

**SCHEME OF ARRANGEMENT**

**AMONG**

**SUN PHARMA GLOBAL FZE**  
(“Transferor Company”)

**AND**

**SUN PHARMACEUTICAL INDUSTRIES LIMITED**  
(“Transferee Company”)

**AND**

**THEIR RESPECTIVE MEMBERS AND CREDITORS**

**(UNDER SECTION 234 READ WITH SECTIONS 230 to 232 OF COMPANIES ACT, 2013  
AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013)**

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**1. PREAMBLE**

1.1. This Scheme of Arrangement provides for the demerger without any consideration of the Specified Undertaking (as defined hereinafter) of Sun Pharma Global FZE, a foreign Limited Liability Company incorporated and licensed under Sharjah Airport International Free Zone (“SAIF”) pursuant to Emiri Decree No. 2 of 1995 (hereinafter referred to as the “Transferor Company”) as a going concern into Sun Pharmaceutical Industries Limited, an Indian Company registered under the Companies Act, 1956 pursuant to certificate of incorporation dated March 01, 1993 issued by the Registrar of Companies, Gujarat (Company Registration No. 04-19050 having CIN L24230GJ1993PLC019050) (hereinafter referred to as the “Transferee Company”) pursuant to the provisions of Section 234 read with Sections 230 to 232 of Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 for the Transferee Company and provisions of SAIF Zone of United Arab Emirates as may be applicable to Transferor Company (hereinafter referred as “Scheme of Arrangement” or “Scheme”).

**1.2. Description of Companies:**

**(a) The Transferor Company:**

- i. is an unlisted company licensed under the SAIF- free trade zone of UAE and engaged in the business of developing, manufacturing, trading and exporting pharmaceutical formulations and also investment, financing and other related activities. The products of the Transferor Company are sold in USA and various other markets of the world,
- ii. has pharmaceutical business comprising of two undertakings, viz. (a) Specified Business and (b) Remaining Business (as defined hereinafter),
- iii. is a wholly owned indirect subsidiary of the Transferee Company.

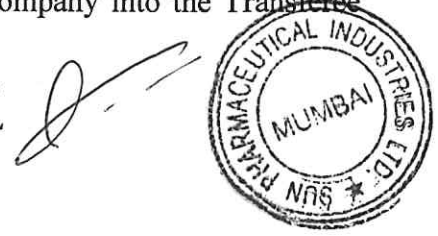
**(b) The Transferee Company:**

- i. is a company registered under the provisions of Companies Act, 1956 and presently having its registered office at SPARC, Tandalja, Vadodara – 390020, Gujarat, India and came into existence by conversion of a partnership firm in the name and style of “Sun Pharmaceutical Industries” into a company in the name and style of Sun Pharmaceutical Industries Limited on March 1, 1993 under the provisions of Part IX of the Companies Act, 1956 with its running business activities,
- ii. has the main objects to engage in the business of development, manufacture, marketing, sale, trading and export of various pharmaceutical products, investment and other allied activities.
- iii. has its equity shares listed on the stock exchanges in India.

**1.3. Rationale for the Scheme of Arrangement:**

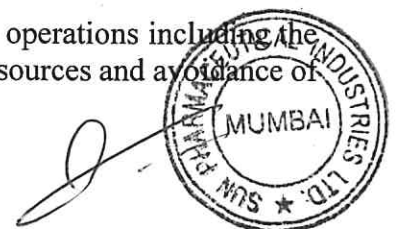
The demerger of the Specified Undertaking of the Transferor Company into the Transferee Company would inter alia have the following benefits:

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- (a) The Transferor Company's Specified Business shall be integrated and consolidated with business in relation to Generic Products carried out by the Transferee Company resulting in strengthening of the business, synergistic benefits, economies of scale, faster decision making, integration of supply chain, reduction in operating costs, strengthening the focus, enhancing the ability to deal with regulatory challenges, long-term growth, increasing profitability, higher market share, better customer service, increased ability to face the competitive regulatory environment, risks and policies and consolidating the financial, management and operational resources.
- (b) The Transferor Company is building and strengthening the product portfolio of its Remaining Business. However, to grow the Remaining Business and further explore the opportunities available, the Transferor Company needs to give focussed management time and operation attention to its Remaining Business since it has significantly different risk reward profile. The proposed arrangement shall enable the Transferor Company to hive off its Specified Business to the Transferee Company and manage the Remaining Business more effectively.
- (c) The proposed arrangement shall also enable the Transferor Company to address the competitive regulatory environment, risks and policies, better management of supply chain, better product profiling, greater differentiation, ability to strategize the Remaining Business for long term growth, consolidation and creation of shareholder value without committing the entire organisation.
- (d) The demerger of the Specified Business from the Transferor Company to the Transferee Company within the Group, apart from enabling the Transferor Company and the Transferee Company to respectively better focus, strategize and grow the respective businesses, will also help retain and increase the competitive strength of Group thereby directly and indirectly strengthening the reputation, goodwill, customer service, customer recall, distribution network, overall economies of scale for the respective businesses of the Transferor Company and the Transferee Company..
- (e) The proposed demerger to the Transferee Company, being the parent entity of the Group, shall help retain, enhance and grow the goodwill and the reputation of Group thereby directly and indirectly supporting the growth of the Specified Business and the Remaining Business and further diluting any adverse competitive pressures.
- (f) The proposed arrangement shall most likely allow a focused strategy in operations of both the Undertakings with faster decision making, economy of scale which would be in the best interests of the both the Companies and their respective shareholders and other stakeholders.
- (g) The said arrangement will result in cost saving for both the Companies as they are engaged in related activities which is expected to result in higher profitability levels through faster and effective decision making and avoiding duplication of efforts for both the Companies. It is believed that the faster decision making of the Companies would be in the best interests of the shareholders, employees and other stakeholders of both the Companies.
- (h) The Transferee Company would be in a position to consolidate operations including the integration of supply chain through optimum utilization of its resources and avoidance of

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duplication. The Transferee Company would be in a position to achieve cost efficiencies in manpower and other costs in relation to the Specified Business. Simultaneously, the Transferor Company would also be in a position to achieve cost efficiencies in manpower and other costs in relation to the Remaining Business.

- (i) The demerger may also provide scope for independent collaboration and expansion of the Remaining Undertaking / business of the Transferor Company without committing the existing organization in its entirety.
- (j) The Boards of Transferor Company as well as Transferee Company believe that this demerger will contribute to smooth integration of relevant undertakings of both the Companies and would benefit the shareholders, employees and other stakeholders of the Transferor Company and the Transferee Company.

With the aforesaid rationale and objectives, it is proposed to demerge the Specified Undertaking of the Transferor Company to the Transferee Company.

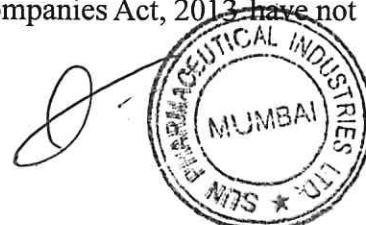
- 1.4. In view of the aforesaid, the board of directors of the Transferor Company and the Transferee Company have considered and proposed the arrangement for the transfer and vesting of the Specified Undertaking of the Transferor Company into the Transferee Company, with an opinion that the arrangement and other provisions of the Scheme of Arrangement would benefit the shareholders, employees and other stakeholders of the Transferor Company and the Transferee Company.
- 1.5. The demerger of the Specified Undertaking of the Transferor Company into the Transferee Company will combine the business, activities and operations of the Specified Undertaking of the Transferor Company into the Transferee Company with effect from the Appointed Date and shall be in compliance with the provisions of the Income Tax Act, 1961, including Section 2(19AA) thereof or any amendments thereto.
- 1.6. The provisions of this Scheme of Arrangement have been drawn up to comply with the conditions relating to "Demerger" as defined in Section 2(19AA) of the Income Tax Act, 1961. If at a later date, any of the terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of Section 2(19AA) of the Income Tax Act, 1961, including as a result of an amendment of law or enactment of new provisions whatsoever, the provisions of Section 2(19AA) of the Income Tax Act, 1961, or a corresponding provision of any amended or newly enacted law, shall prevail and the Scheme shall stand modified to that extent as determined necessary to comply with the Section 2(19AA) of the Income Tax, 1961. Such modifications shall however not affect the other provisions of the Scheme. The demerger of the Specified Undertaking shall be on a going concern basis.

**1.7. Definitions:**

In this Scheme of Arrangement, unless inconsistent with the subject or context, the following expressions shall have the meaning given hereunder: -

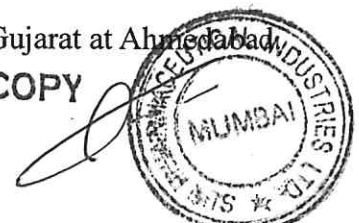
- (a) "Act" means the Companies Act, 2013 and shall include the provisions of the Companies Act, 1956, to the extent the corresponding provisions in the Companies Act, 2013 have not been notified;

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- (b) "**Appointed Date**" means the 1<sup>st</sup> day of April 2017 or such other date as may be agreed between the Transferor Company and the Transferee Company and approved by National Company Law Tribunal of Gujarat at Ahmedabad and any regulatory authority or other Governmental Authority, if applicable, at UAE and is the date with effect from which the Scheme of Arrangement shall upon receipt of requisite approvals, be deemed to be operative;
- (c) "**Applicable Laws**" means any statute, notification, bye-laws, rules, regulations, guidelines, Common law, policy code, directives, ordinance, schemes, notices, orders or instructions, laws enacted or issued or sanctioned by any appropriate authority in India and UAE including any modifications or re-enactment thereof for the time being in force.
- (d) "**Branded Products**" means a drug / pharmaceutical formulation that has a trade name and is protected by a patent and includes branded generics, as either novel dosage forms of drugs that have lost patent protection and were not developed by the company marketing the branded generic or as a generic drug that is given a trade name.
- (e) "**Demerged Company**" or "**Transferor Company**" means Sun Pharma Global FZE incorporated under the laws of UAE and having its Registered Office at Office # 43, Block Y, SAIF Zone, P. O. Box # 122304, Sharjah, UAE.
- (f) "**Effective Date**" means the last of the dates on which the sanctions / approvals or orders as specified in Clause No. 17 of this Scheme of Arrangement has been obtained and / or filed by the Transferor Company and the Transferee Company with the Registrar of Companies and other Governmental Authorities as may be required.
- (g) "**Generic Products**" means a medication / pharmaceutical formulation created to be the same as an existing approved brand-name drug in dosage form, safety, strength, route of administration, quality, and performance characteristics.
- (h) "**Governmental Authority**" means any applicable Central, State or local Government, statutory, regulatory, departmental or public body or authority of relevant jurisdiction, legislative body or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof including Securities and Exchange Board of India, Stock Exchanges, Registrar of Companies, Regional Directors, Foreign Investment Promotion Board, Reserve Bank of India, or arbitration or arbitral body having jurisdiction, courts and other government and regulatory authorities of United Arab Emirates and India as may be applicable.
- (i) "**Intellectual Property Rights**" means and includes patents, trademarks, service marks, registered designs, data base rights, trade or business names, know-how, dossiers, drug licenses, marketing authorizations (including the Abbreviated New Drug Application ("ANDA") filed with the United States Food and Drug Authority relating to the Products), copyright (including but not limited to rights in software), design rights, domain name rights and any other intellectual property rights and rights of a similar or corresponding nature in any part of the world (in each case whether registered or not and whether capable of registration or not) in relation to the products possessed/used by the Transferor Company in relation to the Specified Business.
- (j) "**NCLT**" means Hon'ble National Company Law Tribunal of Gujarat at Ahmedabad

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- (k) **“Remaining Undertaking” or “Remaining Business”** means all the businesses and activities of the Transferor Company other than the Specified Undertaking or the Specified Business, as the case may be .
- (l) **“Scheme of Arrangement” or “Scheme”** means this Scheme of Arrangement in its present form including any modifications or amendments thereto, approved or imposed or directed by the Hon’ble NCLT or any other Governmental Authority and with all the Schedules appended thereto.
- (m) **“Specified Business”** means all business activities of the Transferor Company relating to developing, researching, manufacturing, acquiring intangibles, licensing, in-licensing, sub-licensing, managing and maintaining intangibles, processing, buying, selling, importing, exporting, trading, marketing, storing, distribution in relation to Generic Products (excluding the Branded Products) for various therapeutics and items related thereto such as packing materials, packaging materials, raw materials, finished goods, inventory, stores, spares, etc.
- (n) **“Specified Undertaking”** shall mean and include, with respect to Specified Business of the Transferor Company:
- i. All the assets, movable, immovable, tangible, intangible etc. (“Assets”);
  - ii. All present and future liabilities (including contingent liabilities), secured and unsecured debts, duties and obligations of every kind and nature whatsoever and howsoever accruing or arising out of and all loans or borrowings raised and incurred and utilized, along with any charge, encumbrance, lien or security thereon (“Liabilities”);
  - iii. Without prejudice to the generality of sub-clause (i) and (ii) mentioned above, shall include all business and/or operations relating to Specified Business comprising of assets including related, loans and advances, receivables, claims, powers, authorities, allotments, approvals, consents, contracts, enactments, arrangements, rights, titles, interests, benefits, advantages, lease-hold rights and tenancies, and other intangible rights, hire purchase contracts and assets, lending contracts, employment contracts, distribution contracts, clearing and forwarding agency contracts, benefit of any security arrangements, reversions, permits, quotas, entitlements, registrations, licences (industrial or otherwise), registrations under all applicable laws and regulations, municipal/ local permissions, systems of any kind whatsoever, rights and benefits of all agreements, other interests as may belong to or be available, rights and powers of every kind, nature and description of whatsoever probabilities, liberties, advantages, and approval of whatsoever nature and wherever situated, belonging to or in ownership, including but without being limited to trade and services marks, patents, copyrights, brand names, drug licenses, Intellectual Property Rights, technical know-how, goodwill, benefits and advantages of carrying on the business of the Transferor Company, software licenses, permissions and connections, drawings, formulae, artwork secret processes, noting, website/web page and any other Intellectual Property Rights of any nature whatsoever, authorizations, permits, all records, files, papers, computer programs, manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and suppliers, customer credit

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information, customer and supplier pricing information and other records 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 Specified Business of the Transferor Company.

- iv. For the purpose of this Scheme, the Liabilities pertaining to the Specified Business means and includes:
- a. all liabilities (including contingent liabilities) arising out of the activities or operation of the Specified Business including in relation or connection with taxes or under or in relation to its contracts, other obligations, duties and sums owing;
  - b. specific loans and borrowings raised, if any, incurred and utilized solely for the activities or operations of the Specified Business;
  - c. liabilities other than those referred to in sub-clauses (a) and (b) above being the amounts of general or multipurpose borrowings, if any, of Transferor Company be allocated to the Specified Business in the same proportion in which the value of the assets transferred under this clause bears to the total value of the assets of Transferor Company immediately before the Appointed Date of the Scheme
- v. whether any particular asset or liability should be included as asset or liability of the Specified Business or otherwise shall be decided mutually by any Director of Transferor Company and any Whole-time Director of Transferee Company.

All terms and words not defined in this Scheme of Arrangement shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Companies Act, 2013, and other applicable laws, rules, regulations, bye-laws as the case may be or any statutory modifications or re-enactment thereof from time to time.

## 2. SHARE CAPITAL

- (a) The Share Capital of the Transferor Company as per the audited Statement of Financial Position as on March 31, 2017 is as under:

**Authorised Share Capital:**

		(Amount)
101 Equity Shares of AED 150,000 each	AED 15,150,000	USD 4,124,694
<b>Total</b>	<b>AED 15,150,000</b>	<b>USD 4,124,694</b>

**Issued, Subscribed and Paid up Share Capital:**

		(Amount)
101 Equity Shares of AED 150,000 each	AED 15,150,000	USD 4,124,694
<b>Total</b>	<b>AED 15,150,000</b>	<b>USD 4,124,694</b>

The Transferee Company along with its wholly owned subsidiary company presently hold 100% of the issued, subscribed and paid up capital of Sun Pharma Holdings, Mauritius, the 100% holding company of the Transferor Company and hence the Transferor Company is a wholly owned indirect subsidiary of the Transferee Company.

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There is no change in the Share Capital of the Transferor Company as on the approval of this Scheme of Arrangement by the Board of Directors of Transferor Company.

- (b) The Share Capital of the Transferee Company as per the Audited Balance Sheet as on March 31, 2017 is as under:

<b>Particulars</b>	<b>Amount (INR)</b>
<b><i>Authorised share capital</i></b>	
599,00,00,000 equity shares of face value of INR 1/- each	599,00,00,000
1,00,000 cumulative preference shares of INR 100/- each	1,00,00,000
<b>Total</b>	<b>600,00,00,000</b>
<b><i>Issued, subscribed and paid-up share capital</i></b>	
239,92,91,181 fully-paid up equity shares of face value of INR 1/- each	239,92,91,181
<b>Total</b>	<b>239,92,91,181</b>

**Notes:**

- i. The issued, subscribed and paid-up share capital includes equity shares held by Sun Pharma Employees Stock Option Plan Trust.
- ii. Subsequent to March 31, 2017, Allotment Committee of Directors of the Company at its meetings held on May 26, 2017, August 11, 2017 and September 26, 2017 allotted 16905 (Sixteen thousand Nine Hundred and Five) equity shares of INR 1/- (Rupee One Only) each of the Transferee Company, on exercise of stock options under the Sun Employee Stock Option Scheme – 2015 and Sun Employee Stock Option Plan–2015. Accordingly, share capital of the Transferee Company as on approval of this Scheme of Arrangement by the Board of Directors of Transferee Company, was as set out below:

<b>Particulars</b>	<b>Amount (INR)</b>
<b><i>Authorised share capital</i></b>	
599,00,00,000 equity shares of face value of INR 1/- each	599,00,00,000
1,00,000 Cumulative Preference Shares of INR 100/- each	1,00,00,000
<b>Total</b>	<b>600,00,00,000</b>
<b><i>Issued, subscribed and paid-up share capital</i></b>	
239,93,08,086 fully-paid up equity shares of face value of INR 1/- each	239,93,08,086
<b>Total</b>	<b>239,93,08,086</b>

The Transferee Company along with its wholly owned subsidiary presently holds 100% of the Issued, Subscribed and Paid Up capital of Sun Pharma Holdings, Mauritius, the 100% holding company of the Transferor Company and hence the Transferor Company is a wholly owned indirect subsidiary of the Transferee Company. Consequently, upon the Scheme of Arrangement becoming finally effective, the Transferee Company will not be required to issue Equity Shares in terms of this Scheme of Arrangement to the shareholder(s) of the Transferor Company.

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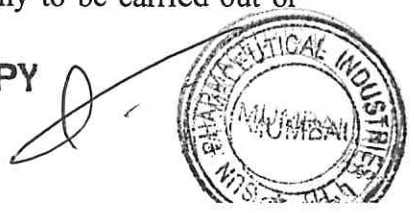


**3. DEMERGER AND VESTING/TRANSFER OF SPECIFIED UNDERTAKING**

**Upon coming into effect of this Scheme and with effect from the Appointed Date:**

- (a) Subject to the provisions of this Scheme of Arrangement and pursuant to the provisions of Act and Applicable Laws and in relation to the mode of transfer and vesting, the Specified Undertaking of the Transferor Company shall without any further act, instrument or deed, be and the same shall stand transferred to and / or vested in or be deemed to have been and stand transferred to or vested in the Transferee Company on a going concern basis.
- (b) Subject to the provisions of this Scheme of Arrangement, all the Assets of the said Specified Undertaking of the Transferor Company shall stand transferred or deemed to have been transferred without any further act, instrument or deed, pursuant to the provisions of the Act and Applicable Laws so as to become as and from the Appointed Date, the assets of the Transferee Company.
- (c) Subject to the provisions of this Scheme of Arrangement, all the Liabilities of the said Specified Undertaking of the Transferor Company shall stand transferred or deemed to have been transferred without any further act, instrument or deed of the Transferee Company, pursuant to the provisions of the Act and Applicable Laws so as to become as and from the Appointed Date, the debts, liabilities (including contingent 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 Clause.
- (d) All taxes paid, tax refund dues or receivable, carried forward losses, depreciation, capital losses, pending balances of amortizations etc., under the UAE laws including application for rectification, appeals filed with tax authorities of the Specified Undertaking of the Transferor Company shall also, pursuant to the Act and Applicable Laws without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company, so as to become as from the Appointed Date the direct taxes paid, direct taxes refund due or receivable, of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person, in order to give effect to the provision of this Sub-Clause.
- (e) All the employees of the Specified Undertaking shall, without any further act, instrument or deed of the Transferee Company, pursuant to the provisions of the Act and the Applicable Laws, become as and from the Appointed Date, the employees of the Transferee Company.
- (f) Without prejudice to the other provisions of this Scheme of Arrangement and notwithstanding the fact that vesting of the Specified Undertaking occurs by virtue of this Scheme of Arrangement itself, the Transferee Company may, at any time after the coming into effect of this Scheme of Arrangement 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 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 of Arrangement. The Transferee Company shall 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.

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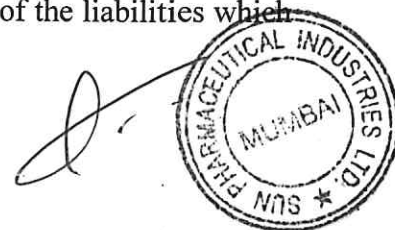
- (g) For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme of Arrangement, all consents, permissions, licences, approvals, certificates, clearances, authorities, leases, tenancy, assignments, allotments, powers of attorney given by, claims, powers, authorities, allotments, approvals, consents, contracts, enactments, arrangements, rights, titles, interests, benefits, advantages, lease-hold rights and tenancies and other intangible rights, hire purchase contracts and assets, lending contracts, employment contracts, distribution contracts, clearing and forwarding agency contracts, benefit of any security arrangements, reversions, permits, quotas, entitlements, registrations, licences (industrial or otherwise), registrations under the applicable laws, municipal/local permissions, etc. issued to or executed in favour of the Transferor Company shall stand transferred to the extent it relates to and pertains to the Specified Undertaking, to the Transferee Company in which the Specified Undertaking shall vest by way of the demerger hereunder, as if the same were originally given by, issued to or executed in favour of the Transferee Company, 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. The Transferee Company shall make applications to and obtain relevant approvals, etc. from the concerned authorities and / or parties as may be necessary in this behalf and the Transferor Company shall cooperate and provide the required support wherever required.
- (h) It is clarified that if any assets (estate, claims, rights, title, interest in or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Specified Undertaking, which the Transferor Company owns or to which the Transferor Company is a party and which cannot be transferred to the Transferee Company for any reason whatsoever, the Transferor Company shall hold such assets etc. in trust for the benefit of the Transferee Company to which the Specified Undertaking is being transferred in terms of this Scheme of Arrangement, in so far as it is permissible so to do, till such time as the transfer is effected and till such time the Transferee Company shall be entitled to utilise, operate, avail the same for the Specified Business without any consideration.
- (i) Where any of the debts, liabilities (including contingent liabilities), loans raised and used, liabilities and obligations incurred, duties and obligations of Specified Undertaking of the Transferor Company as on the Appointed Date deemed to be transferred to the Transferee Company have been discharged by Specified Undertaking of the 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.
- (j) All Intellectual Property Rights of the Transferor Company in relation to the Specified Business as on the Appointed Date including those developed / acquired by the Transferor Company in relation to the Specified Business for the period from the Appointed Date and up to the Effective Date, shall stand transferred to the Transferee Company and the Transferee Company shall be entitled to undertake all such actions as may be necessary to procure the assignment of the Intellectual Property Rights in its favor.

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- (k) All loans raised and used and all liabilities and obligations incurred by the Transferor Company for the operations of Specified Undertaking after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme of Arrangement, be deemed to have been raised, used or incurred for and on behalf of the Transferee Company in which the Specified Undertaking shall vest in terms of this Scheme of Arrangement 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.
- (l) Without prejudice to clause (a) above, it is expressly provided that in respect of such assets belonging to and specific to the Specified 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 the Act.
- (m) The Transferor Company may, if required, give notice in such form as it may deem fit and proper to each party, debtor or depositor as the case may be that pursuant to the Governmental Authority sanctioning the Scheme of Arrangement, the said debt, loan, advance, etc. be paid or made good or held on account of the Transferee Company as the person entitled thereto and that the right of the Transferor Company to recover or realise the same stands extinguished.
- (n) The Transferee Company may, if required, give notice in such form as it may deem fit and proper to each person, debtor or depositor that pursuant to the NCLT having sanctioned the Scheme of Arrangement, the said person, debtor or depositor should 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.
- (o) With effect from the Appointed Date, the existing securities / charges created over assets of the Specified Undertaking by the Transferor Company in favour of consortium of banks or banks and financial institutions, if any, shall extinguish and shall cease to have any effect over the said assets to be transferred to the Transferee Company..
- (p) Without prejudice to the provisions of the foregoing clauses and upon the effectiveness of this Scheme of Arrangement, the Transferor Company and the Transferee Company shall execute such 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 relevant regulatory authority and Governmental Authorities to give formal effect to the above provisions, if required.
- (q) Upon the coming into effect of this Scheme of Arrangement, the Transferor Company alone shall be liable to perform all obligations in respect of the liabilities as on the Appointed Date, which have not been transferred to Transferee Company in terms of the Scheme of Arrangement, and the Transferor Company alone shall have all obligations in respect of such liabilities, and the Transferor Company shall indemnify the Transferee Company in relation to any claim, at any time, against the Transferee Company in respect of the liabilities which have been retained by the Transferor Company.

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- (r) Upon the coming into effect of this Scheme of Arrangement, the Transferee Company alone shall be liable to perform all obligations in respect of the liabilities (including contingent liabilities) from the Appointed Date, which have been incurred by the Transferor Company for and on behalf of the Transferee Company and in relation to the Specified Undertaking in terms of the Scheme of Arrangement, and the Transferor Company shall not have any obligation in respect of such liabilities and the Transferee Company shall indemnify the Transferor Company in relation to any claim, at any time, against the Transferor Company in respect of such liabilities.
- (s) It is expressly provided that no other term or condition of the liabilities not transferred to the Transferee Company is modified by virtue of this Scheme of Arrangement except to the extent that such amendment is required by necessary implication.
- (t) Subject to the necessary consents being obtained in accordance with the terms of this Scheme of Arrangement, the provisions of this clause no. 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 with effect from the Appointed Date or such other date as is specified herein above, as the case may be.

#### 4. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

Subject to the provisions of this Scheme of Arrangement, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature in relation to the Specified Undertaking 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 having effect immediately before the Effective Date, shall continue in full force and effect 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. The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into a tripartite arrangement, confirmation or novation to which the Transferor Company will, if necessary, also be a party in order to give formal effect to this clause, if so required or become necessary.

#### 5. LEGAL PROCEEDINGS

- (a) Upon coming into effect of this Scheme of Arrangement, all suits, claims, actions and/or proceedings by or against the Transferor Company, pertaining to the Specified Undertaking of the Transferor Company, including those arising after the Appointed Date shall be continued and be enforced by or against the Transferee Company as effectually as if the same had been pending and / or arising by or against the Transferee Company.
- (b) The Transferee Company will undertake to have all legal, judicial or other proceedings initiated and /or to be initiated after the Effective Date by or against the Specified Undertaking of the Transferor Company referred to in sub-clause (a) above transferred to its name and to have the same continued, prosecuted and enforced by or against the Transferee Company. The Transferor Company and the Transferee Company shall make relevant applications in that behalf as may be required and the Transferor Company and the Transferee Company shall co-operate with each other in respect of any such legal and other proceedings.

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## 6. OPERATIVE DATE OF THE SCHEME OF ARRANGEMENT

This Scheme of Arrangement set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT as the case may be, in terms of Clause 15 of the Scheme, shall be operative from the Effective Date and effective from Appointed Date.

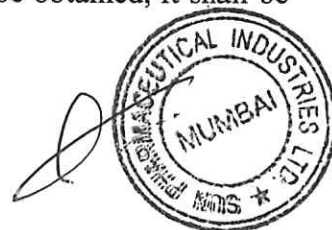
## 7. CONDUCT OF BUSINESS BY TRANSFEROR COMPANY AND TRANSFEREE COMPANY TILL EFFECTIVE DATE OR MUTUALLY AGREED DATE

With effect from the Appointed Date, and up to the Effective Date, or up to such extended period as may be mutually agreed to between the Transferor Company and the Transferee Company:

- (a) The Transferor Company shall carry on and shall be deemed to have carried on all the business and activities of the Specified Undertaking as hitherto and shall be deemed to have held and stood possessed of the undertaking on account of, and for the benefit of and in trust for the Transferee Company.
- (b) All the profits or income accruing or arising to the Specified Undertaking of the Transferor Company or expenditure or losses arising or incurred (including the effect of taxes, if any, thereon) by the Specified Undertaking of the Transferor Company shall, for all purposes be treated and be deemed to be accrued as the profits or income or incurred as the expenditure or losses or taxes of the Transferee Company, as the case may be.
- (c) The Transferor Company shall carry on its business and activities of the Specified Undertaking with reasonable diligence and business prudence.
- (d) The Transferor Company shall not vary the terms and conditions and employment of permanent employees of the Specified Undertaking except in the ordinary course of business or with prior written approval of the Transferee Company.
- (e) The Transferor Company shall not, without prior written consent of the Transferee Company, take any major policy decisions in respect of management of the Specified Undertaking except in the ordinary course of business.
- (f) The Transferor Company and the Transferee Company shall co-operate with each other for smooth transfer of the Specified Undertaking from the Transferor Company to the Transferee Company and any director of the Transferor Company and any director of the Transferee Company shall be empowered to give effect to the Scheme of Arrangement in all aspects as may be necessary or expedient including settling any question or difficulties arising in relation to the Scheme of Arrangement in such manner as they deem fit to attain the objectives of this Scheme of Arrangement and their decision in this regard shall be final and binding.

It is hereby agreed and clarified that whenever under this Scheme of Arrangement, the approval of the Transferor Company is required to be obtained, it shall be the approval of any one of the directors of the Transferor Company and whenever under this Scheme of Arrangement, the approval of the Transferee Company is required to be obtained, it shall be the approval of any one of the directors of the Transferee Company.

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## 8. CONSIDERATION BY THE TRANSFEREE COMPANY

The Transferee Company along with its wholly owned subsidiary company presently hold 100% of the issued, subscribed and paid up capital of Sun Pharma Holdings, Mauritius, the 100% holding company of the Transferor Company and hence the Transferor Company is a wholly owned indirect subsidiary of the Transferee Company. The Scheme of Arrangement is intended to restructure the business of Specified Undertaking in more efficient and focussed manner in the Transferee Company consistent with the diverse needs of the business and does not involve any movement of assets to any company outside the group controlled by the Transferee Company. Also, the shareholder of the Transferor Company being a subsidiary of the Transferee Company, the Transferee Company cannot issue shares to shareholder of the Transferor Company being its wholly-owned indirect subsidiary, pursuant to Applicable Laws in India and the Scheme of Arrangement being an internal group restructuring between the Transferor Company and the Transferee Company, the Transferee Company shall not pay any consideration to the shareholder of the Transferor Company. Hence, the Transferee Company shall not be required to issue any shares or pay any consideration to the Transferor Company or to its shareholder(s). Accordingly, no consideration shall be payable by the Transferee Company under the Scheme of Arrangement.

## 9. ACCOUNTING BY TRANSFEROR COMPANY AND THE TRANSFEREE COMPANY IN RESPECT OF TRANSFER OF SPECIFIED UNDERTAKING

### (a) Accounting treatment in the books of the Transferor Company:

- i. Transferor Company shall account for the transfer and vesting of the Specified Undertaking in its books of accounts as per applicable Accounting Standards to the Transferor Company.
- ii. The difference being the excess of the book value of the assets over the book value of liabilities pertaining to Specified Undertaking pursuant to the Scheme of Arrangement shall be first adjusted against Capital Reserve, if any, and balance if any shall be adjusted against the other reserves of Transferor Company.

### (b) Accounting treatment in the Books of the Transferee Company:

The Transferee Company shall account for the transfer and vesting of the Specified Undertaking in its books of accounts as per the "Pooling of Interest" method prescribed under the Indian Accounting Standard – 103 – "Business Combinations" notified under Section 133 of the Act read with the relevant rules issued thereunder and other applicable accounting standards prescribed under the Act as under:

- i. The Transferee Company shall, record the assets and liabilities of the Specified Undertaking vested in it pursuant to this Scheme at the respective carrying amounts appearing in the books of Transferor Company.
- ii. The difference between the carrying amount of the assets and liabilities as recorded under clause (i) above shall be recorded as Capital Reserve.

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## **10. TRANSFEROR COMPANY'S EMPLOYEES**

On the Scheme of Arrangement taking effect as aforesaid, all officers and employees of the Transferor Company, engaged in the Specified Undertaking, if any, as identified by the Transferor Company and in employment on the Effective Date, shall become the officers and employees of the Transferee Company on such date as if they were in continuous service without any break or interruption in service and on the terms and conditions as to remuneration not less favourable than those subsisting with reference to the Transferor Company as on the said date. All funds and benefits accumulated in respect of the above officers and employees shall also be transferred to the Transferee Company.

## **11. TAX CREDIT/DUTIES/CESS ETC.**

If the Transferor Company is entitled to any benefits under Incentive Schemes and Policies relating to the Specified Undertaking, it is declared that the benefits under all such Incentive Schemes and Policies shall be transferred to and vested in the Transferee Company.

Upon this Scheme of Arrangement being effective, both the Transferor Company and the Transferee Company, if required, are expressly permitted to revise and file their respective 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.

## **12. REMAINING UNDERTAKING**

The Remaining Undertaking of the Transferor Company and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Transferor Company.

## **13. APPLICATION TO NCLT AND GOVERNMENTAL AUTHORITY**

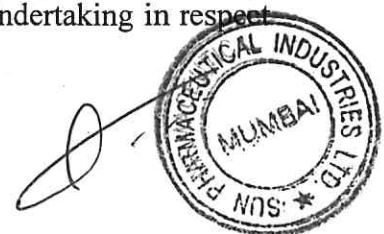
The Transferor Company shall make its application for this Scheme of Arrangement to such Governmental Authorities as may be prescribed by the applicable laws of UAE, if required and the Transferee Company shall make all applications/petitions under the Act to the NCLT and the Governmental Authority(ies), as applicable, for sanctioning of this Scheme of Arrangement for carrying this Scheme of Arrangement into effect and obtain all approvals as may be required under law.

## **14. SAVING OF CONCLUDED TRANSACTIONS**

The transfer of the Specified Undertaking above and the continuance of proceedings by or against the Transferor Company pertaining to Specified Undertaking or the Transferee Company above shall not affect any transaction or proceedings already concluded in Transferor Company, in relation to the Specified Undertaking on or after the Appointed Date till the Effective Date, if any, to the end and intent that the Transferee Company accept and adopt all acts, deeds and things done and executed by Transferor Company, in relation to the Specified Undertaking in respect thereto as done and executed on their behalf.

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**15. MODIFICATIONS, AMENDMENTS TO THE SCHEME OF ARRANGEMENT**

The Transferor Company (by its any of Directors) and the Transferee Company (by any of its Directors) may in their 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 of Arrangement or to any conditions or limitations which the Hon'ble NCLT of Gujarat at Ahmedabad or such other Courts and Governmental Authority(ies) and authorities of UAE or any authorities under the Law may deem fit to approve of or impose and / or to resolve any doubt or difficulties (including ascertainment of assets and liabilities of Specified Undertaking) that may arise for carrying out this Scheme of Arrangement and to do and execute all such acts, deeds, matters and things as may be necessary, desirable or proper for carrying the Scheme of Arrangement into effect.

For the purpose of giving effect of this Scheme of Arrangement or to any modifications or amendments, thereof, any of the Directors of the Transferor Company and any of the Directors of the Transferee Company 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.

Further any of the Directors of the Transferor Company and any of the Directors of the Transferee Company shall be entitled to modify any of the terms of this Scheme of Arrangement in future, to settle any of the difficulties or to implement the provisions of this Scheme of Arrangement smoothly and hassle-free manner, if such need arises and for all purposes the Effective Date for such subsequent modified Scheme of Arrangement shall be the same as specified in this Scheme of Arrangement.

**16. SEVERABILITY**

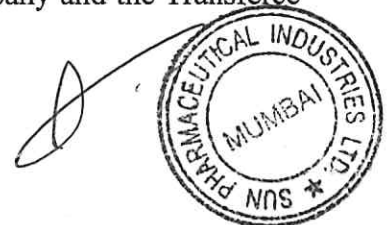
If any part of this Scheme of Arrangement is found to be unworkable for any reason whatsoever, the same shall not, subject to the mutual agreement of the Transferor Company and the Transferee Company, affect the validity or implementation of the other parts and/or provisions of this Scheme of Arrangement.

**17. SCHEME OF ARRANGEMENT CONDITIONAL UPON APPROVALS/SANCTIONS**

This Scheme of Arrangement is specifically conditional upon and subject to:

- (a) The approval of the Scheme of Arrangement under Securities and Exchange Board of India Regulations and Guidelines and by the requisite majorities of such classes of persons, members and creditors of the Transferor Company and the Transferee Company as may be directed by the Regulatory Authorities of UAE, if any and Hon'ble NCLT of Gujarat at Ahmedabad or such other Governmental Authorities on the applications made for directions under the Act for calling meetings or otherwise and necessary resolutions being passed / consents obtained under the applicable Act for the purpose.
- (b) The sanctions of the Hon'ble NCLT of Gujarat at Ahmedabad being obtained under the Act or any other Governmental Authorities for the Transferee Company and such laws as applicable in UAE, if so required on behalf of the Transferor Company and the Transferee Company.

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- (c) Approval of the Reserve Bank of India.
- (d) The certified copies of the NCLT orders referred to in this Scheme of Arrangement being filed with the Registrar of Companies, Ahmedabad, Gujarat, as applicable and Governmental Authority of UAE, if required.
- (e) The decision of any Director of the Companies with respect to approval and/or filing whether required or not with the Governmental Authorities shall be final and binding.

## 18. EFFECTIVE DATE OF THE SCHEME OF ARRANGEMENT

This Scheme of Arrangement although to come into operation from the Appointed Date shall not come into effect until the last date viz.:

- (a) The date on which the last of all the consents, approvals, permissions resolutions sanctions and/or orders as are hereinabove referred to have been obtained or passed; and
- (b) The date on which all necessary certified copies of the order under the Act are duly filed with the Registrar of Companies, Ahmedabad, Gujarat and Governmental Authority as applicable at UAE, if required and such date shall be referred to as Effective Date for the purpose of the Scheme of Arrangement.

However, the Effective Date shall not be affected by any of the modifications that might be required to be made as provided under clause no. 15 and the Effective Date for such modified scheme of Arrangement shall be the same as mentioned in the above paragraphs.

It is the intention and understanding of the parties hereto that the economic effect of the Scheme of Arrangement shall take effect from the Appointed Date despite the Scheme of Arrangement becoming effective from Effective Date under the relevant laws.

## 19. EFFECT OF NON-RECEIPT OF APPROVAL/SANCTION

In the event of any of the said sanctions and/or approvals referred to in the preceding Clause No. 17 above not being obtained and/or the Scheme of Arrangement not being sanctioned by the Hon'ble NCLT or any other Governmental Authorities and/or the Order(s) not being passed or sanctions not being granted as aforesaid before or within such further period(s) as may be agreed upon from time to time by the Transferor Company (by any of its Directors) and the Transferee Company (by any of its Directors), and the Board of the Directors of the Transferor Company and the Transferee Company are hereby empowered and authorised to agree to and extend the aforesaid period from time to time without any limitations in exercise of their power through and by its delegates, this Scheme of Arrangement shall stand revoked, cancelled and be of no effect save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, obligation and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in this Scheme of Arrangement and or otherwise arise as per Law.

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**20. FUND RAISING BY ISSUE OF SHARES/ OTHER INSTRUMENTS BY TRANSFEREE COMPANY**

For the avoidance of doubt, it is hereby clarified that nothing in this Scheme of Arrangement shall prevent the Transferee Company from raising funds by issue of new equity shares and/ or preference shares and/ or any convertible/ non-convertible instruments and/or in any other manner subject to compliance of Applicable Laws during pendency of this Scheme of Arrangement.

**21. EXPENSES CONNECTED WITH THE SCHEME of ARRANGMENT**

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 of Arrangement and of carrying out and completing the terms of this Scheme of Arrangement shall be borne and paid by the Transferor Company and Transferee Company respectively.

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**For SUN PHARMACEUTICAL INDUSTRIES LIMITED**



**Ashok I. Bhuta  
Compliance Officer**



**VALIA & TIMBADIA**  
**CHARTERED ACCOUNTANTS**

**ARVIND P. VALIA**  
 B.COM. (Hons.), F.C.A.  
**HITEN C. TIMBADIA**  
 B.COM. L.L.B. (GEN), F.C.A.

Tel: Off: 2269 2624 / 2269 9664  
 Resi: 2409 5981 / 2409 6420  
 Fax: 2264 1937  
 E-mail: [valtim09@gmail.com](mailto:valtim09@gmail.com)  
 32, Trinity Chambers,  
 117, Bora Bazar Street, Fort,  
 Mumbai - 400 001.

**CERTIFICATE OF NON APPLICABILITY OF VALUATION REPORT IN MATTER OF SCHEME OF ARRANGEMENT AMONG SUN PHARMA GLOBAL FZE AND SUN PHARMACEUTICAL INDUSTRIES LIMITED AND THEIR RESPECTIVE MEMBERS AND CREDITORS FOR DEMERGER OF THE "SPECIFIED UNDERTAKING" (AS DEFINED IN THE SCHEME OF ARRANGEMENT) OF SUN PHARMA GLOBAL FZE, INTO SUN PHARMACEUTICAL INDUSTRIES LIMITED**

- 1.0. This Scheme of Arrangement provides for the demerger of the Specified Undertaking (as defined in the scheme of arrangement) of Sun Pharma Global FZE, a foreign Limited Liability Company incorporated and licensed under Sharjah Airport International Free Zone ("SAIF") pursuant to Emiri Decree No. 2 of 1995 (hereinafter referred to as the "Transferor Company") as a going concern into Sun Pharmaceutical Industries Limited, an Indian company registered under the Companies Act, 1956 pursuant to certificate of incorporation dated March 01, 1993 issued by the Registrar of Companies, Gujarat (Company Registration No. 04-19050 having CIN L24230GJ1993PLC019050) (hereinafter referred to as the "Transferee Company") pursuant to the provisions of Section 234 read with Sections 230 to 232 of Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 for the Transferee Company and provisions of SAIF Zone of United Arab Emirates as may be applicable to Transferor Company (hereinafter referred as "Scheme of Arrangement" or "Scheme").
1. As per Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 issued by Securities and Exchange Board of India ("SEBI"), Valuation Report from an Independent Chartered Accountant is not required in cases where there is no change in shareholding pattern of the listed company/resulting company on effectiveness of Scheme of Arrangement.
  2. On the basis of our evaluation of the relevant documents and according to the information and explanations given to us by the Management of the Company, we hereby state that:
    - a. Presently, the Transferee Company along with its wholly owned subsidiary company holds 100% of the issued, subscribed and paid up capital of Sun Pharma Holdings, Mauritius, the 100% holding company of the Transferor Company and hence the Transferor Company is a wholly owned indirect subsidiary of the Transferee Company.
    - b. As per paragraph 8 of the proposed Scheme of Arrangement for the demerger of the "Specified Undertaking" of Transferor Company into Transferee Company, the Transferee Company shall not be required to issue any shares or pay any consideration to the Transferor Company or to its shareholders. Accordingly, no consideration shall be payable by the Transferee Company under the Scheme of Arrangement.



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**Valia & Timbadia**  
 Chartered Accountants



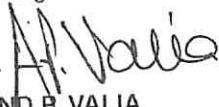
**VALIA & TIMBADIA**  
CHARTERED ACCOUNTANTS

**ARVIND P. VALIA**  
B.COM. (Hons.), F.C.A.  
**HITEN C. TIMBADIA**  
B.COM. L.L.B. (GEN), F.C.A.

Tel: Off: 2269 2624 / 2269 9664  
Resi: 2409 5981 / 2409 6420  
Fax: 2264 1937  
E-mail: [valtim09@gmail.com](mailto:valtim09@gmail.com)  
32, Trinity Chambers,  
117, Bora Bazar Street, Fort,  
Mumbai - 400 001.

- c. In our opinion as there will be no change in the shareholding pattern of listed entity/Transferee Company pursuant to Scheme of Arrangement, no valuation report from an independent chartered accountant is required as per circular CFD/DIL3/CIR/2017/21 issued by SEBI on March 10, 2017.
  - d. The scheme of arrangement certified by the management is attached herewith.
3. This certificate is solely intended for the information of the Company and for the purpose of submitting the same to the relevant authorities in relation to the proposed Scheme of Arrangement and is not to be used, referred to or distributed for any other purpose without giving us prior written intimation.

For **Valia & Timbadia**  
Chartered Accountants  
(Firm Registration No. 112241W)



**ARVIND P. VALIA**  
Partner  
Membership No. 033962  
Place : Mumbai  
Date : 20<sup>th</sup> December, 2017  
Certificate No: SP/2017/12/17



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**Sun Pharmaceutical Industries Ltd.**

Sun House, Plot No. 201 B/1,  
Western Express Highway, Goregaon (E),  
Mumbai - 400 063, Maharashtra, INDIA.  
Tel. : (91-22) 4324 4324  
Fax : (91-22) 4324 4343  
www.sunpharma.com  
CIN : L24230GJ1993PLC019050



**Report on Recommendations of the Audit Committee on the Scheme of Arrangement among Sun Pharma Global FZE and Sun Pharmaceutical Industries Limited and their respective members and creditors under Section 234 read with Sections 230 to 232 of the Companies Act, 2013**

**Present members for this agenda item :**

1. Mr. Keki M. Mistry : Chairman of the Committee
2. Mr. Hasmukh Shah : Member
3. Mr. Ashwin S. Dani : Member

**Invitee:**

4. Mr. Sudhir V. Valia : Whole-time Director
5. Ms. Rekha Sethi : Director

**IN ATTENDANCE:**

5. Mr. C S Muralidharan : Chief Financial Officer (CFO)
6. Mr. Sunil R Ajmera : Company Secretary and Compliance Officer & Secretary to Audit Committee
7. Mr. Ashok I. Bhuta : Sr. GM Secretarial and Compliance Officer

**1. Background**

1.1. Pursuant to the requirements of Securities and Exchange Board of India ("SEBI") Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (the 'Circular') a draft scheme of arrangement among Sun Pharma Global FZE (hereinafter "Transferor Company") and Sun Pharmaceutical Industries Limited (hereinafter "Transferee Company") and their respective members and creditors ("Scheme of Arrangement") under Section 234 read with Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, if any, was placed before the Audit Committee at its meeting held on November 14, 2017 for its review, consideration and recommendation to the Board.

1.2. In view of the above, members of the Audit Committee of the Company, after discussion, recommends the Scheme of Arrangement vide resolution passed at its meeting held on November 14, 2017 and have made this report, after perusing the following necessary documents:

1.2.1. Proposed draft Scheme of Arrangement.

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1.2.2. Draft Fairness Opinion dated November 14, 2017 from Vivro Financial Services Private Limited, Merchant Banker.

1.1. The Audit Committee, in light of the Circular, further took note of the fact that the "Valuation Report from an Independent Chartered Accountant" need not be required as there is no change in the shareholding pattern of the listed Company pursuant to the Scheme of Arrangement.

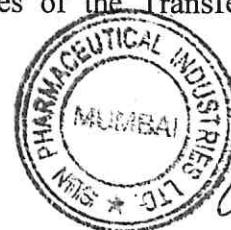
This report of Audit Committee is issued in terms of the Circular.

**2. Proposed Scheme of Arrangement**

2.1. The Audit Committee noted the rationale of the proposed arrangement, which is, inter alia, as follows:

- (a) The Transferor Company's Specified Business shall be integrated and consolidated with business in relation to Generic Products carried out by the Transferee Company resulting in strengthening of the business, synergistic benefits, economies of scale, faster decision making, integration of supply chain, reduction in operating costs, strengthening the focus, enhancing the ability to deal with regulatory challenges, long-term growth, increasing profitability, higher market share, better customer service, increased ability to face the competitive regulatory environment, risks and policies and consolidating the financial, management and operational resources.
- (b) The Transferor Company is building and strengthening the product portfolio of its Remaining Business. However, to grow the Remaining Business and further explore the opportunities available, the Transferor Company needs to give focussed management time and operation attention to its Remaining Business since it has significantly different risk reward profile. The proposed arrangement shall enable the Transferor Company to hive off its Specified Business to the Transferee Company and manage the Remaining Business more effectively.
- (c) The proposed arrangement shall also enable the Transferor Company to address the competitive regulatory environment, risks and policies, better management of supply chain, better product profiling, greater differentiation, ability to strategize the Remaining Business for long term growth, consolidation and creation of shareholder value without committing the entire organisation.
- (d) The demerger of the Specified Business from the Transferor Company to the Transferee Company within the Group, apart from enabling the Transferor Company and the Transferee Company to respectively better focus, strategize and grow the respective businesses, will also help retain and increase the competitive strength of Group thereby directly and indirectly strengthening the reputation, goodwill, customer service, customer recall, distribution network, overall economies of scale for the respective businesses of the Transferor Company and the Transferee Company..

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- (e) The proposed demerger to the Transferee Company, being the parent entity of the Group, shall help retain, enhance and grow the goodwill and the reputation of Group thereby directly and indirectly supporting the growth of the Specified Business and the Remaining Business and further diluting any adverse competitive pressures.
- (f) The proposed arrangement shall most likely allow a focused strategy in operations of both the Undertakings with faster decision making, economy of scale which would be in the best interests of the both the Companies and their respective shareholders and other stakeholders.
- (g) The said arrangement will result in cost saving for both the Companies as they are engaged in related activities which is expected to result in higher profitability levels through faster and effective decision making and avoiding duplication of efforts for both the Companies. It is believed that the faster decision making of the Companies would be in the best interests of the shareholders, employees and other stakeholders of both the Companies.
- (h) The Transferee Company would be in a position to consolidate operations including the integration of supply chain through optimum utilization of its resources and avoidance of duplication. The Transferee Company would be in a position to achieve cost efficiencies in manpower and other costs in relation to the Specified Business. Simultaneously, the Transferor Company would also be in a position to achieve cost efficiencies in manpower and other costs in relation to the Remaining Business.
- (i) The demerger may also provide scope for independent collaboration and expansion of the Remaining Undertaking / business of the Transferor Company without committing the existing organization in its entirety.
- (j) The Boards of Transferor Company as well as Transferee Company believe that this demerger will contribute to smooth integration of relevant undertakings of both the Companies and would benefit the shareholders, employees and other stakeholders of the Transferor Company and the Transferee Company.

With the aforesaid rationale and objectives, it is proposed to demerge the Specified Undertaking of the Transferor Company to the Transferee Company.

### **3. The salient features of the draft Scheme of Arrangement are, inter alia, as under**

- 3.1. The proposed draft Scheme of Arrangement provides an arrangement among Transferor Company and Transferee Company and their respective members and creditors under Section 234 read with Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of Companies Act, 2013 for demerger of Specified Undertaking (as defined in Scheme of Arrangement) of Transferor Company into Transferee Company. The Transferor Company is an indirect wholly owned subsidiary of Transferee Company.

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4.2. The Audit Committee recommends to the Board of Directors to authorize any Whole-time Directors and or such officers/persons to carry out such modifications, alterations and changes in the Scheme of Arrangement as may be expedient or necessary.

Date: November 14, 2017

Place: Mumbai

Sd/-  
Chairman, Audit Committee

Certified True Copy.

**For Sun Pharmaceutical Industries Limited**

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**Ashok Bhuta**  
**Sr. GM - Secretarial &**  
**Compliance Officer**



# VIVRO

## Vivro Financial Services Private Ltd.

607/608, Marathon Icon, Veer Santaji Lane, Opp. Peninsula Corporate Park,  
Off. Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013  
Tel. : + 91 (22) 66668040, W : www.vivro.net

November 14, 2017

To  
The Board of Directors,  
Sun Pharmaceutical Industries Limited  
Sun House, Plot No. 201 B/1,  
Western Express Highway, Goregaon (E),  
Mumbai – 400063, Maharashtra, India.

Dear Sirs,

**Subject: Fairness Opinion for the proposed demerger of the Specified Undertaking (as defined in Scheme of Arrangement) of Sun Pharma Global FZE, UAE in to Sun Pharmaceutical Industries Limited, India pursuant to the provisions of SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended, read with Regulations 11, 37 and 94 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")**

Please refer to the engagement letter dated November 01, 2017 regarding the Fairness Opinion in terms of SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended, read with Regulations 11, 37 and 94 of the Listing Regulations, for the proposed demerger of the Specified Undertaking of Sun Pharma Global FZE, UAE in to Sun Pharmaceutical Industries Limited pursuant to the Scheme of Arrangement in terms of the provisions of Section 234 read with Sections 230 to 232 of Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and/or Rules/Regulations made thereunder.

In connection with the same, please find attached the Fairness Opinion issued by us.

Thanking you,

For Vivro Financial Services Private Limited

  
Vivek Vaishnav  
Director



Date: November 14, 2017  
Place: Mumbai



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Vivro Financial Services Private Limited

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**Regd. Office :**

Vivro House, 11 Shashi Colony, Opp. Suvldha Shopping Centre, Paldi, Ahmedabad, Gujarat, India - 380 007

Tel. : + 91 (79) 40404242, 26650669

CIN - U67120GJ1996PTC029182, Merchant Banker Sebi. Reg. No. INM000010122, AMBI Reg. No. AMBI/086

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**FAIRNESS OPINION**

**IN THE MATTER OF SCHEME OF ARRANGEMENT**

**AMONG**

**SUN PHARMACEUTICAL INDUSTRIES LIMITED**

**AND**

**SUN PHARMA GLOBAL FZE, UAE**

**STRICTLY PRIVATE AND CONFIDENTIAL**

Prepared By:

**VIVRO**

**Vivro Financial Services Private Limited**

- Ahmedabad**      Vivro House, 11, Shashi Colony, Opp. Suidha Shopping Center, Paldi,  
Ahmedabad-380007.
- Mumbai**        607/608, 6th Floor, Marathon Icon, Veer Santaji Lane, Lower Parel, Mumbai  
- 400013
- Chennai**        Flat No. 5, 2nd Floor, "Muchachi Mansion", No.- 10, Kasturi Estate, III  
Street, Poes Garden, Chennai - 600086.
- Vadodara**        2, Maruti Flats, 31, Haribhakti Colony, Race Course Circle, Vadodara –  
390007

**Vivro Financial Services Private Limited**



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## 1. ASSIGNMENT

Sun Pharmaceutical Industries Limited, a Company registered in the state of Gujarat, India vide its Corporate Identity Number L24230GJ1993PLC019050 having its Registered Office at SPARC, Tandalja, Vadodara – 390 020, Gujarat, India has approached 'Vivro Financial Services Private Limited', Category I Merchant Banker registered with SEBI having its Registration No. INM000010122 (referred to in this document as "Vivro"), for issue of a Fairness Opinion Report in respect of the Scheme of Arrangement (**"the Scheme"**) among Sun Pharmaceutical Industries Limited (referred to in this document as the "Transferee Company" or "SPIL") and Sun Pharma Global FZE, UAE (referred to in this document as the "Transferor Company" or "SPG") for demerger of Specified Undertaking (as defined in Scheme of Arrangement) of SPG into SPIL.

This Fairness Opinion Report is issued in terms of SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended, read with Regulations 11, 37 and 94 of the Listing Regulations with respect to the Scheme of Arrangement proposing the demerger of Specified Undertaking of SPG, an indirect Wholly Owned Subsidiary of SPIL, into SPIL whose Equity Shares are listed on BSE Limited and National Stock Exchange of India Limited (**"Stock Exchanges"**).



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**2. DISCLAIMER**

This Fairness Opinion Report is prepared by Vivro under an engagement from SPIL on the basis of information, documents, papers, and explanations given by the management, officers and staff of SPIL to Vivro.

In preparing the Fairness Opinion Report, Vivro has relied upon and assumed, without independent verification, the truthfulness, accuracy and completeness of the information and financial data provided by SPIL. Vivro has therefore relied upon all specific information as received and declines any responsibility should the results presented be affected by the lack of completeness or truthfulness of such information.

Vivro has also considered the Scheme of Arrangement as furnished. It is assumed that the Scheme will be consummated in accordance with the expected terms.

Vivro shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly on account of the use of or reliance on the information set out herein in this report.

Vivro has not provided any accounting, tax or legal advice to SPIL or SPG or any other company involved in the transaction. Fairness Opinion Report should not be construed as investment advice or any form of recommendation either for making or divesting investment in any of the companies involved in the transaction.

This Opinion is furnished on a strictly confidential basis. Neither this Opinion nor the information contained herein may be reproduced or passed to any person or used for any purpose other than stated above or as may be required under applicable laws and regulation.

The fee for our services is not contingent upon the results of the proposed demerger. The opinion is subject to the Laws of India.

This Report is necessarily based on various factors and conditions as of the date hereof, and the written and oral information made available to us until November 13, 2017. It is understood that subsequent developments may affect the conclusions of the Report and of the Opinion and that, in addition, Vivro has no obligation to update, revise, or reaffirm the Opinion.



### 3. LIMITATIONS

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

1. In course of the present exercise, we were provided with both written and verbal information, including financial data. Our report is based on the information furnished to us being complete and accurate in all material respects. We have relied upon the historical financial statements and the information and representations furnished to us without carrying out any audit or other tests to verify the accuracy with limited independent appraisal. Also, we have been given to understand by the managements of the companies that they have not omitted any relevant facts and material factors. Accordingly, we do not express any opinion in any form of assurance regarding its accuracy and completeness. We assume no responsibility whatsoever for any errors in the above information furnished by the companies and their impact on the present exercise.
2. We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the companies.
3. Our work does not constitute an audit or certification or due diligence of the past financials of SPIL and SPG used in the study and we have relied upon the information provided to us by SPIL as regards such working results.
4. We express no opinion whatsoever and make no recommendation at all to the companies underlying decision to effect the proposed Scheme or as to how the holders of equity 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 view on the terms of the proposed Scheme and also do not express any opinion and accordingly accept no responsibility as to the prices at which the equity shares of SPIL will trade following the announcement of the proposed Scheme or as to the financial performance of SPIL following the consummation of the proposed Scheme.
5. Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed demerger with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.
6. No investigation of the companies claim to the title of assets or property owned by the companies has been made for the purpose of the fairness opinion. With regard to the companies claim we have relied solely on representation, whether verbal or otherwise made, by the management to us for the purpose of this report.
7. Our analysis and results are also specific to the date of this report. An exercise of this nature involves consideration of various factors. This report is issued on the understanding that the companies have drawn our attention to all the matters, which they are aware of considering the financial position of the Companies, their businesses, and any other matter, which may have an impact on our opinion for the proposed demerger, including any significant changes that have taken place or are likely to take place in the financial position of the Companies or their businesses subsequent to the proposed Appointed Date of the proposed Scheme. We have no responsibility to update this report for events and circumstances occurring after the date of this report. We assume no responsibility for updating or revising our opinion based on circumstances or events occurring after the date hereof.

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8. For the purpose of this Fairness Opinion, we have relied on the Audited Financial Statements of SPIL for the year ended March 31, 2017. We understand that there is no exchange ratio arrived at for the proposed demerger as envisaged in the Scheme as the transaction is between SPIL and its indirectly held wholly owned subsidiary SPG. Accordingly, no valuation report / exchange ratio report by a practicing Chartered Accountants has been made available to us.
9. The Net-worth of SPIL has been arrived as on March 31, 2017 and on the Appointed Date being April 1, 2017 for the fairness opinion. For this purpose, we have relied upon the Audited Financial Statements of SPIL for the year ended on March 31, 2017.
10. We have not independently verified the transactions carried out by SPIL and SPG during the Financial Years ended on March 31, 2017 and for the ongoing period and rely on audited accounts of the Company. We do not take any responsibility as to correctness or completeness in any of the financials of these companies.



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#### **4. SOURCES OF INFORMATION**

We have relied on the following information made available to us by SPIL for the purpose of this report:

1. Management certified Scheme of Arrangement between SPG and SPIL as may be submitted with Stock Exchanges.
2. Memorandum and Articles of Association of SPIL.
3. Charter Documents of Sun Pharma Global FZE, UAE.
4. Shareholding pattern of Sun Pharma Global FZE and SPIL.
5. Audited Financial Statements of SPIL for the Financial Year ended on March 31, 2015, March 31, 2016 and March 31, 2017.
6. Audited Accounts of SPG for the Financial Year ended on March 31, 2017.
7. Such other information and explanations as we required and which have been provided by the management of SPIL, which were considered relevant for the purpose the Fairness Opinion.



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**5. HISTORY AND BACKGROUND****Sun Pharmaceutical Industries Limited**

SPIL was registered in the year 1993 with the Registrar of Companies, Gujarat. Registered Office of SPIL is located at SPARC, Tandalja, Vadodara – 390 020. The equity shares of SPIL are listed on BSE Limited and National Stock Exchange of India Limited. SPIL is engaged in the business of manufacturing and marketing of various drugs and pharmaceutical products. The main objects of the company are development, manufacture, sale, trading and export of various generic drug formulations, manufacture of drugs and pharmaceutical products. It is also engaged in export of pharmaceutical formulations to various regulated markets including USA. The list of Board of Directors of SPIL as on November 13, 2017, is as follows:

Name of the Directors	Designation
Mr. Dilip Shanghvi	Managing Director
Mr. Sailesh Desai	Whole- Time Director
Mr. Sudhir Valia	Whole- Time Director
Mr. Kalyanasundaram Subramanian	Director
Mr. Keki Mistry	Director
Mr. Ashwin Dani	Director
Mr. Mohanchand Dadha	Director
Mrs. Rekha Sethi	Director
Mr. Hasmukh Shah	Director
Mr. Israel Makov	Director & Chairman

- The authorized Share Capital of SPIL as on March 31, 2017 is of Rs. 6,000,000,000 divided into 5,990,000,000 equity shares of Re. 1/- each and 100,000 Cumulative preference shares of Rs. 100 each and the Issued, Subscribed and Paid up Share Capital is Rs. 2,399,260,815 comprising of 2,399,260,815 equity shares of Re. 1/- each as on March 31, 2017.

The Shareholding pattern of Sun Pharmaceutical Industries Limited as on March 31, 2017 is as under:

Categories	Number of Shares	Shareholding Percentage (%)
Promoters	1,30,48,55,381	54.39%
Public	1,09,44,05,434	45.61%
Employee Trust	30,366*	0.00%
<b>Total</b>	<b>2,39,92,91,181</b>	<b>100.00%</b>

\* 30,366 equity shares stand in the ESOP trust of the Company.

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Vivro Financial Services Private Limited



**Private & Confidential****Sun Pharma Global FZE**

SPG was incorporated and licensed as a Foreign Limited Liability Company under the provisions of Sharjah's Emini Decree Number (2) of 1995 of UAE. It is operating under License No. 06840 with general trading as its licensed activity. It is engaged in the business of developing, researching, manufacturing, processing, buying, selling, importing, trading, marketing, storing, distribution of the unbranded formulations for various therapeutics developed by using the active pharmaceutical ingredients.

SPG is a step down subsidiary of SPIL. The parent Company of SPG is Sun Pharma Holdings, Mauritius. Sun Pharma Holdings, Mauritius is indirect wholly owned subsidiary of SPIL. The ultimate parent company of SPG is SPIL, India.

The list of Board of Directors of SPG as on December 13, 2017 is as follows:

Name	Designation
Mr. Dilip Shanghvi	Director
Mr. Kirtikumar Ganorkar	Director
Mr. Rajesh Shah	Director
Mr. Surendra Joshi	Director
Mr. Harin Mehta	Director

Shareholding pattern of Sun Pharma Global FZE as on March 31, 2017 is as under:

Category	Number of Shares	Shareholding Percentage (%)
Sun Pharma Holdings	101	100.00%
<b>Total</b>	<b>101</b>	<b>100.00%</b>

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**6. KEY FACTS AND OBJECTIVE OF DEMERGER**

Based on the information provided to us, a Specified Undertaking ( as defined in Scheme of Arrangement) of SPG, UAE (Transferor Company), ("**Specified Undertaking**"), engaged in developing, researching, manufacturing, processing, buying, selling, importing, trading, marketing, storing, distribution of the unbranded formulations for various therapeutics, developed by using the active pharmaceutical ingredients, shall be demerged into SPIL.

We understand that the Specified Undertaking of SPG shall demerge into SPIL without any consideration on account of the holding subsidiary relationship of the companies.

The objectives of this demerger as outlined in the Scheme are as under:

- In order to strengthen and maintain/achieve the long term growth, profitability, market share, customer service, and face the competitive regulatory environment, risks and policies etc. it requires focused management attention, different skill sets and resources which Transferee Company can easily provide due to its strength, infrastructure etc.
- The demerger of the Specified Undertaking is expected to allow a focused strategy in operations of both the Companies which would be in the interests of the Transferor Company and its shareholders and stakeholders.
- The Transferor Company needs to give focused and strategic attention to various parts/aspects of both the undertakings for maintaining this growth momentum and this is an opportunity as well as a challenge.

**7. PURCHASE CONSIDERATION**

SPG, UAE is a Wholly Owned Subsidiary Company of Sun Pharma Holdings, Mauritius which in turn is an indirect Wholly Owned Subsidiary of SPIL. Under the Scheme proposed, as stipulated by Clause 8 of the Scheme, consideration to be discharged is discussed as follows:

*"The Transferor Company is a wholly owned subsidiary of Sun Pharma Holdings, Mauritius which is the wholly owned subsidiary of the Transferee Company i.e. the only shareholder of the Transferor Company is the wholly owned subsidiary of the Transferee Company. The Scheme is intended to restructure the Specified Undertaking's activities in more efficient and focused manner in the Transferee Company consistent with the diverse needs of the business and does not involve any movement of assets to any company outside the group controlled by the Transferee Company. Also, the shareholder of the Transferor Company being a 100% subsidiary of the Transferee Company, the Transferee Company cannot issue shares to shareholder of Transferor Company being its 100% subsidiary, pursuant to Applicable Laws in India and the Scheme being an internal group restructuring between the Transferee Company and the Transferor Company, the Transferee Company shall not pay consideration to the shareholder of the Transferor Company. Hence, the Transferee Company shall not be required to issue any shares or pay any consideration to the Transferor Company or to its shareholders. Accordingly, no consideration shall be payable by the Transferee Company under the Scheme."*

In view of this, no consideration has been provided for under the Scheme.

**Vivro Financial Services Private Limited**



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**8. CONCLUSION**

With reference to the above and based on the information provided to us by the management of the entities forming part of the scheme of arrangement as well as taking into consideration the Scheme we understand that the present Scheme proposes to demerge a Specified Undertaking of SPG into SPIL.

The shareholder of the Transferor Company being an indirect wholly owned subsidiary of the Transferee Company, the Transferee Company cannot issue shares to shareholder of the Transferor Company being its 100% subsidiary (the Transferor Company is a step down subsidiary of the Transferee Company), pursuant to Applicable Laws in India and pursuant to the Scheme, the Transferee Company shall not pay any consideration to the shareholder of the Transferor Company. Hence, the Transferee Company shall not be required to issue any shares or pay any consideration to the Transferor Company or to its shareholders. Accordingly, no exchange ratio for the proposed demerger has been arrived at by an independent Chartered Accountant.

The transaction does not involve any movement of assets or liabilities outside the group as the demerger is between SPIL and its wholly owned step down subsidiary Sun Pharma Global FZE, UAE.

There is no change in the promoter or public shareholding pattern of the public listed company i.e. SPIL.

In the light of the foregoing and subject to the exclusions and limitations detailed hereinabove, we state that in our opinion the proposed demerger of SPG in to SPIL under the Scheme of Arrangement seems fair and reasonable.

**For, Vivro Financial Services Private Limited**



**Vivek Vaishnav**  
**Director**



**Date: November 14, 2017**

**Place: Mumbai**



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**SHAREHOLDING PATTERN PRE & POST ARRANGEMENT WILL REMAIN SAME AS UNDER**

Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1.	Name of Listed Entity: Sun Pharmaceutical Industries Limited
2.	Scrip Code/Name of Scrip/Class of Security: 524715
3.	Share Holding Pattern Filled under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c) a. If under 31(1)(b) then indicate the report as on 17.11.2017 b. If under 31(1)(c) then indicate date of allotment/extinguishment
4.	Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:-

Particulars	Yes*	No*
1 Whether the Listed Entity has issued any partly paid up shares?		No
2 Whether the Listed Entity has issued any Convertible Securities or Warrants?		No
3 Whether the Listed Entity has any shares against which depository receipts are issued?		No
4 Whether the Listed Entity has any shares in locked-in?		No
5 Whether any shares held by promoters are pledge or otherwise encumbered?	Yes	

\* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.



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**Sun Pharmaceutical Industries Limited**  
**Table I - Summary Statement holding of specified securities**

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculate as per SCRR, 1957)	Number of Voting Rights held in each class of securities		Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No. of Voting Rights	Total		No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	(IX)	(X)	(XI) = (VII)+(X) As a % of (A+B+C2)	(XII)	(XIII)	(XIV)		
(A)	Promoter & Promoter Group	25	1304855381	0	0	1304855381	54.38	1304855381	0	54.38	0	0	37035000	2.84	1304843381
(B)	Public	634096	1094453965	0	0	1094453965	45.62	1094453965	0	45.62	0	0	0	NA	1080639681
(C)	Non Promoter - Non Public														
(C1)	Shares Underlying DRs	0	0	0	0	0	0.00	0	0	0.00	0	0	0	NA	0
(C2)	Shares Held By Employee Trust	0	0	0	0	0	0.00	0	0	0.00	0	0	0	NA	0
	<b>Total</b>	<b>634121</b>	<b>2399309346</b>	<b>0</b>	<b>0</b>	<b>2399309346</b>	<b>100.00</b>	<b>2399309346</b>	<b>0</b>	<b>100.00</b>	<b>0</b>	<b>0</b>	<b>37035000</b>	<b>1.54</b>	<b>2385483062</b>

Note: The issued share capital as on 17th November, 2017, includes 1260 (One Thousand Two Hundred and Sixty) equity shares of Re. 1/- (Rupee One Only) each allotted by the Company on exercise of stock options under the Sun Employee Stock Option Scheme - 2015 on November 14, 2017



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**Sun Pharmaceutical Industries Limited**  
**Table II - Statement showing shareholding pattern of the Promoter and Promoter Group**

(i) Category & Name of the shareholders	(ii) Nos. of share holders	(iii) No. of fully paid up equity shares held	(iv) Partly paid-up equity shares held	(v) No. of Shares underlying Depository Receipts	(vi) Total nos. shares held	(vii) = (iv)+(v)+(vi)	(viii) As a % of (A+B+C2)	(ix)			(x) (vii)+(x) As a % of (A+B+C2)	(xi) Number of Locked in shares	(xii)		(xiv) Number of equity shares held in dematerialised form		
								Number of Voting Rights held in each class of securities		Total as a % of (A+B+C)			No. (a)	No. (b)		No. (a)	No. (b)
								Class eg. X	Class eg. Y								
1	Indian																
(a)	Individuals / Hindu Undivided Family	6	259370161	0	259370161	0	10.81	259370161	0	10.81	0	100000	0.04	259370161			
	Dilip Shanilal Shanghvi	1	230285690	0	230285690	0	9.60	230285690	0	9.60	0	0	0.00	230285690			
	Sudhir Valia	1	14345019	0	14345019	0	0.60	14345019	0	0.60	0	0	0.00	14345019			
	Vibha Dilip Shanghvi	1	8840280	0	8840280	0	0.37	8840280	0	0.37	0	0	0.00	8840280			
	Aalok Dilip Shanghvi	1	2877280	0	2877280	0	0.12	2877280	0	0.12	0	0	0.00	2877280			
	Vidhi Dilip Shanghvi	1	2822427	0	2822427	0	0.12	2822427	0	0.12	0	0	0.00	2822427			
	Kurud S. Shanghvi	1	199465	0	199465	0	0.01	199465	0	0.01	0	100000	50.13	199465			
(b)	Central Government / State Government(s)	0	0	0	0	0	0.00	0	0	0.00	0	0	0.00	0			
(c)	Financial Institutions / Banks	0	0	0	0	0	0.00	0	0	0.00	0	0	0.00	0			
(d)	Any Other (Specify)	19	1045485220	0	1045485220	0	43.57	1045485220	0	43.57	0	36935000	3.53	1045473220			
	Promoter Trust	1	1276774	0	1276774	0	0.05	1276774	0	0.05	0	0	0.00	1276774			
	Shanghvi Family & Friends Benefit Trust	1	1276774	0	1276774	0	0.05	1276774	0	0.05	0	0	0.00	1276774			
	Persons Acting in Concert	3	84385162	0	84385162	0	3.52	84385162	0	3.52	0	26935000	31.92	84385162			
	Activa Medicals Limited	1	40153960	0	40153960	0	1.67	40153960	0	1.67	0	0	0.00	40153960			
	Raksha S. Valia	1	33830352	0	33830352	0	1.41	33830352	0	1.41	0	26935000	79.62	33830352			
	Unimed Investments Limited	1	10400850	0	10400850	0	0.43	10400850	0	0.43	0	0	0.00	10400850			
	Bodles Corporate	15	959823284	0	959823284	0	40.00	959823284	0	40.00	0	10000000	1.04	959811284			
	Viditi Investment Pvt. Ltd.	1	200846362	0	200846362	0	8.37	200846362	0	8.37	0	0	0.00	200846362			
	Tejaskiran Pharmachem Industries Pvt. Ltd.	1	194820971	0	194820971	0	8.12	194820971	0	8.12	0	0	0.00	194820971			
	Family Investment Private Limited	1	182437880	0	182437880	0	7.60	182437880	0	7.60	0	0	0.00	182437880			
	Quality Investments Pvt. Ltd.	1	182379237	0	182379237	0	7.60	182379237	0	7.60	0	0	0.00	182379237			
	Virtuous Finance Private Limited	1	96851821	0	96851821	0	4.04	96851821	0	4.04	0	10000000	10.33	96839821			
	Virtuous Share Investments Private Limited	1	83751259	0	83751259	0	3.49	83751259	0	3.49	0	0	0.00	83751259			
	Shoapur Organics Private Limited	1	15992110	0	15992110	0	0.67	15992110	0	0.67	0	0	0.00	15992110			
	Jeevanreka Investrade Pvt. Ltd.	1	1458806	0	1458806	0	0.06	1458806	0	0.06	0	0	0.00	1458806			
	Package Investrade Pvt. Ltd.	1	895039	0	895039	0	0.04	895039	0	0.04	0	0	0.00	895039			
	Shanghvi Finance Private Limited	1	282603	0	282603	0	0.01	282603	0	0.01	0	0	0.00	282603			
	Asawari Investment And Finance Private Limited	1	49468	0	49468	0	0.00	49468	0	0.00	0	0	0.00	49468			
	Flamboyer Finance Private Limited	1	20865	0	20865	0	0.00	20865	0	0.00	0	0	0.00	20865			
	Shanghi Properties Private Limited	1	15479	0	15479	0	0.00	15479	0	0.00	0	0	0.00	15479			
	Gujarat Sun Pharmaceutical Industries Pvt Ltd	1	14362	0	14362	0	0.00	14362	0	0.00	0	0	0.00	14362			
	Nirmal Exports Private Limited	1	7022	0	7022	0	0.00	7022	0	0.00	0	0	0.00	7022			
	Subs Total (A)(1)	25	1304855381	0	1304855381	0	54.38	1304855381	0	54.38	0	37035000	2.84	1304843381			
2	Foreign																
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0	0	0.00	0	0	0.00	0	0	0.00	0			
(b)	Government	0	0	0	0	0	0.00	0	0	0.00	0	0	0.00	0			
(c)	Institutions	0	0	0	0	0	0.00	0	0	0.00	0	0	0.00	0			
(d)	Foreign Portfolio Investor	0	0	0	0	0	0.00	0	0	0.00	0	0	0.00	0			
(e)	Any Other (Specify)	0	0	0	0	0	0.00	0	0	0.00	0	0	0.00	0			
	Sub Total (A)(2)	0	0	0	0	0	0.00	0	0	0.00	0	0	0.00	0			
	Total Shareholding Of Promoter And Promoter Group (A) = (A)(1)+(A)(2)	25	1304855381	0	1304855381	0	54.38	1304855381	0	54.38	0	37035000	2.84	1304843381			

Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Note :

(1) PAN would not be displayed on website of Stock Exchange(s)

(2) The term 'Encumbrance' has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.



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Sun Pharmaceutical Industries Limited  
Table III - Statement showing shareholding pattern of the Public shareholder

Category & Name of the shareholders	(III) Nos. of shareholders	(IV) No. of fully paid up equity shares held	(V) Partly paid-up equity shares held	(VI) No. of shares underlying Depository Receipts	(VII) = (IV)+(V)+(VI) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			(X) No. of Shares Underlying convertible securities (including Warrants)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XII)/(X)+(XII)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	
						No of Voting Rights					Total as a % of (A+B+C)	No. (a)	As a % of total Shares held(b)	No. (a)		As a % of total Shares held(b)
						Class eg: X	Class eg: Y	Total								
1																
(a) Institutions																
(a) Mutual Fund	341	163824439	0	0	163824439	6.83	163824439	6.83	0	0	0	0	0	0	0	161232657
(b) Prudential Value Discovery Fund		32818042	0	0	32818042	1.37	32818042	1.37	0	0	0	0	0	0	0	32818042
(c) Venture Capital Funds	0	0	0	0	0	0.00	0	0.00	0	0	0	0	0	0	0	0
(d) Alternate Investment Funds	8	1581005	0	0	1581005	0.07	1581005	0.07	0	0	0	0	0	0	0	1581005
(e) Foreign Venture Capital Investors	0	0	0	0	0	0.00	0	0.00	0	0	0	0	0	0	0	0
(f) Foreign Portfolio Investor	637	424515416	0	0	424515416	17.69	424515416	17.69	0	0	0	0	0	0	0	424503473
(g) Government Of Singapore		31122297	0	0	31122297	1.30	31122297	1.30	0	0	0	0	0	0	0	31122297
(h) Financial Institutions / Banks	104	153082905	0	0	153082905	6.38	153082905	6.38	0	0	0	0	0	0	0	153079107
(i) Life Insurance Corporation Of India		108062003	0	0	108062003	4.50	108062003	4.50	0	0	0	0	0	0	0	108062003
(j) Insurance Companies	109	25464875	0	0	25464875	1.06	25464875	1.06	0	0	0	0	0	0	0	25464875
(k) Provident Funds/ Pension Funds	0	0	0	0	0	0.00	0	0.00	0	0	0	0	0	0	0	0
(l) Any Other (Specify)	18	2312205	0	0	2312205	0.10	2312205	0.10	0	0	0	0	0	0	0	2286907
(m) Foreign Bank	12	25422	0	0	25422	0.00	25422	0.00	0	0	0	0	0	0	0	1504
(n) UTI	6	2286783	0	0	2286783	0.10	2286783	0.10	0	0	0	0	0	0	0	2286403
(o) Sub Total (B)(1)	1217	770780845	0	0	770780845	32.13	770780845	32.13	0	0	0	0	0	0	0	768239024
2																
(a) Central Government/ State Government(s)/ President of India	0	0	0	0	0	0.00	0	0.00	0	0	0	0	0	0	0	0
(b) Sub Total (B)(2)	0	0	0	0	0	0.00	0	0.00	0	0	0	0	0	0	0	0
3																
(a) Non-Institutions																
(i) Individuals																
(ii) Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	602066	158457931	0	0	158457931	6.58	158457931	6.58	0	0	0	0	0	0	0	147654616
(iii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	34	22900008	0	0	22900008	0.95	22900008	0.95	0	0	0	0	0	0	0	22427723
(b) NBFCs registered with RBI	0	0	0	0	0	0.00	0	0.00	0	0	0	0	0	0	0	0
(c) Employee Trusts	0	0	0	0	0	0.00	0	0.00	0	0	0	0	0	0	0	0
(d) Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0	0	0.00	0	0.00	0	0	0	0	0	0	0	0
(e) Any Other (Specify)	30779	142315181	0	0	142315181	5.95	142315181	5.95	0	0	0	0	0	0	0	142318318
(i) Trusts	70	15313292	0	0	15313292	0.64	15313292	0.64	0	0	0	0	0	0	0	15313292
(ii) Foreign Nationals	13	20865	0	0	20865	0.00	20865	0.00	0	0	0	0	0	0	0	20865
(iii) Hindu Undivided Family	11228	4288266	0	0	4288266	0.18	4288266	0.18	0	0	0	0	0	0	0	4288266
(iv) Foreign Companies	3	671865	0	0	671865	0.03	671865	0.03	0	0	0	0	0	0	0	671865
(v) Non Resident Indians (Non Repat)	3943	2599673	0	0	2599673	0.11	2599673	0.11	0	0	0	0	0	0	0	2599673
(vi) Other Directors	2	3779017	0	0	3779017	0.18	3779017	0.18	0	0	0	0	0	0	0	4274376
(vii) Non Resident Indians (Repatriation)	10201	5175592	0	0	5175592	0.22	5175592	0.22	0	0	0	0	0	0	0	4831057
(viii) Overseas Bodies Corporates	1	46000	0	0	46000	0.00	46000	0.00	0	0	0	0	0	0	0	46000
(ix) Clearing Member	889	2463336	0	0	2463336	0.10	2463336	0.10	0	0	0	0	0	0	0	2463336
(x) Bodies Corporate	4429	107957275	0	0	107957275	4.50	107957275	4.50	0	0	0	0	0	0	0	107809588
(xi) Lakshdeep Investments & Finance (P) Ltd.		24672954	0	0	24672954	1.03	24672954	1.03	0	0	0	0	0	0	0	24672954
(xii) Sub Total (B)(3)	632879	323673120	0	0	323673120	13.49	323673120	13.49	0	0	0	0	0	0	0	312400657
(B) = (B)(1)+(B)(2)+(B)(3)	634096	1094453965	0	0	1094453965	45.62	1094453965	45.62	0	0	0	0	0	0	0	1080639681

Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

No. of shareholders  
385010

Note:  
(1) PAN would not be displayed on website of Stock Exchange(s).  
(2) The above format needs to disclose name of all holders holding more than 1% of total number of shares  
(3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian.



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*[Signature]*

Sun Pharmaceutical Industries Limited  
 Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

Category & Name of the shareholders	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Shareholding % as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding as a % assuming conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII) + (X) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
						No of Voting Rights					No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
						Class eg: X	Class eg: y	Total (A+B+C)							
(I)	(III)	(IV)	(V)	(VI)	(VII) As a % of (A+B+C2)	(IX)	(X)	(XI) As a % of (A+B+C2)	(XII)	(XIII)	(XIV)	(XV)	(XVI)	(XVII)	
1 Custodian/DR Holder	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2 Total Non-Promoter- Non Public Shareholding (C) = (C1)+(C)2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Note :  
 (1) PAN would not be displayed on website of Stock Exchange(s).  
 (2) The above format needs to disclose name of all holders holding more than 1% of total number of shares  
 (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian.



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*(Handwritten signature)*

Sun Pharma Global FZE  
Office # 43, Block Y,  
SAIF Zone,  
P.O.Box# 122304,  
Sharjah,  
United Arab Emirates  
Tel : +971 4 5520096  
Fax: +971 4 5520087



Shareholding Pattern of Sun Pharma Global FZE as on 17.11.2017

Sr. No.	Name of the Shareholder	No. of Shares	Face Value (AED)	Total Value (AED)
1.	Sun Pharma Holdings	101	150,000	15,150,000

For Sun Pharma Global FZE

Harin Mehta  
Director

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## Sun Pharmaceutical Industries Ltd.

Sun House, Plot No. 201 B/1,  
Western Express Highway, Goregaon (E),  
Mumbai - 400 063, Maharashtra, INDIA.  
Tel. : (91-22) 4324 4324  
Fax : (91-22) 4324 4343  
www.sunpharma.com  
CIN : L24230GJ1993PLC019050



Name of the Company: Sun Pharmaceutical Industries Limited

Standalone Basis

(Rs. in Crores)

Particulars	IndAS As per unaudited financial results as on September 30, 2017	IndAS As per Audited Financials Statements as on March 31, 2017	IndAS As per Audited Financials Statements as on March 31, 2016	IGAAP As per Audited Financials Statements as on March 31, 2015
Equity Paid up Capital	239.93	239.93	240.66	207.12
Share Suspense	-	-	-	33.48
Share Application money pending allotment	0.04	-	0.67	14.90
Reserves and surplus	19,231.44	20,631.58	21,649.37	22,530.77
Carry forward losses	-	-	-	-
Net Worth	19,471.41	20,871.51	21,890.70	22,786.27
Miscellaneous Expenditure	-	-	-	-
Secured Loans	66.48	30.63	263.78	281.63
Unsecured Loans	7,110.81	6,015.98	5,565.06	6,529.05
Fixed Assets	5,172.61	4,979.11	4,342.35	4,275.86
Income from Operations	3,619.19	7,806.70	7,863.69	8,017.19
Total Income	4,536.87	8,321.11	8,308.78	8,228.77
Total Expenditure	5,248.94	8,353.55	9,390.84	9,787.74
Profit / (Loss) before Tax	(712.07)	(32.44)	(1,082.06)	(1,558.97)
Profit / (Loss) after Tax	(711.35)	(34.95)	(1,087.51)	(1,474.13)
Other Comprehensive Income, net of tax	(31.95)	(63.38)	(24.79)	
Total Comprehensive Income	(743.30)	(98.33)	(1,112.30)	
Cash profit / (loss)	(498.71)	383.61	(553.13)	(1,006.29)
EPS	(2.96)	(0.10)	(4.50)	(6.10)
Book value	81.16	86.99	90.96	94.70

For Sun Pharmaceutical Industries Limited

Ashok Bhuta  
Sr. GM Secretarial & Compliance Officer



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Sun Pharma Global FZE  
Office # 43, Block Y,  
SAIF Zone,  
P.O.Box# 122304,  
Sharjah,  
United Arab Emirates  
Tel : +971 4 5520096  
Fax: +971 4 5520087



Name of the Company: Sun Pharma Global FZE

(Rs in crores)

Particulars	IFRS			
	As per Audited Financial as on/for half year ended September 30, 2017*	As per Audited Financials Statements as on/for the year ended March 31, 2017*	As per Audited Financials Statements as on/for the year ended March 31, 2016*	As per Audited Financials Statements as on/for the year ended March 31, 2015*
Equity Paid up Capital	26.94	26.75	27.33	25.78
Reserves and surplus	12,545.49	12,323.31	11,507.78	8,159.57
Carry forward losses				
Net Worth	12,572.43	12,350.06	11,535.11	8,185.35
Miscellaneous Expenditure	-	-	-	-
Secured Loans	-	-	-	-
Unsecured Loans	-	-	-	-
Fixed Assets	4,397.84	4,482.44	3,189.85	727.93
Income from Operations	890.08	3,484.21	3,861.09	2,210.63
Total Income	938.26	3,558.62	3,932.60	2,232.50
Total Expenditure	942.05	2,142.65	1,521.11	1,099.95
Profit / (Loss) before Tax	(3.79)	1,415.97	2,411.49	1,132.55
Profit / (Loss) after Tax	(3.79)	1,415.97	2,411.49	1,132.55
Other Comprehensive Income, net of tax	140.46	(353.66)	445.84	-
Total Comprehensive Income	136.67	1,062.31	2,857.33	1,132.55
Cash profit / (loss)	184.38	1,725.36	2,490.59	1,209.11
EPS	(0.04)	14.02	23.88	11.21
Book value	124.48	122.28	114.21	81.04
	65.31	64.86	66.26	62.50

\*After converting from Audited US \$ nos.at Closing Exchange rate (USD to INR)

For Sun Pharma Global FZE

*Harin Mehta*  
Harin Mehta  
Director

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*A J B*

**Auditors' Certificate of even date on proposed accounting treatment of Scheme of Arrangement**

The Board of Directors,  
Sun Pharmaceuticals Industries Limited  
SPARC, Tandalja, Vadodra - 390020,  
Gujarat, India

1. This Certificate is issued in accordance with the terms of the Master Engagement Agreement (the "MEA") dated October 16, 2017.
2. We, the statutory auditors of Sun Pharmaceutical Industries Limited (hereinafter referred to as "the Company" or the "Transferee Company"), have examined the proposed accounting treatment specified in clause 9(b) of the Scheme of Arrangement between the Company and Sun Pharma Global FZE (the "Transferor Company") and their respective members and the creditors (hereinafter referred to as "the Scheme") in terms of the provisions of section 234 read with sections 230 to 232 and other applicable provisions of the Companies Act, 2013 with reference to its compliance with the applicable Accounting Standards notified under Section 133 of the Companies Act, 2013 and the rules made thereunder and Other Generally Accepted Accounting Principles.
3. The attached Scheme, is prepared by the Company which is required to be submitted by the Company to Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India Limited, National Company Law Tribunal, Reserve Bank of India, Registrar of Companies, Ahmedabad and Office of Regional Director, North Western Region Ministry of Corporate Affairs and initialed by us for identification purposes.

**Management's Responsibility**

4. The responsibility for the preparation of the Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards to the extent prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended from time to time), Companies (Indian Accounting Standards) Amendment Rules, 2016 (as amended from time to time) and Other Generally Accepted Accounting Principles, is that of the Board of Directors of the Companies involved.

**Auditor's Responsibility**

5. Pursuant to the requirements of provisions of section 234 read with sections 230 to 232 and other applicable provisions and rules of the Companies Act, 2013, our responsibility is to provide reasonable assurance on the reporting criteria :
  - a. whether the proposed accounting treatment in the books of the Company contained in clause 9(ii) of the Scheme complies with the applicable Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended from time to time), Companies (Indian Accounting Standards) Amendment Rules, 2016 (as amended from time to time) and Other Generally Accepted Accounting Principles.
6. A reasonable assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the reporting criteria. Accordingly, we have performed the following procedures in relation to the Certificate:
  - a. Read the Scheme and the proposed accounting treatment specified therein and obtained other necessary information and explanations from the management.
  - b. Validated the accounting treatment as described in the aforesaid Scheme with accounting treatment as prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended from time to time), Companies (Indian Accounting Standards) Amendment Rules, 2016 (as amended from time to time) and Other Generally Accepted Accounting Principles

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**SCHEME OF ARRANGEMENT**

**AMONG**

**SUN PHARMA GLOBAL FZE**  
(“Transferor Company”)

**AND**

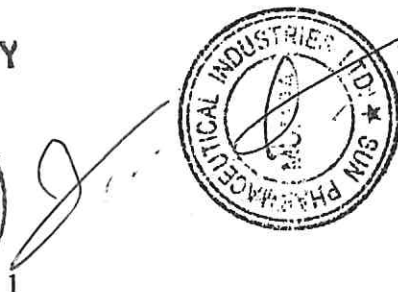
**SUN PHARMACEUTICAL INDUSTRIES LIMITED**  
(“Transferee Company”)

**AND**

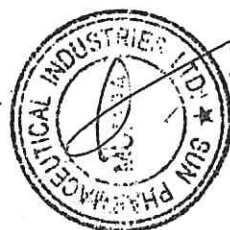
**THEIR RESPECTIVE MEMBERS AND CREDITORS**

**(UNDER SECTION 234 READ WITH SECTIONS 230 to 232 OF COMPANIES ACT, 2013  
AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013)**

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A handwritten signature in black ink, with the number "1" written below it.





**1. PREAMBLE**

1.1. This Scheme of Arrangement provides for the demerger without any consideration of the Specified Undertaking (as defined hereinafter) of Sun Pharma Global FZE, a foreign Limited Liability Company incorporated and licensed under Sharjah Airport International Free Zone (“SAIF”) pursuant to Emiri Decree No. 2 of 1995 (hereinafter referred to as the “Transferor Company”) as a going concern into Sun Pharmaceutical Industries Limited, an Indian Company registered under the Companies Act, 1956 pursuant to certificate of incorporation dated March 01, 1993 issued by the Registrar of Companies, Gujarat (Company Registration No. 04-19050 having CIN L24230GJ1993PLC019050) (hereinafter referred to as the “Transferee Company”) pursuant to the provisions of Section 234 read with Sections 230 to 232 of Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 for the Transferee Company and provisions of SAIF Zone of United Arab Emirates as may be applicable to Transferor Company (hereinafter referred as “Scheme of Arrangement” or “Scheme”).

**1.2. Description of Companies:**

**(a) The Transferor Company:**

- i. is an unlisted company licensed under the SAIF- free trade zone of UAE and engaged in the business of developing, manufacturing, trading and exporting pharmaceutical formulations and also investment, financing and other related activities. The products of the Transferor Company are sold in USA and various other markets of the world,
- ii. has pharmaceutical business comprising of two undertakings, viz. (a) Specified Business and (b) Remaining Business (as defined hereinafter),
- iii. is a wholly owned indirect subsidiary of the Transferee Company.

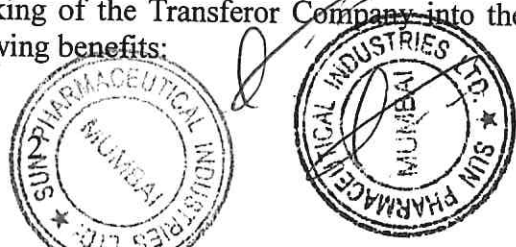
**(b) The Transferee Company:**

- i. is a company registered under the provisions of Companies Act, 1956 and presently having its registered office at SPARC, Tandalja, Vadodara – 390020, Gujarat, India and came into existence by conversion of a partnership firm in the name and style of “Sun Pharmaceutical Industries” into a company in the name and style of Sun Pharmaceutical Industries Limited on March 1, 1993 under the provisions of Part IX of the Companies Act, 1956 with its running business activities,
- ii. has the main objects to engage in the business of development, manufacture, marketing, sale, trading and export of various pharmaceutical products, investment and other allied activities.
- iii. has its equity shares listed on the stock exchanges in India.

**1.3. Rationale for the Scheme of Arrangement:**

The demerger of the Specified Undertaking of the Transferor Company into the Transferee Company would inter alia have the following benefits:

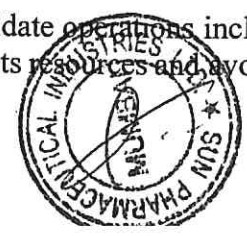
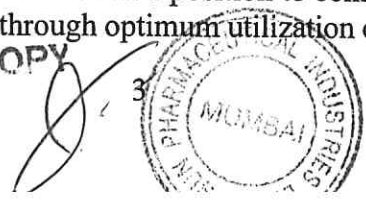
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- (a) The Transferor Company's Specified Business shall be integrated and consolidated with business in relation to Generic Products carried out by the Transferee Company resulting in strengthening of the business, synergistic benefits, economies of scale, faster decision making, integration of supply chain, reduction in operating costs, strengthening the focus, enhancing the ability to deal with regulatory challenges, long-term growth, increasing profitability, higher market share, better customer service, increased ability to face the competitive regulatory environment, risks and policies and consolidating the financial, management and operational resources.
- (b) The Transferor Company is building and strengthening the product portfolio of its Remaining Business. However, to grow the Remaining Business and further explore the opportunities available, the Transferor Company needs to give focussed management time and operation attention to its Remaining Business since it has significantly different risk reward profile. The proposed arrangement shall enable the Transferor Company to hive off its Specified Business to the Transferee Company and manage the Remaining Business more effectively.
- (c) The proposed arrangement shall also enable the Transferor Company to address the competitive regulatory environment, risks and policies, better management of supply chain, better product profiling, greater differentiation, ability to strategize the Remaining Business for long term growth, consolidation and creation of shareholder value without committing the entire organisation.
- (d) The demerger of the Specified Business from the Transferor Company to the Transferee Company within the Group, apart from enabling the Transferor Company and the Transferee Company to respectively better focus, strategize and grow the respective businesses, will also help retain and increase the competitive strength of Group thereby directly and indirectly strengthening the reputation, goodwill, customer service, customer recall, distribution network, overall economies of scale for the respective businesses of the Transferor Company and the Transferee Company..
- (e) The proposed demerger to the Transferee Company, being the parent entity of the Group, shall help retain, enhance and grow the goodwill and the reputation of Group thereby directly and indirectly supporting the growth of the Specified Business and the Remaining Business and further diluting any adverse competitive pressures.
- (f) The proposed arrangement shall most likely allow a focused strategy in operations of both the Undertakings with faster decision making, economy of scale which would be in the best interests of the both the Companies and their respective shareholders and other stakeholders.
- (g) The said arrangement will result in cost saving for both the Companies as they are engaged in related activities which is expected to result in higher profitability levels through faster and effective decision making and avoiding duplication of efforts for both the Companies. It is believed that the faster decision making of the Companies would be in the best interests of the shareholders, employees and other stakeholders of both the Companies.
- (h) The Transferee Company would be in a position to consolidate operations including the integration of supply chain through optimum utilization of its resources and avoidance of

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duplication. The Transferee Company would be in a position to achieve cost efficiencies in manpower and other costs in relation to the Specified Business. Simultaneously, the Transferor Company would also be in a position to achieve cost efficiencies in manpower and other costs in relation to the Remaining Business.

- (i) The demerger may also provide scope for independent collaboration and expansion of the Remaining Undertaking / business of the Transferor Company without committing the existing organization in its entirety.
- (j) The Boards of Transferor Company as well as Transferee Company believe that this demerger will contribute to smooth integration of relevant undertakings of both the Companies and would benefit the shareholders, employees and other stakeholders of the Transferor Company and the Transferee Company.

With the aforesaid rationale and objectives, it is proposed to demerge the Specified Undertaking of the Transferor Company to the Transferee Company.

- 1.4. In view of the aforesaid, the board of directors of the Transferor Company and the Transferee Company have considered and proposed the arrangement for the transfer and vesting of the Specified Undertaking of the Transferor Company into the Transferee Company, with an opinion that the arrangement and other provisions of the Scheme of Arrangement would benefit the shareholders, employees and other stakeholders of the Transferor Company and the Transferee Company.
- 1.5. The demerger of the Specified Undertaking of the Transferor Company into the Transferee Company will combine the business, activities and operations of the Specified Undertaking of the Transferor Company into the Transferee Company with effect from the Appointed Date and shall be in compliance with the provisions of the Income Tax Act, 1961, including Section 2(19AA) thereof or any amendments thereto.
- 1.6. The provisions of this Scheme of Arrangement have been drawn up to comply with the conditions relating to "Demerger" as defined in Section 2(19AA) of the Income Tax Act, 1961. If at a later date, any of the terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of Section 2(19AA) of the Income Tax Act, 1961, including as a result of an amendment of law or enactment of new provisions whatsoever, the provisions of Section 2(19AA) of the Income Tax Act, 1961, or a corresponding provision of any amended or newly enacted law, shall prevail and the Scheme shall stand modified to that extent as determined necessary to comply with the Section 2(19AA) of the Income Tax, 1961. Such modifications shall however not affect the other provisions of the Scheme. The demerger of the Specified Undertaking shall be on a going concern basis.

#### 1.7. Definitions:

In this Scheme of Arrangement, unless inconsistent with the subject or context, the following expressions shall have the meaning given hereunder: -

- (a) "Act" means the Companies Act, 2013 and shall include the provisions of the Companies Act, 1956, to the extent the corresponding provisions in the Companies Act, 2013 have not been notified;

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- (b) "**Appointed Date**" means the 1<sup>st</sup> day of April 2017 or such other date as may be agreed between the Transferor Company and the Transferee Company and approved by National Company Law Tribunal of Gujarat at Ahmedabad and any regulatory authority or other Governmental Authority, if applicable, at UAE and is the date with effect from which the Scheme of Arrangement shall upon receipt of requisite approvals, be deemed to be operative;
- (c) "**Applicable Laws**" means any statute, notification, bye-laws, rules, regulations, guidelines, Common law, policy code, directives, ordinance, schemes, notices, orders or instructions, laws enacted or issued or sanctioned by any appropriate authority in India and UAE including any modifications or re-enactment thereof for the time being in force.
- (d) "**Branded Products**" means a drug / pharmaceutical formulation that has a trade name and is protected by a patent and includes branded generics, as either novel dosage forms of drugs that have lost patent protection and were not developed by the company marketing the branded generic or as a generic drug that is given a trade name.
- (e) "**Demerged Company**" or "**Transferor Company**" means Sun Pharma Global FZE incorporated under the laws of UAE and having its Registered Office at Office # 43, Block Y, SAIF Zone, P. O. Box # 122304, Sharjah, UAE.
- (f) "**Effective Date**" means the last of the dates on which the sanctions / approvals or orders as specified in Clause No. 17 of this Scheme of Arrangement has been obtained and / or filed by the Transferor Company and the Transferee Company with the Registrar of Companies and other Governmental Authorities as may be required.
- (g) "**Generic Products**" means a medication / pharmaceutical formulation created to be the same as an existing approved brand-name drug in dosage form, safety, strength, route of administration, quality, and performance characteristics.
- (h) "**Governmental Authority**" means any applicable Central, State or local Government, statutory, regulatory, departmental or public body or authority of relevant jurisdiction, legislative body or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof including Securities and Exchange Board of India, Stock Exchanges, Registrar of Companies, Regional Directors, Foreign Investment Promotion Board, Reserve Bank of India, or arbitration or arbitral body having jurisdiction, courts and other government and regulatory authorities of United Arab Emirates and India as may be applicable.
- (i) "**Intellectual Property Rights**" means and includes patents, trademarks, service marks, registered designs, data base rights, trade or business names, know-how, dossiers, drug licenses, marketing authorizations (including the Abbreviated New Drug Application ("ANDA") filed with the United States Food and Drug Authority relating to the Products), copyright (including but not limited to rights in software), design rights, domain name rights and any other intellectual property rights and rights of a similar or corresponding nature in any part of the world (in each case whether registered or not and whether capable of registration or not) in relation to the products possessed/used by the Transferor Company in relation to the Specified Business.
- (j) "**NCLT**" means Hon'ble National Company Law Tribunal of Gujarat at Ahmedabad.

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- (k) **“Remaining Undertaking” or “Remaining Business”** means all the businesses and activities of the Transferor Company other than the Specified Undertaking or the Specified Business, as the case may be .
- (l) **“Scheme of Arrangement” or “Scheme”** means this Scheme of Arrangement in its present form including any modifications or amendments thereto, approved or imposed or directed by the Hon’ble NCLT or any other Governmental Authority and with all the Schedules appended thereto.
- (m) **“Specified Business”** means all business activities of the Transferor Company relating to developing, researching, manufacturing, acquiring intangibles, licensing, in-licensing, sub-licensing, managing and maintaining intangibles, processing, buying, selling, importing, exporting, trading, marketing, storing, distribution in relation to Generic Products (excluding the Branded Products) for various therapeutics and items related thereto such as packing materials, packaging materials, raw materials, finished goods, inventory, stores, spares, etc.
- (n) **“Specified Undertaking”** shall mean and include, with respect to Specified Business of the Transferor Company:
  - i. All the assets, movable, immovable, tangible, intangible etc. (“Assets”);
  - ii. All present and future liabilities (including contingent liabilities), secured and unsecured debts, duties and obligations of every kind and nature whatsoever and howsoever accruing or arising out of and all loans or borrowings raised and incurred and utilized, along with any charge, encumbrance, lien or security thereon (“Liabilities”);
  - iii. Without prejudice to the generality of sub-clause (i) and (ii) mentioned above, shall include all business and/or operations relating to Specified Business comprising of assets including related, loans and advances, receivables, claims, powers, authorities, allotments, approvals, consents, contracts, enactments, arrangements, rights, titles, interests, benefits, advantages, lease-hold rights and tenancies, and other intangible rights, hire purchase contracts and assets, lending contracts, employment contracts, distribution contracts, clearing and forwarding agency contracts, benefit of any security arrangements, reversions, permits, quotas, entitlements, registrations, licences (industrial or otherwise), registrations under all applicable laws and regulations, municipal/ local permissions, systems of any kind whatsoever, rights and benefits of all agreements, other interests as may belong to or be available, rights and powers of every kind, nature and description of whatsoever probabilities, liberties, advantages, and approval of whatsoever nature and wherever situated, belonging to or in ownership, including but without being limited to trade and services marks, patents, copyrights, brand names, drug licenses, Intellectual Property Rights, technical know-how, goodwill, benefits and advantages of carrying on the business of the Transferor Company, software licenses, permissions and connections, drawings, formulae, artwork secret processes, noting, website/web page and any other Intellectual Property Rights of any nature whatsoever, authorizations, permits, all records, files, papers, computer programs, manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and suppliers, customer credit

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information, customer and supplier pricing information and other records 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 Specified Business of the Transferor Company.

- iv. For the purpose of this Scheme, the Liabilities pertaining to the Specified Business means and includes:
  - a. all liabilities (including contingent liabilities) arising out of the activities or operation of the Specified Business including in relation or connection with taxes or under or in relation to its contracts, other obligations, duties and sums owing;
  - b. specific loans and borrowings raised, if any, incurred and utilized solely for the activities or operations of the Specified Business;
  - c. liabilities other than those referred to in sub-clauses (a) and (b) above being the amounts of general or multipurpose borrowings, if any, of Transferor Company be allocated to the Specified Business in the same proportion in which the value of the assets transferred under this clause bears to the total value of the assets of Transferor Company immediately before the Appointed Date of the Scheme
- v. whether any particular asset or liability should be included as asset or liability of the Specified Business or otherwise shall be decided mutually by any Director of Transferor Company and any Whole-time Director of Transferee Company.

All terms and words not defined in this Scheme of Arrangement shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Companies Act, 2013, and other applicable laws, rules, regulations, bye-laws as the case may be or any statutory modifications or re-enactment thereof from time to time.

**2. SHARE CAPITAL**

- (a) The Share Capital of the Transferor Company as per the audited Statement of Financial Position as on March 31, 2017 is as under:

**Authorised Share Capital:**

	<b>(Amount)</b>	
101 Equity Shares of AED 150,000 each	AED 15,150,000	USD 4,124,694
<b>Total</b>	<b>AED 15,150,000</b>	<b>USD 4,124,694</b>

**Issued, Subscribed and Paid up Share Capital:**

	<b>(Amount)</b>	
101 Equity Shares of AED 150,000 each	AED 15,150,000	USD 4,124,694
<b>Total</b>	<b>AED 15,150,000</b>	<b>USD 4,124,694</b>

The Transferee Company along with its wholly owned subsidiary company presently hold 100% of the issued, subscribed and paid up capital of Sun Pharma Holdings, Mauritius, the 100% holding company of the Transferor Company and hence the Transferor Company is a wholly owned indirect subsidiary of the Transferee Company.

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There is no change in the Share Capital of the Transferor Company as on the approval of this Scheme of Arrangement by the Board of Directors of Transferor Company.

- (b) The Share Capital of the Transferee Company as per the Audited Balance Sheet as on March 31, 2017 is as under:

Particulars	Amount (INR)
<b>Authorised share capital</b>	
599,00,00,000 equity shares of face value of INR 1/- each	599,00,00,000
1,00,000 cumulative preference shares of INR 100/- each	1,00,00,000
<b>Total</b>	<b>600,00,00,000</b>
<b>Issued, subscribed and paid-up share capital</b>	
239,92,91,181 fully-paid up equity shares of face value of INR 1/- each	239,92,91,181
<b>Total</b>	<b>239,92,91,181</b>

**Notes:**

- i. The issued, subscribed and paid-up share capital includes equity shares held by Sun Pharma Employees Stock Option Plan Trust.
- ii. Subsequent to March 31, 2017, Allotment Committee of Directors of the Company at its meetings held on May 26, 2017, August 11, 2017 and September 26, 2017 allotted 16905 (Sixteen thousand Nine Hundred and Five) equity shares of INR 1/- (Rupee One Only) each of the Transferee Company, on exercise of stock options under the Sun Employee Stock Option Scheme – 2015 and Sun Employee Stock Option Plan–2015. Accordingly, share capital of the Transferee Company as on approval of this Scheme of Arrangement by the Board of Directors of Transferee Company, was as set out below:

Particulars	Amount (INR)
<b>Authorised share capital</b>	
599,00,00,000 equity shares of face value of INR 1/- each	599,00,00,000
1,00,000 Cumulative Preference Shares of INR 100/- each	1,00,00,000
<b>Total</b>	<b>600,00,00,000</b>
<b>Issued, subscribed and paid-up share capital</b>	
239,93,08,086 fully-paid up equity shares of face value of INR 1/- each	239,93,08,086
<b>Total</b>	<b>239,93,08,086</b>

The Transferee Company along with its wholly owned subsidiary presently holds 100% of the Issued, Subscribed and Paid Up capital of Sun Pharma Holdings, Mauritius, the 100% holding company of the Transferor Company and hence the Transferor Company is a wholly owned indirect subsidiary of the Transferee Company. Consequently, upon the Scheme of Arrangement becoming finally effective, the Transferee Company will not be required to issue Equity Shares in terms of this Scheme of Arrangement to the shareholder(s) of the Transferor Company.

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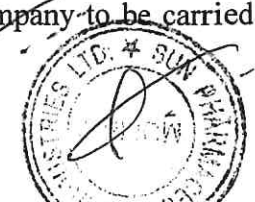


**3. DEMERGER AND VESTING/TRANSFER OF SPECIFIED UNDERTAKING**

**Upon coming into effect of this Scheme and with effect from the Appointed Date:**

- (a) Subject to the provisions of this Scheme of Arrangement and pursuant to the provisions of Act and Applicable Laws and in relation to the mode of transfer and vesting, the Specified Undertaking of the Transferor Company shall without any further act, instrument or deed, be and the same shall stand transferred to and / or vested in or be deemed to have been and stand transferred to or vested in the Transferee Company on a going concern basis.
- (b) Subject to the provisions of this Scheme of Arrangement, all the Assets of the said Specified Undertaking of the Transferor Company shall stand transferred or deemed to have been transferred without any further act, instrument or deed, pursuant to the provisions of the Act and Applicable Laws so as to become as and from the Appointed Date, the assets of the Transferee Company.
- (c) Subject to the provisions of this Scheme of Arrangement, all the Liabilities of the said Specified Undertaking of the Transferor Company shall stand transferred or deemed to have been transferred without any further act, instrument or deed of the Transferee Company, pursuant to the provisions of the Act and Applicable Laws so as to become as and from the Appointed Date, the debts, liabilities (including contingent 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 Clause.
- (d) All taxes paid, tax refund dues or receivable, carried forward losses, depreciation, capital losses, pending balances of amortizations etc., under the UAE laws including application for rectification, appeals filed with tax authorities of the Specified Undertaking of the Transferor Company shall also, pursuant to the Act and Applicable Laws without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company, so as to become as from the Appointed Date the direct taxes paid, direct taxes refund due or receivable, of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person, in order to give effect to the provision of this Sub-Clause.
- (e) All the employees of the Specified Undertaking shall, without any further act, instrument or deed of the Transferee Company, pursuant to the provisions of the Act and the Applicable Laws, become as and from the Appointed Date, the employees of the Transferee Company.
- (f) Without prejudice to the other provisions of this Scheme of Arrangement and notwithstanding the fact that vesting of the Specified Undertaking occurs by virtue of this Scheme of Arrangement itself, the Transferee Company may, at any time after the coming into effect of this Scheme of Arrangement 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 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 of Arrangement. The Transferee Company shall 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.

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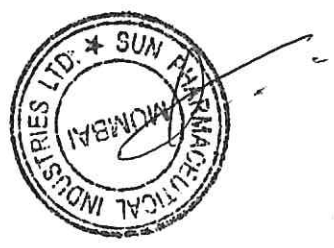


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- (g) For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme of Arrangement, all consents, permissions, licences, approvals, certificates, clearances, authorities, leases, tenancy, assignments, allotments, powers of attorney given by, claims, powers, authorities, allotments, approvals, consents, contracts, enactments, arrangements, rights, titles, interests, benefits, advantages, lease-hold rights and tenancies and other intangible rights, hire purchase contracts and assets, lending contracts, employment contracts, distribution contracts, clearing and forwarding agency contracts, benefit of any security arrangements, reversions, permits, quotas, entitlements, registrations, licences (industrial or otherwise), registrations under the applicable laws, municipal/local permissions, etc. issued to or executed in favour of the Transferor Company shall stand transferred to the extent it relates to and pertains to the Specified Undertaking, to the Transferee Company in which the Specified Undertaking shall vest by way of the demerger hereunder, as if the same were originally given by, issued to or executed in favour of the Transferee Company, 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. The Transferee Company shall make applications to and obtain relevant approvals, etc. from the concerned authorities and / or parties as may be necessary in this behalf and the Transferor Company shall cooperate and provide the required support wherever required.
- (h) It is clarified that if any assets (estate, claims, rights, title, interest in or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Specified Undertaking, which the Transferor Company owns or to which the Transferor Company is a party and which cannot be transferred to the Transferee Company for any reason whatsoever, the Transferor Company shall hold such assets etc. in trust for the benefit of the Transferee Company to which the Specified Undertaking is being transferred in terms of this Scheme of Arrangement, in so far as it is permissible so to do, till such time as the transfer is effected and till such time the Transferee Company shall be entitled to utilise, operate, avail the same for the Specified Business without any consideration.
- (i) Where any of the debts, liabilities (including contingent liabilities), loans raised and used, liabilities and obligations incurred, duties and obligations of Specified Undertaking of the Transferor Company as on the Appointed Date deemed to be transferred to the Transferee Company have been discharged by Specified Undertaking of the 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.
- (j) All Intellectual Property Rights of the Transferor Company in relation to the Specified Business as on the Appointed Date including those developed / acquired by the Transferor Company in relation to the Specified Business for the period from the Appointed Date and up to the Effective Date, shall stand transferred to the Transferee Company and the Transferee Company shall be entitled to undertake all such actions as may be necessary to procure the assignment of the Intellectual Property Rights in its favor.

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- (k) All loans raised and used and all liabilities and obligations incurred by the Transferor Company for the operations of Specified Undertaking after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme of Arrangement, be deemed to have been raised, used or incurred for and on behalf of the Transferee Company in which the Specified Undertaking shall vest in terms of this Scheme of Arrangement 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.
- (l) Without prejudice to clause (a) above, it is expressly provided that in respect of such assets belonging to and specific to the Specified 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 the Act.
- (m) The Transferor Company may, if required, give notice in such form as it may deem fit and proper to each party, debtor or depositor as the case may be that pursuant to the Governmental Authority sanctioning the Scheme of Arrangement, the said debt, loan, advance, etc. be paid or made good or held on account of the Transferee Company as the person entitled thereto and that the right of the Transferor Company to recover or realise the same stands extinguished.
- (n) The Transferee Company may, if required, give notice in such form as it may deem fit and proper to each person, debtor or depositor that pursuant to the NCLT having sanctioned the Scheme of Arrangement, the said person, debtor or depositor should 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.
- (o) With effect from the Appointed Date, the existing securities / charges created over assets of the Specified Undertaking by the Transferor Company in favour of consortium of banks or banks and financial institutions, if any, shall extinguish and shall cease to have any effect over the said assets to be transferred to the Transferee Company..
- (p) Without prejudice to the provisions of the foregoing clauses and upon the effectiveness of this Scheme of Arrangement, the Transferor Company and the Transferee Company shall execute such 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 relevant regulatory authority and Governmental Authorities to give formal effect to the above provisions, if required.
- (q) Upon the coming into effect of this Scheme of Arrangement, the Transferor Company alone shall be liable to perform all obligations in respect of the liabilities as on the Appointed Date, which have not been transferred to Transferee Company in terms of the Scheme of Arrangement, and the Transferor Company alone shall have all obligations in respect of such liabilities, and the Transferor Company shall indemnify the Transferee Company in relation to any claim, at any time, against the Transferee Company in respect of the liabilities which have been retained by the Transferor Company.

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- (r) Upon the coming into effect of this Scheme of Arrangement, the Transferee Company alone shall be liable to perform all obligations in respect of the liabilities (including contingent liabilities) from the Appointed Date, which have been incurred by the Transferor Company for and on behalf of the Transferee Company and in relation to the Specified Undertaking in terms of the Scheme of Arrangement, and the Transferor Company shall not have any obligation in respect of such liabilities and the Transferee Company shall indemnify the Transferor Company in relation to any claim, at any time, against the Transferor Company in respect of such liabilities.
- (s) It is expressly provided that no other term or condition of the liabilities not transferred to the Transferee Company is modified by virtue of this Scheme of Arrangement except to the extent that such amendment is required by necessary implication.
- (t) Subject to the necessary consents being obtained in accordance with the terms of this Scheme of Arrangement, the provisions of this clause no. 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 with effect from the Appointed Date or such other date as is specified herein above, as the case may be.

**4. CONTRACTS, DEEDS AND OTHER INSTRUMENTS**

Subject to the provisions of this Scheme of Arrangement, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature in relation to the Specified Undertaking 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 having effect immediately before the Effective Date, shall continue in full force and effect 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. The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into a tripartite arrangement, confirmation or novation to which the Transferor Company will, if necessary, also be a party in order to give formal effect to this clause, if so required or become necessary.

**5. LEGAL PROCEEDINGS**

- (a) Upon coming into effect of this Scheme of Arrangement, all suits, claims, actions and/or proceedings by or against the Transferor Company, pertaining to the Specified Undertaking of the Transferor Company, including those arising after the Appointed Date shall be continued and be enforced by or against the Transferee Company as effectually as if the same had been pending and / or arising by or against the Transferee Company.
- (b) The Transferee Company will undertake to have all legal, judicial or other proceedings initiated and /or to be initiated after the Effective Date by or against the Specified Undertaking of the Transferor Company referred to in sub-clause (a) above transferred to its name and to have the same continued, prosecuted and enforced by or against the Transferee Company. The Transferor Company and the Transferee Company shall make relevant applications in that behalf as may be required and the Transferor Company and the Transferee Company shall co-operate with each other in respect of any such legal and other proceedings.

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**6. OPERATIVE DATE OF THE SCHEME OF ARRANGEMENT**

This Scheme of Arrangement set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT as the case may be, in terms of Clause 15 of the Scheme, shall be operative from the Effective Date and effective from Appointed Date.

**7. CONDUCT OF BUSINESS BY TRANSFEROR COMPANY AND TRANSFEREE COMPANY TILL EFFECTIVE DATE OR MUTUALLY AGREED DATE**

With effect from the Appointed Date, and up to the Effective Date, or up to such extended period as may be mutually agreed to between the Transferor Company and the Transferee Company:

- (a) The Transferor Company shall carry on and shall be deemed to have carried on all the business and activities of the Specified Undertaking as hitherto and shall be deemed to have held and stood possessed of the undertaking on account of, and for the benefit of and in trust for the Transferee Company.
- (b) All the profits or income accruing or arising to the Specified Undertaking of the Transferor Company or expenditure or losses arising or incurred (including the effect of taxes, if any, thereon) by the Specified Undertaking of the Transferor Company shall, for all purposes be treated and be deemed to be accrued as the profits or income or incurred as the expenditure or losses or taxes of the Transferee Company, as the case may be.
- (c) The Transferor Company shall carry on its business and activities of the Specified Undertaking with reasonable diligence and business prudence.
- (d) The Transferor Company shall not vary the terms and conditions and employment of permanent employees of the Specified Undertaking except in the ordinary course of business or with prior written approval of the Transferee Company.
- (e) The Transferor Company shall not, without prior written consent of the Transferee Company, take any major policy decisions in respect of management of the Specified Undertaking except in the ordinary course of business.
- (f) The Transferor Company and the Transferee Company shall co-operate with each other for smooth transfer of the Specified Undertaking from the Transferor Company to the Transferee Company and any director of the Transferor Company and any director of the Transferee Company shall be empowered to give effect to the Scheme of Arrangement in all aspects as may be necessary or expedient including settling any question or difficulties arising in relation to the Scheme of Arrangement in such manner as they deem fit to attain the objectives of this Scheme of Arrangement and their decision in this regard shall be final and binding.

It is hereby agreed and clarified that whenever under this Scheme of Arrangement, the approval of the Transferor Company is required to be obtained, it shall be the approval of any one of the directors of the Transferor Company and whenever under this Scheme of Arrangement, the approval of the Transferee Company is required to be obtained, it shall be the approval of any one of the directors of the Transferee Company.

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**8. CONSIDERATION BY THE TRANSFEREE COMPANY**

The Transferee Company along with its wholly owned subsidiary company presently hold 100% of the issued, subscribed and paid up capital of Sun Pharma Holdings, Mauritius, the 100% holding company of the Transferor Company and hence the Transferor Company is a wholly owned indirect subsidiary of the Transferee Company The Scheme of Arrangement is intended to restructure the business of Specified Undertaking in more efficient and focussed manner in the Transferee Company consistent with the diverse needs of the business and does not involve any movement of assets to any company outside the group controlled by the Transferee Company. Also, the shareholder of the Transferor Company being a subsidiary of the Transferee Company, the Transferee Company cannot issue shares to shareholder of the Transferor Company being its wholly-owned indirect subsidiary, pursuant to Applicable Laws in India and the Scheme of Arrangement being an internal group restructuring between the Transferor Company and the Transferee Company, the Transferee Company shall not pay any consideration to the shareholder of the Transferor Company. Hence, the Transferee Company shall not be required to issue any shares or pay any consideration to the Transferor Company or to its shareholder(s). Accordingly, no consideration shall be payable by the Transferee Company under the Scheme of Arrangement.

**9. ACCOUNTING BY TRANSFEROR COMPANY AND THE TRANSFEREE COMPANY IN RESPECT OF TRANSFER OF SPECIFIED UNDERTAKING**

**(a) Accounting treatment in the books of the Transferor Company:**

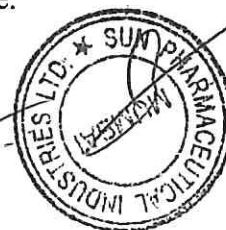
- i. Transferor Company shall account for the transfer and vesting of the Specified Undertaking in its books of accounts as per applicable Accounting Standards to the Transferor Company.
- ii. The difference being the excess of the book value of the assets over the book value of liabilities pertaining to Specified Undertaking pursuant to the Scheme of Arrangement shall be first adjusted against Capital Reserve, if any, and balance if any shall be adjusted against the other reserves of Transferor Company.

**(b) Accounting treatment in the Books of the Transferee Company:**

The Transferee Company shall account for the transfer and vesting of the Specified Undertaking in its books of accounts as per the "Pooling of Interest" method prescribed under the Indian Accounting Standard – 103 – "Business Combinations" notified under Section 133 of the Act read with the relevant rules issued thereunder and other applicable accounting standards prescribed under the Act as under:

- i. The Transferee Company shall, record the assets and liabilities of the Specified Undertaking vested in it pursuant to this Scheme at the respective carrying amounts appearing in the books of Transferor Company.
- ii. The difference between the carrying amount of the assets and liabilities as recorded under clause (i) above shall be recorded as Capital Reserve.

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**10. TRANSFEROR COMPANY'S EMPLOYEES**

On the Scheme of Arrangement taking effect as aforesaid, all officers and employees of the Transferor Company, engaged in the Specified Undertaking, if any, as identified by the Transferor Company and in employment on the Effective Date, shall become the officers and employees of the Transferee Company on such date as if they were in continuous service without any break or interruption in service and on the terms and conditions as to remuneration not less favourable than those subsisting with reference to the Transferor Company as on the said date. All funds and benefits accumulated in respect of the above officers and employees shall also be transferred to the Transferee Company.

**11. TAX CREDIT/DUTIES/CESS ETC.**

If the Transferor Company is entitled to any benefits under Incentive Schemes and Policies relating to the Specified Undertaking, it is declared that the benefits under all such Incentive Schemes and Policies shall be transferred to and vested in the Transferee Company.

Upon this Scheme of Arrangement being effective, both the Transferor Company and the Transferee Company, if required, are expressly permitted to revise and file their respective 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.

**12. REMAINING UNDERTAKING**

The Remaining Undertaking of the Transferor Company and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Transferor Company.

**13. APPLICATION TO NCLT AND GOVERNMENTAL AUTHORITY**

The Transferor Company shall make its application for this Scheme of Arrangement to such Governmental Authorities as may be prescribed by the applicable laws of UAE, if required and the Transferee Company shall make all applications/petitions under the Act to the NCLT and the Governmental Authority(ies), as applicable, for sanctioning of this Scheme of Arrangement for carrying this Scheme of Arrangement into effect and obtain all approvals as may be required under law.

**14. SAVING OF CONCLUDED TRANSACTIONS**

The transfer of the Specified Undertaking above and the continuance of proceedings by or against the Transferor Company pertaining to Specified Undertaking or the Transferee Company above shall not affect any transaction or proceedings already concluded in Transferor Company, in relation to the Specified Undertaking on or after the Appointed Date till the Effective Date, if any, to the end and intent that the Transferee Company accept and adopt all acts, deeds and things done and executed by Transferor Company, in relation to the Specified Undertaking in respect thereto as done and executed on their behalf.

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**15. MODIFICATIONS, AMENDMENTS TO THE SCHEME OF ARRANGEMENT**

The Transferor Company (by its any of Directors) and the Transferee Company (by any of its Directors) may in their 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 of Arrangement or to any conditions or limitations which the Hon'ble NCLT of Gujarat at Ahmedabad or such other Courts and Governmental Authority(ies) and authorities of UAE or any authorities under the Law may deem fit to approve of or impose and / or to resolve any doubt or difficulties (including ascertainment of assets and liabilities of Specified Undertaking) that may arise for carrying out this Scheme of Arrangement and to do and execute all such acts, deeds, matters and things as may be necessary, desirable or proper for carrying the Scheme of Arrangement into effect.

For the purpose of giving effect of this Scheme of Arrangement or to any modifications or amendments, thereof, any of the Directors of the Transferor Company and any of the Directors of the Transferee Company 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.

Further any of the Directors of the Transferor Company and any of the Directors of the Transferee Company shall be entitled to modify any of the terms of this Scheme of Arrangement in future, to settle any of the difficulties or to implement the provisions of this Scheme of Arrangement smoothly and hassle-free manner, if such need arises and for all purposes the Effective Date for such subsequent modified Scheme of Arrangement shall be the same as specified in this Scheme of Arrangement.

**16. SEVERABILITY**

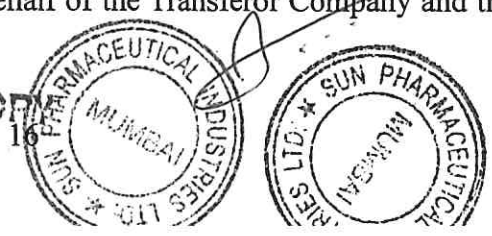
If any part of this Scheme of Arrangement is found to be unworkable for any reason whatsoever, the same shall not, subject to the mutual agreement of the Transferor Company and the Transferee Company, affect the validity or implementation of the other parts and/or provisions of this Scheme of Arrangement.

**17. SCHEME OF ARRANGEMENT CONDITIONAL UPON APPROVALS/SANCTIONS**

This Scheme of Arrangement is specifically conditional upon and subject to:

- (a) The approval of the Scheme of Arrangement under Securities and Exchange Board of India Regulations and Guidelines and by the requisite majorities of such classes of persons, members and creditors of the Transferor Company and the Transferee Company as may be directed by the Regulatory Authorities of UAE, if any and Hon'ble NCLT of Gujarat at Ahmedabad or such other Governmental Authorities on the applications made for directions under the Act for calling meetings or otherwise and necessary resolutions being passed / consents obtained under the applicable Act for the purpose.
- (b) The sanctions of the Hon'ble NCLT of Gujarat at Ahmedabad being obtained under the Act or any other Governmental Authorities for the Transferee Company and such laws as applicable in UAE, if so required on behalf of the Transferor Company and the Transferee Company.

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- (c) Approval of the Reserve Bank of India.
- (d) The certified copies of the NCLT orders referred to in this Scheme of Arrangement being filed with the Registrar of Companies, Ahmedabad, Gujarat, as applicable and Governmental Authority of UAE, if required.
- (e) The decision of any Director of the Companies with respect to approval and/or filing whether required or not with the Governmental Authorities shall be final and binding.

**18. EFFECTIVE DATE OF THE SCHEME OF ARRANGEMENT**

This Scheme of Arrangement although to come into operation from the Appointed Date shall not come into effect until the last date viz.:

- (a) The date on which the last of all the consents, approvals, permissions resolutions sanctions and/or orders as are hereinabove referred to have been obtained or passed; and
- (b) The date on which all necessary certified copies of the order under the Act are duly filed with the Registrar of Companies, Ahmedabad, Gujarat and Governmental Authority as applicable at UAE, if required and such date shall be referred to as Effective Date for the purpose of the Scheme of Arrangement.

However, the Effective Date shall not be affected by any of the modifications that might be required to be made as provided under clause no. 15 and the Effective Date for such modified scheme of Arrangement shall be the same as mentioned in the above paragraphs.

It is the intention and understanding of the parties hereto that the economic effect of the Scheme of Arrangement shall take effect from the Appointed Date despite the Scheme of Arrangement becoming effective from Effective Date under the relevant laws.

**19. EFFECT OF NON-RECEIPT OF APPROVAL/SANCTION**

In the event of any of the said sanctions and/or approvals referred to in the preceding Clause No. 17 above not being obtained and/or the Scheme of Arrangement not being sanctioned by the Hon'ble NCLT or any other Governmental Authorities and/or the Order(s) not being passed or sanctions not being granted as aforesaid before or within such further period(s) as may be agreed upon from time to time by the Transferor Company (by any of its Directors) and the Transferee Company (by any of its Directors), and the Board of the Directors of the Transferor Company and the Transferee Company are hereby empowered and authorised to agree to and extend the aforesaid period from time to time without any limitations in exercise of their power through and by its delegates, this Scheme of Arrangement shall stand revoked, cancelled and be of no effect save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, obligation and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in this Scheme of Arrangement and or otherwise arise as per Law.

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**20. FUND RAISING BY ISSUE OF SHARES/ OTHER INSTRUMENTS BY TRANSFEREE COMPANY**

For the avoidance of doubt, it is hereby clarified that nothing in this Scheme of Arrangement shall prevent the Transferee Company from raising funds by issue of new equity shares and/ or preference shares and/ or any convertible/ non-convertible instruments and/or in any other manner subject to compliance of Applicable Laws during pendency of this Scheme of Arrangement.

**21. EXPENSES CONNECTED WITH THE SCHEME of ARRANGMENT**

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 of Arrangement and of carrying out and completing the terms of this Scheme of Arrangement shall be borne and paid by the Transferor Company and Transferee Company respectively.

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Sun Pharmaceutical Industries Ltd.  
 Sun House, Plot No. 201 B/1,  
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 Mumbai - 400 063, Maharashtra, INDIA.  
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 Fax : (91-22) 4324 4343  
 www.sunpharma.com  
 CIN : L24230GJ1993PLC019050



**Compliance report with the requirements specified in  
 SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("Circular")**

It is hereby certified that the draft Scheme of Arrangement among Sun Pharma Global FZE and Sun Pharmaceutical Industries Limited and their respective members and creditors, does not, in any way violate, override or limit the provisions of securities laws or requirements of the Stock Exchange(s) and the same is in compliance with the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and this circular, including the following:

Sl.	Reference	Particulars	Compliance Status
1	Regulations 17 to 27 of LODR Regulations	Corporate governance requirements	Complied
2	Regulation 11 of LODR Regulations	Compliance with securities laws	Complied
Requirements of this circular			
(a)	Para (I)(A)(2)	Submission of documents to Stock Exchanges	Complied and attached
(b)	Para (I)(A)(3)	Conditions for schemes of arrangement involving unlisted entities	Not Applicable
(c)	Para (I)(A)(4)(a)	Submission of Valuation Report	Not Applicable and copy of Certificate from Independent Auditor for non-applicability also attached
(d)	Para (I)(A)(5)	Auditor's certificate regarding compliance with Accounting Standards	Complied and copy of Auditor's Certificate attached
(e)	Para (I)(A)(9)	Provision of approval of public shareholders through e-voting	Not Applicable and copy of Auditor's Certificate for non-applicability also attached

**Sunil Ajmera**  
 Company Secretary  
 Date: December 26, 2017

**Dilip S. Shanghvi**  
 Managing Director  
 Date: December 20, 2017

Certified that the transactions / accounting treatment provided in the draft scheme of arrangement involving Sun Pharmaceutical Industries Limited and Sun Pharma Global FZE are in compliance with all the Accounting Standards applicable to a listed entity.

**C S Muralidharan**  
 Chief Financial Officer

Date: December 20, 2017



**Dilip S. Shanghvi**  
 Managing Director  
 Date: December 20, 2017

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