalja, Vadodara – 390020, Gujarat, India;
- (v) **'Undertaking'** shall mean the entire business and the whole of the undertakings of the Transferor Company as a going concern, all its assets, rights, licenses and powers, and all its debts, outstandings, liabilities, duties, obligations and employees as on the Appointed Date including, but not limited to, the following:
- (i) All the assets and properties (whether moveable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent) of the Transferor Company, whether situated in India or abroad, including, but not limited to manufacturing facilities, laboratories, land (whether leasehold or freehold), processing plants, plant and machinery, computers, equipment, buildings and structures, offices, residential and other premises, diesel generator sets, stock-in-trade, packing material, raw materials, formulations, tablets, capsules, vials, ointments, active pharmaceutical ingredients and drugs intermediaries, capital work in progress, sundry debtors, furniture, fixtures, interiors, office equipment, vehicles, appliances, accessories, power lines, depots, deposits, all stocks, stocks of fuel, assets, investments of all kinds (including shares, scripts, subsidiaries, stocks, bonds, debenture stocks, units or pass through certificates) including shares or other securities held by the Transferor Company in its subsidiaries, cash balances or deposits with banks, cheques on hand, loans, advances, contingent rights or benefits, book debts, receivables, actionable claims, earnest moneys,

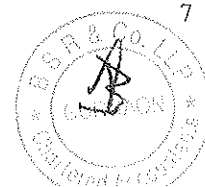


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advances or deposits paid by the Transferor Company, financial assets, leases (including but not limited to lease rights of the Transferor Company), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, bids, tenders, letters of intent, expressions of interest, development rights (whether vested or potential and whether under agreements or otherwise), municipal permissions, tenancies or license in relation to the office and /or residential properties (including for the employees or other persons), guest houses, godowns, warehouses, licenses, fixed and other assets, intangible assets (including but not limited to software), trade and service names and marks, patents, copyrights, designs and other intellectual property rights of any nature whatsoever, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, title, interests, other benefits (including tax benefits), assets held by or relating to any Transferor Company employce benefit plan, export incentives accrued, derivative instruments, forward contracts, insurance claims receivable, tax holiday benefit, incentives, credits (including tax credits), minimum alternative tax credit entitlement tax losses, rights, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, in each case, whether in India or abroad.

- (ii) All agreements, rights, contracts, entitlements, licenses, permits, permissions, incentives, approvals, registrations, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quotas, rights, engagements, arrangements, authorities, allotments, security arrangements, benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the Transferor Company business activities and operations.
- (iii) All intellectual property rights, engineering and process information, software licenses (whether proprietary or otherwise), drawings, records, files, books, papers, computer programmes, manuals, data, catalogues, sales and advertising material, lists of present and former customers and suppliers, customer credit



information, customer pricing information, other customer information and all other records and documents, whether in physical or electronic form, relating to the business activities and operations of the Transferor Company.

- (iv) Amounts claimed by the Transferor Company whether or not so recorded in the books of account of the Transferor Company from any Governmental Authority, under any law, act, scheme or rule, as refund of any tax, duty, cess or of any excess payment.
- (v) Rights to any claim not preferred or made by the Transferor Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon, under any law, act, rule or scheme, and in respect of set-off, carry forward of unabsorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. whether under the Income Tax Act, 1961, the rules and regulations thereunder, or taxation laws of other countries, or any other or like benefits under the said acts or under and in accordance with any law or act, whether in India or anywhere outside India.
- (vi) All debts (secured and unsecured), liabilities including contingent liabilities, duties, leases of the Transferor Company and all other obligations of whatsoever kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized. Provided that if there exists any reference in the security documents or arrangements entered into by the Transferor Company under which the assets of the Transferor Company stand offered as a security for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to the Undertaking of the Transferor Company vested in the Transferee Company by the virtue of the Scheme. The Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company which shall vest in Transferee Company by virtue of the amalgamation. The Transferee Company shall not be obliged to create any further or additional security thereof after the amalgamation has become effective.
- (vii) All other obligations of whatsoever kind, including liabilities of the Transferor Company with regard to their employees, or the employees of any of their subsidiaries, with respect to the payment of gratuity, pension benefits and the provident fund or other compensation or benefits, if any, whether in the event of resignation, death, voluntary retirement or retrenchment or otherwise;
- (viii) All permanent and temporary employees engaged by the Transferor Company at various locations.

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 Securities Contracts (Regulation) Act, 1956 and other applicable laws, rules, regulations, by-laws as the case may be or any statutory modifications or re-enactment thereof from time to time.

2. SHARE CAPITAL

2.1. Transferor Company

The share capital of the Transferor Company as on March 31, 2014 is as set out below:

Particulars	Amount (INR)
Authorised share capital	
598,000,000 authorised equity shares of face value INR 5/- each.	2,990,000,000
100,000 preference shares of face value INR 100/- each	10,000,000
TOTAL	3,000,000,000
Issued, subscribed and paid-up share capital	
423,779,063 subscribed, fully-paid up equity shares of face value INR 5/- each.*	2,118,895,315
TOTAL	2,118,895,315

* Includes 6,294,081 equity shares represented by the GDRs.

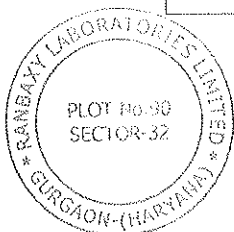
* The Transferor Company intends to allot 26,747 equity shares on April 14, 2014 to employees of the Transferor Company who have exercised their vested options under ESOP II and ESOP 2005.

As on the date of this Scheme, except as set out above, there is no change in the share capital of the Transferor Company.

2.2. Transferee Company

The share capital of the Transferee Company as on March 31, 2014 is as set out below:

Particulars	Amount (INR)
Authorised share capital	
3,000,000,000 authorised equity share capital of INR 1/- each.	3,000,000,000
TOTAL	3,000,000,000
Issued, subscribed and paid-up share capital	
2,071,163,910 subscribed, fully-paid up equity shares of INR 1/- each.	2,071,163,910
TOTAL	2,071,163,910



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As on the date of this Scheme, there is no change in the share capital of the Transferee Company from the share capital as set out above.

- 2.3. The authorised share capital of the Transferor Company will be transferred to the Transferee Company as stated under Section 15 of the Scheme. If required further, thereafter, upon the Scheme of Arrangement becoming finally effective, the Transferee Company will suitably enhance its authorised capital at the appropriate time.

3. TRANSFER AND VESTING OF UNDERTAKING

Generally

- 3.1. Upon the coming into effect of the Scheme and with effect from the Appointed Date and pursuant to the provisions of Section 394 and other applicable provisions of the Act, if any, the Undertaking of the Transferor Company shall, without any further act, instrument or deed, be and stand transferred to and / or vested in or be deemed to have been and stand transferred to or vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the Undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme, together with all estate, rights, titles and interests and authorities including accretions and appurtenances therein including dividends, or other benefits receivable.

Transfer of Assets

- 3.2. Without prejudice to the generality of Section 3.1 above, upon the coming into effect of this Scheme and with effect from the Appointed Date:
- (i) All assets and properties of the Transferor Company as on the Appointed Date, whether or not included in the books of the Transferor Company, and all assets and properties which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Transferee Company, and shall under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 391 to 394 of the Act.
 - (ii) In respect of such assets owned and belonging to the Undertaking of the Transferor Company as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Company, and shall become the property of the Transferee Company in pursuance of the provisions of Section 394 and other applicable provisions of the Act.
 - (iii) In respect of movables other than those dealt with in Section 3.2 (ii) above including without any further act, instrument or deed of the Transferee



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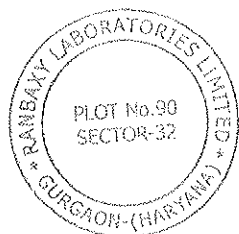


Company the sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (although the Transferee Company may without being obliged and if it so deems appropriate at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositor, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Transferee Company).

- (iv) All consents, permissions, licenses, permits, quotas, approvals, certificates, clearances, authorities, leases, tenancy, assignments, allotments, registrations, incentives, subsidies, concessions, grants, rights, claims, liberties, special status, other benefits or privileges and any powers of attorney given by, issued to or executed in favour of the Transferor Company including in relation to the Undertaking, and all rights and benefits which have accrued to the Transferor Company shall, under the provisions of Section 391 to 394 and other applicable provisions, if any, of the Act, stand transferred to and vested in, or shall be deemed to be transferred to or vested in, the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, so as to become, as and from the Appointed Date, consents, permissions, licenses, permits, quotas, approvals, certificates, clearances, authorities, leases, tenancy, assignments, allotments, registrations, incentives, subsidies, concessions, grants, rights, claims, liberties, special status, other benefits or privileges and any powers of attorney of the Transferee Company which are valid, binding and enforceable on the same terms, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.

3.3. Without prejudice to the generality of Section 3.1 above, upon the coming into effect of this Scheme and with effect from the Appointed Date:

- (i) All the liabilities including all secured and unsecured debts, whether in Indian rupees or foreign currency), sundry creditors, contingent liabilities, duties, obligations and undertakings of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations (the "**Liabilities**") shall, without any further act, instrument or deed, be and the same shall stand transferred to and vested in or deemed to have been transferred to and vested in the Transferee Company without any further act, instrument or deed, along with any charge, lien, encumbrance or security thereon, and the same shall be assumed to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company and further



that it shall not be necessary to obtain consent of any third party or other person who is a party to the contract or arrangements by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Section. Further, all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to the Transferor Company on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts, loans raised, duties, liabilities and obligations incurred by the Transferee Company by virtue of this Scheme.

- (ii) Without prejudice to the foregoing provisions of this Section, upon the coming into effect of the Scheme, all debentures, bonds, notes or other debt securities and other instruments of like nature (whether convertible into equity shares or not), including the NCDs shall, pursuant to the provisions of Sections 391 to 394 and other relevant provisions of the Act, without any further act, instrument or deed, become the debt securities of the Transferee Company on the same terms and conditions except to the extent modified under the provisions of this Scheme and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in or be deemed to have been transferred to and vested in and shall be exercised by or against the Transferee Company as if it was the issuer of such debt securities, so transferred and vested. If the debt securities (including the NCDs) are listed on any stock exchange, the same shall, subject to applicable law and regulations, be listed and/or admitted to trading on the relevant stock exchanges in India where the debt securities were listed and/or admitted to trading, on the same terms and conditions, subject to the requirements, if any, imposed by the Stock Exchanges, unless otherwise modified in accordance with applicable law.
- (iii) Where any of the debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations of the Transferor Company as on the Appointed Date deemed to be transferred to the Transferee Company have been discharged by Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.
- (iv) All loans raised or used and all liabilities and obligations incurred by the Transferor Company for the operations of the Transferor Company after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Transferee Company in which the Undertaking shall vest in terms of this Scheme and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to and be deemed to be transferred to the Transferee Company and shall become the debts, liabilities, duties and obligations of the Transferee Company which shall meet discharge and satisfy the same.

- (v) The Transferor Company may, if required, give notice in such form as it



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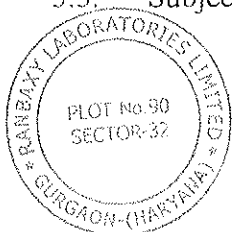


may deem fit and proper to each party, debtor or borrower as the case may be that pursuant to the High Courts sanctioning the Scheme, the said debt, loan, advance, etc. be paid or made good or held on account of the Transferee Company as the person entitled thereto.

- (vi) The Transferee Company may, if required, give notice in such form as it may deem fit and proper to each person, debtor or borrower that pursuant to the High Courts having sanctioned the Scheme, the said person, debtor or borrower shall pay the debt, loan or advance or make good the same or hold the same to its account and that the right of the Transferee Company to recover or realise the same is in substitution of the right of the Transferor Company.
- (vii) The transfer and vesting of the assets comprised in the Undertaking to and in the Transferee Company under this Scheme shall be subject to the mortgages and charges, if any, affecting the same. All encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Company which secures or relate to the Liabilities shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company. Provided that if any of the assets of the Transferor Company have not been encumbered in respect of the Liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of the Transferor Company. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.
- (viii) Without prejudice to the provisions of the foregoing Sections and upon the effectiveness of this Scheme, the Transferor Company and the Transferee Company shall execute any instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and / or modification(s) of charge, with the Registrar of Companies having jurisdiction to give formal effect to the above provisions, if required.
- (ix) It is expressly provided that no other term or condition of the liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.

3.4. Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of this Section 3 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and / or superseded by the foregoing provisions.

3.5. Subject to the terms of this Scheme, the transfer and vesting of the Undertaking of



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the Transferor Company under this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or concluded after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

4. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

- 4.1. Upon the coming into effect of this Scheme and subject to all the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, assurances and other instruments of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect by, for or against or in favour of the Transferee Company, as the case may be, and may be enforced as fully and effectively as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto.
- 4.2. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite agreements or arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, under the provisions of the Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.
- 4.3. The Transferee Company shall be entitled to the benefit of all insurance policies which have been issued in respect of the Transferor Company and the name of the Transferee Company shall be substituted as "Insured" in the policies as if the Transferee Company was initially a party.

5. LEGAL PROCEEDINGS

- (a) Upon coming into effect of this Scheme all suits, claims, actions and proceedings by or against the Transferor Company pending and/or arising on or before the Effective Date shall be continued and be enforced by or against the Transferee Company as effectually as if the same had been originally instituted and/or pending and/or arising by or against the Transferee Company.
- (b) The Transferee Company will undertake to have all legal or other proceedings initiated by or against the Transferor Company referred to in



Section 5 (a) above transferred to its name and to have the same continued, prosecuted and enforced by or against the Transferee Company.

6. OPERATIVE DATE OF THE SCHEME

This Scheme shall be operative from the Effective Date with effect from the Appointed Date.

7. STANDSTILL PROVISIONS TILL EFFECTIVE DATE

For the period from the Appointed Date and upto the Effective Date:

- (a) All the profits or incomes accruing or arising to the Transferor Company or expenditure or losses arising or incurred (including the effect of taxes, if any, thereon) of the Transferor Company shall, for all purposes be treated and be deemed to be and accrued as the profits or incomes or expenditure or losses or taxes, as the case may be, of the Transferee Company.
- (b) All taxes (including income tax, sales tax, excise duty, customs duty, service tax, VAT, etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the business before the Appointed Date, shall be on account of the Transferor Company and, insofar as it relates to the tax payment (including, without limitation, sales tax, excise duty, custom duty, income tax, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of its business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- (c) Any of the rights, powers, authorities and privileges attached or related or pertaining to and exercised by or available to the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of and as agent for the Transferee Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Undertaking that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken or discharged for and on behalf of and as agent for the Transferee Company.
- (d) The conduct of business of the Transferor Company and the Transferee Company in the period between the date of this Scheme and the Effective Date shall be as agreed in writing between the Transferor Company and the Transferee Company in the transaction agreement.

8. ISSUE OF CONSIDERATION BY THE TRANSFEE COMPANY

- 8.1 Upon the effectiveness of the Scheme, in consideration of the transfer of and vesting of the Undertaking of the Transferor Company in the Transferee Company and in terms of the Scheme, the Transferee Company shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders of the

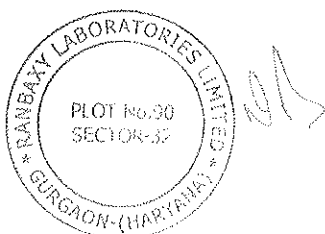


Transferor Company (whose names are registered in the Register of Members of the Transferor Company on the Record Date, or his /her/its legal heirs, executors or administrators or, as the case may be, successors), equity shares of face value Re. 1/- (Rupees One) each credited as fully paid up of the Transferee Company in the ratio of 0.80 equity shares of the face value of Re. 1/- (Rupees One) each of the Transferee Company for every 1.00 equity share of Rs. 5/- (Rupees Five) credited as fully paid-up held on the Record Date by such equity shareholders or their respective legal heirs, executors or administrators or, as the case may be, successors in the Transferor Company (the “**New Equity Shares**”).

- 8.2 Where New Equity Shares are to be allotted to heirs, executors or administrators or, as the case may be, to successors of deceased equity shareholders of the Transferor Company, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of Directors of the Transferee Company.
- 8.3 The ratio in which equity shares of the Transferee Company are to be issued and allotted to the shareholders of the Transferor Company is herein referred to as the “**Share Exchange Ratio**”. In the event of any increase in the issued, subscribed or paid up share capital of the Transferee Company or issuance of any instruments convertible into equity shares or restructuring of its equity share capital including by way of share split/consolidation/issue of bonus shares, free distribution of shares or instruments convertible into equity shares or other similar action in relation to the share capital of the Transferee Company at any time before the Record Date, the Share Exchange Ratio shall be adjusted appropriately to take into account the effect of such issuance or corporate actions and assuming conversion of any such issued instruments convertible into equity shares.
- 8.4 New Equity Shares issued in terms of the Scheme shall, in compliance with the applicable regulations, be listed and/or admitted to trading on the relevant stock exchange(s) in India where the equity shares of Transferee Company are listed and admitted to trading. The Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of such stock exchanges. The New Equity Shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are provided by the relevant stock exchanges.
- 8.5 In so far as the equity shares of the Transferor Company held by the Transferee Company or its subsidiaries or its limited liability partnerships are concerned, if any, on the Effective Date such shares shall stand cancelled and to that extent the Transferee Company is required to issue less number of shares.
- 8.6 Upon the New Equity Shares being issued and allotted to the shareholders of Transferor Company, the shares held by the said members of Transferor Company, whether in the physical form or in the dematerialized form, shall be deemed to have been automatically cancelled and be of no effect, without any further act, deed or instrument.



- 8.7 In so far as New Equity Shares are concerned, the same will be distributed in dematerialized form to the equity shareholders of Transferor Company, provided all details relating to the account with the depository participant are available to Transferee Company. All those equity shareholders who hold equity shares of Transferor Company and do not provide their details relating to the account with the depository participant will be distributed New Equity Shares in the physical/certificate form unless otherwise communicated in writing by the shareholders on or before such date as may be determined by the board of Transferee Company or committee thereof.
- 8.8 Upon the coming into effect of the Scheme, the New Equity Shares of Transferee Company to be issued and allotted to the members of the Transferor Company as provided in the Scheme shall be subject to the provisions of the memorandum of association and articles of association of the Transferee Company and shall rank *pari passu* from the date of allotment in all respects with the existing equity shares of Transferee Company including entitlement in respect of dividends. The issue and allotment of New Equity Shares by the Transferee Company to the members of the Transferor Company as provided in this Scheme is an integral part hereof and shall be deemed to have been carried out pursuant to the Act.
- 8.9 No fractional certificates, entitlements or credits shall be issued or given by the Transferee Company in respect of the fractional entitlements, if any, to which the shareholders of the Transferor Company are entitled on the issue and allotment of equity shares by the Transferee Company in accordance with this Scheme. If any members of the Transferor Company have a shareholding such that such members become entitled to a fraction of a New Equity Share, the Board of Directors of the Transferee Company shall consolidate all such fractional entitlements to which the shareholders of the Transferor Company may be entitled on issue and allotment of the equity shares of the Transferee Company as aforesaid and shall, without any further application, act, instrument or deed, issue and allot such fractional entitlements directly to a nominee to be appointed by the board of directors of the Transferee Company, who shall hold such fractional entitlements with all additions or accretions thereto in trust for the benefit of the respective shareholders to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such fractional entitlements in the market at such price or prices and at such time or times as the nominee may in its sole discretion decide and on such sale pay to the Transferee Company the net sale proceeds thereof and any additions and accretions, whereupon the Transferee Company shall, subject to withholding tax and expenses, if any, distribute such sale proceeds to the concerned shareholders of the Transferor Company in proportion to their respective fractional entitlements.
- 8.10 Subject to receipt of such approvals, consents and sanctions as may be necessary under applicable law, in so far as it pertains to outstanding GDRs, if any:
- (a) The Board of Directors of the Transferee Company may elect, in its sole discretion to:



- (i) **Equity Option:** Effect the exchange and cancellation of the GDRs for a proportional number of equity shares of the Transferee Company based on the Share Exchange Ratio;
 - (ii) **Cash-out Option:** Cash out existing GDR holders following the effectiveness of the Scheme.
- (b) If the Transferee Company elects the Cash-out Option for the GDR holders, then the equity shares issued by the Transferee Company to the Depository which represent the entitlement of the GDR holders shall be sold by the Depository in the open market and the net sales proceeds (after the deduction of taxes and expenses incurred) shall be distributed by the Depository to the GDR holders in the same proportion as their entitlements.
 - (c) If the Transferee Company determines that the Equity Option and the Cash-out Option cannot be effected for any reason, the Transferee Company shall ensure that this does not delay implementation of the Scheme, and shall, in consultation with the Transferor Company, take all such actions as may be necessary to, upon effectiveness of the Scheme, issue or remit consideration in lieu of or in respect of the GDRs under this Scheme as per the Share Exchange Ratio to the GDR holders in a compliant manner, without delay to the sanction or effectiveness of the Scheme.
 - (d) The Transferee Company, the Transferor Company and/or the Depository shall enter into such documents and take such actions as may be deemed necessary or appropriate to give effect to the above options or any other option adopted pursuant to (c) above.
 - (e) The Transferee Company shall keep the Transferor Company regularly informed of the option it is electing and the status of the same, and consult with the Transferor Company in good faith in this regard, and shall keep the Transferor Company regularly informed of and invite the Transferor Company to all discussions with the Depository the custodian, any stock exchanges or Governmental Authority, in this regard.

8.11 ESOPs:

- (a) Upon the effectiveness of the Scheme, the Transferee Company shall issue stock options ("**Transferee Options**") to employees of the Transferor Company holding Transferor Options ("**Eligible Employees**") which shall entitle the Eligible Employees to purchase equity shares of the Transferee Company. The number of Transferee Options issued shall equal the product of the number of Transferor Options (whether vested or unvested) outstanding at the time of the effectiveness of the Scheme multiplied by the Share Exchange Ratio, with any fractional shares rounded down to the next higher whole number of shares (i.e. for every Transferor Option held by an Eligible Employee which entitles such eligible employee to acquire 1.00 equity share in the Transferor Company, such Eligible Employee will be conferred a Transferee Option to acquire 0.80 equity shares in the Transferee). The terms and conditions applicable to the Transferee Options



shall be no less favourable than those provided under the ESOP Schemes. Such Transferee Options will be issued under a new employee stock option scheme created by the Transferee Company inter alia for the purpose of granting stock options to the Eligible Employees pursuant to the Scheme (“**Transferee ESOP Scheme**”).

- (b) Each Transferee Option shall have an exercise price per equity share of the Transferee Company equal to the quotient of the Transferor Option exercise price per equity share of the Transferor Company divided by the Share Exchange Ratio (rounded up to the nearest higher whole cent).
- (c) Prior to the Scheme becoming effective, the ESOP Schemes shall be amended to provide for immediate and full accelerated vesting of all Transferor Options held by an employee if such employee’s employment is terminated by the Transferee Company within 12 (twelve) months following effectiveness of the Scheme. The Transferee ESOP Scheme shall make appropriate equivalent provisions for such accelerated vesting of the Transferee Options granted by it to the Eligible Employees pursuant to this Scheme. Any stock option that becomes vested in accordance with the preceding sentence shall remain exercisable for no less than three months following such termination of employment.
- (d) The grant of stock options to the Eligible Employees pursuant to the provisions of this Scheme, including this Section 8, shall be effected as an integral part of the Scheme and the consent of the shareholders of the Transferor Company and the Transferee Company to the Scheme shall be deemed to be their consent in relation to all matters pertaining to the ESOP Schemes and the Transferee ESOP Schemes, including without limitation, for the purposes of creating the Transferee ESOP Schemes, modifying the ESOP Schemes and/ or the Transferee ESOP Scheme, modifying the exercise price of the stock options under the ESOP Schemes and all related matters. No further approval of the shareholders of the Transferor Company or the Transferee Company would be required in this connection under any applicable law.
- (e) In relation to the Transferee Options granted by the Transferee Company to the Eligible Employees pursuant to this Scheme, in lieu of the Transferor Options granted to them under the ESOP Schemes, the period during which the Transferor Options were held by or deemed to have been held by the Eligible Employees shall be taken into account for determining the minimum vesting period required under applicable law, the ESOP Schemes and the Transferee ESOP Schemes.
- (f) Subject to applicable laws, the adjustments to the exercise price per option and option entitlement of the Eligible Employees proposed under this Section shall be appropriately reflected in the accounts of the Transferee Company.
- (g) The Boards of Directors of the Transferor Company and the Transferee Company shall take such actions and execute such further documents as



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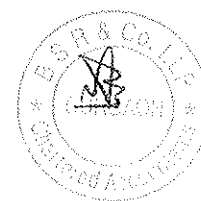


may be necessary or desirable for the purpose of giving effect to the provisions of this Section 8.11 of the Scheme.

- 8.12 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of Directors of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Transferor Company, after the effectiveness of this Scheme. The New Equity Shares to be issued by the Transferee Company pursuant to this Scheme in respect of any equity shares of the Transferor Company which are held in abeyance under the provisions of the Act or otherwise shall pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by the Transferee Company.
- 8.13 The New Equity Shares (and, if applicable, global depository receipts) of the Transferee Company issued pursuant to this Scheme, including and where applicable, without limitation, the equity shares relating to the GDRs shall not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) in reliance upon the exemption under Section 3(a)(10) of the Securities Act. The sanction of the High Courts to this Scheme will be relied upon for the purpose of qualifying the issuance and distribution of the equity shares of the Transferee Company issued pursuant to this Scheme, including and where applicable, without limitation, the equity shares relating to the GDRs (and, if applicable, global depository receipts) for such an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof.

9. REDUCTION OF CAPITAL AND RESERVES AND SURPLUS OF THE TRANSFEROR COMPANY

- 9.1 An amount equal to the balance lying to the debit in statement of profit and loss in the books of the Transferor Company on the close of 31st day of March, 2014, shall be, in the books of the Transferor Company, adjusted/reduced as follows in accordance with provisions of sections 391 to 394, sections 78 and 100 to 103 of the Companies Act, 1956 and section 52 of the Companies Act, 2013 and any other applicable provisions of law:
- a. Firstly, against reduction of Capital Reserve Account of the Transferor Company amounting to INR 176.20 crores. (Rupees one hundred seventy six crores and twenty lacs only);
 - b. Secondly, against reduction of Securities Premium Account of the Transferor Company amounting to INR 3501.48 crores. (Rupees three thousand five hundred one crore and forty eight lacs only);
 - c. Thirdly, against reduction of the General Reserve of the Transferor Company amounting to INR 551.92 (Rupees five hundred and fifty one crores and ninety two lacs only), to the extent available or required;



- d. The balance, if any, remaining in the debit in statement of profit and loss in the books of the Transferor Company shall be carried in the books of the Transferor Company as on 31st March, 2014.
- 9.2 For giving effect to the above provisions, the permission from the Equity Shareholders of the Transferor Company shall be deemed to have been received as contemplated by the Act and other related provisions on this Scheme being approved by members of the Transferor Company at the court convened meeting or otherwise.
- 9.3 The reduction in the Securities Premium Account and / or Capital Reserve Account and / or General Reserve as aforesaid, if any, of the Transferor Company shall be effected as an integral part of the Scheme itself as the same does not involve either diminution of liability in respect of unpaid Share Capital or payment to any shareholder of any unpaid Share Capital and the order of the Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act (including corresponding applicable provisions of the Companies Act, 2013) confirming the reduction of Securities Premium and / or Capital Reserve Account and / or General Reserve. Such a reduction shall be deemed to be effective on and from the close of 31st March, 2014. The Transferor Company nor the Transferee Company shall not be required to add “and reduced” as a suffix.

10. ACCOUNTING TREATMENTS OF ASSETS, LIABILITIES AND RESERVES AND SURPLUS OF THE TRANSFEROR COMPANY IN THE BOOKS OF THE TRANSFEEE COMPANY

- 10.1 Recognising that the amalgamation is to be considered as an “amalgamation in the nature of merger” in accordance with the provisions of paragraph 29 of Accounting Standard 14 - “Accounting for Amalgamations” (AS-14) as notified under the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs), the accounting treatment in respect of assets, liabilities and reserves and surplus of the Transferor Company in the books of the Transferee Company shall be governed by, the provisions of AS-14, “the Pooling of Interests Method”. Accordingly, all the assets and liabilities of the Transferor Company shall be recorded at their existing carrying amounts and in the same form as at the Appointed Date in the books of the Transferee Company.
- 10.2 As on the Appointed Date, the reserves, surplus and balance in the statement of profit and loss of the Transferor Company (after the immediately preceding adjustment/ reduction of the debit balance of profit and loss account as per clause 9 above), if any, will be aggregated with the respective reserves, surplus and balance in the statement of profit and loss of the Transferee Company in the same form as they appeared in the financial statements of the Transferor Company.
- 10.3 An amount equal to the balance lying to the credit / debit of the Statement of Profit and Loss in the books of the Transferor Company (after the immediately preceding adjustment/ reduction of the debit balance of profit and loss account as per clause 9 above), if any, shall be credited / debited by the Transferee Company to the balance of its statement of profit and loss and shall constitute (or reduce, as the case may



be) the Transferee Company's free reserves.

- 10.4 An amount equal to the balance lying to the credit of Securities / Share Premium Account in the books of the Transferor Company (after the immediately preceding adjustment/ reduction of the debit balance of profit and loss account as per clause 9 above), if any, shall be credited by the Transferee Company to its Securities / Share Premium Account and shall constitute the Transferee Company's Securities / Share Premium Account.
- 10.5 The face value of equity shares issued by the Transferee Company to the shareholders of the Transferor Company will be recorded as equity share capital of the Transferee Company. The excess of the amount recorded as share capital issued by the Transferee Company over the amount of share capital of the Transferor Company will be reduced from General Reserve Account. In case of excess of the amount of share capital of the Transferor Company over the amount recorded as share capital issued by the Transferee Company will be credited to Capital Reserve Account.
- 10.6 In case of any difference in accounting policies of the Transferee Company and the Transferor Company, the impact of the same, till the Appointed Date will be quantified and the same shall be appropriately adjusted and reported in accordance with applicable Accounting Standards so as to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policies.

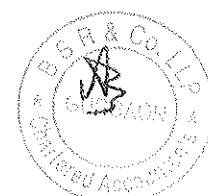
11. DIVIDEND

From the date of filing the Scheme to the Effective Date:

- (a) except as expressly contemplated or permitted by any provision of the transaction agreement, as required by applicable law or with the prior written consent of the Transferee Company (which consent shall not be unreasonably withheld, conditioned or delayed), the Transferor Company shall not declare/or pay dividends or other distribution payable in cash, stock, property or otherwise, with respect to any of its capital stock,
- (b) The Transferor Company, except as mentioned otherwise in this Scheme or pursuant to the ESOP Schemes, shall not issue or allot any shares, right shares, or bonus shares or any other security converting into equity or other share capital or obtain any other financial assistance converting into equity or other share capital, unless agreed to by the Board of Directors of the Transferee Company.
- (c) except as expressly contemplated or permitted by any provision of the transaction agreement, as required by applicable law or with the prior written consent of the Transferor Company (which consent shall not be unreasonably withheld, conditioned or delayed), the Transferee Company shall not declare/or pay dividends or other distributions payable in cash, stock, property or otherwise, with respect to any of its capital stock, except for dividends which are paid on dates and in amounts consistent with past



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practice and not exceeding 30% of the previous year's consolidated net profit on the equity shares of the Transferee paid in cash.

- (d) Until the coming into effect of this Scheme, the holders of equity shares of the Transferor Company and the Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing respective rights under their respective Articles of Association. It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Transferor Company and the Transferee Company and subject, wherever necessary, to the approval of the shareholders of the Transferor Company and the Transferee Company, respectively.

12. BRANDS AND TRADEMARK

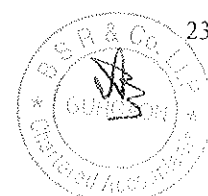
Upon the effectiveness of the Scheme, the Transferee Company will be entitled to all the brands and trademarks of the Transferor Company including registered and unregistered trademarks along with all rights of commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights, trademarks and all such other industrial or intellectual rights of whatsoever nature. The Transferee Company may take such actions as may be necessary and permissible to get the same transferred and / or registered in the name of the Transferee Company.

13. TRANSFEROR COMPANY EMPLOYEES

- (a) Upon the Scheme coming into effect and with effect from the Appointed Date, all permanent employees (including deputed employees) of the Transferor Company, shall become employees of the Transferee Company on such date as if they were in continuous service without any break or interruption in service, and on terms and conditions as to employment and remuneration not less favourable than those on which they are engaged or employed by the Transferor Company, so as to become as and from the Appointed Date, the employees of the Transferee Company. The Transferee Company undertakes to continue to abide by any agreement/ settlement, if any, validly entered into by the Transferor Company with any union/employee of the Transferor Company recognized by the Transferor Company.
- (b) Without prejudice to the provisions of this Scheme and the rights and obligations of the Transferee Company under applicable law, for a period of 12 months after the Scheme comes into effect, (the "**Relevant Period**"), the Transferee Company shall provide (or cause its subsidiaries to provide) each such employee of the Transferor Company whose employment was transferred to the Transferee Company pursuant to this Scheme (each, a "**Transferred Employee**") with compensation and benefits that are

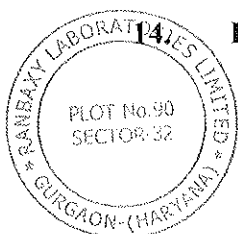


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substantially comparable in the aggregate economically to the compensation and benefits provided to such Transferred Employee immediately prior to the Scheme coming into effect; *provided, however*, that during the Relevant Period there shall be no decrease in a Transferred Employee's base salary or base wage rate in effect immediately prior to the Scheme coming into effect. To the extent that: (i) the applicable law of any jurisdiction; (ii) any collective bargaining agreement, works council agreement or similar agreement; or (iii) any employment agreement would require the Transferee Company to provide any more favorable terms of employment to any Transferred Employee than those provided in the preceding sentence, the Transferee Company shall provide (or cause its subsidiaries to provide) such more favorable term, and otherwise provide terms of employment in accordance with the preceding sentence.

- (c) It is provided that so far as the provident fund, gratuity fund, or any other special scheme(s)/ fund(s), or other benefits if any, created or existing for the benefit of the existing or past employees of the Transferor Company are concerned, upon the coming into effect of this Scheme, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever related to the administration or operation of such schemes, funds or benefits or in relation to the obligation to make contributions to the said schemes, funds or in respect of such benefits in accordance with provisions of such schemes, funds or benefits as per the terms provided in the respective trust deeds or employee benefit plans or policies, to the end and intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such schemes, funds or benefits shall become those of the Transferee Company. Without prejudice to the generality of the foregoing, any such funds and the investments made out of such funds shall, at an appropriate stage, be transferred to the Transferee Company to be held for the benefit of the concerned employees. Such funds shall, subject to the necessary approvals and permission and at the discretion of the Transferee Company, either be continued as separate funds of the Transferee Company for the benefit of the employees of the Transferor Company or be transferred to and merged with other similar funds of the Transferee Company. In the event that the Transferee Company does not have its own fund with respect to any such funds of the Transferor Company, the Transferee Company may, subject to necessary approvals and permissions, continue to maintain the existing funds separately and contribute thereto, until such time as the Transferee Company creates its own funds at which time the funds and the investments and contributions pertaining to the employees of the Transferor Company shall be transferred to such funds of the Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous for the purpose of the aforesaid schemes, funds, benefit plans or policies. The Transferor Company and the Transferee Company shall undertake all the necessary steps and / or formalities as may be required to be carried out be done by the for transfer of such fund / assets / value, etc. to the Transferee Company in this regard.



DISSOLUTION OF THE TRANSFEROR COMPANY AND VALIDITY OF



RESOLUTIONS

- 14.1 Upon the effectiveness of this Scheme, the Transferor Company shall be dissolved without winding up, and the Board of Directors and any committees thereof of the Transferor Company shall without any further act, instrument or deed be and stand dissolved.
- 14.2 Upon the coming into effect of this Scheme, the resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

15. AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE TRANSFEREE COMPANY

15.1 Increase of authorised share capital

- (a) As an integral part of Scheme, and, upon coming into effect of the Scheme, the authorized share capital of the Transferor Company, as on the Effective Date, shall be added to the authorized share capital of the Transferee Company, as on the Effective Date, without any further act or deed and without any further payment of the stamp duty or the registration fees and Clause V of the memorandum of association of the Transferee Company and Article 4 of the articles of association of the Transferee Company shall be altered accordingly.
- (b) Clause V of the memorandum of association of the Transferee Company shall, without any further act or deed, be substituted by the following clause:

V. *The Authorized Share Capital of the Company is Rs. 6,000,000,000 (Rupees Six Billion Only) divided into 5,990,000,000 (Five Billion Nine Hundred Ninety Million) Equity Shares of Rs. 1 (Rupee One Only) and 100,000 (One Hundred Thousand) preference shares of face value Rs. 100 (Rupees One Hundred Only) each, with power to classify or reclassify, increase or reduce such capital from time to time and power to divide the shares in the capital for the time in accordance with the Regulations of the Company and the legislative provisions for the time being in force in this behalf and with the power to divide the share capital for the time being into several classes and to attach thereto respectively preferential, qualified or special rights, privileges or conditions including as to voting and to vary, modify, or abrogate the same in such manner as may be permitted by the Act or as may for time to time being be provided for by these presents and the Articles of Association of the Company.*



- (c) Article 4 of the articles of association of the Transferee Company shall, without any further act or deed, be substituted by the following article:

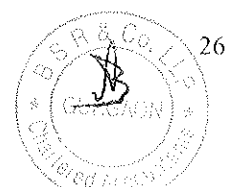
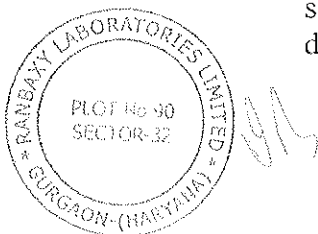
4. *The Authorized Share Capital of the Company is Rs. 6,000,000,000 (Rupees Six Billion Only) divided into 5,990,000,000 (Five Billion Nine Hundred Ninety Million) Equity Shares of Rs. 1 (Rupee One Only) and 100,000 (One Hundred Thousand) preference shares of face value Rs. 100 (Rupees One Hundred Only) each, with power to classify or reclassify, increase or reduce such capital from time to time and power to divide the shares in the capital for the time in accordance with the Regulations of the Company and the legislative provisions for the time being in force in this behalf and with the power to divide the share capital for the time being into several classes and to attach thereto respectively preferential, qualified or special rights, privileges or conditions including as to voting and to vary, modify, or abrogate the same in such manner as may be permitted by the Act or as may for time to time being be provided for by the Articles of Association of the Company.*

- (d) Pursuant to this Scheme, the Transferee Company shall file the requisite forms with the Registrar of Companies for alteration of its authorized share capital.
- (e) Under the accepted principle of single window clearance, it is hereby provided that the amendment in Section 15.1 shall become operative on the Scheme being effective by virtue of the fact that the shareholders of the Transferee Company, while approving the Scheme as a whole, have approved and accorded the relevant consents as required under the Act and shall not be required to pass separate resolutions as required under the Act. For this purpose, the filing fees and stamp duty already paid by the Transferor Company on its authorised share capital shall be utilized and applied to the increased share capital of the Transferee Company, and shall be deemed to have been so paid by the Transferee Company on such combined authorised share capital and accordingly, the Transferee Company shall not be required to pay any fees / stamp duty on the authorised share capital so increased.

15.2 Director Nomination, Management Indemnification

As an integral part of the Scheme, and, upon coming into effect of the Scheme:

- (a) The Transferee Company shall cause to be duly appointed to its board of directors as a non-executive director 1 (one) individual designated in writing by Daiichi Sankyo Company Ltd (“DSC”), the holding company of the Transferor Company. Such a right to nominate a nominee on the board of the Transferee Company shall terminate permanently at the instance that DSC’s shareholding in Transferee Company falls below 5% of equity shares of Transferee Company. Such an obligation on the Transferee Company shall come into effect from the Effective Date without any further act or deed.



- (b) The following Article shall be included, substantially in the form below, in the articles of association of the Transferee Company, without any further act or deed, without any further payment of the stamp duty or registration fees:

“As promptly as practicable following the effectiveness of the Scheme, the Company shall cause to be duly appointed to its board of directors as a non-executive director 1 (one) individual designated in writing by Daiichi Sankyo Company Ltd (“DSC”).

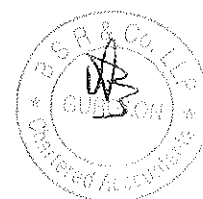
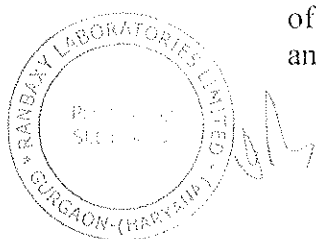
From the Effective Date and for so long as DSC and its controlled affiliates continue to beneficially own an aggregate of at least 5% (the “Minimum Percentage”) of the outstanding equity shares of the Company, at each election of directors at which the term of the DSC nominated director will expire (or at each election of directors during which time no DSC nominated director sits on the board of the Company), the board of directors of the Company shall recommend for election to the board of directors of Sky one nominee who will be designated by DSC.

At the first instance that DSC and its controlled affiliates cease to own, in the aggregate, the Minimum Percentage of the outstanding equity shares of the Company, then DSC right to nominate the DSC Director pursuant to this Article shall terminate permanently.

The individual nominated by DSC must be eligible for appointment in accordance with applicable Laws and must meet any general director qualification requirements applied to all director nominees on the Board of Directors of the Company on a consistent basis.”

Such amendment shall become operative on the Scheme being effective by virtue of the fact that the shareholders of the Transferee Company, while approving the Scheme as a whole, have approved and accorded the relevant consents as required under the Act and shall not be required to pass separate resolutions as required under the Act;

- (c) for six years after the Effective Date, Transferee Company shall indemnify and hold harmless each present or former officer or director of Ranbaxy Laboratories Limited or any of its subsidiaries, which officer or director who would have been indemnified as on the Effective Date, and to such extent under policies of the Transferor Company and its subsidiaries, in the manner and to the extent mutually agreed between Transferor Company and Transferee Company;
- (d) for six years after the Effective Date, the Transferee Company shall maintain in effect provisions in its memorandum and articles of association or equivalent organizational documents (or in such documents of any successor to the business of the Transferee Company) regarding elimination of liability of directors, indemnification of officers, directors and employees and advancement of expenses that are no less advantageous to the intended



beneficiaries than the corresponding provisions in existence in the memorandum of association and articles of association of the Transferor Company as of the date of this Agreement;

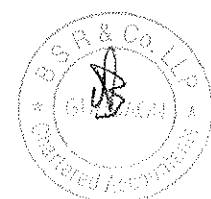
- (e) the Transferee Company shall obtain such directors' and officers' liability coverage of the Transferee Company's existing directors' and officers' insurance policies as is mutually agreed between the Transferee Company and Transferor Company.

16. APPLICATION TO THE HIGH COURT

- 16.1. The Transferor Company shall make all applications/petitions under Sections 391 to 394 and other applicable provisions of the Act to the High Court of Punjab and Haryana for sanctioning of this Scheme and for dissolution of the Transferor Company without winding up under the provisions of Act and to obtain all approvals as may be required under law.
- 16.2. The Transferee Company shall also make all applications/petitions under Sections 391 to 394 and other applicable provisions of the Act to the High Court of Gujarat for sanctioning of this Scheme under the provisions of Act and to obtain all approvals as may be required under law.

17. MODIFICATIONS, AMENDMENTS TO THE SCHEME

- 17.1 If at any time the High Court or any regulatory authority, including the stock exchanges or SEBI, suggests or requires material modifications or amendments to the Scheme, such modifications or amendments shall not be binding on the Transferor Company and the Transferee Company except with their prior consent (which consent shall not be unreasonably withheld by any party); provided, however, that where any modification or amendment relates to severance or non-approval of any part of the Scheme, which part is capable of otherwise being lawfully performed in accordance with the agreement between the Transferor Company and Transferee Company, the Transferor Company and Transferee Company shall perform such part accordingly.
- 17.2 Subject to the foregoing, the Transferor Company (by any of their respective Directors) and the Transferee Company (by any of its Directors):
- (i) may in its full and absolute discretion assent from time to time on behalf of all persons concerned to any modifications or amendments or addition to this Scheme or to any conditions or limitations which the High Court(s) or any authorities under the Law may deem fit to approve of or impose and / or to resolve any doubt or difficulties that may arise for carrying out this Scheme and to do and execute all such acts, deeds, matters and things as may be necessary, desirable or proper for carrying the Scheme into effect.
- (ii) are authorised to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or review the position relating to the satisfaction of the conditions of this Scheme and if necessary, waive any of such conditions (to the extent permissible under law) for



bringing this Scheme into effect, and/or give such consents as may be required in terms of this Scheme;

- (iii) for the purpose of giving effect to this Scheme or to any modifications or amendments thereof, may give and are authorised to give all such directions that are necessary or are desirable including directions for settling any doubts or difficulties that may arise.
- (iv) mutually agree to modify any of the terms of this Scheme in future to settle any of the difficulties or to implement the provisions of this Scheme smoothly and hassle free manner, if such need arises and for all purposes the Effective Date for such subsequent modified scheme shall be the same as specified in this Scheme.

18. SCHEME CONDITIONAL UPON APPROVALS/ SANCTIONS

This Scheme is conditional upon and subject to:

- (a) each of the following approvals, clearances or permissions having been obtained or where applicable, the waiting periods or time periods specified below having expired or been terminated:
 - (i) any waiting period (and any extension thereof) applicable to the consummation of the amalgamation as contemplated herein under the Hart-Scott-Rodino Antitrust Improvements Act, 1976 of the United States of America having expired or been otherwise terminated;
 - (ii) approval from the Competition Commission of India shall have been granted or deemed to have been granted through the expiration of time periods available for the Competition Commission of India's investigation provided under the Competition Commission of India (Procedure in regard to the transaction of business relating to combination) Regulation 2011 as amended;
 - (iii) receipt of any approvals, or the clearance of any waiting period under any other applicable antitrust or competition law, the failure of which to be obtained would be material to the Transferee Company after the Effective Date;
 - (iv) the approval of the Foreign Investment Promotion Board (FIPB) and/ or the Reserve Bank of India, if required under applicable laws, rules and regulations.
- (b) The Scheme being agreed to by the requisite majority of the respective classes of members and/or creditors of each of the Transferor Company and the Transferee Company as required under the Act and requisite orders of the High Courts being obtained; and
- (c) The certified copy of the orders of the High Court(s) sanctioning the



Scheme being filed with the respective Registrar of Companies having jurisdiction;

- (d) Certificates signed by senior officers of the Transferor Company and the Transferee Company being exchanged between the Transferor Company and the Transferee Company which shall, inter alia, confirm all other conditions precedent to the transaction agreement (as entered into between the Transferor Company and the Transferee Company) have been fulfilled or otherwise waived in accordance with its terms.

19. TAXES / DUTIES / CESS ETC.

- (a) The Transferee Company will be successor of the Transferor Company. The unutilized credits relating to excise duties paid on inputs lying to the account of Transferor Company as well as the unutilized credits relating to Service Tax paid on input services consumed by the Transferor Company shall be transferred to the Transferee Company automatically without any specific approval or permission as an integral part of the Scheme.
- (b) Income taxes of whatsoever nature including advance tax, self-assessment tax, regular assessment taxes, tax deducted at source, Alternative Minimum Tax, Minimum Alternative Tax, wealth tax, if any, paid by the respective Transferor Company shall be treated as paid by the Transferee Company and it shall be entitled to claim the credit, refund, adjustment for the same as may be applicable. MAT credit available with the Transferor Company under Income Tax Act, 1961, if any, shall be available to the Transferee Company.
- (c) If any of the Transferor Company is entitled to any benefits under incentive schemes and policies, it is declared that the benefits under all such incentive schemes and policies shall be transferred to and vested in the Transferee Company. The Transferee Company shall be entitled to deduction of book losses or depreciation, whichever is lower, (if any) for the purpose of calculation of MAT for the Transferee Company.
- (d) Upon this Scheme being effective, the Transferee Company is expressly permitted to revise and file its income tax returns and other statutory returns, including tax deducted / collected at source returns, service tax returns, excise tax returns, sales tax / VAT returns, as may be applicable and has expressly reserved the right to make such provision in its returns and to claim refunds or credits etc. if any. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired.

20. EFFECT OF NON-RECEIPT OF APPROVAL/SANCTION

In the event any of the conditions, sanctions and/or approvals referred to in the preceding Section 19 above have not been satisfied or obtained, as the case may be, and/or the Scheme has not been sanctioned by the High Court(s) and/or the Order(s) has not been passed as aforesaid on or before July 6, 2015, or such other



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date as mutually agreed by the Transferee Company and the Transferor Company (“**Long Stop Date**”), either the Transferor Company or the Transferee Company may opt to terminate this Scheme. If the Transferor Company and the Transferee Company jointly opt to withdraw\terminate this Scheme, this Scheme shall stand revoked, cancelled and be of no effect, and in that event no rights and liabilities whatsoever shall accrue to or be incurred or claimed *inter se* by the parties or their shareholders or creditors or employees or any other person. Provided however, that the right to terminate this Scheme shall not be available: (i) to the Transferor Company, if the Transferor Company’s failure to fulfil any obligation mutually agreed with the Transferee Company shall have been the cause of, or shall have resulted in, the failure of the Effective Date to occur on or prior to the Long Stop Date; and (ii) to the Transferee Company, if the Transferee Company’s failure to fulfil any obligation mutually agreed with the Transferor Company shall have been the cause of, or shall have resulted in, the failure of the Effective Date to occur on or prior to the Long Stop Date.

21. SEVERABILITY

If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the mutual agreement of the Transferor Company and the Transferee Company, affect the validity or implementation of the other parts and/or provisions of this Scheme

22. EXPENSES CONNECTED WITH THE SCHEME

All costs, charges and expenses, including any taxes and duties of the Transferor Company and the Transferee Company respectively in relation to or in connection with or incidental to this Scheme and of carrying out and completing the terms of this Scheme shall be respectively borne and paid by the Transferor Company and the Transferee Company. Stamp duty on the orders of the High Courts, if any and to the extent applicable, shall be borne and paid by the Transferee Company.



A handwritten signature in black ink, appearing to be "J. Sharma".



Walker Chandiook & Co LLP

STRICTLY PRIVATE & CONFIDENTIAL

To,
The Board of Directors
Ranbaxy Laboratories Limited
Plot 90, Sector 32
Gurgaon-122001
Haryana
India

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16th floor, Tower II
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Sub: Recommendation of the fair share exchange ratio for the purpose of the Proposed Merger of Ranbaxy Laboratories Limited into Sun Pharmaceutical Industries Limited

Dear Sirs,

We refer to our engagement letter, wherein Ranbaxy Laboratories Limited (hereinafter referred to as "RLL") has requested Walker Chandiook & Co LLP (hereinafter referred to as "WCC" or the "Valuer") to recommend the fair exchange ratio for the proposed merger of RLL into Sun Pharmaceutical Industries Limited (hereinafter referred to as "SPIL") (hereinafter jointly referred to as the "Companies"), the discussions that we have had with and information that we have received from the management of RLL (the "Management") from time to time in the above matter.

SCOPE AND PURPOSE OF THIS REPORT

RLL engages in the manufacture, marketing, and sale of pharmaceuticals products. It offers generic pharmaceuticals, branded generics, active pharmaceutical ingredients ("APIs") and intermediates, anti-retrovirals, and over-the-counter products. It operates primarily in India, Europe, North America, the Asia Pacific, and Africa. It currently operates as a subsidiary of Daiichi Sankyo Company Limited. The equity shares of RLL are listed on Bombay Stock Exchange and National Stock Exchange of India For the period ended 31 December 2013, RLL reported consolidated revenue from operations of INR 108,016.4 million, earnings before interest tax depreciation and amortization of INR 9,007.1 million and consolidated net loss (after adjustment for minority interest) of INR 10,116.0 million.

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurgaon, Hyderabad, Kolkata, Mumbai, New Delhi, Noida and Pune



Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

Walker Chandiook & Co LLP

SPIL, a specialty pharmaceutical company, manufactures and markets pharmaceutical formulations and APIs in India and internationally. SPIL offers formulations in various therapeutic areas, such as psychiatry, neurology, cardiology, diabetology, nephrology, gastroenterology, anti-asthmatic and anti-allergic, musculo-skeletal and pain, gynecology and urology, orthopedics, and ophthalmology. It also provides APIs, such as anti-cancers, peptides, sex hormones, and controlled substances. SPIL was founded in 1983 and is based in Mumbai, India. The equity shares of SPIL are listed on Bombay Stock Exchange and National Stock Exchange of India. For the period ended 31 December 2013, SPIL reported consolidated revenue from operations of INR 150,932.9 million, earnings before interest tax depreciation and amortization of INR 66,949.6 million and reported consolidated net profit (after adjustment for minority interest) of INR 26,038.5 million.

The managements of the Companies propose to consolidate the business operations of RLL with SPIL through a Composite Scheme of Arrangement and Amalgamation under the provisions of Sections 391-394 of the Companies Act, 1956 (including any statutory re-enactment thereof) ("Scheme") as under:

- merge RLL into SPIL on a going concern basis with effect from xx April 2014 (the "Appointed Date") (hereinafter referred as "Proposed Merger").
- The shareholders of RLL will be issued equity shares of SPIL as a consideration for the Proposed Merger.

In this connection, WCC has been requested by RLL to submit a report recommending a fair share exchange ratio in the event of the Proposed Merger for the consideration of the Board of RLL. This report will be placed before the Audit Committee of RLL, as per the SEBI Circular CIR/CFD/DIL/5/2013 dated 4 February 2013, as amended by CIR/CFD/DIL/8/2013 dated 21 May 2013 and the Board of RLL and to the extent mandatorily required under applicable laws of India, maybe produced before judicial, regulatory or government authorities, in connection with the Proposed Merger.

The scope of our services is to conduct relative valuation for recommending a fair share exchange ratio for the Proposed Merger in accordance with generally accepted professional standards.

We have considered financial statements and other information relating to the Companies upto 30 December 2013 in our analysis and made adjustments for facts made known (past or future) to us till the date of our report.

This report is our deliverable in respect of our recommendation of fair share exchange ratio for the purpose of the Proposed Merger.

This report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.



Walker Chandiook & Co LLP

SOURCES OF INFORMATION

In connection with this exercise, we have used information available in the public domain as well as the following information from the official website of the Companies:

- Audited consolidated financial statements of RLL for the years ended 31 December 2011 and 2012 and unaudited consolidated financial statements for the four quarters ended 31 December 2013.
- Audited consolidated financial statements of SPIL for the years ended 31 March 2012 and 2013, unaudited consolidated financial statements for 6 months ended 30 September 2013 and consolidated income statement for the 9 months ended 31 December 2013.
- Other relevant information and documents for the purpose of this engagement.

RLL has been provided with the opportunity to review the draft report (excluding the recommended ratios) for this engagement to make sure that factual inaccuracies are avoided in our final report.

SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

This report, its contents and the results herein (i) are specific to the purpose of valuation agreed as per the terms of our engagement; (ii) are specific to the date of this report and (iii) are based on the balance sheet as at 30 September 2013 of SPIL and 31 December 2013 of RLL. A valuation of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of 5 April 2014. Events occurring after this date may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this report.

The recommendation(s) rendered in this report only represent our recommendation(s) based upon information available in the public domain as well as information sourced from international data bases and the said recommendation(s) shall be considered to be in the nature of non-binding advice (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors). We have no obligation to update this report.

In the course of the valuation, we have assumed and relied upon, without independently verifying, (i) the accuracy of the information that was publicly available and formed a substantial basis for this report and (ii) the accuracy of information sourced from data bases. In accordance with our engagement letter and in accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed or otherwise investigated the historical financial information available in the public domain. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the historical financial statements.



Walker Chandiook & Co LLP

The report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this valuation report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited/unaudited balance sheet of the Companies.

This report does not look into the business / commercial reasons behind the Proposed Merger nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Merger as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

No investigation / enquiry of the Companies' claim to title of assets has been made for the purpose of this report and the Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

The fee for the engagement is not contingent upon the results reported.

We owe responsibility to only the Boards of Directors of RLL under the terms of our engagement, and nobody else. We do not accept any liability to any third party in relation to the issue of this report. It is understood that this analysis does not represent a fairness opinion.

This valuation report is subject to the laws of India.

Neither the valuation report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the Proposed Merger, without our prior written consent. In addition, this report does not in any manner address the prices at which RLL or SPIL's shares will trade following the announcement of the Proposed Merger and we express no opinion or recommendation as to how the shareholders of the Companies should vote at any shareholders' meeting(s) to be held in connection with the Proposed Merger.

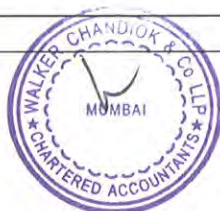
SHARE CAPITAL DETAILS OF THE COMPANIES

Ranbaxy Laboratories Limited

The current equity share capital of RLL is INR 2,118.9 million consisting of 423,779,063 equity shares of face value of INR 5 each. For the purpose of determining the fair share exchange ratio, we have considered the fully diluted equity share capital of RLL.

The shareholding pattern as at 31 March 2014 is as follows:

Category	% shareholding
Promoters and Promoter Group	63.4
Others	35.1
Custodians (GDR)	1.5
Total	100.0



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Sun Pharmaceutical Industries Limited

The current equity share capital of SPIL is INR 162,229.8 Mn consisting of 2,071,163,910 equity shares of face value of INR 1 each. For the purpose of determining the fair share exchange ratio, we have considered the fully diluted equity share capital of SPIL.

The shareholding pattern as at 31 December 2013 is as follows:

Category	% shareholding
Promoters and Promoter Group	63.7
Others	36.3
Total	100.0

APPROACH - BASIS OF PROPOSED MERGER

The scheme contemplates the Proposed Merger of the Companies pursuant to the Composite Scheme of Arrangement and Amalgamation under sections 391 to 394 of the Companies Act, 1956. Arriving at the fair share exchange ratio for the Proposed Merger would require determining the relative values of the concerned businesses and shares of the Companies. These values are to be determined independently but on a relative basis, and without considering the effect of the Proposed Merger.

The Proposed Merger envisages the merger of RLL into SPIL with equity shares of SPIL being issued to the shareholders of RLL. This requires the relative valuation of equity shares of RLL and SPIL for determination of a fair share exchange ratio for the Proposed Merger.

Hence we have carried out a relative valuation of the shares of RLL and SPIL in order to determine the fair share exchange ratio for the Proposed Merger.

There are several commonly used and accepted methods for determining the fair share exchange ratio for the Proposed Merger, which have been considered in the present case, to the extent relevant and applicable, including:

1. Net Asset Value method
2. Market Price method
3. Discounted Cash Flows method

It should be understood that the valuation of any company or its assets is inherently subjective and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the companies, and other factors which generally influence the valuation of companies and their assets.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.



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Net Asset Value (NAV) Method

The asset based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. The Net Asset Value ignores the future return the assets can produce and is calculated using historical accounting data that does not reflect how much the business is worth to someone who may buy or invest in the business as a going concern. This valuation approach is therefore mainly used in case where the firm is to be liquidated or in case where the assets base dominates earnings capability. A scheme of demerger / amalgamation would normally be proceeded with, on the assumption that the companies / businesses demerge / amalgamate as going concerns and an actual realization of the operating assets is not contemplated. The operating assets are therefore considered at their book values. In such a going concern scenario, the relative earning power is of importance to the basis of demerger / amalgamation, with the values arrived at on the net asset basis being of limited relevance.

We have considered the latest available balance sheets of RLL and SPIL are as at 31 December 2013 and 30 September 2013 respectively to compute the Net Asset Value of equity shares of RLL and SPIL. However, we have not assigned any weight to this method on account of the fact that companies in the pharmaceutical sector have significant intangible assets which are not reflected in the NAV. Assets are not an appropriate indicator of the fair value of a pharmaceutical company.

Market Price Method

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of the share especially where the market values are fluctuating in a volatile capital market. Further, in the case of a merger, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard. This method would also cover any other transactions in the shares of the company including primary / preferential issues / open offer in the shares of the company as envisaged in the overall scheme of arrangement and reported to the stock exchanges / available in the public domain.

In the present case, the equity shares of RLL and SPIL are listed on BSE and NSE and there are regular transactions on the bourses in their equity shares. Accordingly in the present case, the volume weighted average share price over reasonable periods for the shares of the respective Companies, as deemed appropriate for the purpose of our valuation analysis, have been considered for determining the value of the shares of the Companies under the market price methodology.

Discounted Cash Flows (DCF) Method

The DCF method uses the future free cash flows of the firm discounted by the cost of capital to arrive at the present value. In general, the DCF method is a strong and widely accepted valuation tool, as it concentrates on cash generation potential of a business. Considering that this method is based on future potential and is widely accepted, we have used this approach in the valuation in the present exercise. .



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Using the DCF analysis involves determining the following:

Estimating future free cash flows:

Free cash flows are the cash flows expected to be generated by the company that are available to all providers of the company's capital – both debt and equity.

Appropriate discount rate to be applied to cash flows i.e. the cost of capital:

This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

To arrive at the total value available to the equity shareholders of RLL and SPIL, the values arrived above under DCF method for RLL and SPIL are adjusted for, inter-alia, the value of loans, cash, surplus / non-operating assets/liabilities as deemed appropriate for the purpose of our valuation analysis. The total value for equity shareholders is then divided by the fully diluted equity shares of the respective companies in order to work out the value per equity share of RLL and SPIL.

BASIS OF FAIR SHARE EXCHANGE RATIO

The fair basis for the Proposed Merger would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been arrived at under each of the above methodologies, for the purposes of recommending a swap ratio, it is necessary to arrive at a single value for the shares of the concerned companies. It is however important to note that in doing so, we are not attempting to arrive at the absolute equity values of the shares of the companies but at their relative values to facilitate the determination of the swap ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each methodology.

The Valuer has carried out a relative valuation of the shares of RLL and SPIL and has given weights to the values arrived at under different methodologies, based on their evaluation and judgement of the businesses of the Companies, in order to arrive at the fair share exchange ratio for the Proposed Merger.

In the ultimate analysis, valuation will have to be arrived at by the exercise of judicious discretion by the Valuer and judgments taking into account all the relevant factors. There will always be several factors, e.g. quality of the management, present and prospective competition, yield on comparable securities and market sentiment, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognised in judicial decisions.

The fair share exchange ratio of equity shares of RLL and SPIL has been arrived at on the basis of a relative valuation of RLL and SPIL based on the various methodologies explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of the Companies, having regard to information base, key underlying assumptions and limitations.




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In the light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, in our opinion the fair share exchange ratio for the Proposed Merger is as follows:

- fair share exchange ratio for the Proposed Merger - 5 (Five only) equity shares of RLL of INR 5/- each fully paid up for every 4 (Four only) equity shares of SPIL of INR 1/- each fully paid up.

Yours faithfully,

For Walker Chandiook & Co LLP
Chartered Accountants



Khushroo B. Panthaky
Partner
Membership No.: F42423
Date: 6 April 2014

RANBAXY

Trusted medicines. Healthier lives

CORPORATE OFFICE: PLOT NO. 90, SECTOR-32, GURGAON-122001 (HARYANA), INDIA
PHONE : +91-124-4135000 FAX : +91-124-4135001

REPORT OF THE AUDIT COMMITTEE OF DIRECTORS AT ITS MEETING HELD ON SUNDAY, APRIL 6, 2014 AT 2.00 P.M. AT HOTEL OBEROI, GURGAON (HARYANA)

PRESENT

1. Mr. Akihiro Watanabe (in the Chair)
2. Dr. Anthony H. Wild
3. Mr. Percy K. Shroff
4. Dr. Tsutomu Une

PERMANENT INVITEE

5. Mr. Arun Sawhney - CEO & Managing Director

INVITEES

6. Dr. Kazunori Hirokawa - Director
7. Mr. Vikram Aggarwal - Partner, B S R & Co.LLP (Statutory Auditors)
8. Mr. Indrajit Banerjee - President & CFO

IN ATTENDANCE

9. Mr. S.K. Patawari - Company Secretary
10. Mr. Ashish Bansal - B S R & Co.LLP

Grant leave of absence

Mr. Rajesh V. Shah was granted leave of absence.

Mr. Rajesh V. Shah and Mr. Takashi Shoda (as invitee) participated the meeting through tele-conference.

1. Scheme of Arrangement

CEO & Managing Director placed before the Audit Committee a Scheme of Arrangement between Ranbaxy Laboratories Limited ("the Company or "Ranbaxy") and Sun Pharmaceutical Industries Limited ("SPIL") under Sections 391 to 394, Sections 78 and 100 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013, providing inter-alia merger of the Company with SPIL.

The Report of the Audit Committee is made in order to comply with the requirements of the SEBI Circular No. CIR/CFD/DIL/5/2013 dated 4th February 2013 as amended by CIR/CFD/DIL/8/2013 dated 21st May 2013).

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The Committee considering the following documents:

- 1) Draft Scheme of Arrangement;
- 2) Valuation Report dated April 6, 2014 of Walker Chandiook & Co LLP (Independent Chartered Accountants) and
- 3) Fairness Opinion Report dated April 6, 2014 of ICICI Securities Limited (Merchant Bankers).

2. Features of the Scheme of Arrangement

The salient features of the Scheme are as under :

- Appointed Date : April 1, 2014
- Effective Date : Means the last of the dates on which all the conditions as mentioned in the Scheme are fulfilled and all the approvals are received.
- Exchange Ratio : 5 Equity Shares of Ranbaxy of INR 5 each fully paid-up for every 4 Equity Shares of SPIL of INR 1 each fully paid-up.
- The Scheme provides inter-alia for the transfer and vesting of the entire Undertaking and Business of the Company on a going concern basis with and into SPIL.
- Based on the Exchange Ratio, SPIL will issue its Equity Shares to those shareholders of Ranbaxy whose names are registered on the record date as may be fixed.
- In so far as the Equity Shares of the Company held by SPIL or its subsidiaries or its limited liability partnerships are concerned, if any, on the Effective Date such shares shall stand cancelled and to that extent SPIL is required to issue less number of shares.
- Equity Shares to be issued by SPIL to the shareholders of the Company pursuant to the Scheme would be listed on BSE Limited and National Stock Exchange of India Limited.

The Audit Committee after consideration, approved draft Scheme of Arrangement, Valuation Report dated April 6, 2014 issued by M/s. Walker Chandiook & Co LLP and the Fairness Opinion Report dated April 6, 2014 issued by M/s. ICICI Securities Limited and recommended the same for approval of the Board of Directors of the Company.

Date: April 6, 2014
Place: Gurgaon



(Akihiro Watanabe)
Chairman

6 April 2014

To,

The Board of Directors,
Ranbaxy Laboratories Limited
Plot 90, Sector 32,
Gurgaon-122001,
Haryana,
India

Sub: Fairness opinion on the Fair Share Exchange Ratio for the proposed Composite Scheme of Arrangement and Amalgamation between Ranbaxy Laboratories Limited into Sun Pharmaceutical Industries Limited, and their respective shareholders and creditors

This has reference to our engagement letter wherein Ranbaxy Laboratories Limited (hereinafter referred to as "RLL") has requested ICICI Securities ('I-Sec') to provide a fairness opinion on the Fair Share Exchange Ratio for the proposed Composite Scheme of Arrangement and Amalgamation between Sun Pharmaceutical Industries Limited (SPIL), RLL and their respective shareholders and creditors.

BACKGROUND, PURPOSE AND USE OF THIS REPORT

We understand that the managements of RLL and SPIL (referred to as "Companies") are proposing a Composite Scheme of Arrangement and Amalgamation between SPIL, RLL and their respective shareholders and creditors, with effect from the Appointed Date of 31 March 2014 under the provisions of Sections 391-394 of the Companies Act, 1956 read with Sections 100 - 103 of the Companies Act, 1956 or any corresponding provisions of the Companies Act, 2013. (hereinafter referred to as the "Proposed Scheme"). As part of the Proposed Scheme the entire business of RLL will be merged with SPIL ("Proposed Merger")

We understand from the management of RLL that the shareholders of RLL will be issued shares of SPIL as consideration for the Proposed Scheme.

For the aforesaid purpose, the management of RLL have appointed Walker, Chandiook & Co LLP (referred as "Valuer" or "WC") to prepare a report recommending the Fair Share Exchange Ratio for the Proposed Merger for allotment of SPIL shares to the shareholders of RLL pursuant to the Proposed Scheme, to be placed before the Board of Directors of RLL, as per the requirement of SEBI Circular CIR/CFD/DIL/5/2013 dated 4 February 2013 as amended by CIR/CFD/DIL/8/2013 dated 21 May 2013.

In this connection we have been requested by RLL to render our professional services by way of a fairness opinion referred to under clause 24(h) of the Listing Agreement on the Fair Share Exchange Ratio to the Board of Directors of RLL, as to whether the Fair Share Exchange Ratio, as recommended by the Valuer, in their report dated 6 April 2014, is fair and reasonable.

This report is intended only for the sole use and information of RLL, and only in connection with the Proposed Scheme including for the purpose of obtaining judicial and regulatory

approvals for the Proposed Scheme. We are not responsible in any way to any other person / party for any decision of such person or party based on this report. Any person / party intending to provide finance / invest in the shares / business of any of the Companies or their subsidiaries/joint ventures/associates shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. It is hereby notified that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the Proposed Scheme as aforesaid can be done only with our prior permission in writing. We acknowledge that this report will be shared to the extent as may be required, with the relevant High Court, stock exchanges, advisors of the Companies in relation to the Proposed Scheme, as well as with the statutory authorities.

As per Valuer's recommendation the holders of outstanding equity shares of RLL will receive 0.80 (Zero point Eight) fully paid up equity shares of SPIL with the face value of Rs. 1 (One) each for every 1 (One) fully paid up equity shares of RLL with the face value of Rs. 5 (Five) each for the Proposed Merger ("Fair Share Exchange Ratio").

SOURCES OF INFORMATION

In arriving at the opinion set forth below, we have relied on:

- (a) Discussions, workings and Valuation report by WC, recommending the Equity swap ratio for the proposed Transaction
- (b) Annual Reports of RLL for the financial years (CY) ended CY 11 and CY 12
- (c) Annual Reports of SPIL for the financial years (FY) ended FY 11, FY12 and FY 13
- (d) Unaudited financial results of RLL for 12 months ended CY 13
- (e) Unaudited financial results of SPIL for 9 months ended FY 14
- (f) Bloomberg consensus projections of RLL and SPIL for the period FY 15 to FY 16
- (g) Reported market price and volume data of RLL and SPIL on NSE
- (h) Reported shareholding pattern of SPIL and RLL on NSE
- (i) Discussions with management of RLL regarding the current operations, future plans, capital expenditure
- (j) Information, discussions (including orally) and documents as provided by RLL as well as the Valuer for purpose of this engagement

SCOPE LIMITATIONS

Our report is subject to the scope limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

Our work does not constitute an audit, due diligence or certification of the historical financial statements including the working results of the Companies or their businesses referred to in this report. Accordingly, we are unable to and do not express an opinion on the accuracy of any financial information referred to in this report.

Our analysis and results are specific to the purpose of the exercise of giving our fairness opinion on the Fair Share Exchange Ratio for the Proposed Scheme. It may not be valid for any other purpose or if done on behalf of any other entity.

Our analysis and results are also specific to the date of this report and based on information as at 5 April 2014. We have relied on publicly available data for the purpose of this engagement. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

We express no opinion whatever and make no recommendation at all to RLL and SPIL's underlying decision to effect the Proposed Scheme or as to how the holders of equity shares or preference shares or secured or unsecured creditors of the Companies should vote at their respective meetings held in connection with the Proposed Scheme. We do not express and should not be deemed to have expressed any views on any other term of the Proposed Scheme. We also express no opinion and accordingly accept no responsibility or as to the prices at which the equity shares of RLL or SPIL will trade following the announcement of the Proposed Scheme or as to the financial performance of RLL or SPIL following the consummation of the Proposed Scheme.

No investigation of the Companies' claim to title of assets has been made for the purpose of this exercise and the Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility whatsoever is assumed for matters of a legal nature. Our report is not and should not be construed as our opining or certifying the compliance of the Proposed Scheme with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising from such Proposed Scheme.

We have not conducted or provided an analysis of due diligence or appraisal of the assets and liabilities of the Companies.

In the ordinary course of business, ICICI Securities Limited and its affiliates is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of ICICI Securities Limited may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the Proposed Scheme.

It is understood that our report is for the benefit of and confidential use by the Board of Directors / shareholders of RLL for the purpose of this Proposed Scheme and may not be relied upon by any other person and may not be used or disclosed for any other purpose without obtaining our prior written consent.

RATIONALE & CONCLUSION

We are given to understand by RLL that the Fair Share Exchange Ratio has been recommended by the Valuer, after taking into account various factors such as the serviceability of capital after taking into account the potential earning capacity of the business once the Proposed Scheme comes into effect.

In the circumstances, having regard to all relevant factors and on the basis of information and explanations given to us, we are of the opinion on the date hereof, that the proposed Fair

Share Exchange Ratio as recommended by the Valuer, for the Proposed Scheme, is fair and reasonable.

Yours faithfully,
For ICICI Securities Limited,

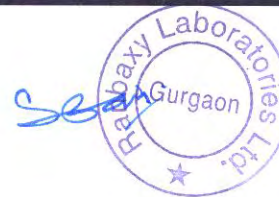


Ravi Talwar
Senior Vice President
Investment Banking
ICICI Securities
Mumbai

Date: 6/4/2014

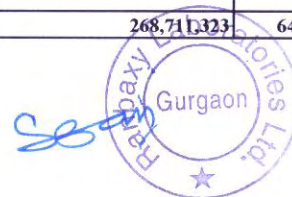
Introductory sub-table (I)(a)

Name of the Company		RANBAXY LABORATORIES LIMITED	
Scrip Code		NSE - Ranbaxy	BSE - 500359
Name of the Scrip		RANBAXY LABORATORIES LIMITED	
Class of Security		Equity Shares	
Quarter Ended		March 31, 2014	
Partly paid-up shares:-	No. of partly paid-up shares	As a % of total no. of partly paid-up shares	As a % of total no. of shares of the company
Held by promoter/promoter group	0	0.00	0.00
Held by public	0	0.00	0.00
		0.00	0.00
Total	0	0.00	0.00
Outstanding convertible securities:-	No. of outstanding securities	As a % of total no. of outstanding convertible securities	As a % of total no. of shares of the company, assuming full conversion of the convertible securities
Held by promoter/promoter group	0	0.00	0.00
Held by public	0	0.00	0.00
		0.00	0.00
Total	0	0.00	0.00
Warrants:-	No. of warrants	As a % of total no. of warrants	As a % of total no. of shares of the company, assuming full conversion of warrants
Held by promoter/promoter group	0	0.00	0.00
Held by public	0	0.00	0.00
		0.00	0.00
Total	0	0.00	0.00
Total paid-up capital of the company assuming full conversion of warrants and convertible securities	There are no warrants or convertible securities as of date. Therefore the share capital would remain same as present share capital i.e. 423,779,063 equity shares of Rs.5/- each.		

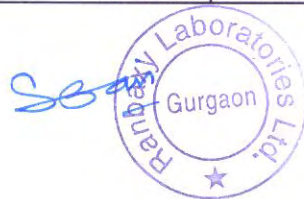


Statement Showing Shareholding Pattern

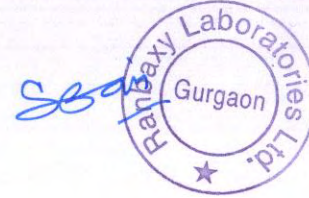
Table (I)(a)								
Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B) ¹	As a percentage of (A+B+C)	Number of Shares	As a percentage (IX)= (VIII)/(IV)*100
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
(A)	Shareholding of Promoter and Promoter Group							
1	Indian							
(a)	Individuals/ Hindu Undivided Family	0	0	0	0.00	0.00		0.00
(b)	Central Government/ State Government(s)							
(c)	Bodies Corporate	0	0	0	0.00	0.00		0.00
(d)	Financial Institutions/ Banks							
(e)	Any Others(Specify)							
(e-i)								
(e-ii)								
	Sub Total(A)(1)	0	0	0	0.00	0.00		0.00
2	Foreign							
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	-	-	-	-	-		
b	Bodies Corporate	1	268,711,323	268,711,323	64.36	63.41		0.00
c	Institutions	-	-	-	-	-		
d	Qualified Foreign Investor	-	-	-	-	-		
e	Any Others(Specify)	-	-	-	-	-		
e-i								
e-ii								
	Sub Total(A)(2)	1	268,711,323	268,711,323	64.36	63.41		0.00



	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	1	268,711,323	268,711,323	64.36	63.41		0.00
(B)	Public shareholding							
I	Institutions							
(a)	Mutual Funds/ UTI	43	1,999,560	1,990,382	0.48	0.47		
(b)	Financial Institutions / Banks	48	1,590,739	1,557,865	0.38	0.38		
(c)	Central Government/ State Government(s)	-	-	-	-	-		
(d)	Venture Capital Funds	-	-	-	-	-		
(e)	Insurance Companies	6	31,578,971	31,578,971	7.56	7.45		
(f)	Foreign Institutional Investors	243	49,962,611	49,955,179	11.97	11.79		
(g)	Foreign Venture Capital Investors	-	-	-	-	-		
(h)	Qualified Foreign Investor	-	-	-	-	-		
(i)	Any Other (specify)	-	-	-	-	-		
(i-i)								
(i-ii)								
	Sub-Total (B)(1)	340	85,131,881	85,082,397	20.39	20.09	N A	N A
B 2	Non-institutions							
(a)	Bodies Corporate	2,221	6,930,131	6,907,899	1.66	1.64		
(b)	Individuals							
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	176,726	49,539,930	44,821,026	11.87	11.69		
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	54	3,721,951	3,721,951	0.89	0.88		
(c)	Qualified Foreign Investor	-	-	-	-	-		
(d)	Any Other (specify)							
(d-i)	NDCOs	7	1,229,808	1,229,808	0.29	0.29		
(d-ii)	Non-Residents	3,371	2,219,958	1,864,261	0.53	0.52		
	Sub-Total (B)(2)	182,379	63,641,778	58,544,945	15.24	15.02		
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	182,719	148,773,659	143,627,342	35.64	35.11	N A	N A
	TOTAL (A)+(B)	182,720	417,484,982	412,338,665	100.00	98.51	N A	N A

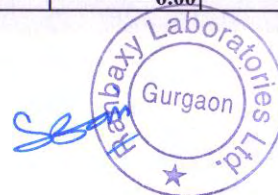


(C)	Shares held by Custodians and against which Depository Receipts have been issued							
1	Promoter and Promoter Group	0	0	0	N A	0.00	N A	N A
2	Public	1	6,294,081	6,294,081	N A	1.49	N A	N A
	Sub-Total (C)	1	6,294,081	6,294,081		1.49		
	GRAND TOTAL (A)+(B)+(C)	182,721	423,779,063	418,632,746	N A	100.00	N A	N A



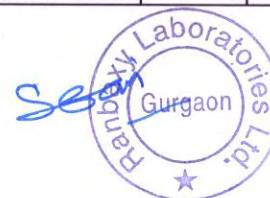
(I)(b) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Promoter and Promoter Group"

Sr. No.	Name of the shareholder	Details of Shares held		Encumbered shares			Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
		Number of shares held	As a % of grand total (A)+(B)+(C)	No.	As a percentage	As a % of grand total (A)+(B)+(C) of sub-clause (I)(a)	Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	As a % total number of convertible securities of the same class	
(I)	(II)	(III)	(IV)	(V)	(VI)=(V)/(III)*100	(VII)	(VIII)	(IX)	(X)	(XI)	(XII)
1	Daiichi Sankyo Company, Limited	268,711,323	63.41	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
TOTAL		268,711,323	63.41	0	0.00	0.00	0	0	0	0	0



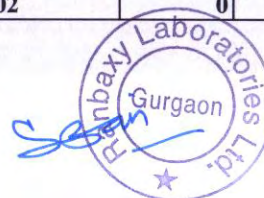
(I)(c)(i) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category “Public” and holding more than 1% of the total number of shares

Sr. No.	Name of the shareholder	Number of shares held	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}	Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class	
1	LIFE INSURANCE CORPORATION OF INDIA	25,494,745	6.02	N.A.	N.A.	N.A.	N.A.	N.A.
2	SILVERSTREET DEVELOPERS LLP	6,967,542	1.64	N.A.	N.A.	N.A.	N.A.	N.A.
3	SKAGEN KON-TIKI VERDIPAPIRFOND	5,122,307	1.21	N.A.	N.A.	N.A.	N.A.	N.A.
4	ORANGE MAURITIUS INVESTMENTS LIMITED	4,550,000	1.07	N.A.	N.A.	N.A.	N.A.	N.A.
TOTAL		42,134,594	9.94	0	0	0	0	0



(I)(c)(ii) Statement showing holding of securities (including shares, warrants, convertible securities) of persons (together with PAC) belonging to the category "Public" and holding more than 5% of the total number of shares of the company

Sr. No.	Name(s) of the shareholder(s) and the Persons Acting in Concert (PAC) with them	Number of shares	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}	Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				Number of warrants	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class	
1	LIFE INSURANCE CORPORATION OF INDIA	25,494,745	6.02	N.A.	N.A.	N.A.	N.A.	N.A.
TOTAL		25,494,745	6.02	0	0	0	0	0



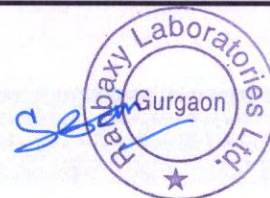
(I)(d) Statement showing details of locked-in shares

Sr. No.	Name of the shareholder	Number of locked-in shares	Locked-in shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
			0.00
			0.00
			0.00
		N.A.	0.00
			0.00
			0.00
			0.00
			0.00
TOTAL		0	0.00



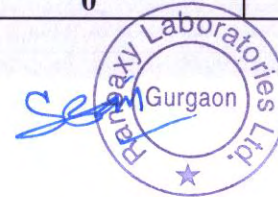
(II)(a) Statement showing details of Depository Receipts (DRs)

Sr. No.	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of outstanding DRs	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1	GDRs	6,294,081	6,294,081	1.49
	TOTAL	6,294,081	6,294,081	1.49



(II)(b) Statement showing holding of Depository Receipts (DRs), where underlying shares held by "promoter/promoter group" are in excess of 1% of the total number of shares

Sr. No.	Name of the DR Holder	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
		N.A.		
TOTAL			0	0.00



(I) (a) Statement showing Shareholding Pattern

Name of the Company: SUN PHARMACEUTICAL INDUSTRIES LTD			
Scrip Code, Name of the scrip, class of security:		BSE- 524715, NSE- SUNPHARMA; Class of Security: Equity Shares of Re.1/- each	
As on		31st March, 2014	
Partly paid-up shares:-	No. of partly paid-up shares	As a % of total no. of partly paid-up shares	As a % of total no. of shares of the company
Held by Promoter / Promoter Group	0	0.0000	0.0000
Held by public	0	0.0000	0.0000
Total	0	0.0000	0.0000
Outstanding convertible securities:-	No. of outstanding securities	As a % of total No. of outstanding convertible securities	As a % of total no. of shares of the company, assuming full conversion of the convertible securities
Held by Promoter / Promoter Group	0	0.0000	0.0000
Held by public	0	0.0000	0.0000
Total	0	0.0000	0.0000
Warrants:-	No. of warrants	As a % of total no. of warrants	As a % of total no. of shares of the company, assuming full conversion of warrants
Held by Promoter / Promoter Group	0	0.0000	0.0000
Held by public	0	0.0000	0.0000
Total	0	0.0000	0.0000
Total paid-up capital of the company assuming full conversion of warrants and convertible securities		2071163910	

Category Code (I)	Category of shareholder (II)	Number of shareholders (III)	Total number of shares (IV)	Number of shares held in dematerialised form (V)	percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B) (VI)	As a percentage of (A+B+C) (VII)	Number of shares (VIII)	As a percentage (IX) = (VIII)/(IV)*100
(A)	Promoter and Promoter Group							
1	Indian							
(a)	Individuals/Hindu Undivided Family	10	304042200	304042200	14.68	14.68	3310000	1.09
(b)	Central Government/State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	17	1013024000	1013024000	48.91	48.91	0	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Other (specify)	0	0	0	0.00	0.00	0	0.00
	Trusts	1	1280200	1280200	0.06	0.06		
	Sub Total (A)(1)	28	1318346400	1318346400	63.65	63.65	3310000	0.25
2	Foreign							
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
(b)	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
(c)	Institutions	0	0	0	0.00	0.00	0	0.00
(d)	Qualified Foreign Investors	0	0	0	0.00	0.00	0	0.00
(e)	Any Other (specify)	0	0	0	0.00	0.00	0	0.00
	Sub Total (A)(2)	0	0	0	0.00	0.00	0	0.00
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	28	1318346400	1318346400	63.65	63.65	3310000	0.25
(B)	Public shareholding							
1	Institutions							
(a)	Mutual Funds/UTI	246	24943604	22448284	1.20	1.20	-	-
(b)	Financial Institutions / Banks	57	36598631	36595791	1.77	1.77	-	-
(c)	Central Government/State Government(s)	4	1296420	1296420	0.06	0.06	-	-
(d)	Venture Capital Funds	0	0	0	0.00	0.00	-	-
(e)	Insurance Companies	126	51985309	51985309	2.51	2.51	-	-
(f)	Foreign Institutional Investors	760	466237186	466225186	22.51	22.51	-	-
(g)	Foreign Bank	0	0	0	0.00	0.00	-	-
(h)	Qualified Foreign Investors	3	31600	31600	0.00	0.00	-	-
(i)	Any Other (specify)	0	0	0	0.00	0.00	-	-
	Sub Total (B) (1)	1,196	581092750	578582590	28.06	28.06		

2	Non-institutions							
(a)	Bodies Corporate	1607	52421989	52220479	2.53	2.53	-	-
(b) (i)	Individuals - shareholders holding nominal share capital up to Rs 1 Lakh	123929	76153544	65610089	3.68	3.68	-	-
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	64	32602698	32477698	1.57	1.57	-	-

Category code (I)	Category of shareholder (II)	Number of shareholders (III)	Total number of shares (IV)	Number of shares held in dematerialised form (V)	percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B) (VI)	As a percentage of (A+B+C) (VII)	Number of shares (VIII)	As a percentage (IX) = (VIII)/(IV)*100
(c)	Qualified Foreign Investors	0	0	0	0.00	0.00	-	-
(d)	Any Other							
i	Non Resident Indians (Repat)	2436	1222344	1078774	0.06	0.06	-	-
ii	Non Resident Indians (Non Repat)	737	760610	760610	0.04	0.04	-	-
iii	Foreign Companies	1	617160	617160	0.03	0.03	-	-
iv	Clearing Member	507	2172188	2172188	0.10	0.10	-	-
v	Directors / Relatives	3	3866650	3866650	0.19	0.19	-	-
vi	Trusts	37	1861577	1861577	0.09	0.09	-	-
vii	Overseas Corporate Bodies	1	46000	46000	0.00	0.00		
	Sub Total (B)(2)	129322	171724760	160711225	8.29	8.29	-	-
	Total Public Shareholding Public Group (B)=(B)(1)+(B)(2)	130518	752817510	739293815	36.35	36.35	NA	NA
	Total (A)+(B)	130546	2071163910	2057640215	100.00	100.00	3310000	0.16
(C)	Shares held by custodians and against which Depository Receipts have been issued							
i	Promoter and Promoter group	0	0	0	0.00	0.00	0	0.00
ii	Public	0	0	0	0.00	0.00	0	0.00
	Sub Total (C)	0	0	0	0.00	0.00	0	0.00
	GRAND TOTAL (A)+(B)+(C)	130546	2071163910	2057640215	100.00	100.00	3310000	0.16

(I)(b) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category “Promoter and Promoter Group”

Sr. No.	Name of the shareholder	Details of Shares held		Encumbered shares			Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
		Number of shares held	As a % of grand total (A)+(B)+(C)	No.	As a percentage	As a % of grand total (A)+(B)+(C) of sub-clause (I)(a)	Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	As a % total number of convertible securities of the same class	
(I)	(II)	(III)	(IV)	(V)	(VI)=(V)/(III)*100	(VII)	(VIII)	(IX)	(X)	(XI)	(XII)
1	AALOK DILIP SHANGHVI	2885000	0.14	0	0.00	0.00	0	0	0	0	0.14
2	DILIP SHANTILAL SHANGHVI	231140480	11.16	0	0.00	0.00	0	0	0	0	11.16
3	DIPTI NIRMAL MODI	227880	0.01	0	0.00	0.00	0	0	0	0	0.01
4	JAYANT SHANTILAL SANGHVI	7416840	0.36	3310000	44.63	0.16	0	0	0	0	0.36
5	KUMUD SHANTILAL SHANGHVI	3280000	0.16	0	0.00	0.00	0	0	0	0	0.16
6	RAKSHA SUDHIR VALIA *	34772000	1.68	0	0.00	0.00	0	0	0	0	1.68
7	SUDHIR VRUNDAVANDAS VALIA *	15384000	0.74	0	0.00	0.00	0	0	0	0	0.74
8	VARSHA KIRAN DOSHI	322000	0.02	0	0.00	0.00	0	0	0	0	0.02
9	VIBHA DILIP SHANGHVI	5784000	0.28	0	0.00	0.00	0	0	0	0	0.28
10	VIDHI DILIP SHANGHVI	2830000	0.14	0	0.00	0.00	0	0	0	0	0.14
11	ADITYA MEDISALES LIMITED *	40203960	1.94	0	0.00	0.00	0	0	0	0	1.94
12	ASAWARI INVESTMENT & FINANCE PVT.LTD.	49600	0.00	0	0.00	0.00	0	0	0	0	0.00
13	FAMILY INVESTMENT PRIVATE LIMITED	182927440	8.83	0	0.00	0.00	0	0	0	0	8.83
14	FLAMBOYAWER FINANCE PRIVATE LIMITED	20920	0.00	0	0.00	0.00	0	0	0	0	0.00
15	GUJARAT SUN PHARMACEUTICAL INDUSTRIES PV	14400	0.00	0	0.00	0.00	0	0	0	0	0.00
16	JEEVANREKHA INVESTRADE PVT. LTD.	1462720	0.07	0	0.00	0.00	0	0	0	0	0.07
17	NIRMIT EXPORTS PRIVATE LIMITED	7040	0.00	0	0.00	0.00	0	0	0	0	0.00

18	PACKAGE INVESTRADE PVT. LTD.	897440	0.04	0	0.00	0.00	0	0	0	0	0.04
19	QUALITY INVESTMENT PRIVATE LIMITED	182868640	8.83	0	0.00	0.00	0	0	0	0	8.83
20	SANGHVI PROPERTIES PRIVATE LIMITED	15520	0.00	0	0.00	0.00	0	0	0	0	0.00
21	SHANGHVI FINANCE PRIVATE LIMITED	283360	0.01	0	0.00	0.00	0	0	0	0	0.01
22	SHOLAPUR ORGANICS PRIVATE LIMITED	16035080	0.77	0	0.00	0.00	0	0	0	0	0.77
23	TEJASKIRAN PHARMACHEM INDUSTRIES PVT LTD	195343760	9.43	0	0.00	0.00	0	0	0	0	9.43
24	VIDITI INVESTMENT PRIVATE LIMITED	201385320	9.72	0	0.00	0.00	0	0	0	0	9.72
25	UNIMED INVESTMENTS LIMITED *	10428760	0.50	0	0.00	0.00	0	0	0	0	0.50
26	VIRTUOUS FINANCE PVT. LIMITED	97104040	4.69	0	0.00	0.00	0	0	0	0	4.69
27	VIRTUOUS SHARE INVESTMENTS PVT. LTD.	83976000	4.05	0	0.00	0.00	0	0	0	0	4.05
28	KUMUD S. SHANGHVI TRUSTEE OF SHANGHVI FAMILY & FRIENDS BENEFIT TRUST	1280200	0.06	0	0.00	0.00	0	0	0	0	0.06
	* Persons acting in concert										
	TOTAL	1318346400	63.65	3310000	0.25	0.16	0	0	0	0	63.65

(I)(c)(i) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Public" and holding more than 1% of the total number of shares

Sr. No.	Name of the shareholder	Number of shares held	Shares as a percentage of total number of shares [i.e., Grand Total (A)+(B)+(C) indicated in	Details of warrants		Details of convertible securities		(including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class	
1	GENESIS INDIAN INVESTMENT COMPANY LIMITED -GENERAL SUB FUND	48048089	2.42	0	0.0000	0	0.0000	2.42
2	Lakshdeep Investments And Finance Private Limited	22226000	1.07	0	0.0000	0	0.0000	1.07
TOTAL		70274089	3.49	0	0.0000	0	0.0000	3.49

(I)(c)(ii) Statement showing holding of securities (including shares, warrants, convertible securities) of persons (together with PAC) belonging to the category "Public" and holding more than 5% of the total number of shares of the company

Sr. No.	Name(s) of the shareholder(s) and the Persons Acting in Concert (PAC) with them	Number of shares	Shares as a percentage of total number of shares [i.e., Grand Total (A)+(B)+(C) indicated in	Details of warrants		Details of convertible securities		(including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				Number of warrants	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class	
1			0.0000					
TOTAL		0	0.0000					

(I)(d)	<u>Statement showing details of locked-in shares</u>			
Sr. No.	Name of the shareholder	Number of Locked in Shares	Locked-in shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}	Promoter / Promoter Group / Public
1	NIL	NIL	NIL	
TOTAL		NIL	NIL	

(II)(a)	Statement showing details of Depository Receipts (DRs)			
Sr. No.	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of outstanding DRs	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1	NIL	NIL	NIL	NIL
TOTAL		NIL	NIL	NIL

Statement showing holding of Depository Receipts (DRs), where underlying shares held by "Promoter/ Promoter Group" are in excess of 1% of the total number of shares

(II) (b)

Sr. No.	Name of the DR Holder	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1	NIL	NIL	NIL	NIL
	TOTAL	NIL	NIL	NIL

Category of Shareholder	Ranbaxy as on 31.03.2014		Sun as on 31.03.2014		New 0.8 shares of Sun		Cancellation of Shares	Post-Merger shareholding	
	Total No. of Shares	As a %	Total No. of Shares	As a %	Total No. of Shares	As a %	Total No. of Shares	Total No. of Shares	As a %
(A) Shareholding of Promoter and Promoter Group									
(1) Indian	-	-	1,318,346,400	63.65	-	-	-	1,318,346,400	54.83
(2) Foreign	268,711,323	63.41	-	-	214,969,058.4	63.41	-	-	-
Total shareholding of Promoter and Promoter Group (A)	268,711,323	63.41	1,318,346,400	63.65	214,969,058.4	63.41	-	1,318,346,400	54.83
(B) Public Shareholding									
(1) Institutions									
Mutual Funds / UTI	1,999,560	0.47	24,943,604	1.2	1,599,648.0	0.47	-	26,543,252.0	1.10
Financial Institutions / Banks	1,590,739	0.38	36,598,631	1.77	1,272,591.2	0.38	-	37,871,222.2	1.57
Central Govt./State Govt.	-	-	1,296,420	0.06	-	-	-	1,296,420.0	0.05
Insurance Companies	31,578,971	7.45	51,985,309	2.51	25,263,176.8	7.45	-	77,248,485.8	3.21
Foreign Institutional Investors	49,962,611	11.79	466,237,186	22.51	39,970,088.8	11.79	-	506,207,274.8	21.05
Qualified Financial Investor	-	-	31,600	-	-	-	-	31,600.0	0.00
Foreign Bank	-	-	-	-	-	-	-	-	-
Sub Total	85,131,881	20.09	581,092,750	28.06	68,105,504.8	20.09	-	649,198,255	27.00
(2) Non-Institutions									
Bodies Corporate	6,930,131	1.64	52,421,989	2.53	5,544,104.8	1.64	-	57,966,094	2.41
Individuals									
Individual shareholders holding nominal share capital up to Rs. 1 lakh	49,539,930	11.69	76,153,544	3.68	39,631,944.0	11.69	5,574,034	110,211,454.40	4.58
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	3,721,951	0.88	32,602,698	1.57	2,977,560.8	0.88	-	35,580,258.80	1.48
Foreign Corporate Bodies	1,229,808	0.29	617,160	0.03	983,846.4	0.29	-	216,570,064.80	9.01
Non Resident Indians	2,219,958	0.52	1,982,954	0.10	1,775,966.4	0.52	-	3,758,920.40	0.16
Clearing Members	-	-	2,172,188	0.10	-	-	-	2,172,188.00	0.09
Trusts	-	-	1,861,577	0.09	-	-	-	1,861,577.00	0.08
Directors & their Relatives & Friends	-	-	3,866,650	0.19	-	-	-	3,866,650.00	0.16
Overseas Corporate Bodies	-	-	46,000	-	-	-	-	46,000.00	0.00
ESOP Shares*	-	-	-	-	0	-	-	21,397.60	0.00
Sub Total	63,641,778	15.02	171,724,760	8.29	50,913,422	15.02	5,574,034	432,054,605	17.97
Total Public shareholding (B)	148,773,659	35.11	752,817,510	36.35	119,018,927	35.11	5,574,034	1,081,252,860	44.97
Total (A)+(B)	417,484,982	98.51	2,071,163,910	100	333,987,986	98.51	5,574,034	2,399,599,260	99.79
(C) Shares held by Custodians and against which Depository Receipts have been issued									
(1) Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
(2) Public	6,294,081	1.49	-	-	5,035,264.8	1.49	-	5,035,264.80	0.21
Sub Total	6,294,081	1.49	-	-	5,035,264.8	1.49	-	5,035,264.80	0.21
Total (A)+(B)+(C)	423,779,063	100	2,071,163,910	100	339,023,250	100	5,574,034	2,404,634,524	100.0001

- Current ownership of Transferee Company\its subsidiaries\its LLP's in the Transferor Company has been considered as cancelled under the head of 'Individuals owning nominal share capital upto one lakh.'

* - Shares issued by Ranbaxy post 31.03.2014 to its employees as ESOP have been considered and the ESOP shareholders will also get shares of transferee company.

Note: No treatment has been given for fraction shares arising upon merger.

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ANNEXURE-VI (A)

The financial details of Ranbaxy Laboratories Limited for the previous 3 years as per the audited statement of Accounts (on standalone basis):

Name of the Company: **RANBAXY LABORATORIES LIMITED**

(Rs. in Crores)

	As per last Limited Review Results (Unaudited)#	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
	2013	2012	2011	2010
Equity Paid up Capital	211.55	211.46	211.00	210.52
Reserves and surplus*	(18.63)	1,709.51	1,713.16	4,915.28
Carry forward losses	(4,308.12)	(2,531.27)	(2,368.93)	-
Net Worth	193.18	1,922.08	1,924.83	5,132.39
Miscellaneous Expenditure	-	-	-	-
Secured Loans	755.52	944.18	229.59	195.39
Unsecured Loans	5,143.77	3,865.64	4,103.94	4,065.33
Fixed Assets	2,197.08	2,153.12	2,076.12	2,042.30
Income from Operations	5,612.92	6,303.54	7,799.06	5,672.10
Total Income	5,907.04	6,560.71	8,021.71	6,469.31
Total Expenditure	7,683.89	6,724.99	11,070.38	4,904.07
Profit before Tax	(1,776.85)	(164.28)	(3,048.67)	1,565.24
Profit after Tax	(1,776.85)	(162.34)	(3,052.05)	1,148.73
Cash profit				
EPS	(42.01)	(3.85)	(72.42)	27.30
Book value	4.6	45.4	45.6	121.9

* Reserves and surplus are net of carry forward losses.

The previous financial year of the Company was for a period of 15 months i.e. January 1, 2013 to March 31, 2014. Accordingly information based on Unaudited financials as reviewed by the Statutory Auditors has been provided.



Sun Pharmaceutical Industries Ltd.
Acme Plaza, Andheri - Kurla Road,
Andheri (East), Mumbai - 400 059, INDIA.
Tel. : (91-22) 2823 0102, 2821 2128, 6696 9696, 6696 9600
Fax : (91-22) 2821 2010



CIN NO - L24230GJ1993PLC019050
Website: www.sunpharma.com

EXHIBIT 7

ANNEXURE I

The financial details of the Transferee Company (Sun Pharmaceutical Industries Limited) for the previous 3 years as per the audited statement of Accounts:

Name of the Company: Sun Pharmaceutical Industries Limited

(Rs. in Crores)

Particulars	As Nine Months Published Results 31 st December, 2013	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year (Re-grouped as per Revised Schedule VI)
	2013-14	2012-13	2011-12	2010-11
Equity Paid up Capital	207.12	103.56	103.56	103.56
Reserves and surplus	7719.64	7685.32	7774.56	6576.97
Carry forward losses	0.00	0.00	0.00	0.00
Net Worth	7926.76	7788.88	7878.12	6680.53
Miscellaneous Expenditure	0.00	0.00	0.00	0.00
Secured Loans	20.91	43.13	40.30	50.53
Unsecured Loans	0.00	0.00	0.00	0.00
Fixed Assets	1614.48	1483.83	1226.17	990.04
Income from Operations	1986.13	2432.14	4015.56	3107.57
Total Income	2110.10	2668.31	4358.41	3301.70
Total Expenditure	1911.87	2005.28	2332.66	1847.72
Profit before Tax	198.43	663.03	1725.83	1453.98
Profit after Tax	137.88	516.55	1697.49	1383.80
Cash profit*	211.50	602.37	1773.21	1448.03
EPS**	0.7	2.50	16.40	13.40
Book value	7926.76	7788.88	7878.12	6680.53

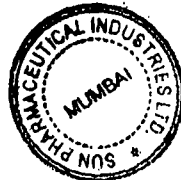
*Cash Profit= PAT + Depreciation

** Not Annualised for half year.

*** All figures are in Rs. Crores except EPS.

For Sun Pharmaceutical Industries Limited

Compliance Officer



Registered Office : SPARC, Tandalja, Vadodara - 390 020 Gujarat, INDIA.

69

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PHONE : +91-124-4135000 FAX : +91-124-4135001**COMPLIANCE REPORT ON "CORPORATE GOVERNANCE"**

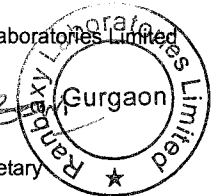
Name of the Company

RANBAXY LABORATORIES LIMITED

	Particulars	Clause of Listing Agreement	Compliance Status Yes/No	Remarks
I.	Board of Directors	49 (I)		
A.	Composition of Board	49 (IA)	Yes	-
B.	Non-executive Directors' Compensation & disclosures	49 (IB)	Yes	-
C.	Other provisions as to Board and Committees	49 (IC)	Yes	-
D.	Code of Conduct	49 (ID)	Yes	-
II.	Audit Committee	49 (II)		
A.	Qualified & Independent Audit Committee	49 (IIA)	Yes	-
B.	Meeting of Audit Committee	49 (IIB)	Yes	-
C.	Powers of Audit Committee	49 (IIC)	Yes	-
D.	Role of Audit Committee	49 (IID)	Yes	-
E.	Review of information by Audit Committee	49 (IIE)	Yes	-
III.	Subsidiary Companies	49 (III)	Yes	-
IV.	Disclosures	49 (IV)		
A.	Basis of related party transactions	49 (IV A)	Yes	-
B.	Disclosure of Accounting Treatment	49 (IV B)	Yes	No deviation from Accounting Standards.
C.	Board Disclosures	49 (IV C)	Yes	-
D.	Proceeds from public issues, rights issues, preferential issue etc.	49 (IV D)	-	Not Applicable
E.	Remuneration of Directors	49 (IV E)	Yes	-
F.	Management	49 (IV F)	Yes	-
G.	Shareholders	49 (IV G)	Yes	-
V.	CEO/CFO Certification	49 (V)	Yes	-
VI.	Report on Corporate Governance	49 (VI)	Yes	-
VII.	Compliance	49 (VII)	Yes	-

Place: Gurgaon
Date: May 13, 2014

For Ranbaxy Laboratories Limited

(S.K. Patawari)
Company Secretary

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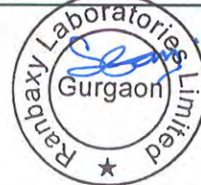
ANNEXURE-IX

Compliance report with the requirements specified in Part-A of the circular CIR/CFD/DIL/5/2013 dated February 4, 2013 read with circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013

Sub: Application under Clause 24(f) of the listing agreement for the proposed Scheme of Arrangement between Ranbaxy Laboratories Limited - Transferor Company and Sun Pharmaceutical Industries Limited - Transferee Company

In connection with the above application, we hereby confirm that we satisfy all the conditions as stipulated in the aforesaid SEBI circular, as given hereunder:

Sr. No.	Requirements as per CIR/CFD/DIL/5/2013 dated February 4, 2013 read with circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013	Whether Complied or not & How
1.	Listed companies shall choose one of the stock exchanges having nation-wide trading terminals as the designated stock exchange for the purpose of coordinating with SEBI.	Complied, Bombay Stock Exchange Limited will be the designated Stock Exchange for the purpose of coordinating with SEBI.
Compliance as per Part A, Annexure I to the Circular		
2.	Documents to be submitted:	
2.a	Draft Scheme of arrangement/ amalgamation/ merger/ reconstruction/ reduction of capital, etc.	Complied, Scheme of Arrangement ("Scheme") as per Annexure - II
2.b	Valuation Report from Independent Chartered Accountant	Complied, Valuation Report provided by Walker Chandiook & Co LLP, Independent Chartered Accountants, as per Annexure - III
2.c	Report from the Audit Committee recommending the Draft Scheme	Complied, Report of Audit Committee as per Annexure - IV
2.d	Fairness opinion by merchant banker	Complied, Fairness opinion Report by ICICI Securities Limited as per Annexure - V
2.e	Pre and post amalgamation shareholding pattern of unlisted company	Not Applicable, Since both the Companies are Listed Companies.



2.f	Audited financials of last 3 years (financials not being more than 6 months old) of unlisted company;	Not Applicable, Since both the Companies are Listed Companies.
2.g	Compliance with Clause 49 of Listing Agreement	Complied, Certificate from the Company Secretary is provided as per Annexure – VIII
2.h	Complaints Report	To be filed subsequently.
3.	The equity shares sought to be listed are proposed to be allotted by the unlisted Issuer (transferee entity) to the holders of securities of a listed entity (transferor entity) pursuant to a scheme of reconstruction or amalgamation (Scheme) sanctioned by a High Court under Section 391-394 of the Companies Act, 1956	Not Applicable, Since the Transferee Company is already a Listed Company.
4.	At least 25% of the post scheme paid up share capital of the transferee entity shall comprise of shares allotted to the public holders in the transferor entity.	Not Applicable, since relaxation under the rule 19 (2) (b) of Securities Contracts (Regulation) Rules, 1957 is not being sought.
5.	The transferee entity will not issue/reissue any shares, not covered under the Draft scheme.	Not Applicable, since relaxation under the rule 19 (2) (b) of Securities Contracts (Regulation) Rules, 1957 is not being sought. We understand that the transferee entity will not issue/reissue any shares, not covered under the Draft scheme.
6.	As on date of application there are no outstanding warrants/ instruments/ agreements which give right to any person to take the equity shares in the transferee entity at any future date. If there are such instruments stipulated in the Draft scheme, the percentage referred to in point (4) above, shall be computed after giving effect to the consequent increase of capital on account of compulsory conversions outstanding as well as on the assumption that the options outstanding, if any, to subscribe for additional capital will be exercised.	Not Applicable, since relaxation under the rule 19 (2) (b) of Securities Contracts (Regulation) Rules, 1957 is not being sought. Certain employee stock option have been granted under the existing ESOP schemes of the transferor Company.



7.	The shares of the transferee entity issued in lieu of the locked-in shares of the transferor entity are subjected to the lock-in for the remaining period.	Not Applicable
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For Ranbaxy Laboratories Limited

Place: Gurgaon
Date: May 13, 2014


(S. K. Patawari)
Company Secretary



B S R & Co. LLP

Chartered Accountants

Building No.10, 8th Floor, Tower-B
DLF Cyber City, Phase - II
Gurgaon - 122 002, India

Telephone: + 91 124 2549 191
Fax: + 91 124 2549 101

To,
The Board of Directors,
Ranbaxy Laboratories Limited,
Plot No. 90, Sector 32,
Gurgaon – 122001,
Haryana

AUDITORS' CERTIFICATE

1. We, B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W), the Statutory Auditors of Ranbaxy Laboratories Limited (hereinafter referred to as "the Company") having its Registered Office at A-41, Industrial Area Phase-VIII-A, Sahibzada Ajit Singh Nagar [Mohali] - 160 071, Punjab [India], have examined the attached "Undertaking in relation to non-applicability of requirements prescribed in Para 5.16 (a) of the Securities Exchange Board of India ("SEBI") Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 ("Original SEBI Circular") read with SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013 ("Revised SEBI Circular") in respect of the Draft Scheme of Arrangement" ("the Undertaking"), duly stamped and initialed for identification purpose, which has been prepared by the Company. We have relied on the above undertaking and performed no audit procedures in this regard.
2. The Management of the Company is responsible for the preparation of the Undertaking and maintenance of proper books of accounts and such other relevant records as prescribed by applicable laws, which includes collecting, collating and validating data and designing, implementing and monitoring of internal controls relevant for the preparation of the Undertaking that is free from material misstatement and for ensuring compliance with the applicable SEBI Circulars as stated above.
3. Our responsibility, for the purpose of this certificate, is limited to certifying the particulars contained in the Undertaking on the basis of specific representations received from the management of the Company and did not include the evaluation of the adherence by the Company with all the applicable guidelines. This certificate is issued in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes and Standards on Auditing issued by the Institute of Chartered Accountants of India. Our scope of work did not involve us performing any audit tests in the context of our examination. We have not performed an audit, the objective of which would be the expression of opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such opinion. Further, our examination did not extend to any aspects of a legal or propriety nature in the aforesaid arrangement/ scheme other than the matters referred to in the said certificate.
4. We have examined the reasons for non-applicability of the requirement relating to voting by shareholders through postal ballots and e-voting given in the attached undertaking by the Company. On the basis of the information, explanations and specific representations only, received by us from the management, we certify as below:



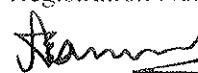
(a) the draft scheme does not envisage, allotment of any additional shares (i.e., more than the shares proposed to be allotted under swap ratio applicable to public shareholders of Company under the scheme) by Sun Pharmaceutical Industries Limited, in lieu of amalgamation of the Company with Sun Pharmaceutical Industries Limited, to Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the Company, as identified in the statement of shareholding dated 4 April 2014 filed with stock exchanges by the Company under clause 35 of the Listing Agreement – which has neither been audited nor reviewed by us.

(b) the draft Scheme does not involve any entity (other than the Company), in which Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the Company hold any shares. For the purpose of this certificate, the word 'involve' has been construed as holding of shares by the Company and the parties stated above in the transferee Company. Further, for the purpose of this certificate, this clause is considered as restricted only to holding of shares by the Company and its Promoter/ Promoter group in the transferee Company and does not extend to the holding of shares by the transferee Company and its promoter/ promoter Group (including their subsidiaries/ associates and related parties) in the Company,

(c) there is no parent-subsiary relationship between Sun Pharmaceutical Industries Limited and the Company.

5. This Certificate is issued at the request of the Management of the Company for submission to the Board of Directors of the Company and subsequent submission to the BSE Ltd. and National Stock Exchange of India Limited and the Securities and Exchange Board of India as required in terms of paragraph 5.16 of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 (as modified by SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013) and should not be used for any other purpose without our prior written consent.

For B S R & Co. LLP
Chartered Accountants
Registration No. : 101248W



Akhil Bansal
Partner
Membership Number: 090906

Place: Gurgaon
Date: 9 May 2014

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UNDERTAKING IN RELATION TO NON-APPLICABILITY OF REQUIREMENTS PRESCRIBED IN PARA 5.16 (A) OF SEBI CIRCULAR NO. CIR/CFD/DIL/5/2013 DATED FEBRUARY 4, 2013 ("ORIGINAL SEBI CIRCULAR") READ WITH SEBI CIRCULAR NO. CIR/CFD/DIL/8/2013 DATED MAY 21, 2013 ("REVISED SEBI CIRCULAR") IN RESPECT OF THE SCHEME OF ARRANGEMENT

In connection with the Scheme of Arrangement between Ranbaxy Laboratories Limited ("Ranbaxy/the Company") and Sun Pharmaceutical Industries Limited ("SPIL"), under Sections 391 to 394, Sections 78 and 100 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013 ("the Scheme"), we undertake that the requirements of Para 5.16(a) of the Original SEBI Circular as modified by the Revised SEBI Circular pertaining to voting by public shareholders through postal ballot and e-voting is not applicable on Ranbaxy for the following reasons:

1. *Where additional shares have been allotted to Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the listed company,*

Reason for non-applicability:

This clause is not applicable since as per the attached scheme as SPIL would not allot additional shares (i.e., more than the shares proposed to be allotted under swap ratio applicable to public shareholders of Ranbaxy under the scheme) to Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of Ranbaxy in lieu of amalgamation of Ranbaxy with SPIL.

2. *Where the Scheme of Arrangement involves the listed company and any other entity involving Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group.*

Reason for non-applicability:

This clause is not applicable since as represented by the Promoters of the Company, i.e. Daiichi Sankyo Co., Ltd. ("Daiichi Sankyo" or the "promoters"), neither Daiichi Sankyo nor any of its related parties, associates and subsidiaries has any shareholding in SPIL, directly or indirectly.

JS

For Identification Only



3. Where the parent listed company, has acquired the equity shares of the subsidiary, by paying consideration in cash or in kind in the past to any of the shareholders of the subsidiary who may be Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the parent listed company, and if that subsidiary is being merged with the parent listed company under the Scheme.

Reason for non-applicability:

This clause is not applicable as the Scheme involves merger of Ranbaxy with SPIL and there is no parent-subsiidiary relationship between SPIL and Ranbaxy.

In light of the above reasons, Ranbaxy is not required to seek approval of the public shareholders through postal ballot and e-voting in relation to the Scheme.

Yours faithfully,
For Ranbaxy Laboratories Limited

Indrajit Banerjee
President and Chief Financial Officer

Place: Gurgaon
Date: 9 May 2014

For Identification Only



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CORPORATE OFFICE: PLOT NO. 90, SECTOR-32, GURGAON-122001 (HARYANA), INDIA
PHONE : +91-124-4135000 FAX : +91-124-4135001**COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS
AT THEIR MEETING HELD ON MAY 9, 2014**

"RESOLVED THAT approval of the Board be and is hereby accorded to the Undertaking by the Company and the draft certificate thereon by M/s. B S R & Co. LLP, Chartered Accountants, Auditors of the Company, stating the reasons for non-applicability of requirements of e-voting and postal ballot for obtaining approval of the Scheme of Arrangement of the Company with Sun Pharmaceutical Industries Limited under Sections 391 - 394 and Sections 78 and 100 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013 ("Scheme") by the Shareholders as prescribed in paragraph 5.16 (a) of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013."

"RESOLVED FURTHER that Mr. Arun Sawhney, CEO & Managing Director and Mr. Indrajit Banerjee, President & CFO of the Company be and are hereby severally authorised to sign the aforesaid Undertaking and to do all such acts, deeds and things as they may consider necessary or expedient in the matter."

"RESOLVED FURTHER THAT BSE Limited be and is hereby appointed as Designated Stock Exchange for coordinating with SEBI for the purpose of the Scheme."

Certified True Copy
For Ranbaxy Laboratories Limited


Company Secretary

RANBAXY

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PHONE : +91-124-4135000 FAX : +91-124-4135001

ANNEXURE-XV

To,

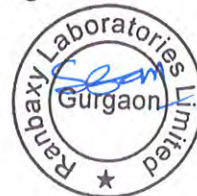
The General Manager,
Department of Corporate Services,
BSE Limited,
P.J. Towers, Dalal Street,
Mumbai – 400001.

Dear Sir,

Sub: Application under Clause 24(f) of the listing agreement for the Scheme of Arrangement between Ranbaxy Laboratories Limited - Transferor Company and Sun Pharmaceutical Industries Limited - Transferee Company.

In connection with the above application, we hereby confirm that:

- a) The Scheme of Arrangement ("Scheme") between Ranbaxy Laboratories Limited ("RLL") and Sun Pharmaceutical Industries Limited ("SPIL"), does not in any way violate or override or circumscribe the provisions of the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, the Companies Act, 1956, the rules, regulations and guidelines made under these Acts, and the provisions as explained in clause 24(g) of the Listing agreement or the requirements of BSE Limited.
- b) In the explanatory statement to be forwarded by the Company to the shareholders u/s 393 or accompanying a proposed resolution to be passed u/s 100 of the Companies Act 1956, it shall disclose:
 - i) the pre and post-arrangement (expected) capital structure and shareholding pattern and
 - ii) ~~the "fairness opinion" obtained from an Independent merchant banker on valuation of assets / shares done by the valuer for the company and unlisted Company. **Not Applicable**~~
 - iii) The complaint report as per specified format provided in due course.
 - iv) The observation letter issued by the stock exchange




:: 2 ::

- c) The Scheme together with all documents mentioned in Clause 5.16 (c) SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013, has been disseminated on Company's website as per <http://www.ranbaxy.com/merger-of-the-company-with-sun-pharma/> given hereunder.
- d) The Company shall disclose the observation letter of the stock exchange on its website within 24 hours of receiving the same.
- e) ~~The Company shall obtain shareholders' approval by way of special resolution passed through postal ballot/ e-voting. Further, the company shall proceed with the draft scheme only if the vote cast by the public shareholders in favor of the proposal is more than the number of votes cast by public shareholders against it – Not Applicable.~~
- f) The documents filed by the Company with the Exchange are same/ similar/ identical in all respect, which have been filed by the Company with Registrar of Companies/SEBI/Reserve Bank of India, wherever applicable.
- g) ~~There will be no alteration in the Share Capital of the unlisted transferor company from the one given in the draft scheme of amalgamation/ arrangement – Not Applicable.~~

Place: Gurgaon
Date: May 13, 2014

For Ranbaxy Laboratories Limited


(S. K. Patawari)
Company Secretary

